



2020

Comprehensive Annual Financial Report Fiscal Years Ended June 30, 2020 and June 30, 2019

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, 2020 and 2019
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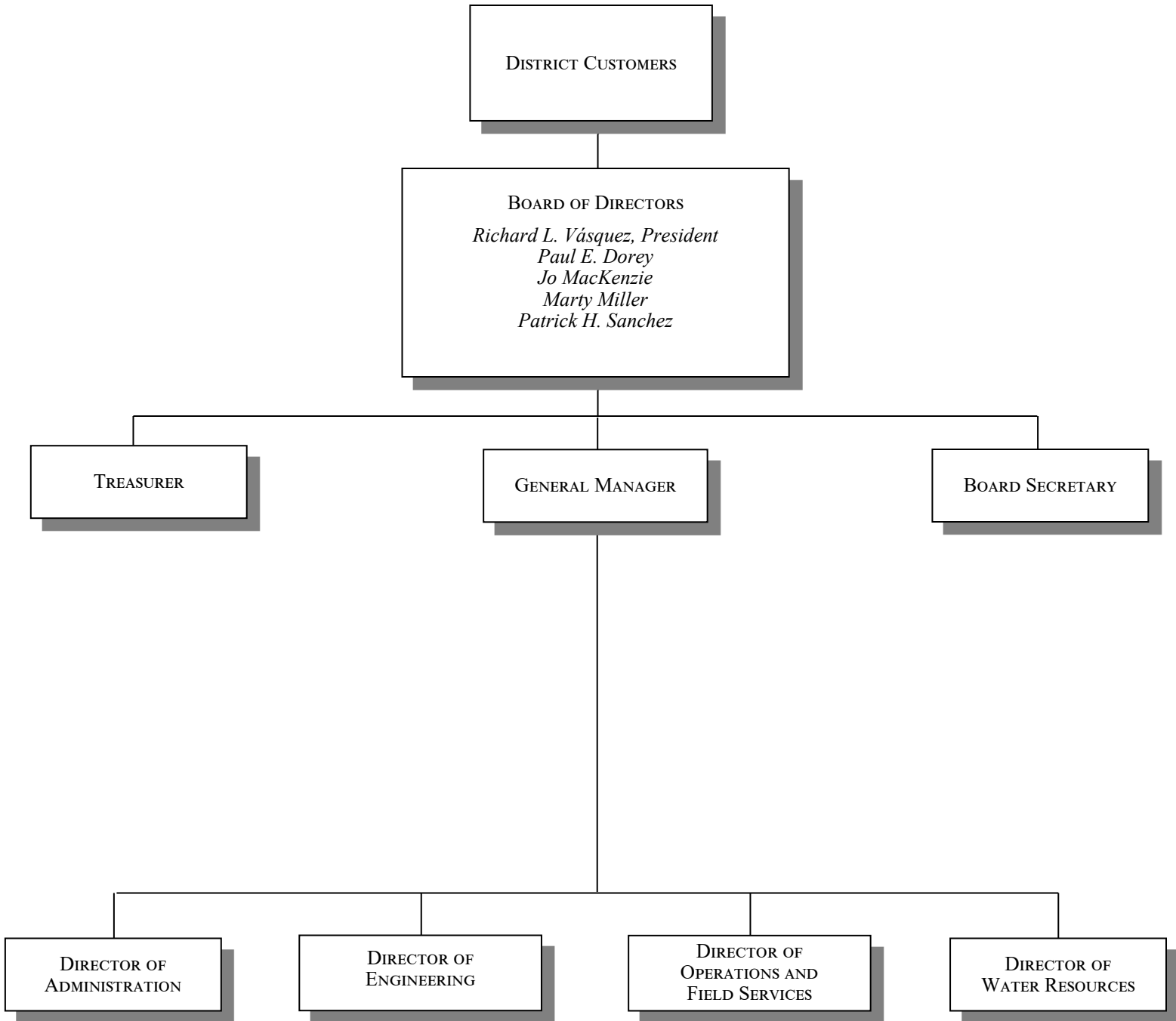
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Introductory Section



Organization Chart





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

Board of Directors

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

Administrative Staff

Brett L. Hodgkiss
General Manager
Lisa R. Soto
Board Secretary
David B. Cosgrove
General Counsel

December 9, 2020

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, 2020. 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 White Nelson Diehl Evans LLP, a firm of licensed certified public accountants whose partners and professional staff joined CliftonLarsonAllen LLP as of November 1, 2020 and has subsequently ceased operations. 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, 2020, 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, 2020, 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 28,800 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 15,200 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 134,588 as of fiscal year 2020. 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 34.0 years and the per capita personal income of residents in the City of Vista, which encompasses the majority of the District, was \$54,594. From 2010 to 2020 the population increased 7.7%, and median household income (adjusted for inflation) increased by 42.6%.

The demand for new connections increased, with the District's total service connections increasing in fiscal year 2020 from 28,780 connections to 28,879. Water sales for fiscal year 2020 were 15,224 acre feet, down 260 acre feet or 1.7% from sales of 15,484 in fiscal year 2019. Of the 15,224 acre feet, or 5.0 billion gallons sold in fiscal year 2020, 70% was distributed for residential use, 11% for industrial and commercial use, 12% 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 SDCWA has filed lawsuits against MWD claiming that their rates violate cost-of-service requirements of California law. The central issue in the litigation related to MWD including in its transportation and wheeling rates the transportation costs it incurs to move SDCWA's Colorado River supplies. The Court of Appeal overturned a lower court's finding, upholding the rates as valid. SDCWA's appeal of the Court of Appeal's ruling was denied by the California Supreme Court in September 2017.

SDCWA won other claims against MWD including that MWD must pay SDCWA for Water Stewardship charges added to the transportation rates charged from 2011 to 2014. The final amount of damages will be determined by the trial court on remand. The court also determined that MWD did not properly calculate SDCWA's water right to MWD's water supply and indicated that a contract clause relating to receiving funding associated with local water supply projects in San Diego County must be removed.

SDCWA's Board of Directors has determined that any money returned to them will be refunded to its member agencies, including the District, in proportion to their payment of MWD's overcharges over the years in dispute, after deducting any litigation expenses that are not recovered. At this point, VID is unable to determine the amount, if any, that would be returned to the District.

SDCWA has two additional cases challenging MWD's rates from 2015 to 2018 that have been stayed in Superior Court while the appellate proceeding were ongoing and are now expected to move forward again.

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 construction reserve account. Funds in the construction 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, 2019. 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

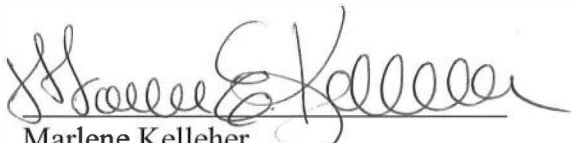
We would like to express our appreciation to the Finance Department staff and the independent accounting firm of White Nelson Diehl Evans LLP whose partners and professional staff joined CliftonLarsonAllen LLP as of November 1, 2020 for the efforts

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, 2019

Christopher P. Morill

Executive Director/CEO

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Financial Section

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Vista Irrigation District
Vista, California

We have audited the accompanying financial statements of Vista Irrigation District (the District) as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 auditors' 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Vista Irrigation District as of June 30, 2020 and 2019, 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.

Other Matters

The financial statements as of June 30, 2019 were audited by White Nelson Diehl Evans LLP, whose partners and professional staff joined CliftonLarsonAllen LLP as of November 1, 2020 and has subsequently ceased operations. White Nelson Diehl Evans LLP's report dated December 3, 2020 expressed unmodified opinions on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedules of Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date, the Schedules of Contributions - Pension Plans, the Schedules of Changes in the Net OPEB Liability and Related Ratios, the Schedules of Contributions - OPEB, as identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section and the statistical section as identified in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 9, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Carlsbad, California
December 9, 2020

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**VISTA IRRIGATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

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, 2020. 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, 2020 AND 2019**

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 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 is primarily a result of the Pension expense increasing by \$2.4 million due to the GASB 68 valuation for the current year.
- Costs of purchased water were lower in the fiscal year, 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 have been 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.

Fiscal Year 2019

- Overall, operating revenues and expenses decreased by 2.7% due a decrease in water demand of 4.1% and the resulting decrease in the purchase of water due to rain.
- The District recorded a \$3.6 million gain on sale of a 3.96 acre vacant lot owned by the District.

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

Financial Analysis of the District

Net Position - 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 District's overall net position increased \$11.7 million between fiscal years 2018 and 2019, from \$112.7 to \$124.4 million, primarily due to operating revenue of \$5.1 and a \$3.6 million gain on the sale of vacant land. The investment in capital assets increased \$4.5 million in 2020 and \$3.2 million in 2019, 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>2020</u>	<u>2019</u>	<u>2018</u>
Current assets	\$ 54.3	\$ 48.5	\$ 43.2
Capital assets	<u>102.3</u>	<u>97.8</u>	<u>94.6</u>
Total Assets	<u>156.6</u>	<u>146.3</u>	<u>137.8</u>
Deferred outflows of resources	<u>4.8</u>	<u>5.0</u>	<u>6.8</u>
Current liabilities	11.2	9.6	13.2
Noncurrent liabilities	<u>18.6</u>	<u>16.2</u>	<u>17.1</u>
Total Liabilities	<u>29.8</u>	<u>25.8</u>	<u>30.3</u>
Deferred inflows of resources	<u>1.3</u>	<u>1.1</u>	<u>1.6</u>
Net Position:			
Investment in capital assets	102.3	97.8	94.6
Unrestricted	<u>28.0</u>	<u>26.6</u>	<u>18.1</u>
Total Net Position	<u>\$ 130.3</u>	<u>\$ 124.4</u>	<u>\$ 112.7</u>

**VISTA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

Change in Net Position – 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. In fiscal year 2019, the District's operating revenues decreased by 2.7% to \$50.4 million, and 94.8% of the District's operating revenues came from water sales. The decrease in operating revenues resulted primarily due to decreased water sales, as a result of higher rainfall in fiscal year 2019.

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. During fiscal year 2019, the District's operating expenses decreased 2.7% to \$45.3 million primarily due to purchasing less imported water, along with a decrease in pension expense as a result of GASB 68 valuations, and an increase in water treatment plant costs.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating Revenues			
Water sales, net	\$ 48.7	\$ 47.8	\$ 49.8
System fees	0.9	1.2	0.7
Property rentals	0.8	0.8	0.8
Other services	0.4	0.6	0.5
Total Operating Revenues	<u>50.8</u>	<u>50.4</u>	<u>51.8</u>
Operating Expenses	<u>47.0</u>	<u>45.3</u>	<u>46.5</u>
Operating Income	<u>3.8</u>	<u>5.1</u>	<u>5.3</u>
Nonoperating Revenues (Expenses)			
Investment income	0.9	0.9	0.3
Property taxes	0.5	0.5	0.5
Gain (Loss) on disposal of capital	-	3.7	-
Total Nonoperating Revenues	<u>1.4</u>	<u>5.1</u>	<u>0.8</u>
Contributed Capital	<u>0.7</u>	<u>1.5</u>	<u>1.3</u>
Changes in Net Position	5.9	11.7	7.4
Total Net Position - beginning	124.4	112.7	110.1
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>(4.8)</u>
Total Net Position - ending	<u>\$ 130.3</u>	<u>\$ 124.4</u>	<u>\$ 112.7</u>

**VISTA IRRIGATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

Capital Assets

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.

At June 30, 2019, the District had invested \$188.4 million in capital assets with \$90.6 million in accumulated depreciation. Net capital assets increased \$3.2 million as a result of capital acquisitions exceeding the annual depreciation and dispositions. During the year the District added \$6.9 million of capital assets. The largest capital additions were \$3.2 million in costs for several mainline replacement projects, \$0.6 million for reservoir rehabilitation, \$0.6 million for redevelopment project costs, and \$0.2 million for pressure regulating station costs. This year’s capital reductions included the sale of a 3.96 acre unused lot, vehicles, computer equipment, replacement/disposals of pipelines, and other capital assets with a total historical cost of \$1.3 million. Depreciation for the year was \$3.2 million.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Land, franchises and water rights	\$ 5.4	\$ 5.4	\$ 6.0
Buildings, canals, pipelines, reservoirs and dams	85.4	86.7	83.7
Equipment	2.6	2.7	2.1
Henshaw pumping project	0.3	0.3	0.4
Construction in progress	8.6	2.7	2.4
Total Capital Assets, Net	<u>\$ 102.3</u>	<u>\$ 97.8</u>	<u>\$ 94.6</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, 2020, 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, 2020 AND 2019**

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, 2020 AND 2019**

	2020	2019
Assets		
Current Assets:		
Cash and cash equivalents (notes 1 and 2)	\$ 25,641,692	\$ 20,187,502
Investments (notes 1 and 2)	19,483,935	19,304,648
Accounts receivable, net (notes 1 and 3)	7,957,475	7,984,633
Taxes receivable	38,137	32,242
Accrued interest receivable	41,192	38,582
Other receivable	125,545	-
Inventories of materials and supplies	716,723	612,666
Prepaid expenses and other current assets	280,602	288,438
Total Current Assets	54,285,301	48,448,711
Noncurrent Assets:		
Capital assets: (notes 1 and 4)		
Depreciable assets, net of accumulated depreciation:		
Buildings, canals, pipelines, reservoirs and dams	85,413,391	86,678,221
Equipment	2,556,308	2,684,068
Henshaw pumping project	296,943	341,162
Nondepreciable assets:		
Land, franchises and water rights	5,453,295	5,453,295
Construction in progress	8,614,923	2,693,197
Total capital assets	102,334,860	97,849,943
Total Noncurrent Assets	102,334,860	97,849,943
Total Assets	156,620,161	146,298,654
Deferred Outflows of Resources		
Pension related (notes 1 and 6)	4,488,550	4,926,365
Other post-employment benefits (OPEB) related (notes 1 and 7)	327,492	101,590
Total Deferred Outflows of Resources	4,816,042	5,027,955

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

(Continued)

**VISTA IRRIGATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Liabilities		
Current Liabilities:		
Accounts payable (note 5)	\$ 8,708,940	\$ 6,456,917
Deposits	490,482	1,255,451
Compensated absences, current portion	404,593	405,613
Accrued expenses and other liabilities	<u>1,583,590</u>	<u>1,541,549</u>
Total Current Liabilities	<u>11,187,605</u>	<u>9,659,530</u>
Noncurrent Liabilities:		
Compensated absences, long-term portion	893,429	817,213
Net pension liability (notes 1 and 6)	16,707,460	14,791,100
Net OPEB liability (notes 1 and 7)	<u>1,002,426</u>	<u>587,748</u>
Total Noncurrent Liabilities	<u>18,603,315</u>	<u>16,196,061</u>
Total Liabilities	<u>29,790,920</u>	<u>25,855,591</u>
Deferred Inflows of Resources		
Pension related (notes 1 and 6)	1,242,821	908,670
OPEB related (notes 1 and 7)	<u>75,181</u>	<u>159,543</u>
Total Deferred Inflows of Resources	<u>1,318,002</u>	<u>1,068,213</u>
Net Position		
Investment in capital assets	102,334,860	97,849,943
Unrestricted	<u>27,992,421</u>	<u>26,552,862</u>
Total Net Position	<u>\$ 130,327,281</u>	<u>\$ 124,402,805</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, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Water sales, net (notes 1 and 3)	\$ 48,703,324	\$ 47,799,794
System fees	924,945	1,225,043
Property rentals	771,289	807,180
Other services	408,369	569,180
Total Operating Revenues	<u>50,807,927</u>	<u>50,401,197</u>
Operating Expenses		
Purchased water	20,917,710	21,287,616
Wages and benefits	16,207,874	13,591,552
Contractual services	4,945,888	5,240,188
Depreciation	3,247,471	3,157,173
Supplies	1,288,380	1,359,577
Professional fees	719,175	596,320
Power	411,118	466,694
Office and general	408,249	536,420
Insurance	110,882	385,026
Communications	49,025	51,755
Burden allocation	(1,257,841)	(1,363,958)
Total Operating Expenses	<u>47,047,931</u>	<u>45,308,363</u>
Operating Income	<u>3,759,996</u>	<u>5,092,834</u>
Nonoperating Revenues		
Investment income	903,373	859,164
Property taxes	507,604	487,062
Gain on disposal of capital assets	35,014	3,722,423
Federal and state assistance (refund)	(32,341)	49,198
Total Nonoperating Revenues	<u>1,413,650</u>	<u>5,117,847</u>
Income Before Contributed Capital	5,173,646	10,210,681
Contributed Capital	<u>750,830</u>	<u>1,461,683</u>
Changes in Net Position	5,924,476	11,672,364
Total Net Position - beginning	<u>124,402,805</u>	<u>112,730,441</u>
Total Net Position - ending	<u>\$ 130,327,281</u>	<u>\$ 124,402,805</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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 50,835,085	\$ 51,101,066
Payments to suppliers	(30,497,351)	(38,243,041)
Payments to employees	(8,362,875)	(8,187,350)
Collection of deposits	974,513	1,506,511
Return of deposits	(1,739,482)	(571,775)
(Payment to) Receipts from others	(32,341)	49,198
Net Cash Provided by Operating Activities	<u>11,177,549</u>	<u>5,654,609</u>
Cash Flows From Noncapital Financing Activities		
Receipts from property taxes	501,709	478,935
Net Cash Provided by Noncapital Financing Activities	<u>501,709</u>	<u>478,935</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from disposal of capital assets	38,459	4,296,785
Acquisition and construction of capital assets	(6,985,003)	(5,473,966)
Net Cash Used by Capital and Related Financing Activities	<u>(6,946,544)</u>	<u>(1,177,181)</u>
Cash Flows From Investing Activities		
Proceeds from maturities of investments	19,500,000	16,000,000
Interest on cash and investments	490,336	377,083
Purchase of investments	(19,268,860)	(19,021,644)
Net Cash Provided (Used) by Investing Activities	<u>721,476</u>	<u>(2,644,561)</u>
Net Increase in Cash and Cash Equivalents	5,454,190	2,311,802
Cash and Cash Equivalents - beginning	<u>20,187,502</u>	<u>17,875,700</u>
Cash and Cash Equivalents - ending	<u>\$ 25,641,692</u>	<u>\$ 20,187,502</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, 2020 AND 2019**

	2020	2019
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 3,759,996	\$ 5,092,834
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,247,471	3,157,173
Federal and state assistance (refund)	(32,341)	49,198
 Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Accounts receivable, net	27,158	699,869
Other receivable	(125,545)	-
Inventories of materials and supplies	(104,057)	(198,449)
Prepaid expenses and other assets	7,836	63,298
Deferred outflows of resources	211,913	1,770,890
Accounts payable	2,252,023	(4,298,805)
Deposits	(764,969)	934,736
Accrued expenses and other liabilities	42,041	(188,643)
Compensated absences	75,196	(119,629)
Net pension liability	1,916,360	(831,568)
Net OPEB liability	414,678	40,327
Deferred inflows of resources	249,789	(516,622)
Net Cash Provided by Operating Activities	\$ 11,177,549	\$ 5,654,609
 Noncash Investing, Capital and Financing Activities		
Contributed capital assets	\$ 750,830	\$ 1,461,683
Increase in fair value of investments	\$ 410,427	\$ 469,473

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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 21,153 acres. Historically, the District has reported receiving 30% of its water supply from Lake Henshaw which, along with the surrounding 43,000 acre Warner Ranch, is owned and operated by the District. In order to be more representative of current trends and conditions, the District has based the current year percentage on a historical 10-year rolling average, which is 20%. 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) Statement 14. 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, 2020 AND 2019**

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, 2020 AND 2019**

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, 2020 and 2019 total compensated absences were \$1,298,022, and \$1,222,826, respectively.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes 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 future periods and so will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

- Deferred outflows related to pensions. This amount is equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflows related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.
- Deferred outflows from pensions resulting from changes in assumptions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflows related to pensions for the changes in proportion and differences between employer contributions and the proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflows related to OPEB. This amount is equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflows related to OPEB resulting from changes in assumptions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the plans.
- Deferred outflows related to OPEB resulting in a difference in expected and actuarial of the Total OPEB Liability. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the plans.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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

Deferred Outflows/Inflows of Resources (Continued)

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

- Deferred inflows related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.
- Deferred inflows from pensions resulting from changes in assumptions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflows related to pensions resulting from the difference in projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over five years.
- Deferred inflows related to pensions for the changes in proportion and differences between employer contributions and the proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflows related to OPEB resulting from the difference in projected and actual earnings on investments of the OPEB plan fiduciary net position. This amount is amortized over five years.

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.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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

Operating Revenues and Expenses (Continued)

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, 2020 and 2019.
- 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, 2020 AND 2019**

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 \$33,087,906). 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.

Dam Failure Liability - Insured up to \$5,000,000 per occurrence with \$50,000 deductible; the Authority is self-insured up to \$50,000 and excess insurance coverage has been purchased.

Cyber Liability - Insured up to \$3,000,000 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 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, 2020 AND 2019**

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

New Accounting Pronouncements

GASB Current Year Standards

GASB 95 – “Postponement of the Effective Dates of Certain Authority Guidance”, effective during fiscal year 2019-2020 and resulted delaying the implementation requirements for certain Statements and Implementation Guides to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic.

GASB Pending Accounting Standards

GASB has issued the following statements, which may impact the District’s financial reporting requirements in the future:

- GASB 84 – “Fiduciary Activities”, effective for periods beginning after December 15, 2019.
- GASB 87 – “Leases”, effective for periods beginning after June 15, 2021.
- GASB 89 – “Accounting for Interest Cost Incurred before the End of a Construction Period”, effective for periods beginning after December 15, 2020.
- GASB 90 – “Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61”, effective for periods beginning after December 15, 2019.
- GASB 91 – “Conduit Debt Obligations”, effective for periods beginning after December 15, 2021.
- GASB 92 – “Omnibus 2020”, primarily effective for periods beginning after June 15, 2020.
- GASB 93 – “Replacement of Interbank Offered Rates”, effective for periods beginning after June 15, 2021.
- GASB 94 – “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”, effective for periods beginning after June 15, 2022.
- GASB 96 – “Subscription-Based Information Technology Arrangements”, effective for fiscal years beginning after June 15, 2022.
- GASB 97 – “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32”, effective for fiscal years beginning after June 15, 2021.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

Note 2 - Cash and Investments

The following is a detail of cash and cash equivalents as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash on hand	\$ 6,635	\$ 9,103
Deposits	871,986	1,005,483
State Treasurer's investment pool	14,395,293	9,587,529
California Asset Management Program	10,367,778	9,585,387
Total cash and cash equivalents	<u>\$ 25,641,692</u>	<u>\$ 20,187,502</u>

As of June 30, 2020 and 2019, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>2020 Fair Value</u>	<u>2019 Fair Value</u>
State Treasurer's investment pool	less than 12 months	\$ 14,395,293	\$ 9,587,529
California Asset Management Program	less than 12 months	10,367,778	9,585,387
Total cash equivalents		<u>\$ 24,763,071</u>	<u>\$ 19,172,916</u>
U.S. Treasury bills	6 months weighted average	\$ 19,483,935	\$ 19,304,648
Total Investments		<u>\$ 19,483,935</u>	<u>\$ 19,304,648</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, 2020 AND 2019**

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 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, 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. As of June 30, 2019, the District's bank balances were \$967,375, of which \$250,000 were insured and the remaining \$717,375 were collateralized with securities held by the pledging institution's trust department.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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, 2020:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservabl e 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.

The District has the following recurring fair value measurements as of June 30, 2019:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservabl e Inputs Level 3	Total
Fixed Income Securities:				
Treasury Bills	\$ -	\$ 19,304,648	\$ -	\$ 19,304,648
Total Leveled Investments	<u>\$ -</u>	<u>\$ 19,304,648</u>	<u>\$ -</u>	<u>19,304,648</u>
LAIF*				9,587,529
California Asset Management Program*				<u>9,585,387</u>
 Total Investment Portfolio				 <u>\$ 38,477,564</u>

*Not subject to fair value measurement.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

Note 3 - Accounts Receivable, Net

As of June 30, 2020 and 2019, the net balances were comprised of accounts receivable balances of \$8,116,114 and \$8,121,054, respectively, less the allowances for doubtful accounts of \$158,639 and \$136,421, respectively.

On the Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2020 and 2019, the balances of water sales, net of uncollectible accounts expense, were comprised of water sales revenues of \$48,737,922 and \$47,811,749, respectively, less uncollectible amounts of \$34,598 and \$11,955, respectively.

Note 4 - Capital Assets

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>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

Note 4 - Capital Assets (Continued)

Capital assets consist of the following at June 30, 2019:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land, franchises, and water rights	\$ 6,001,127	\$ -	\$ (547,832)	\$ 5,453,295
Construction in progress	2,397,003	4,697,846	(4,401,652)	2,693,197
Total capital assets not being depreciated	<u>8,398,130</u>	<u>4,697,846</u>	<u>(4,949,484)</u>	<u>8,146,492</u>
Capital assets being depreciated:				
Buildings, canals, pipelines, reservoirs and dams	165,119,809	5,734,643	(144,409)	170,710,043
Equipment	6,150,504	901,925	(590,315)	6,462,114
Henshaw pumping project	3,108,399	14,851	(11,380)	3,111,870
Total capital assets being depreciated	<u>174,378,712</u>	<u>6,651,419</u>	<u>(746,104)</u>	<u>180,284,027</u>
Less accumulated depreciation for:				
Buildings, canals, pipelines, reservoirs and dams	(81,379,187)	(2,774,926)	122,291	(84,031,822)
Equipment	(4,017,235)	(338,136)	577,325	(3,778,046)
Henshaw pumping project	(2,734,591)	(44,111)	7,994	(2,770,708)
Total accumulated depreciation	<u>(88,131,013)</u>	<u>(3,157,173)</u>	<u>707,610</u>	<u>(90,580,576)</u>
Total capital assets being depreciated, net	<u>86,247,699</u>	<u>3,494,246</u>	<u>(38,494)</u>	<u>89,703,451</u>
Total capital assets, net	<u>\$ 94,645,829</u>	<u>\$ 8,192,092</u>	<u>\$ (4,987,978)</u>	<u>\$ 97,849,943</u>

Note 5 - Accounts Payable

At June 30, 2020, the accounts payable of \$8,708,940 included \$5,221,686 for obligations to the San Luis Rey Indian Water Authority, \$1,718,124 for water purchases from the San Diego County Water Authority, and \$1,769,130 for obligations to other vendors. At June 30, 2019, the accounts payable of \$6,456,917 included \$3,825,719 for obligations to the San Luis Rey Indian Water Authority, \$1,294,428 for water purchases from the San Diego County Water Authority, and \$1,336,770 for obligations to other vendors.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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 June 30, 2019 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, 2020 AND 2019**

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, 2019 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	17.869%	7.634%	6.842%
Payment of unfunded liability	\$827,165	\$340	\$616

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, 2020 AND 2019**

Note 6 - Defined Benefit Pension Plan (Continued)

B. Net Pension Liability

The District's net pension liabilities were measured as of June 30, 2019 and 2018 using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019, and June 30, 2017 rolled forward to June 30, 2018 using standard update procedures.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement periods ended June 30, 2019 and June 30, 2018, the total pension liabilities were determined by actuarial valuations as of June 30, 2018 and 2017, 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, 2018 and 2017
Measurement Dates	June 30, 2019 and 2018
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 less 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, 2020 AND 2019**

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, 2019 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 2.0% 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, 2020 AND 2019**

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, 2018 were as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	-	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 2.0% used for this period

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

Discount Rate

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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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: 6/30/2018 (VD)	\$ 95,958,641	\$ 81,167,541	\$ 14,791,100
Balance at: 6/30/2019 (MD)	\$ 99,920,150	\$ 83,212,690	\$ 16,707,460
Net Changes during 2018-19	\$ 3,961,509	\$ 2,045,149	\$ 1,916,360

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, 2018	<u>0.39247%</u>
Proportionate Share - June 30, 2019	<u>0.41722%</u>
Change - Increase (Decrease)	<u><u>0.02475%</u></u>
Proportionate Share - June 30, 2017	<u>0.39631%</u>
Proportionate Share - June 30, 2018	<u>0.39247%</u>
Change - Increase (Decrease)	<u><u>(0.00384%)</u></u>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

Note 6 - Defined Benefit Pension Plan (Continued)

C. Proportionate Share of Net Pension Liability

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, 2019 and 2018 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 - 2019	\$ 30,147,025	\$ 16,707,460	\$ 5,614,048

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan's Net Pension Liability - 2018	\$ 27,771,539	\$ 14,791,100	\$ 4,075,962

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, 2020 AND 2019**

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, 2020 and June 30, 2019, the District incurred a pension expense of \$4,843,507 and \$2,421,809, respectively for the Plan.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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 will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Year Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources, Net</u>
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, 2020 AND 2019**

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, 2019, 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	\$ 2,007,718	\$ -
Differences between expected and actual experience	567,508	(193,120)
Changes in assumptions	1,686,230	(413,262)
Net difference between projected and actual earnings on pension plan investments	73,123	-
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	591,786	(302,288)
Total	\$ 4,926,365	\$ (908,670)

\$2,007,718 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 year ended June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions were recognized in future pension expense as follows:

Year Ended June 30:	Deferred Outflows/(Inflows) of Resources, Net
2020	\$ 1,500,900
2021	916,053
2022	(273,938)
2023	(133,038)
2024	-
Thereafter	-
	\$ 2,009,977

E. Payable to the Pension Plan

At June 30, 2020 and 2019, the District had no outstanding amount of contributions to the pension plan required for the years ended June 30, 2020 and 2019.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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, 2019 and 2018, the District’s contributions were \$101,590 and \$94,656, respectively in the form of estimated implied subsidy.

Net OPEB Liability

The District’s net OPEB liabilities were measured as of June 30, 2019 and 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 and June 30 2017 rolled forward to June 30, 2018 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, 2020 AND 2019**

Note 7 – OPEB Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 and 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019 and 2017
Measurement Date	June 30, 2019 and 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.5% and 2.75%
Projected Salary Increase	3.00% per annum, in aggregate
Expected long term investment rate of return	7.00%
Healthcare Cost Trend Rates	6.5% HMO/6.5% 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, 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>	

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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, 2018 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	57.00%	5.50%
Global Debt Securities	27.00%	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, 2020 AND 2019**

Note 7 – OPEB Plan (Continued)

Changes in the Net OPEB Liability

The changes in the net OPEB liability during measurement period June 30, 2019 are 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
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>

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

Note 7 – OPEB Plan (Continued)

Changes in the Net OPEB Liability (Continued)

The changes in the net OPEB liability during measurement period June 30, 2018 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2017	\$ 6,123,635	\$ 5,576,214	\$ 547,421
Changes in the Year:			
Service cost	143,685	-	143,685
Interest on the total OPEB liability	420,585	-	420,585
Contribution - employer	-	94,656	(94,656)
Net investment income	-	439,596	(439,596)
Administrative expenses	-	(10,309)	10,309
Benefit payments	(517,935)	(517,935)	-
Net Changes	<u>46,335</u>	<u>6,008</u>	<u>40,327</u>
Balance at June 30, 2018	<u>\$ 6,169,970</u>	<u>\$ 5,582,222</u>	<u>\$ 587,748</u>

Change of Assumptions

The inflation assumption was adjusted from 2.75% to 2.5% for the valuation completed June 30, 2019.

Change of Benefit Terms

There were no changes of benefit terms.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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, 2019 and 2018 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 - 2019	\$ 1,441,063	\$ 1,002,426	\$ 601,690
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Net OPEB Liability - 2018	\$ 1,036,885	\$ 587,748	\$ 180,268

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, 2019 and 2018 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 (5.50% HMO/5.50% PPO decreasing to 4.00% HMO/4.00% PPO) or 1-percentage point higher (7.50% HMO/7.50% PPO decreasing to 6.00% HMO/6.00% PPO) than the current healthcare cost trend rates:

	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

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

Note 7 – OPEB Plan (Continued)

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

	1% Decrease (5.00% HMO/ 5.50% PPO decreasing to 4.00% HMO/ 4.00% PPO)	Current Healthcare Cost Trend Rates (6.00% HMO/ 6.50% PPO decreasing to 5.00% HMO/ 5.00% PPO)	1% Increase (7.00% HMO/ 7.50% PPO decreasing to 6.00% HMO/ 6.00% PPO)
Net OPEB Liability - 2018	\$ 60,151	\$ 587,748	\$ 1,188,264

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

For the year ended June 30, 2020 and 2019, the District recognized OPEB expense of \$226,435 and \$150,526, respectively.

At June 30, 2020, 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	\$ 122,021	\$ -
Differences between actual and expected experience	158,560	-
Change in assumptions	46,911	-
Differences between projected and actual earnings	-	75,181
Total	\$ 327,492	\$ 75,181

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

Note 7 – OPEB Plan (Continued)

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

\$122,021 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 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>Year Ending June 30:</u>	<u>Amount</u>
2021	\$ 28,475
2022	28,473
2023	64,471
2024	8,871
2025	-
Thereafter	-

At June 30, 2019, 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	\$ 101,590	\$ -
Differences between projected and actual earnings	-	159,543
Total	<u>\$ 101,590</u>	<u>\$ 159,543</u>

\$101,590 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 year ended June 30, 2020. 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>Year Ending June 30:</u>	<u>Amount</u>
2020	\$ (48,884)
2021	(48,884)
2022	(48,886)
2023	(12,889)
2024	-
Thereafter	-

Payable to the OPEB Plan

At June 30, 2020 and 2019, the District had no outstanding amount of contributions to the OPEB plan required for the years ended June 30, 2020 and 2019.

**VISTA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

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 (currently estimated to cost \$30 million). 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.

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.

COVID-19

On January 30, 2020 the World Health Organization (WHO) announced a global health emergency because of an outbreak of a new strain of coronavirus (the COVID-19 outbreak) and the risks that are posed to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on the District's financial condition, liquidity, operations, and workforce. The District cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time; however, if the pandemic continues, it may have a material effect on the District's results of future operations and financial position in fiscal year 2021.

Note 9 – Subsequent Events

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through December 9, 2020, the date the financial statements were available to be issued.

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

Schedule of the Proportionate Share of the Plan's Net Pension Liability and Related Ratios
Last 10 Fiscal Years*

	Measurement Date					
	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	0.16305%	0.15349%	0.15753%	0.14938%	0.22908%	0.21738%
Plan's Proportionate Share of the Net Pension Liability	\$ 16,707,460	\$ 14,791,100	\$ 15,622,668	\$ 12,926,266	\$ 15,723,785	\$ 13,526,753
Plan's Covered Payroll ²	\$ 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	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	75.26%	75.26%	73.31%	74.06%	80.66%	83.03%
Plan's Proportionate Share of Aggregate Employer Contributions ³	\$ 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.

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

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

Schedule of Contributions - Pension Plan
Last 10 Fiscal Years*

	Fiscal Year-End					
	2020	2019	2018	2017	2016	2015*
Actuarially Determined Contribution	\$ 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	<u>(2,155,181)</u>	<u>(2,007,718)</u>	<u>(1,862,822)</u>	<u>(1,816,735)</u>	<u>(9,682,740)</u>	<u>(1,488,966)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,758,612)</u>	<u>\$ -</u>
Covered Payroll ¹	\$ 8,272,132	\$ 8,034,376	\$ 7,982,625	\$ 7,576,845	\$ 7,601,853	\$ 7,473,687
Contributions as a % of Covered Payroll	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.

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

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

**Schedule of Changes in the Net OPEB Liability and Related Ratios
Last 10 Fiscal Years***

Measurement date	6/30/2019	6/30/2018	6/30/2017
Fiscal Year-End Date	6/30/2020	6/30/2019	6/30/2018
Total OPEB Liability:			
Service cost	\$ 147,996	\$ 143,685	\$ 134,285
Interest on total OPEB liability	421,739	420,585	416,970
Differences between actual and expected experience	211,413	-	-
Changes in assumptions	62,548	-	-
Benefit payments, including refunds of member contributions	<u>(586,233)</u>	<u>(517,935)</u>	<u>(500,111)</u>
Net Change in Total OPEB Liability	257,463	46,335	51,144
Total OPEB Liability - Beginning of Year	<u>6,169,970</u>	<u>6,123,635</u>	<u>6,072,491</u>
Total OPEB Liability - End of Year (a)	<u>6,427,433</u>	<u>6,169,970</u>	<u>6,123,635</u>
Plan Fiduciary Net Position:			
Contributions - employer	101,590	94,656	500,111
Net investment income	329,378	439,596	533,100
Administrative expenses	(1,950)	(10,309)	(2,706)
Benefit payments, including refunds of member contributions	<u>(586,233)</u>	<u>(517,935)</u>	<u>(500,111)</u>
Net Change in Plan Fiduciary Net Position	(157,215)	6,008	530,394
Plan Fiduciary Net Position - Beginning of Year	<u>5,582,222</u>	<u>5,576,214</u>	<u>5,045,820</u>
Plan Fiduciary Net Position - End of Year (b)	<u>5,425,007</u>	<u>5,582,222</u>	<u>5,576,214</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 1,002,426</u>	<u>\$ 587,748</u>	<u>\$ 547,421</u>
Plan fiduciary net position as a percentage of the total OPEB liability	84.40%	90.47%	91.06%
Covered - employee payroll	5,559,000	\$ 6,109,000	\$ 6,182,000
Net OPEB liability as percentage of covered - employee payroll	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 06/30/2019 to 2.5% from 2.75%

* Fiscal year 2018 was the first year of implementation.

**VISTA IRRIGATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

Schedule of Contributions - OPEB
Last 10 Fiscal Years*

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

Notes to Schedule:

Valuation Date	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	2.50%**
Salary increases	3.00%
Investment rate of return	7.00%
Mortality	CalPers pension plan

* Fiscal year 2018 was the first year of implementation.

** Inflation prior to 6/30/20 was 2.75%



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	52
<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	54
<i>These schedules contain information to help the reader access the District’s most significant local revenue source.</i>	
Demographic and Economic Information	58
<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	61
<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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Position					
Net investment in capital assets	\$ 102,334,860	\$ 97,849,943	\$ 94,645,829	\$ 89,924,833	\$ 84,550,252
Unrestricted	27,992,421	26,552,862	18,084,612	15,418,929	21,630,198
Total Net Position	<u>\$ 130,327,281</u>	<u>\$ 124,402,805</u>	<u>\$ 112,730,441</u>	<u>\$ 105,343,762</u>	<u>\$ 106,180,450</u>

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position					
Net investment in capital assets	\$ 82,551,852	\$ 81,758,263	\$ 83,082,019	\$ 82,359,487	\$ 82,216,322
Unrestricted	19,724,448	31,251,239	24,015,914	17,912,540	13,013,133
Total Net Position	<u>\$ 102,276,300</u>	<u>\$ 113,009,502</u>	<u>\$ 107,097,933</u>	<u>\$ 100,272,027</u>	<u>\$ 95,229,455</u>

Source: Vista Irrigation District

Table II
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Revenues:										
Water sales	\$ 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	\$ 36,935,147
Property rentals	771,289	807,180	823,871	770,023	718,075	738,767	705,845	666,495	475,148	740,341
Other services	408,369	569,180	451,600	645,880	657,891	428,667	454,842	206,602	285,692	282,608
System fees	924,945	1,225,043	731,240	1,029,580	622,039	853,041	667,311	228,954	297,553	332,643
Total operating revenues	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	38,290,739
Operating Expenses:										
Purchased water	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	11,705,489
Wages and benefits	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	13,207,539
Depreciation	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	2,967,954
Contractual services	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	3,228,825
Supplies	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	1,025,154
Professional fees	719,175	596,320	603,257	949,374	700,489	658,616	634,801	799,509	831,775	730,715
Power	411,118	466,694	405,854	525,897	656,238	662,164	603,100	735,024	434,811	536,753
Office and general	408,249	536,420	557,713	481,697	489,547	488,237	445,363	477,700	422,474	419,434
Insurance	110,882	385,026	543,145	535,788	531,811	489,023	476,242	407,580	363,291	332,528
Uncollectible accounts	-	-	-	-	-	-	60,389	54,046	72,180	80,472
Communications	49,025	51,755	53,326	56,779	49,845	55,126	57,814	61,278	72,668	83,428
Burden allocation	(1,257,841)	(1,363,958)	(1,433,392)	(1,422,130)	(1,255,779)	(945,126)	(947,821)	(934,908)	(1,074,815)	(932,041)
Total operating expenses	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	33,386,250
Operating Income	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	4,904,489
Nonoperating Revenues (Expenses):										
Property taxes	507,604	487,062	450,512	423,469	384,960	381,843	443,255	387,889	313,008	305,985
Investment income	903,373	859,164	346,063	168,777	129,591	63,423	45,451	53,471	47,225	79,800
Gain (Loss) on disposal of capital assets	35,014	3,722,423	19,210	(139,088)	(16,209)	30,557	(3,819)	9,414	(6,235)	(22,426)
Federal and state assistance (refund)	(32,341)	49,198	-	-	-	42,810	-	64,015	-	578
Legal settlement	-	-	-	(66,961)	(83,905)	(55,173)	(94,732)	(57,090)	(83,096)	231,600
Total Nonoperating Revenues	1,413,650	5,117,847	815,785	386,197	414,437	463,460	390,155	457,699	270,902	595,537
Income Before Contributed Capital	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	5,500,026
Contributed Capital	750,830	1,461,683	1,315,564	1,257,820	165,021	499,911	67,345	1,176,656	552,881	1,174,858
Change in net position	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	6,674,884
Net Position, beginning of year	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	96,786,691
Prior Period Adjustment	-	-	(4,762,948)	-	-	(16,869,533)	-	-	-	(8,232,120)
Net Position, end 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

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>	
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
2011	\$16,593,101	12,386.3	\$2,597,904	1,863.5	\$2,402,331	1,725.8	\$1,416,245	994.9	\$915,714	619.4	\$1,360

Source: Vista Irrigation District

Table IV
SERVICE CONNECTIONS
Last Ten Fiscal Years

<u>Fiscal Year Ended</u>	<u>Residential</u>	<u>Commercial/Industrial</u>	<u>Irrigation</u>	<u>Agricultural</u>	<u>Fire Service</u>	<u>Governmental</u>	<u>Total</u>
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
2011	23,974	1,630	877	557	1,183	92	28,313

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	
2020	\$4.35	\$4.89	\$4.89	\$4.67	\$40.97
2019	\$4.27	\$4.81	\$4.81	\$4.59	\$40.97
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
2011	\$3.01	\$3.55	\$3.55	\$3.33	\$29.30

* 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, 2020</u>			<u>Fiscal Year ended June 30, 2011</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>
Courthouse	81.2	0.53%	Golf Course	192.3	1.09%
City	52.4	0.34%	Courthouse	111.0	0.63%
Industrial	51.2	0.34%	Agricultural	55.2	0.31%
Industrial	48.6	0.32%	Industrial	41.5	0.24%
Multi-Family	39.9	0.26%	Industrial	40.8	0.23%
Mobile Home Park	36.5	0.24%	High School	39.3	0.22%
High School	33.2	0.22%	Mobile Home Park	36.1	0.21%
Mobile Home Park	32.6	0.21%	Industrial	33.9	0.19%
Mobile Home Park	30.0	0.20%	Mobile Home Park	33.4	0.19%
Mobile Home Park	25.6	0.17%	Mobile Home Park	31.7	0.18%
Total Top Ten Customers	<u>431.1</u>	<u>2.83%</u>	Total Top Ten Customers	<u>615.2</u>	<u>3.50%</u>
Other Customers	<u>14,792.9</u>	<u>97.17%</u>	Other Customers	<u>16,974.8</u>	<u>96.50%</u>
Total Water Sales	<u><u>15,224.0</u></u>	<u><u>100.00%</u></u>	Total Water Sales	<u><u>17,590.0</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)
2011	125,802	3.12	9.2%	\$35,619.97	\$4,481,063.41
2012	126,901	3.14	8.2%	\$36,205.82	\$4,594,554.16
2013	128,494	3.15	7.0%	\$42,253.99	\$5,429,384.16
2014	129,231	3.17	5.7%	\$38,351.21	\$4,956,165.28
2015	129,866	3.19	4.6%	\$44,598.13	\$5,791,780.60
2016	131,338	3.19	5.0%	\$45,936.94	\$6,033,265.90
2017	133,714	3.21	4.3%	\$45,070.41	\$6,026,544.22
2018	133,902	3.21	3.6%	\$49,604.22	\$6,642,104.75
2019	134,143	3.22	3.5%	\$54,594.12	\$7,320,539.60
2020	134,588	3.22	<i>n/a**</i>	<i>n/a**</i>	<i>n/a**</i>

* 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, 2020 ⁽¹⁾			Fiscal Year Ended June 30, 2011 ⁽²⁾		
Employer Name	Industry	No. of Employees	Employer Name	Industry	No. of Employees
University of California, San Diego	Education	10,000+	City of San Diego	Government	10,000+
County of San Diego	Government	10,000+	County of San Diego	Government	10,000+
United States Navy, San Diego	Government - Military	10,000+	San Diego Unified School District	Education	10,000+
City of San Diego	Government	10,000+	Scripps Healthcare	Healthcare	10,000+
San Diego Unified School District	Education	10,000+	Sharp Healthcare	Healthcare	10,000+
Sharp Healthcare	Healthcare	10,000+	University of California, San Diego	Education	10,000+
Scripps Healthcare	Healthcare	10,000+	United States Postal Service	Government	10,000+
Qualcomm, Inc.	Technology	5,000-9,999	Kaiser Permanente	Healthcare	5,000-9,000
Kaiser Medical Center	Healthcare	5,000-9,999	Qualcomm Inc.	Technology/ Communications	5,000-9,000
San Diego State University	Education	5,000-9,999	San Diego Community College District	Education	5,000-9,000

Source: ¹ San Diego's Top 10 Employers www.sandiegostop10.com/employers.aspx
² Vista Irrigation District 2011 CAFR/San Diego Economic Development Corporation

Table IX
NUMBER OF EMPLOYEES
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Employees	87	87	90	89	87	88	84	90	94	94
Average Years of Service	10.2	10.8	11.6	12.8	12.0	11.6	11.9	11.7	11.8	11.1

Source: Vista Irrigation District

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

Table X
OPERATING AND CAPITAL INDICATORS
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Service Area (acres)	21152	21152	21152	21160	21160	21160	21200	21200	21200	21200
Miles of water main (4" and larger) *	429	429	429	473	473	473	473	473	471	470
Number of enclosed reservoirs	12	12	12	12	12	12	12	12	12	12
Capacity of enclosed reservoirs (acre feet)	142	142	142	141	141	142	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	51,774	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	1,055	1,055
Number of service connections	28,879	28,780	28,688	28,622	28,478	28,649	28,609	28,435	28,435	28,314
Production peak (million gallons per day)	21	22	21	22	20	24	32	28	26	27
Average production (million gallons per day)	15	14	16	15	14	16	18	18	17	16
Total rainfall (inches) - Lake Henshaw	29	35	12	34	21	16	13	14	20	36
Total rainfall (inches) - Vista	21	16	4	20	11	8	5	9	11	25
Average daily temperature (F) - Lake Henshaw	58	58	60	60	59	60	60	57	55	55
Average daily temperature (F) - Vista	63	62	64	63	64	64	63	62	61	61
Electricity purchased (1,000 kWh) - Service Area	1,017	1,075	1,060	712	1,081	1,094	1,078	1,244	1,123	1,719
Electricity purchased (1,000 kWh) - Lake Henshaw	302	1,783	1,077	1,964	3,176	3,352	3,310	3,800	1,315	2,178
Natural gas purchased (therms)	8,829	7,833	6,926	5,768	5,970	5,573	5,777	6,500	6,990	5,379
Mainline repairs	19	31	20	40	29	33	32	41	40	47

* Miles of pipe within the Vista Irrigation District distribution system was updated consistent with the analysis and 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