



**COMMUNITY SERVICES DISTRICT**

Proudly serving Jurupa Valley and Eastvale

COMPREHENSIVE

# ANNUAL FINANCIAL REPORT

FISCAL YEAR  
ENDED JUNE 30, 2018



11201 Harrel Street | Jurupa Valley, CA 91752  
[www.jcsd.us](http://www.jcsd.us)



# **Comprehensive Annual Financial Report**

**Fiscal Year Ending**

June 30, 2018

## **Jurupa Community Services District**

11201 Harrel St.  
Jurupa Valley, CA 91752

General Manager  
Todd M. Corbin

Director of Finance and Administration  
Steven Popelar, CPA

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JURUPA COMMUNITY SERVICES DISTRICT

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## **INTRODUCTORY SECTION**



Betty A. Anderson, President  
Jane F. Anderson, Vice President Director  
Richard "Dickie" Simmons, Director  
Betty Folsom, Director  
Kenneth J. McLaughlin, Director

October 31, 2018

To the Board of Directors and customers of Jurupa Community Services District:

We are pleased to present the Jurupa Community Services District's (the District or JCSD) Comprehensive Annual Financial Report for the year ended June 30, 2018. The report was prepared by the District's Finance Department in accordance with standards established by the Governmental Accounting Standards Board (GASB) and U.S. generally accepted accounting principles (GAAP).

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

CliftonLarsonAllen LLP, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2018. The independent auditors' report is located at the front of the financial section of this report.

Included are all the disclosures management believes necessary to enhance your understanding of the financial condition of the District. 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). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors in the financial section of this report.

## **Profile of the District**

The Jurupa Community Services District was incorporated in 1956 originally to provide sewer services to the Jurupa area of western Riverside County. The District is governed by a five-member, independent, elected Board of Directors. Since 1956, JCSD has increased its service area from 26 square miles to 40.8 square miles. The District provides water, wastewater, park and recreation, graffiti abatement, frontage landscape, and street lighting services to a population of approximately 129,000 residents and commercial facilities located within its service area. The District's service area encompasses the Cities of Jurupa Valley and Eastvale. The District's

approximately 215 employees are responsible for providing excellent customer service driven by its standards to provide safe, reliable, economical and environmentally friendly services.

## **Water Services**

The District's primary water sources are local groundwater basins. To ensure a reliable water supply for both existing and future residents, the District participates in a joint power authority (JPA) with neighboring agencies called the Chino Basin Desalter Authority (CDA). Local groundwater supplies include untreated water pumped from the Chino Basin for potable and non-potable uses and groundwater pumped from the Riverside Basin for non-potable use. JCSD produced approximately 27,600-acre feet of water in fiscal year 2017-2018.

The District provides water services to approximately 32,200 residential, commercial, and irrigation connections from local groundwater sources. Residential customers make up approximately 96% of the District's customer base and consume approximately 74% of the water produced annually by the District.

JCSD pledges to provide a reliable, high quality water source to our customers and pursue alternative sources of future water supplies including regional recycled water projects. The District is committed to remaining a regional leader in promoting water conservation and continuing to make investments in our Conservation and Outreach programs to ensure compliance with State mandates. The District encourages customers to use water efficiently to help the District achieve its water supply diversification goals and objectives and to achieve State-mandated water use targets.

## **Sewer Services**

JCSD's sewer system is split between three separate service areas that each discharge to separate systems. The District no longer operates any wastewater treatment facilities of its own.

## **The City of Riverside**

Through its network of pumping, pipeline, and other conveyance facilities, the District conveys wastewater from the District's Jurupa Valley area to the City of Riverside Regional Water Quality Control Plant. In addition to the District, this treatment plant serves the City of Riverside, Rubidoux Community Services District, and Edgemont Community Services District. The District pays annual treatment charges for its share of operations and maintenance expenses at the Riverside Treatment Plant. The District currently owns 5.0 million gallons per day (MGD) of treatment capacity with the City of Riverside and discharges approximately 2.9 MGD to the Riverside Treatment Plant.

## **Western Riverside County Regional Wastewater Authority Wastewater Treatment Plant**

Collections from the District's Eastvale area are pumped via the River Road Lift Station to another regional treatment plant operated by a Joint Powers Authority (JPA) called the Western Riverside County Regional Wastewater Authority (WRCRWA). The District is one of the five-member



agencies comprising WRCRWA. WRCWRA's Wastewater Treatment Plant was brought online in 1998 and was designed to treat 8.0 MGD of wastewater, of which the District owns 3.25 MGD in treatment capacity. The members of the JPA recently completed the expansion of the WRCRWA Treatment Plant in 2018 from 8.0 MGD to 14.0 MGD. This increased JCSD's treatment capacity from 3.25 MGD to 6.0 MGD and is a 42.6% participant in the plant and JPA. The remaining capacity rights are owned by the other wastewater agencies in the area. JCSD currently discharges approximately 4.15 MGD to the WRCRWA Treatment Plant.

### **Inland Empire Brine Line**

Wastewater from the predominantly industrial customers in Community Facilities District (CFD) No. 1 is discharged into the Inland Empire Brine Line (Brine Line) for treatment at the Orange County Sanitation District (OCSD) Treatment Plant. This plant has different standards regulating salinity because the plant discharges into the Pacific Ocean rather than to the Santa Ana River. Consequently, the District utilizes this facility for high salinity waste from its industrial customers as well as the Chino Basin Desalters. The District owns 1.155 MGD of OCSD treatment capacity and 3.493 MGD of Brine Line pipeline capacity and discharges approximately 0.81 MGD.

## **Parks and Other Services**

### **Parks and Recreation**

In **1996**, the District formulated and approved a Park Plan for a portion of its service area known as the Eastvale area, now the City of Eastvale. Community Facilities Districts (CFDs) have been, and are continuing to be, formed to provide the financing mechanism for acquisition and improvement of the parkland and to provide for the ongoing maintenance. There are 51 CFDs that have been formed to date. The District's parks department operates and maintains 14 park sites, the Eastvale Community Center, the Harada neighborhood center, and the Desi Arnaz House. There are approximately 240 acres of community and neighborhood parks open to the public or in different stages of development.

### **Graffiti Abatement Program**

In **1992/1993** the Board of Directors, recognizing a need to eradicate the growing blight of graffiti within the District's service area, authorized the formation of the Graffiti Abatement Program through the Landscaping and Lighting Maintenance Act of 1972. This assessment district has been very successful, not only in eradicating the graffiti, but also in keeping the costs down to the property owners. The District also contracts with neighboring agencies to provide graffiti removal services to those service areas.

### **Lighting and Landscape Maintenance Districts**

The District also administers an Illumination District, Lighting Maintenance Districts, and Landscape Maintenance Districts (special assessment districts), placing charges on the property tax bills to cover the energy charges of the streetlights and the operation and maintenance of landscaping within public rights-of-way throughout the District's service area.

## Economic Conditions and Outlook

The District office is located in the city of Jurupa Valley (Jurupa Valley) in a region commonly referred to as the Inland Empire. The District is approximately 45 miles east of downtown Los Angeles. The District primarily serves the two communities of Jurupa Valley and Eastvale that lie within the District's service territory. Both communities recently incorporated new cities within the last eight years, the city of Jurupa Valley and the city of Eastvale. The District recognizes the unique needs of both cities, and has built good working relationships with each community.



*Sunnyslope Reservoir courtesy of JCSD*

The City of Jurupa Valley is in the eastern part of the District. The City of Jurupa Valley covers 43.1 square miles and encompasses the communities of Jurupa Hills, Mira Loma, Glen Avon, Pedley, Indian Hills, Belltown, Sunnyslope, Crestmore Heights, and Rubidoux. While much of the District's growth is happening in Jurupa Valley, aging infrastructure is starting to become an area of concern because much of the water infrastructure was originally constructed as part of local mutual water companies. The District is currently working on a plan to proactively replace aging infrastructure on a large scale within the Jurupa Valley area.

The City of Eastvale (Eastvale) makes up the western part of the District. The City of Eastvale covers 13.1 square mile and has a population of approximately 64,000, as compared to its neighbor the City of Jurupa Valley, that has a population of approximately 101,000. The Eastvale area was mostly farm land and dairies up until the late 90's when housing development grew rapidly until the late 2000's when the US started to experience an economic downturn due to the housing crisis.

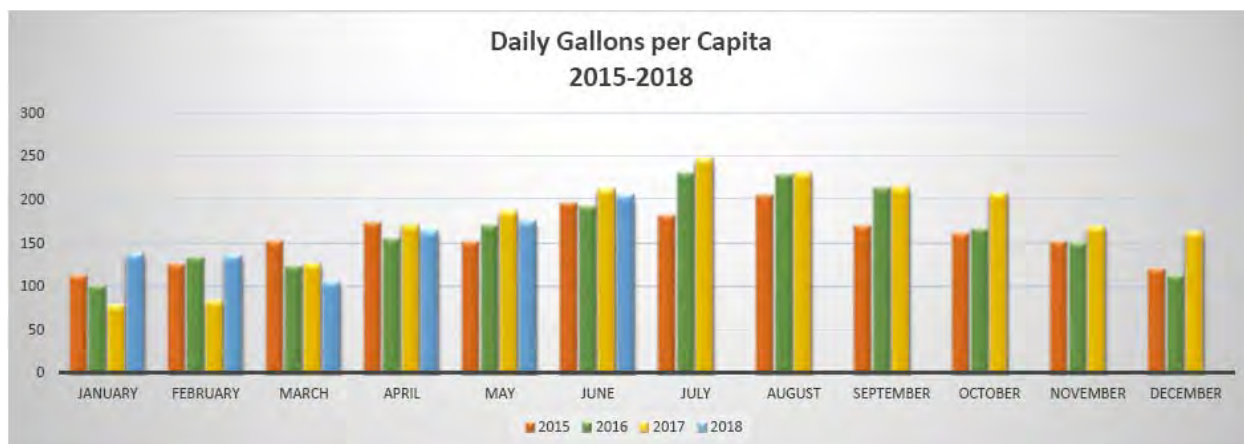


*Eastvale Community Center courtesy of JCSD*

The District doubled in connections from fiscal year (FY) 2000 to FY 2007, going from 12,097 water connections in 2000 to 24,292 water connections in 2007; most of these connections were in the Eastvale area. The housing in Eastvale has recovered since the housing crisis and has continued to steadily grow. The City of Eastvale is also experiencing more commercial development as it approaches buildout soon.

California’s water supply continues to be a concern due to continual development in the region and projected population increases. Even though conservation mandates have been lifted by the State, the District is still encouraging customers to conserve and use water efficiently. The District is also actively seeking out alternative water sources, such as recycled water to shift the District’s water supply from local groundwater to alternative sources. The District will continue to work with local and regional water suppliers in planning and constructing other water delivery systems throughout its service area.

The District has experienced economic recovery over the past several years as development continues in the area. During the past five fiscal years the District has seen an almost 19% increase in service connections; an average of 3% a year. As the District has grown so has the demand for water. Water Production increased each year from FY 2011 to FY 2014, but fell significantly in FY 2015 and further still in FY 2016. This decrease in water demand was primarily due to the statewide drought messaging that began in August 2014 and culminated with the Governor’s executive order in April 1, 2015. In July of 2016, the District’s mandatory conservation target of 23% was lifted by the State. In FY 2017 the District saw water demand increase by 10%, but still met the District’s self-imposed conservation targets, even though the Governor officially declared the drought over in April of 2017. In FY 2018 the District saw water demand increase by 14% partially due to warmer weather trends.



Source JCSD

During the fiscal years 2011 through 2014, water sales revenues increased by approximately 6.7% per year on average, then fell by 1.7% in FY 2015. The District’s sales then increased 0.5% in FY 2016, 5.7% in FY 2017 and 13.7% in FY 2018. The District’s water rate structure is comprised of a variable commodity charge and a fixed meter charge. The variable commodity charge is tiered to encourage conservation. A significant portion of the District’s water rate is the fixed meter charge which allows for revenue stability during periods of increased conservation and other unforeseen factors that can impact water usage. The District is currently in the fourth year of a five-year rate plan, with the last rate increase scheduled in January 2019. A monthly water bill with usage of 20 HCF and assuming a ¾” meter is \$66.26.

Sewer sales have steadily increased at an average of 7% per year over the last five fiscal years. Sewer rates are billed based on a unit of measure called an equivalent dwelling unit (EDU) and an

HCF quantity charge (in dollars per hundred cubic feet) applied to a maximum usage of eight HCF's. An EDU is equal to the average amount of wastewater flow from a single-family household and an HCF is equivalent to 748 gallons or hundred cubic feet of water and is the per unit charge for water. A monthly sewer bill with one EDU and 8 or more HCF's of water used is \$38.19.

Developers building residential tracts in the District mostly utilize a funding mechanism called a Community Facilities District (CFD). The Mello-Roos Community Facilities Act of 1982 allows any county, city, special district, school district or joint powers authority to establish a Mello-Roos Community Facilities District (CFD) which allows for financing of public improvements and services. The District's Parks operations and maintenance, including landscape maintenance, is funded through special tax assessments levied through CFD's formed throughout the District. In FY 2018 there were 40 CFD's that fund the Park's operation and maintenance, including landscape, and 5 CFD's that fund landscape maintenance only. Assessment revenue from these CFD's has increased an average of 6% each year for the past five fiscal years. The District's Parks department also offers recreation programs and classes that are funded through the fees collected by residents participating in those programs and classes. Recreation and class revenue has grown an average of 18% per year for the last five fiscal years. The growth in the operations and maintenance of the parks and the growth in the parks recreation and class revenue is attributed to the growth in residential development over the past five years in the city of Eastvale.

The District formulated and approved a Parks Master Plan in 1996, which documented the District's parks capital facilities needs. These capital facilities were funded with park fees included in 40 CFD's formed in the Eastvale area. Since 1996, the Parks Master Plan has been updated and rewritten to better address the growing population in the city of Eastvale. As the city of Eastvale approaches build out, the formation of CFD's is declining which creates a challenge to fund future parks capital needs. The District continues to research alternative funding sources to accommodate the future capital needs of the Parks department.

## **Major Initiatives**

### **Chino Desalter Phase 3 Expansion**

Ensuring a secure, local water supply is a priority for JCSD. The Chino Desalter Phase 3 Expansion Project increases desalter drinking water production from 24,600 to 35,200 acre-feet per year. The project was sponsored by JCSD, the city of Ontario, and Western Municipal Water District and is complete and was operational in fall of 2017. The expansion enables the distribution of drinking water, while minimizing brine discharge into the Pacific Ocean.

JCSD and the city of Ontario will receive an additional 3,533 acre-feet of water from the expansion project. Western Municipal Water District will receive 3,534 acre-feet to add to their current desalter supply. To date, this \$154 million expansion has been awarded more than \$80 million in state and federal grants. The completed project includes expanding the Chino II Desalter; constructing a brine concentrate reduction facility; expanding the raw water well fields; and adding additional drinking water delivery facilities.

In addition, the expansion facilitates hydraulic control of the Chino Ground Water Basin to protect downstream water quality in Orange County. The Chino Basin Desalter Authority is a joint powers authority comprised of Western Municipal Water District, Inland Empire Utilities Agency, JCSD, Santa Ana River Water Company and the cities of Chino, Chino Hills, Norco and Ontario.

### **Water Use Efficiency Initiatives**

Providing customers with the support and resources needed to continue water-use reduction through a variety of efficiency programs remains a goal for JCSD. Regional and local partnerships are an important method to leverage funding enabling JCSD to offer more programs/projects to a larger number of residents. Our partners this year include the Metropolitan Water District of Southern California, Western Municipal Water District, the Department of Water Resources, and the Santa Ana Watershed Project Authority.

JCSD has a three-part approach to water use efficiency.

- Education for All – JCSD engages adults by offering four landscape classes per year that focus on numerous topics including plants, irrigation, and turf removal. School age residents can benefit from an art contest, curriculum, and field trips to the Santa Ana River.
- Programs – JCSD participates in all regional rebate programs by providing additional funding and marketing. These include irrigation controllers, washing machines, and toilets. Additionally, in 2018 JCSD sponsored a drip rebate program.
- Projects – JCSD utilizes projects to address specific problems. The WECAN Project replaced 100 turf landscapes with climate appropriate plants and irrigation in low income areas. The DIY Landscape Transformation website guide is 85 percent complete and is designed to provide homeowners with specific answers to landscape problems.

### **WRCWRA Treatment Plant Expansion Project**

In order to better serve the needs of the steady growth in the region, the plant is underwent a \$72 million upgrade and expansion to 14.0 MGD. The expansion was completed in December 2017. The District's share of the cost is approximately \$34.2 million. The expansion will meet the District's projected buildout demands of the District's increasing flow to WRCRWA and will give the District an additional 2.75 MGD of treatment capacity for a total of 6.0 MGD. WRCRWA has secured a change of use permit from the State Water Resources Control Board (SWRCB) in order to be able to use some or all of the recycled water for beneficial non-potable uses rather than discharging it to the Santa Ana River.

## **Financial Policies**

**The District has formally adopted the following financial policies:**

### **Reserve Policy**

The policy states the purpose, source, and minimum/maximum funding levels for each of its designated reserves. These reserves have been established to meet internal requirements and/or external legal requirements. These policy guidelines enable restricting funds for future infrastructure needs, replacement of aging facilities, bond reserves, and various operating reserves to mitigate unexpected occurrences. These reserves are critical to the District's financial strength and high bond rating.

### **Debt and Financial Management Policy**

The debt and financial management policy is designed to establish parameters for issuing debt and provide guidance to decision makers with respect to all options available to finance infrastructure and other capital projects so that the most prudent, equitable and cost-effective method of financing can be chosen. The policy also documents the objectives to be achieved by staff both prior and subsequent to debt issuance. It promotes objectivity in the decision-making process and facilitates the financing process by establishing important policy decisions in advance.

### **Investment Policy**

The investment policy is intended to outline the guidelines and practices to be used in effectively managing the District's available cash and investment portfolio. It applies to all cash and investment assets of the District except those funds maintained in deferred compensation accounts for employees. All District monies, including those not required for immediate expenditure, are to be invested in compliance with governing provisions of law (California Government Code Sections 53600 et seq.). The policy lists in detail authorized investments as well as the percentage of portfolio limitations and required ratings for each investment type.

### **Accounting System**

The Finance Department is responsible for providing financial services for the District, including financial accounting and reporting, accounts payable and receivable, purchasing, custody and investment of funds, billing and collection of water and wastewater charges, taxes, and other revenues. The District accounts for its activities as an enterprise fund and prepares its financial statements on the accrual basis of accounting, under which revenues are recognized when earned and expenses are recorded when liabilities are incurred. It is the intent of the Board of Directors to manage the District's operations as a business, thus matching revenues against the costs of providing the services.

## Internal Controls

The District operates within a system of internal accounting controls established and continually reviewed by management to provide reasonable assurance that assets are adequately safeguarded, and transactions are recorded in accordance with District policies and procedures. When establishing and reviewing controls, management must consider the cost of the control and the value of the benefit derived from its utilization. Management normally maintains or implements only those controls for which its value adequately exceeds its costs.

## Acknowledgements

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the service of the District's customers. The contributions made by Veronica Bustillos, Accounting Supervisor, Raquel Zubi, Senior Accountant, Mike Sweetman, Budget Analyst and Jason Davis, Financial Analyst, deserve special recognition. We would also like to thank and recognize the members of the Board of Directors for their continued support in planning and implementation of the Jurupa Community Services District's fiscal policies.

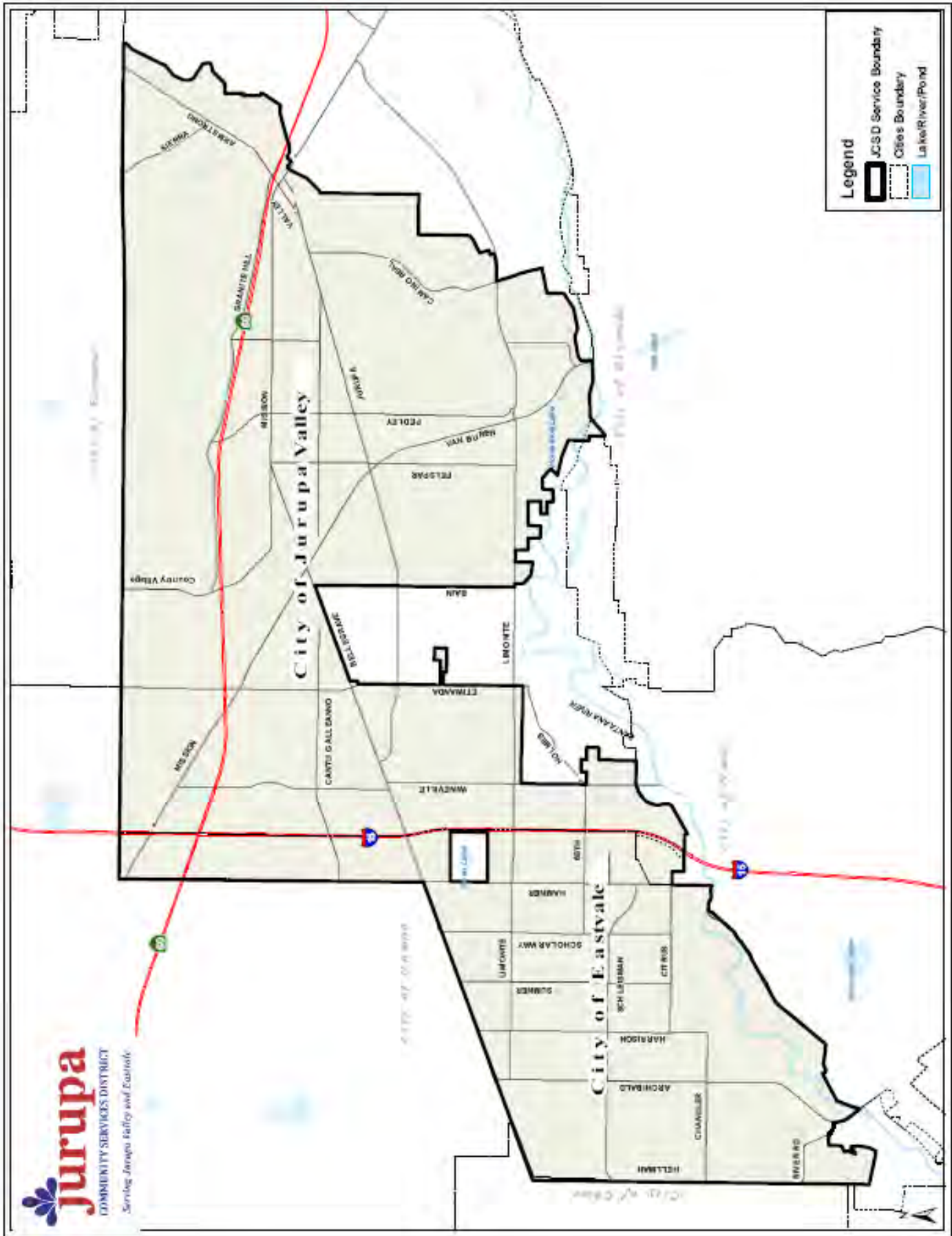
Respectfully submitted,



Todd M. Corbin  
General Manager

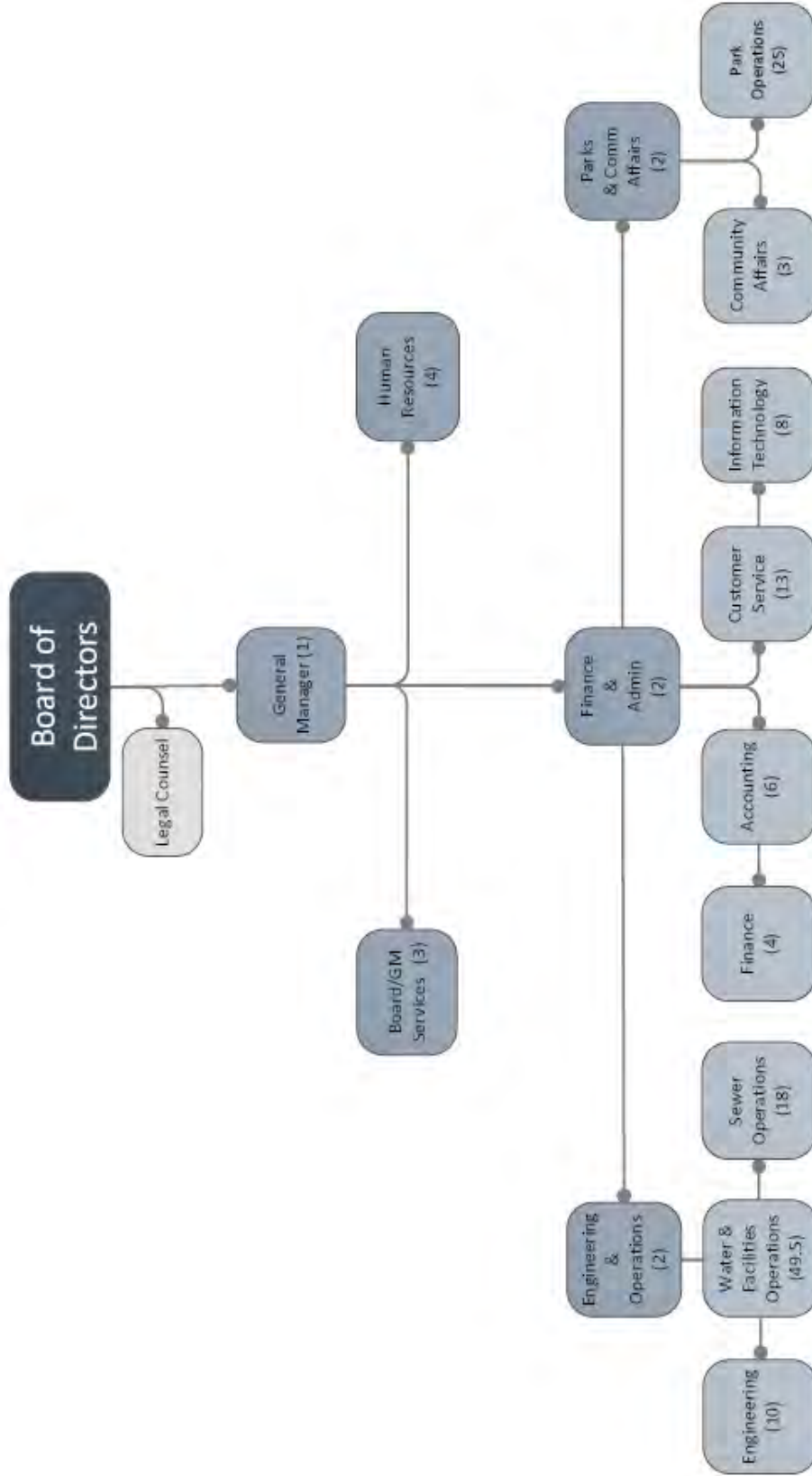


Steven Popelar, CPA  
Director of Finance and Administration





# Jurupa Community Services District District Organization



**INDEPENDENT AUDITORS' REPORT**

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Jurupa Community Service District  
Jurupa Valley, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Jurupa Community Service District (the District) as of and for the year ended June 30, 2018, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the policies and procedures of the *State Controller's Office Division of Local Government Fiscal Affairs Minimum Audit Requirements for California Special Districts*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Jurupa Community Service District  
Jurupa Valley, California

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business activities, and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matter**

During fiscal year ended June 30, 2018, the District adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of Statement No. 75, the District reported a restatement for the change in accounting principle (see Note 10). Our auditors' opinion was not modified with respect to the restatement.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

The supplementary information, as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the

## INDEPENDENT AUDITORS' REPORT

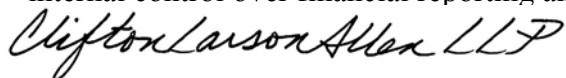
Board of Directors  
Jurupa Community Service District  
Jurupa Valley, California

basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**CliftonLarsonAllen, LLP**  
Glendora, California  
October 31, 2018

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **JURUPA COMMUNITY SERVICES DISTRICT**

## **MANAGEMENT'S DISCUSSION & ANALYSIS**

**June 30, 2018**

The following discussion and analysis of the financial performance of the Jurupa Community Services District (“District”) provides an overview of the District’s financial activities for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here with the basic financial statements and related notes, which follow this section.

### **Financial Highlights**

- The District’s net position increased \$3.9 million, or by 0.8%.
- During the year the District’s revenues decreased \$.6 million or by -0.7% to \$92.5 million, while expenses increased \$11.0 million, or 16.6% to \$77.2 million.
- Capital contributions to the District amounted to \$17.9 million.

### **Overview of the Financial Statements**

This annual report consists of a series of financial statements. These statements offer short-term and long-term financial information about its activities. The discussion and analysis are intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements consist of the following components: Basic Financial Statements, Fund Financial Statements, and Notes to the Basic Financial Statements. This report also contains other supplementary information in addition to the basic financial statement themselves. For governmental funds, the fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District’s operations in more detail than the government-wide statements by providing information about the District’s most significant funds.

### **Government-wide Financial Statements**

#### **Statement of Net Position and Statement of Activities**

The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies. The Statement of Net Position (page 29) includes all of the District’s investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year’s revenue and expenses are accounted for in the Statement of Activities (page 30). This statement measures the success of the District’s operations over the past year and can be used to determine whether the District has successfully covered all its costs through its taxes, user fees, and other charges, and credit worthiness.

These two statements report the District’s net position and changes in them. Think of the District’s net position – the difference between assets and liabilities – as one way to measure the District’s financial health, or financial position.

# **JURUPA COMMUNITY SERVICES DISTRICT**

## **MANAGEMENT'S DISCUSSION & ANALYSIS**

**June 30, 2018**

### **Government-wide Financial Statements (continued)**

#### **Statement of Net Position and Statement of Activities (continued)**

Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base and the types of grants the District applies for to assess the overall financial health of the District.

### **Fund Financial Statements**

#### **Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be used in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

#### **Statement of Cash Flows**

The primary purpose of the Statement of Cash Flows is to provide information about the District's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, capital, and financing activities and provides answers to such questions as where did cash come from, what was cash used for and what was the change in cash balance during the reporting period.

#### **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 40.



**JURUPA COMMUNITY SERVICES DISTRICT**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**June 30, 2018**

**Government-wide Financial Analysis**

**Statement of Net Position**

To begin our analysis, a summary of the District's Statements of Net Position is presented in Table A-1.

**TABLE A-1**  
**Condensed Statement of Net Position**  
**(In thousands of dollars)**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Assets:</b>						
Current and other assets	\$ 27,973	\$ 28,980	\$ 118,298	\$ 166,733	\$ 146,271	\$ 195,713
Restricted- Investments	-	-	70,975	-	70,975	-
Investments in WRCRWA	-	-	4,178	4,290	4,178	4,290
Capital assets	69,070	70,261	386,916	359,948	455,987	430,209
Total Assets	<u>97,043</u>	<u>99,241</u>	<u>580,367</u>	<u>530,971</u>	<u>677,411</u>	<u>630,212</u>
<b>Deferred outflows of resources:</b>						
Amount deferred pension obligation	1,395	1,678	4,935	5,969	6,330	7,647
Amount deferred OPEB obligation	83	-	301	-	384	-
Amount deferred on refunding	-	-	591	618	591	618
Total Deferred Outflow	<u>1,478</u>	<u>1,678</u>	<u>5,827</u>	<u>6,587</u>	<u>7,305</u>	<u>8,265</u>
<b>Liabilities:</b>						
Long-term liabilities outstanding	-	-	94,499	64,898	94,499	64,898
Other liabilities	7,320	3,966	48,869	39,175	56,189	43,141
Total Liabilities	<u>7,320</u>	<u>3,966</u>	<u>143,368</u>	<u>104,073</u>	<u>150,688</u>	<u>108,039</u>
<b>Deferred inflows of resources:</b>						
Amount deferred pension obligation	96	193	532	883	628	1,076
Amount deferred OPEB obligation	14	-	53	-	67	-
Amount deferred on refunding	-	-	300	314	300	314
Total Deferred Inflows	<u>110</u>	<u>193</u>	<u>885</u>	<u>1,197</u>	<u>995</u>	<u>1,390</u>
<b>Net Position:</b>						
Net investment in capital assets	69,070	70,261	289,104	293,498	358,174	363,759
Restricted	22,020	26,499	73,839	66,246	95,859	92,745
Unrestricted	-	-	78,998	72,544	78,998	72,544
Total Net Position	<u>\$ 91,090</u>	<u>\$ 96,760</u>	<u>\$ 441,941</u>	<u>\$ 432,288</u>	<u>\$ 533,032</u>	<u>\$ 529,048</u>

**Assets**

Total assets increased by \$47.2 million, or 7.5% for the fiscal year ended June 30, 2018. This increase was due to several factors including a \$25.8 million, or 6.0% net increase in capital assets, a decrease of \$.1 million, or -2.6% decrease in Investments in WRCRWA, and an increase in

## JURUPA COMMUNITY SERVICES DISTRICT

### MANAGEMENT'S DISCUSSION & ANALYSIS

June 30, 2018

#### **Government-wide Financial Analysis (continued)**

current and other assets of \$21.5 million or 11%. The \$25.8 million increase in capital assets is primarily a expansion in the WRCRWA treatment plant expansion project of \$34.2 million.

In addition, construction expenditures related to the following: River Road Lift Station (\$5.6 million), Well 13 site improvements (\$3.0 million), Teagarden Disinfection System (\$2.6 million), Bellgrave Pipeline Replacement (\$1.8 million), and various capital projects. The increase of \$21.5 million in current and other assets is primarily a result of an increase in cash and investments of approximately \$17.3 million, an increase of \$1.3 million in Accounts receivable – governmental agencies in Business-Type Activities and an increase of \$2.9 million in Water in storage. Additional information regarding capital assets can be found in Note 6 of the Notes to the Basic Financial Statements. Deferred outflows of resources decreased by \$.9 million, or -11.6% for the fiscal year ended June 30, 2018. This is due to a \$1.3 million decrease in deferred pension obligations, which is primarily due to a decrease in the District's change in proportion for the net pension liability. This amount is offset by an increase in the deferred OPEB obligation of \$.4 million due to the implementation of GASB 75 in the current fiscal year.

#### **Liabilities**

Total liabilities increased by \$42.6 million, or 39.5% for the fiscal year ended June 30, 2018. This change was primarily due to an increase of \$13.0 million in the governmental and business activities, in addition to a \$29.6 million increase in Long-term debt outstanding in the business-type activities. The increase of \$13.0 million is primarily due to a \$12.7 million increase in Net OPEB obligation due to implementation of GASB 75 for fiscal year end 2018 and a \$1.3 million increase in Net Pension liability; this is offset by an decrease of \$1.0 million in Accounts Payable and Accrued Expenses. Additional information regarding OPEB obligation can be found in Note 10 and Note 20 of the Notes to the Basic Financial Statement. The increase in long-term debt of \$29.6 million, is primarily due to the Districts share of debt related to the WRCRWA State Revolving Fund loan in conjunction with the WRCRWA treatment plant expansion project. Information on the Districts long-term debt activities can be found in Note 9 of the Notes to Basic Financial Statements.

#### **Net Position**

Net Position is the difference between the District's assets and liabilities. Net position increased during fiscal year 2018 by \$3.9 million, or 0.8%. The District's net position is made up of three components: (1) net investment in capital assets, (2) restricted net position and (3) unrestricted net position.

1. Net investment in Capital Assets decreased \$5.8 million, or -1.6% for the fiscal year ended June 30, 2018. The business-type activities decreased \$4.6 million due to annual depreciation and a decrease of \$1.2 million in the governmental funds due to annual depreciation.

**JURUPA COMMUNITY SERVICES DISTRICT**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**June 30, 2018**

**Government-wide Financial Analysis (continued)**

2. Restricted Net Position increased \$3.1 million or 3.4% for the fiscal year ended June 30, 2018. This is primarily due to a decrease of \$4.5 million in governmental activities and an increase of \$7.3 million in business-type activities to fund facility fee designated construction projects.
  
3. Unrestricted Net Position increased \$6.6 million, or 9.2% for the fiscal year ended June 30, 2018. This is primarily due to an increase of \$6.6 million in the business-type activities.

**JURUPA COMMUNITY SERVICES DISTRICT**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**June 30, 2018**

**Government-wide Financial Analysis (continued)**

**Statement of Activities**

The following Table A-2 is a summary of the statement of activities for the years ended June 30, 2018 and 2017.

**TABLE A-2**  
**Condensed Statement of Activities**  
**(In thousands of dollars)**

	<b>Governmental</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 12,058	\$ 11,168	\$ 56,883	\$ 50,774	\$ 68,940	\$ 61,942
Capital grants and contributions	-	3,652	17,929	22,890	17,929	26,542
General revenues:						
Property taxes	173	164	3,368	3,021	3,541	3,185
Interest earnings	246	152	1,835	1,310	2,082	1,462
Total Revenues:	<u>12,477</u>	<u>15,136</u>	<u>80,015</u>	<u>77,995</u>	<u>92,492</u>	<u>93,131</u>
<b>Expenses:</b>						
Eastvale parks	14,096	11,879	-	-	14,096	11,879
Graffiti abatement	199	194	-	-	199	194
Illumination District No 2	305	255	-	-	305	255
Landscape & lighting	1,120	897	-	-	1,120	897
Water	-	-	37,316	31,990	37,316	31,990
Wastewater	-	-	24,189	21,014	24,189	21,014
Total Expenses:	<u>15,720</u>	<u>13,225</u>	<u>61,505</u>	<u>53,004</u>	<u>77,225</u>	<u>66,229</u>
Changes in Net Position	<u>(3,243)</u>	<u>1,911</u>	<u>18,510</u>	<u>24,991</u>	<u>15,267</u>	<u>26,903</u>
Beginning of year, as previously reported	96,760	94,849	432,287	377,171	529,048	472,019
Equity Restatement, implementation of GASB 75	(2,426)	-	(8,857)	-	(11,283)	-
Restatement of contributed capital assets	-	-	-	30,125	-	30,125
Beginning of year, as restated	<u>94,334</u>	<u>94,849</u>	<u>423,430</u>	<u>407,296</u>	<u>517,765</u>	<u>502,144</u>
<b>Net position at end of year</b>	<u><u>\$ 91,091</u></u>	<u><u>\$ 96,760</u></u>	<u><u>\$ 441,941</u></u>	<u><u>\$ 432,287</u></u>	<u><u>\$ 533,032</u></u>	<u><u>\$ 529,047</u></u>

Total revenues for the fiscal year ended June 30, 2018 decreased by \$.6 million, or by -0.7% from fiscal year 2018. This is primarily due to a decrease in capital grants and contributions.

# JURUPA COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION & ANALYSIS

June 30, 2018

### Government-wide Financial Analysis (continued)

#### **Program Revenues**

Charges for services increased as of June 30, 2018 by \$6.9 million, or 11.3%. Water and Wastewater sales increased by \$6.1 million over the prior year due to an increase in consumption, growth and a rate increase in accordance with the 2014 Rate Study. The District's governmental funds had an increase of \$.9 million in recreation programs and special assessments. Capital grants and contributions decreased by \$8.6 million or -32.5%; decrease of \$5.0 million is related to the Business-type activities and a decrease of \$3.6 million is related to the Governmental activities. Of the \$5.0 million decrease in Business-types activities, \$7.9 million is related to a decrease in facility fees and \$2.9 million is an increase in Contributions in aid of construction. The decrease of \$3.6 million in the Governmental funds is related to a decrease of \$3.6 million in park fees which is in Capital Grants and Contributions. The District previously bonded three CFD's in FY 2017 and did not bond any Community Facilities Districts (CFD) during the FY 2018. CFD's provide the majority of facility fees for the business-type activities and the majority of park fees for the governmental fund. The Wastewater funds Contributions in Aid of Construction account decreased by \$.6 million and the Water funds Contributions in Aid of Construction account increased by \$3.5 million.

#### **General Revenues**

Property taxes slightly increased by \$.4 million in business-type activities as of June 30, 2018. This is primarily due to property values increasing as economic recovery occurs. Interest earnings increased by \$.6 million in all funds as of June 30, 2018.

#### **Program Expenses**

Total expenses increased \$11.0 million, or 16.6%, for the year ended June 30, 2018. The increase in Business-type activities of \$8.5 million is primarily related to an increase in source water costs as the cost of the District's water supplies continue to increase, increases in Wastewater treatment costs and modest cost increases in overall operations of the Water and Wastewater funds.

Eastvale Park's expenses increased \$2.2 million due to an increase in operating costs, primarily in capital outlay expenditures. Landscape and Lighting district expenses increased \$.3 million due to an increase in operating costs.

#### **Equity Restatement**

As a result of implementing GASB 75 in the current fiscal year, the beginning net position of the financial statements decreased \$11.3 million to recognize the beginning balance of the net OPEB liability and deferred outflows of resources, more information is presented in Note 20 of the Notes to Basic Financial Statements.

**JURUPA COMMUNITY SERVICES DISTRICT**

**MANAGEMENT’S DISCUSSION & ANALYSIS**

**June 30, 2018**

**Government-wide Financial Analysis (continued)**

**Capital Asset Administration**

At the end of FY 2018, the District has invested \$613.9 million in a broad range of infrastructure. Table A-3 shows the net after accumulated depreciation.

**TABLE A-3**  
**Capital Assets**  
**(In thousands of dollars)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land and land rights	\$ 26,870	\$ 26,870	\$ 5,772	\$ 5,772	\$ 32,642	\$ 32,642
Construction in progress	2,874	1,804	46,396	58,862	49,270	60,666
Land improvements	22,066	22,973	916	979	22,982	23,952
Structures and equipment	17,260	18,614	76,848	75,680	94,108	94,294
Water transmission & distribution	-	-	107,092	104,971	107,092	104,971
Wastewater collection system	-	-	145,344	108,592	145,344	108,592
Vehicles and equipment	-	-	4,547	5,091	4,547	5,091
Total Capital Assets	<u>\$ 69,070</u>	<u>\$ 70,261</u>	<u>\$ 386,915</u>	<u>\$ 359,947</u>	<u>\$ 455,985</u>	<u>\$ 430,208</u>

At the end of fiscal year 2018, the District’s investment in capital assets amounted to \$456.0 million (net of accumulated depreciation). This investment in capital assets includes, land, buildings, building improvements, furnishings and equipment, collection and distribution systems, tanks, wells, water transmission and distribution systems and construction-in- process. Also included, is a decrease in construction-in-process which consists of completion of construction projects in the wastewater fund. In the wastewater fund, the increase in Wastewater Collection system is primarily the WRCRWA treatment plant expansion project of \$34.2 million. The governmental activities decrease in capital assets is due to less construction projects in progress in fiscal year 2018 and normal depreciation. More information about the District’s Capital assets is presented in Note 6 of the Notes to the Basic Financial Statements.

**JURUPA COMMUNITY SERVICES DISTRICT**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**June 30, 2018**

**Government-wide Financial Analysis (continued)**

**Long Term Debt Administration**

**TABLE A-4**  
**Long-Term Debt**  
**(In thousands of dollars)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Compensated absences	\$ 153	\$ 182	\$ 807	\$ 812	\$ 960	\$ 994
Other post employment benefits	3,892	1,153	14,147	4,147	18,039	5,300
Long-term debt	-	-	94,499	64,898	94,499	64,898
Net pension liability	1,973	1,688	7,407	6,367	9,380	8,055
Total Long-term liabilities	<u>\$ 6,018</u>	<u>\$ 3,023</u>	<u>\$ 116,860</u>	<u>\$ 76,224</u>	<u>\$ 122,878</u>	<u>\$ 79,247</u>

During the year, the District's long-term debt increased \$43.6 million or by 55.06%. There was an increase in the District's other post-employment benefits of \$12.7 million due to implementation of GASB 75 and an increase of \$1.3 million in net pension liability in both the Governmental and Business-Type activities. Long term debt increased \$29.6 million in the Business-Type activities. The increase is due to the WRCRWA State Revolving Fund loan of \$32.9 million which is offset by a decrease of \$3.3 million due to normal debt payments for the business-type activities. Additional information on long-term debt and other post-employment benefits are presented in Note 9 and Note 10 of the Notes to Basic Financial Statements.

**Economic Factors and Next Year's Budgets and Rates**

The District continues to experience growth as the economy is strengthening and the cities of Jurupa Valley and Eastvale are still developing and expanding. This growth will further create demand for water supply and additional capital facilities. These demands have been anticipated in the District's capital improvement plan with new supply demands being addressed in the District's 2015 Urban Water Management Plan. The District increased its capital capacity charge in March of 2016 after the capacity charge study was adopted by the Board. This will allow the District to have adequate revenue to cover capital costs due to the anticipated growth in the area over the next 5-7 years and will assist the District in addressing future cost increases in water supply, power, labor and maintenance for the Water and Sewer enterprises.

The District anticipates revenues to increase slightly for the fiscal year 2018-2019 budget year based on growth and rate increases. While the District is experiencing growth, conservation is still expected to keep the District's revenues from increasing dramatically. The State is in the process of clarifying future water restrictions based on the California Water Action Plan and new legislation. One section of that plan, Making Water Conservation a California Way of Life, will significantly change water-use practices. To prepare for those changes, the District is continuing

**JURUPA COMMUNITY SERVICES DISTRICT**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**June 30, 2018**

**Government-wide Financial Analysis (continued)**

to enforce the Board approved Water Conservation Program and implementing additional programs to assist water users. The District will continue to monitor the effects of conservation on revenue to ensure revenue and expenses are being properly budgeted.

**Contacting the District's Financial Management**

This financial report is designed to provide our customers and creditors with a general overview of the District finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the District's Finance Department at 11201 Harrel Street, Jurupa Valley, California 91752 or (951) 685-7434.



**FINANCIAL SECTION**

# JURUPA COMMUNITY SERVICES DISTRICT

## STATEMENT OF NET POSITION

**June 30, 2018**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalent (Note 2)	\$ 2,958,592	\$ 62,732,932	\$ 65,691,524
Cash and investments (Note 2)	-	31,120,641	31,120,641
Restricted- cash and cash equivalents (Note 2)	16,157,510	222,534	16,380,044
Restricted- Investments (Note 2)	-	2,641,498	2,641,498
Accrued interest receivable	56,094	504,845	560,938
Accounts receivable- utilities, net (Note 3)	-	7,914,608	7,914,608
Accounts receivable- governmental agencies	-	1,504,502	1,504,502
Accounts receivable- developers and others	8,644,634	12,702	8,657,335
Property taxes and assessments receivable	131,451	114,769	246,219
Inventory, prepaid expenses and other assets (Note 4)	24,943	11,528,534	11,553,477
<b>Total Current Assets</b>	<u>27,973,223</u>	<u>118,297,564</u>	<u>146,270,787</u>
<b>Noncurrent assets</b>			
Restricted- Investments (Note 2)	-	70,975,062	70,975,062
Investments in WRCRWA, net (Note 5)	-	4,177,945	4,177,945
Capital assets- not being depreciated (Note 6)	29,744,796	52,167,593	81,912,389
Capital assets- being depreciated, net (Note 6)	39,325,690	334,748,440	374,074,130
<b>Total Noncurrent Assets</b>	<u>69,070,486</u>	<u>462,069,040</u>	<u>531,139,526</u>
<b>Total Assets</b>	<u>97,043,709</u>	<u>580,366,604</u>	<u>677,410,314</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount pension obligation	1,395,015	4,934,972	6,329,987
Deferred amount OPEB obligation	82,518	301,286	383,804
Deferred amount on refunding	-	590,701	590,701
<b>Total Deferred Outflow</b>	<u>1,477,533</u>	<u>5,826,959</u>	<u>7,304,492</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	775,399	2,396,761	3,172,160
Accrued wages and related payables	177,005	387,105	564,110
Customer deposits, retentions and advances (Note 7)	298,175	18,274,118	18,572,293
Accrued interest payable	-	1,869,031	1,869,031
Compensated absences- current (Note 8)	51,081	268,924	320,005
Bonds payable- current (Note 9)	-	1,515,000	1,515,000
Loans payable- current (Note 9)	-	1,797,272	1,797,272
<b>Total Current Liabilities</b>	<u>1,301,660</u>	<u>26,508,211</u>	<u>27,809,872</u>
<b>Noncurrent liabilities</b>			
Compensated absences (Note 8)	153,244	806,772	960,016
Bonds payable (Note 9)	-	57,193,640	57,193,640
Loans payable (Note 9)	-	37,305,672	37,305,672
Net OPEB obligation (Note 10)	3,892,293	14,146,629	18,038,922
Net Pension liability (Note 15)	1,972,676	7,407,572	9,380,248
<b>Total Noncurrent Liabilities</b>	<u>6,018,213</u>	<u>116,860,284</u>	<u>122,878,498</u>
<b>Total Liabilities</b>	<u>7,319,873</u>	<u>143,368,495</u>	<u>150,688,368</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amount pension obligation	96,155	531,564	627,719
Deferred amount OPEB obligation	14,389	52,537	66,926
Deferred amount on refunding	-	300,020	300,020
<b>Total Deferred Inflow</b>	<u>110,544</u>	<u>884,122</u>	<u>994,666</u>
<b>NET POSITION</b>			
Net investments in capital assets (Note 11)	69,070,483	289,104,450	358,174,933
Restricted for: (Note 12)			
Eastvale Parks	19,159,881	-	19,159,881
Landscape and Lighting	2,115,175	-	2,115,175
Graffiti abatement	461,104	-	461,104
Illumination District	284,179	-	284,179
Capital facility fees	-	67,535,646	67,535,646
Debt service reserves	-	6,303,260	6,303,260
Unrestricted (Note 13)	-	78,997,592	78,997,592
<b>Total Net Position</b>	<u>\$ 91,090,821</u>	<u>\$ 441,940,948</u>	<u>\$ 533,031,769</u>

See accompanying notes to the financial statements.

**JURUPA COMMUNITY SERVICES DISTRICT**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position		
		Charge for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities</b>						
Eastvale parks	\$ 14,096,497	\$ 10,571,416	\$ -	\$ (3,525,081)	\$ -	\$ (3,525,081)
Graffiti abatement	199,332	100,843	-	(98,489)	-	(98,489)
Illumination District No. 2	305,172	209,149	-	(96,023)	-	(96,023)
Landscape and lighting	1,119,984	1,176,207	-	56,223	-	56,223
<b>Total Governmental</b>	<b>15,720,985</b>	<b>12,057,616</b>	<b>-</b>	<b>(3,663,369)</b>	<b>-</b>	<b>(3,663,369)</b>
<b>Business-type activities</b>						
Water	37,315,817	37,403,690	13,542,048	-	13,629,922	13,629,922
Wastewater	24,188,513	19,478,880	4,386,594	-	(323,039)	(323,039)
<b>Total Business-type</b>	<b>61,504,330</b>	<b>56,882,570</b>	<b>17,928,643</b>	<b>-</b>	<b>13,306,883</b>	<b>13,306,883</b>
<b>Total</b>	<b>\$ 77,225,315</b>	<b>\$ 68,940,186</b>	<b>\$ 17,928,643</b>	<b>\$ (3,663,369)</b>	<b>\$ 13,306,883</b>	<b>\$ 9,643,514</b>
General Revenues						
Property taxes				173,284	3,368,006	3,541,290
Interest earnings				246,408	1,835,447	2,081,855
Total General Revenues				419,692	5,203,452	5,623,144
Changes in Net Position				(3,243,677)	18,510,335	15,266,658
Net Position at Beginning of Year, as previously reported				96,760,262	432,287,482	529,047,744
Equity Restatement, implementation of GASB 75 (Note 20)				(2,425,764)	(8,856,869)	(11,282,633)
Net Position at Beginning of Year, as restated				94,334,498	423,430,613	517,765,111
<b>Net Position at End of Year</b>				<b>\$ 91,090,821</b>	<b>\$ 441,940,948</b>	<b>\$ 533,031,769</b>

See accompanying notes to the financial statements.

**JURUPA COMMUNITY SERVICES DISTRICT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2018**

	Eastvale Parks	Graffiti Abatement	Illumination District No.2	Landscape and Lighting	Total Governmental Activities
<b>ASSETS</b>					
Cash and cash equivalents	\$ 515	\$ 457,138	\$ 303,184	\$ 2,197,756	\$ 2,958,592
Restricted- cash and cash equivalents	16,157,510	-	-	-	16,157,510
Accrued interest receivable	56,094	-	-	-	56,094
Accounts receivable- developers and others	8,644,634	-	-	-	8,644,634
Property taxes and assessments receivable	102,532	8,333	5,462	15,123	131,451
Prepaid expenses and other assets	24,943	-	-	-	24,943
Total Assets	<u>24,986,228</u>	<u>465,471</u>	<u>308,646</u>	<u>2,212,878</u>	<u>27,973,223</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	650,208	3,021	24,467	97,703	775,399
Accrued wages and related payables	175,658	1,347	-	-	177,005
Customer deposits	298,175	-	-	-	298,175
Total Liabilities	<u>1,124,041</u>	<u>4,368</u>	<u>24,467</u>	<u>97,703</u>	<u>1,250,579</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	8,226,276	-	-	-	8,226,276
Total Deferred Inflows of Resources	<u>8,226,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,226,276</u>
<b>FUND BALANCE</b>					
Nonspendable	24,943	-	-	-	24,943
Restricted for:					
Eastvale parks	15,610,967	-	-	-	15,610,967
Graffiti abatement	-	461,103	-	-	461,103
Illumination District No. 2	-	-	284,179	-	284,179
Landscape and lighting	-	-	-	2,115,175	2,115,175
Total Fund Balance	<u>15,635,910</u>	<u>461,103</u>	<u>284,179</u>	<u>2,115,175</u>	<u>18,496,367</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 24,986,227</u>	<u>\$ 465,471</u>	<u>\$ 308,646</u>	<u>\$ 2,212,878</u>	<u>\$ 27,973,222</u>

See accompanying notes to the financial statements.

**JURUPA COMMUNITY SERVICES DISTRICT**

**RECONCILIATION OF THE BALANCE SHEET –  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
June 30, 2018**

**Fund Balances of Governmental Funds** \$ 18,496,367

**Amounts reported for governmental activities in the statement of Net Position are different because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. These assets consist of:

Cost of the assets	\$ 98,832,084	
Accumulated Depreciation	(29,761,602)	
Depreciable assets, net		69,070,482

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at year-end consist of:

Net pension liability	(1,972,676)	
Compensated absences	(204,324)	
Other postemployment benefits other than pensions (OPEB)	(3,892,293)	
		(6,069,293)

In governmental funds, deferred outflows and inflows of resources are not reported because they are applicable to future periods. Deferred outflows and inflows of resources at year-end

Deferred outflows related to pension and OPEB obligations	1,477,533	
Deferred inflows on pension and OPEB obligations	(110,544)	
		1,366,989

**Certain revenues are not available to pay for current period expenditures and are therefore reported as unavailable revenue in governmental funds** 8,226,276

**Net Position of Governmental Activities** \$ 91,090,821

See accompanying notes to the financial statements.

**JURUPA COMMUNITY SERVICES DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS**

**For the Year Ended June 30, 2018**

	<u>Eastvale Parks</u>	<u>Graffiti Abatement</u>	<u>Illumination District No.2</u>	<u>Landscape and Lighting</u>	<u>Total Governmental Activities</u>
<b>REVENUES</b>					
Property tax	\$ -	\$ 98,284	\$ 75,000	\$ -	\$ 173,284
Special assessments	8,156,898	-	209,149	1,176,207	9,542,255
Charges for services	2,414,518	100,843	-	-	2,515,361
Capital grants and contributions	-	-	-	-	-
Interest	246,408	-	-	-	246,408
<b>Total Revenues</b>	<u>10,817,824</u>	<u>199,127</u>	<u>284,149</u>	<u>1,176,207</u>	<u>12,477,308</u>
<b>EXPENDITURES</b>					
Eastvale parks	8,087,798	-	-	-	8,087,798
Graffiti abatement	-	199,332	-	-	199,332
Illumination District No. 2	-	-	305,172	-	305,172
Landscape and lighting	-	-	-	1,119,984	1,119,984
Capital Outlay	1,195,353	-	-	-	1,195,353
<b>Total Expenditures</b>	<u>9,283,151</u>	<u>199,332</u>	<u>305,172</u>	<u>1,119,984</u>	<u>10,907,639</u>
<b>Changes in Fund Balances</b>	1,534,674	(205)	(21,023)	56,223	1,569,669
Fund Balance at Beginning of Year as previously reported	16,527,000	461,309	305,202	2,058,953	19,352,464
Equity restatement (Note 20)	(2,425,764)	-	-	-	(2,425,764)
Fund Balance at Beginning of Year, as restated	<u>14,101,236</u>	<u>461,309</u>	<u>305,202</u>	<u>2,058,953</u>	<u>16,926,700</u>
<b>Fund Balance at End of Year</b>	<u>\$ 15,635,910</u>	<u>\$ 461,104</u>	<u>\$ 284,179</u>	<u>\$ 2,115,175</u>	<u>\$ 18,496,368</u>

See accompanying notes to the financial statements.

**JURUPA COMMUNITY SERVICES DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE –  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2018**

**Net Change in Fund Balances - Total Governmental Funds** \$ 1,569,669

**Amounts reported for governmental activities in the statement of activities are different because:**

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense as follows:

Capital outlay, net of deletions	\$ 1,195,353	
Depreciation expense	<u>(2,385,741)</u>	
		(1,190,388)

Certain revenues will be available after year end, but are not available to pay current period expenditures and are therefore reported as unavailable revenue in governmental funds. This amount represents the change in unavailable revenue. (518,164)

Some expenses reported in the statement of activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds as follows:

Net change in compensated absences for the current period	37,762	
Net change in other post-employment benefits payable for the current period	(2,738,820)	
Net change in pension obligations for the current period	(285,078)	
Net change in deferred outflows and deferred inflows	<u>(118,657)</u>	
		(3,104,794)

**Change in Net Position of Governmental Activities** \$ (3,243,677)

## JURUPA COMMUNITY SERVICES DISTRICT

### STATEMENT OF FUND NET POSITION – ENTERPRISE FUNDS June 30, 2018

	Water	Wastewater	Total
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalent	\$ 32,698,031	\$ 30,034,901	\$ 62,732,932
Cash and investments	31,120,641	-	31,120,641
Restricted- cash and cash equivalents	77,588	144,946	222,534
Restricted- Investments	-	2,641,498	2,641,498
Accrued interest receivable	375,829	129,016	504,845
Accounts receivable- utilities, net	5,286,567	2,628,041	7,914,608
Accounts receivable- governmental agencies	2,026	1,502,476	1,504,502
Accounts receivable- developers and others	11,894	808	12,702
Property taxes and assessments receivable	-	114,769	114,769
Prepaid expenses and other assets	11,471,166	57,369	11,528,534
<b>Total Current Assets</b>	<u>81,043,740</u>	<u>37,253,823</u>	<u>118,297,564</u>
<b>Noncurrent assets</b>			
Restricted- Investments	42,253,817	28,721,245	70,975,062
Investments in WRCRWA, net	-	4,177,945	4,177,945
Capital assets- not being depreciated	44,392,280	7,775,313	52,167,593
Capital assets- being depreciated, net	156,209,420	178,539,020	334,748,440
<b>Total Noncurrent Assets</b>	<u>242,855,517</u>	<u>219,213,524</u>	<u>462,069,040</u>
<b>Total Assets</b>	<u>323,899,257</u>	<u>256,467,347</u>	<u>580,366,604</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount pension obligation	3,641,589	1,293,384	4,934,972
Deferred amount OPEB obligation	222,524	78,762	301,286
Deferred amount on refunding	590,701	-	590,701
<b>Total Deferred Outflow</b>	<u>4,454,814</u>	<u>1,372,146</u>	<u>5,826,959</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	784,849	1,611,911	2,396,761
Accrued wages and related payables	238,924	148,182	387,105
Customer deposits, retentions and advances	17,982,298	291,820	18,274,118
Accrued interest payable	558,851	1,310,181	1,869,031
Compensated absences- current	195,988	72,936	268,924
Bonds payable- current	670,000	845,000	1,515,000
Loans payable- current	-	1,797,272	1,797,272
<b>Total Current Liabilities</b>	<u>20,430,910</u>	<u>6,077,301</u>	<u>26,508,211</u>
<b>Noncurrent liabilities</b>			
Compensated absences	587,964	218,808	806,772
Bonds payable	25,927,709	31,265,931	57,193,640
Loans payable	-	37,305,672	37,305,672
Net OPEB obligation	10,285,830	3,860,799	14,146,629
Net Pension liability	5,452,807	1,954,765	7,407,572
<b>Total Noncurrent Liabilities</b>	<u>42,254,309</u>	<u>74,605,975</u>	<u>116,860,284</u>
<b>Total Liabilities</b>	<u>62,685,219</u>	<u>80,683,276</u>	<u>143,368,495</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amount pension obligation	395,988	135,576	531,564
Deferred amount OPEB obligation	38,803	13,734	52,537
Deferred amount on refunding	-	300,020	300,020
<b>Total Deferred Inflow</b>	<u>434,791</u>	<u>449,331</u>	<u>884,122</u>
<b>NET POSITION</b>			
Net investments in capital assets	174,003,991	115,100,460	289,104,450
Restricted for:			
Capital facility fees	39,487,543	28,048,103	67,535,646
Debt service reserves	2,843,776	3,459,483	6,303,260
Unrestricted	48,898,751	30,098,841	78,997,592
<b>Total Net Position</b>	<u>\$ 265,234,062</u>	<u>\$ 176,706,886</u>	<u>\$ 441,940,948</u>

See accompanying notes to the financial statements.



**JURUPA COMMUNITY SERVICES DISTRICT**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
FUND NET POSITION – ENTERPRISE FUNDS**

**For the Year Ended June 30, 2018**

	Water	Wastewater	Total
<b>Operating revenues</b>			
Water consumption sales	\$ 19,349,891	\$ -	\$ 19,349,891
Monthly meter service charge	16,771,715	-	16,771,715
Sewer service charge	-	19,402,012	19,402,012
Other charges and services	1,149,806	-	1,149,806
<b>Total Operating Revenue</b>	<u>37,271,413</u>	<u>19,402,012</u>	<u>56,673,425</u>
<b>Operating expenses</b>			
Source of supply	13,830,391	-	13,830,391
Pumping	376,135	-	376,135
Water treatment	1,745,925	-	1,745,925
Transmission and distribution	2,923,168	-	2,923,168
Sewage collection	-	3,361,591	3,361,591
Sewage treatment	-	8,407,348	8,407,348
Customer service	1,464,496	366,124	1,830,620
General administrative	9,088,580	3,688,071	12,776,651
Operations and maintenance	332,107	788,162	1,120,268
<b>Total Operating Expenses</b>	<u>29,760,803</u>	<u>16,611,296</u>	<u>46,372,099</u>
Operating income before depreciation	7,510,610	2,790,716	10,301,326
Depreciation	(6,244,937)	(5,001,100)	(11,246,037)
<b>Operating Income (Loss)</b>	<u>1,265,673</u>	<u>(2,210,384)</u>	<u>(944,711)</u>
<b>Non-operating revenues (expenses)</b>			
Property tax revenue	-	3,368,006	3,368,006
Investment earnings	1,337,371	498,075	1,835,447
Interest expense	(67,366)	(2,026,039)	(2,093,405)
Other non-operating revenues (expenses), net	(1,110,434)	(473,209)	(1,583,643)
<b>Total Non-Operating Revenues (Expenses), net</b>	<u>159,571</u>	<u>1,366,833</u>	<u>1,526,404</u>
<b>Income Before Capital Contributions</b>	<u>1,425,244</u>	<u>(843,552)</u>	<u>581,693</u>
<b>Capital contributions</b>			
Facility fees	4,674,385	4,673,701	9,348,086
Contributions in aid of construction	8,867,663	(287,107)	8,580,557
<b>Capital contributions</b>	<u>13,542,048</u>	<u>4,386,594</u>	<u>17,928,643</u>
<b>Change in Net Position</b>	<u>14,967,293</u>	<u>3,543,043</u>	<u>18,510,335</u>
<b>Net Position at Beginning of Year</b>	256,808,281	175,479,201	432,287,482
Equity Restatement (Note 20)	(6,541,511)	(2,315,358)	(8,856,869)
Net Position at Beginning of Year, as restated	<u>250,266,770</u>	<u>173,163,843</u>	<u>423,430,613</u>
<b>Net Position at End of Year</b>	<u>\$ 265,234,062</u>	<u>\$ 176,706,886</u>	<u>\$ 441,940,948</u>

See accompanying notes to the financial statements.

**JURUPA COMMUNITY SERVICES DISTRICT**

**STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS  
For the Year Ended June 30, 2018**

	Water	Wastewater	Total
<b>Cash flows from operating activities</b>			
Cash receipts from customers	\$ 36,756,621	\$ 17,720,093	\$ 54,476,714
Cash paid to employees, vendors and suppliers	(31,740,103)	(16,356,161)	(48,096,264)
<b>Net cash provided by (used in) operating activities</b>	5,016,518	1,363,932	6,380,450
<b>Cash flows from non-capital financing activities</b>			
Proceeds from property taxes	-	3,367,181	3,367,181
Other non-operating revenues (expenses)	(1,110,434)	(473,209)	(1,583,643)
<b>Net cash provided by (used in) non-capital financing activities</b>	(1,110,434)	2,893,972	1,783,538
<b>Cash flows from capital and related financing activities</b>			
Acquisition and construction of capital assets	(1,264,923)	(35,342,630)	(36,607,553)
Advance payments from Community Facility Districts	4,893,626	3,171,225	8,064,851
Contributions in aid of construction	8,862,268	(287,861)	8,574,407
Proceeds from the issuance of long-term debt	-	32,929,766	32,929,766
Principal payments on long-term debt	(627,631)	(1,230,821)	(1,858,452)
Interest payments on long-term debt	(1,302,632)	(1,681,985)	(2,984,617)
<b>Net cash provided by (used in) capital and financing activities</b>	10,560,708	(2,442,306)	8,118,402
<b>Cash flows from investing activities</b>			
(Purchases) sales of investments	(12,765,083)	(3,083,347)	(15,848,430)
Interest earnings (losses)	(121,060)	456,517	335,457
<b>Net cash used in investing activities</b>	(12,886,143)	(2,626,830)	(15,512,973)
Net increase (decrease) in cash and cash equivalents	1,580,649	(811,232)	769,417
Cash and cash equivalents, beginning of year	31,194,970	30,991,079	62,186,049
<b>Cash and cash equivalents, end of year</b>	\$ 32,775,619	\$ 30,179,847	\$ 62,955,466
 <b>Reconciliation of cash and cash equivalents to statement of financial position:</b>			
Cash and cash equivalents	\$ 32,698,031	\$ 30,034,901	\$ 62,732,932
Restricted assets - cash and cash equivalents	77,588	144,946	222,534
<b>Total Cash and Cash Equivalents</b>	\$ 32,775,619	\$ 30,179,847	\$ 62,955,466

See accompanying notes to the financial statements.

**JURUPA COMMUNITY SERVICES DISTRICT**

**STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS  
For the Year Ended June 30, 2018**

	Water	Wastewater	Total
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 1,265,673	\$ (2,210,384)	\$ (944,711)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation expense	6,244,937	5,001,101	11,246,038
Changes in assets and liabilities:			
(Increase) decrease in assets:			-
Accounts receivable - utilities, net	(175,626)	(129,555)	(305,181)
Accounts receivable - governmental agencies			-
Prepaid expenses and other deposits	(2,783,196)	(43,392)	(2,826,588)
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	(1,169,660)	(373,141)	(1,542,801)
Accrued wages and related payable	22,651	12,269	34,920
Customer deposits, deferred revenue and advances	(339,166)	(1,552,365)	(1,891,531)
Compensated absences	17,957	(24,765)	(6,808)
Other post-employment benefits payable	844,204	298,805	1,143,009
Pension liability	1,088,744	385,359	1,474,103
Total Adjustments	3,750,845	3,574,316	7,325,161
<b>Net cash provided by operating activities</b>	<b>\$ 5,016,518</b>	<b>\$ 1,363,932</b>	<b>\$ 6,380,450</b>

See accompanying notes to the financial statements.

**JURUPA COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2018**

	Community Facilities Districts <u>Agency Fund</u>
<b>Assets</b>	
Cash and Investments	<u>\$ 54,892,144</u>
<b>Total Assets</b>	<u><u>\$ 54,892,144</u></u>
 <b>Liabilities</b>	
Due to bondholders	\$ 53,489,023
Due to other agencies	1,403,121
<b>Total Liabilities</b>	<u><u>\$ 54,892,144</u></u>

See accompanying notes to the financial statements.

# JURUPA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

### **NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Organization and Operations of the Reporting Entity***

The Jurupa Community Services District (“District”) is a special governmental district formed to provide water distribution and wastewater collection and distribution for consumers within its service area. In addition, the District provides street lighting, landscape and park maintenance services. The District is governed by a five-member Board of Directors who serve four-year terms and are elected at large. The Directors entrust the responsibility for the efficient execution of District policies to their designated representative, the General Manager.

The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable and there is a financial benefit or burden relationship between the District and component unit. Additionally, blending would be appropriate if the component unit provides services entirely, or almost entirely, to the District or for the benefit of the District. Lastly, if the component units’ total debt outstanding is expected to be repaid with District resources, blending is also appropriate for the component unit. The District has the following blended component unit.

The Jurupa Public Facilities Corporation (“Corporation”) was formed in 1990 to assist the District in the acquisition of additional wastewater disposal and treatment capacity. Under an installment purchase agreement, the District purchased the capacity from the Corporation and is required to make payments to the Corporation, which is sufficient to meet debt service requirements on Certificates of Participation issued by the Corporation. Based on this special financing relationship, the accounts and transactions of the Corporation have been included in these financial statements using the blended method.

The *basic financial statements* of the District are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

#### ***Government-wide Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type

# JURUPA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

### **NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

activities, which rely to a significant extent on fees and charges to external customers for support. The District's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the operating expenses of a given function are offset by operating revenues. Operating expenses are those that are clearly identifiable with a specific function. Charges for services include revenues from customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by the District. Contributed capital and capital grants are included as capital contributions. Property taxes and interest earnings not properly included among program revenues are reported instead as general revenues.

#### ***Fund Financial Statements***

These statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. Accompanying these statements is a schedule to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-wide Financial Statements.

Governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues, subject to accrual (generally 60 days after the year-end) are recognized when due. The primary sources susceptible to accrual for the District are property tax, interest earnings, investment revenue and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

#### ***Basis of Accounting and Measurement Focus***

The accrual basis of accounting is followed by the proprietary enterprise funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset created, such as, unbilled but utilized utility services are recorded at year end.

# JURUPA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

### **NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place. Operating revenues and expenses, such as water sales, wastewater service, solid waste collection and purchases of water, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories, such as interest income and interest expense, are reported as non-operating revenues and expenses.

The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts established for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category, governmental, proprietary, and fiduciary, are presented even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds. A fund is considered major if it is the primary operation fund of the District or meets the following criteria:

- a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b) Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined.
- c) The entity has determined that a fund is important to the financial statement user.

The funds of the financial reporting entity are described herein.

# JURUPA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

### **NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### *Governmental Funds*

The District reports the following capital project funds:

**Eastvale Parks** – This fund is used to account for the Eastvale parks special assessment revenue and facility fees restricted for Eastvale park maintenance.

**Graffiti Abatement** – This fund is used to account for the Eastvale parks special assessment revenue restricted for Eastvale park maintenance to be used for graffiti abatement activities within the District and the allocation of property taxes to fund those activities.

**Illumination District No. 2** – This fund is used to account for the revenues received from property taxes and special assessments restricted for Illumination District No. 2.

**Landscape and Lighting** – This fund is used to account for the revenues received from special assessment revenue restricted for the Landscape and Lighting Districts 91-1, 98-1, 98-2, 2001-1, 2001-2, 2001-3 and 2003-1.

#### *Enterprise Funds*

**Water** – This fund accounts for the water transmission and distribution operations of the District.

**Wastewater** – This fund accounts for the wastewater service operations of the District.

#### *Fiduciary Fund*

**Community Facilities Districts Agency Fund** – This fund is used to account for receipts and disbursements associated with community facilities districts, which are administered by, but are not the liability of the District.

#### *New Accounting Pronouncements*

##### **Governmental Accounting Standards Board Statement No. 83**

In November 2016, the GASB issued Statement No. 83 *Certain Asset Retirement Obligations*. This statement addresses accounting and financial reporting for certain asset retirement obligations when a legally enforceable liability is associated with the retirement of a tangible capital asset. The statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources. The statement is effective for the fiscal year 2018-19.



# JURUPA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

### **NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Governmental Accounting Standards Board Statement No. 84**

In January 2017, the GASB issued Statement No. 84 *Fiduciary Activities*. The objective of the statement is to improve guidance regarding the recognition of fiduciary activities for accounting and financial reporting purposes by establishing criteria for identifying fiduciary activities of all state and local governments. The statement is effective for the fiscal year 2019-20.

#### **Governmental Accounting Standards Board Statement No. 87**

In June 2017, the GASB issued Statement No. 86 *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The statement is effective for the fiscal year 2020-21.

#### **Governmental Accounting Standards Board Statement No. 88**

In June 2017, the GASB issued Statement No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Replacements*. The statement defines debt for purposes of disclosure in the notes to the financial statements. The statement requires additional disclosures related to debt obligations, including direct borrowings and direct placements. Amounts of unused lines of credit, assets pledged as collateral for debt and terms specified in debt agreements related to significant 1) events or default with finance-related consequences; 2) termination events with finance-related consequences and ) subjective acceleration clauses are also required to be disclosed. The statement is effective for the fiscal year 2018-19.

#### **Governmental Accounting Standards Board Statement No. 89**

In June 2018, the GASB issued Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The statement is effective for the fiscal year 2019-20.

#### **Governmental Accounting Standards Board Statement No. 90**

In August 2018, the GASB issued Statement No. 90 *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. The statement modifies previous guidance for reporting

# JURUPA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

### **NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a majority equity interest in a legally separate organization and provides guidance for reporting a component unit if 100 percent equity interest is acquired in that component unit. The statement is effective for the fiscal year 2018-19.

#### *Financial Statement Elements*

##### **Cash and Cash Equivalents**

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

##### **Investments**

Investments are recorded at fair value. The District has adopted an investment policy directing the District's Director of Finance and Administration to deposit funds and to purchase investments.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

##### **Accounts Receivable**

The District extends credit to customers in the normal course of operations. Management believes all of these amounts are collectible; therefore, no provisions for uncollectible accounts were recorded.

##### **Deferred Outflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2018, the District has three items reported as deferred outflow of resources.

*Deferred Amount Pension Obligation:* The deferred outflows of resources related to the net pension obligation resulted from District contributions to employee pension plans subsequent to the measurement date of the actuarial valuations for the pension plans, the difference between actual and expected experience and projected and actual earnings on investments. In addition, deferred outflows of resources also relate to the change in actuary assumptions, change in the District's proportionate share, and proportionate share of contributions. The deferred outflows

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

related to the net pension obligation will be deferred and amortized as detailed in Note 15 to the financial statements.

*Deferred Amount OPEB Obligation:* The deferred outflows of resources related to OPEB benefits results from District contributions to employee plans subsequent to the measurement date of the actuarial valuations for the plans, (the effect of changes in proportion of cost-sharing programs,) and the difference between expected and actual experience. The deferred outflows – OPEB will be deferred and amortized as detailed in Note 10 to the financial statements.

*Deferred Amount on Refunding:* A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District reports the deferred loss on refunding in the Water Fund as a deferred outflow of resources.

**Property Taxes and Assessments**

The Riverside County Assessor’s Office assesses all real and personal property within the County each year. The Riverside County Tax Collector’s Office bills and collects the District’s share of property taxes and/or tax assessments. The Riverside County Treasurer’s Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (one percent) of countywide assessed valuations.

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

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

**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.

**Water-In Storage Inventory**

The District is utilizing two water storage programs implemented by the Chino Basin Watermaster to pre-purchase water at discounted rates. Water is valued at cost on a first-in-first-

# JURUPA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

### **NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

out basis. The amount recorded as water in storage is based on an estimate of the number of acre feet available to the District since the Chino Basin Watermaster does not perform a final reconciliation of the water storage programs until after the fiscal year end.

#### **Restricted Assets**

The District holds certain assets, which have been restricted by bond covenants or are to be used for specified purposes such as servicing debt or construction of plant assets.

#### **Capital Assets**

Capital assets acquired and/or constructed are capitalized at historical cost including capitalized interest. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at acquisition values at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

##### *Governmental Activities*

- Land improvements – 30 years
- Structures and equipment – 3 to 30 years

##### *Business-Type Activities*

- Land improvements – 30 years
- Structures and improvements – 5 to 30 years
- Water transmission and distribution systems – 45 to 75 years
- Wastewater collection systems – 45 to 75 years
- Vehicles and equipment – 5 to 30 years

#### **Compensated Absences**

Vested or accumulated vacation and sick leave is recorded as an expense and liability as benefits accrue to employees.

#### **Net Post-Employment Benefits Other Than Pensions Obligation (OPEB)**

During 2018, the District adopted new accounting guidance GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits (GASB No. 75).

# JURUPA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

### **NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

For purposes of measuring the District's OPEB liability related to the California Employer's Retirement Benefits Trust (CERBT), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the CERBT and additions to deductions from the CERBT fiduciary net position have been

determined on the same basis as they are reported by the CERBT. For this purpose, the CERBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

#### **Net Pension Liability**

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

#### **Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net assets by the District that is applicable to a future reporting period. At June 30, 2018 the District has three items reported as deferred inflow of resources.

*Deferred Amount Pension Obligation:* The deferred inflows of resources related to the net pension obligation, results from the difference between the estimated and actual return on pension plan investments, change in actuary assumptions, and the change in the District's proportionate share of pension contributions. These amounts are deferred and amortized as detailed in Note 15.

*Deferred Amount OPEB Obligation:* The deferred inflows of resources related to OPEB benefits results from (the difference between the estimated and actual return on OPEB plan investments,) (the effect of changes in proportion of cost-sharing programs). These amounts are deferred and amortized as described in Note 10 to the financial statements.

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Deferred Amount on Refunding:* A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District reports the deferred gain on refunding in the Wastewater Fund as deferred inflows of resources.

**Net Position/Fund Balances**

*Net Position*

The government-wide financial statements utilize a net position presentation. Net position categories are as follows:

- **Net Investment in Capital Assets:** This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt outstanding against the acquisition, construction or improvement of those assets.
- **Restricted Net Position:** This component of net position consists of externally constrained resources imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position:** This component of net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

It is government's policy to consider restricted – net position to have been depleted before unrestricted net position is applied.

*Fund Balance*

The following definitions and classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable:** Resources that are 1) not in spendable form, such as inventories, prepaids, long-term receivables, or non-financial assets held for resale, or 2) required to be maintained intact such as an endowment.
- **Restricted:** Resources that are subject to externally enforceable legal restrictions; these restrictions would be either 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

# JURUPA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

### **NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- **Committed:** Resources that are constrained to specific purposes by a formal action of the Board of Directors such as an ordinance or resolution. The constraints remain binding unless removed in the same formal manner by the Board of Directors. Board action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently.
- **Assigned:** Resources that are constrained by the District's intent to be used for specific purposes, but that are neither restricted nor committed.
- **Unassigned:** The unassigned classification is to be used when there are negative residual resources in excess of what can be properly classified as nonspendable, restricted, committed or assigned.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the District's policy is to first apply unrestricted fund balance. Within the unrestricted classification, the District's policy is to first apply unassigned, then assigned and then committed.

#### **Utility Sales**

Utility sales are billed on a monthly basis. Estimated unbilled revenue through June 30 has been accrued at year-end for the enterprise funds.

#### **Capital Contributions**

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies or real estate developers desiring services that require capital connection expenditures or capacity commitment.

#### ***Use of Estimates***

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

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 2: CASH AND INVESTMENTS**

Cash and investments are reported in the accompanying financial statements as follows:

	Governmental Activities	Business-type Activities	Agency Fund	Total
Cash and cash equivalents	\$ 2,958,592	\$ 62,732,932	\$ -	\$ 65,691,524
Restricted - cash and cash equivalents	16,157,510	222,534	-	16,380,044
Restricted - investments (current)	-	2,641,498	-	2,641,498
Restricted - investments (non-current)	-	70,975,062	-	70,975,062
Cash and investments	-	31,120,641	54,892,144	86,012,785
Total	<u>\$ 19,116,102</u>	<u>\$ 167,692,667</u>	<u>\$ 54,892,144</u>	<u>\$ 241,700,913</u>

Cash and investments as of June 30, 2018 consist of the following:

Cash on hand	\$ 4,065
Deposits held with financial institutions	23,065,810
Investments	218,631,038
Total	<u>\$ 241,700,913</u>

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

The table below identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.



**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 2: CASH AND INVESTMENTS**

Authorized Maximum Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury bills and notes	5 years	80%	None
U.S. Agency obligations	5 years	80%	None
Supranational securities	5 years	30%	None
Municipal Obligations	5 years	80%	5%
California Local Agency Investment Fund (LAIF)	N/A	60%	None
Riverside County Investment Pool	N/A	40%	None
Money Market Mutual Fund	N/A	20%	10%
California Asset Management Program	N/A	50%	None
Repurchase Agreement	7 days	5%	5%
Bankers' Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5%
Negotiable CDs	5 years	30%	5%
Corporate and Depository Institution Debt Securities	5 years	30%	5%
Asset Backed Securities	5 years	20%	5%

***Investment Valuation***

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements at June 30, 2018 are presented herein.

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 2: CASH AND INVESTMENTS**

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Overnight Repurchase Agreements Sweep Account	\$ 15,696,926	\$ -	\$ 15,696,926	\$ -
US Treasury Notes	31,596,938	31,596,938	-	-
Supra-National Agency Bond	5,029,423	-	5,029,423	-
Federal Agency Collateralized Mortgage	1,032,593	-	1,032,593	-
US Agency Securities				
FHLB	996,954	-	996,954	-
FHLMC	1,082,623	-	1,082,623	-
FNMA	7,497,673	-	7,497,673	-
Corporate Notes	22,526,212	-	22,526,212	-
Asset-Backed Security	11,222,536	-	11,222,536	-
Certificate of Deposit	15,318,912	-	15,318,912	-
Municipal Bond	1,132,299	-	1,132,299	-
Held by Bond trustee:				
Money Market Deposit Account	32,189,024	32,189,024	-	-
US Treasury Notes	7,894,342	7,894,342	-	-
US Agency Securities:				
FHLB	15,785,804	-	15,785,804	-
FNMA	11,315,589	-	11,315,589	-
FFCB	1,788,088	-	1,788,088	-
FHLMC	868,187	-	868,187	-
Total Investments by Fair Value Level	<u>\$ 182,974,123</u>	<u>\$ 71,680,304</u>	<u>\$ 111,293,819</u>	<u>\$ -</u>

**Investments Measured at Net Asset Value (NAV)**

California Asset Management Program (CAMP)	96,413
Local Agency Investment Fund (LAIF)	25,049,657
Riverside County Investment Pool	34,853,212
Total Investments Measured at NAV	<u>59,999,282</u>
Total Investments Measured at Fair Value	<u>\$ 242,973,405</u>

***Investments Authorized by Debt Agreements***

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The debt agreement for the District's certificates-of-participation authorizes the bond trustee to invest reserve funds in investment contracts with a maturity up to the maturity date of the outstanding debt.

***Investment in State Investment Pool***

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of

# JURUPA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

### **NOTE 2: CASH AND INVESTMENTS**

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). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not subject to categorization to indicate the level of custodial credit risk assumed by the District at yearend. LAIF is not registered with the Securities and Exchange Commission.

#### ***Investment in Riverside County Pooled Investment Fund***

The Riverside County Pooled Investment Fund (RCPIF) is a pooled investment fund program governed by the County of Riverside Board of Supervisors, and administered by the County of Riverside Treasurer and Tax Collector. 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 RCPIF for the entire RCPIF portfolio. Investments in RCPIF are highly liquid as deposits and withdrawals can be made at any time without penalty. RCPIF does not impose a maximum investment limit. RCPIF is not registered with the Securities and Exchange Commission.

Information related to the RCPIF may be obtained from the County of Riverside Administrative Office – 4080 Lemon Street, 4<sup>th</sup> Floor – Capital Markets – Riverside, California 92506 or the Treasurer and Tax Collector's office website [www.countytreasurer.org](http://www.countytreasurer.org).

#### ***Investment in California Asset Management Program***

The California Asset Management Program (CAMP) is a public joint powers authority which provides California Public Agencies with investment management services for surplus funds and comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of tax-exempt financings. The CAMP currently offers the Cash Reserve Portfolio, a short-term investment portfolio, as a means for Public Agencies to invest these funds. Public Agencies that invest in the Pool ("Participants") purchase shares of beneficial interest. Participants may also establish individual, professionally managed investment accounts ("Individual Portfolios") by separate agreement with the Investment Advisor. The District participates in the Cash Reserve Portfolio and has also established a professionally managed investment portfolio through CAMP. CAMP is not registered with the Securities and Exchange Commission.

Investments in the pools and individual portfolios are made only in investments in which Public Agencies generally are permitted by California statute. The CAMP may reject any investment and may limit the size of a participant's account. The pool seeks to maintain, but does not guarantee, a constant net asset value of \$1.00 per share. A participant may withdraw funds from its Pool

# JURUPA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

### **NOTE 2: CASH AND INVESTMENTS**

accounts at any time by check or wire transfers. Fair value of the pool is determined by the fair value per share of the pool's underlying portfolio.

#### ***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. Of the District's deposits with financial institutions, \$7,839,803 was in excess of federal depository insurance limits and subject to custodial credit risk as described above.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). Pursuant to the Master Repurchase Agreement, the amounts in the Overnight Repurchase Agreement Sweep Account are collateralized at 102 percent with the collateral held by the financial institutions custodian but not in the District's name.

#### ***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 2: CASH AND INVESTMENTS**

Type	Totals	Remaining Maturity		
		12 Months Or Less	13 to 24 Months	25 to 60 Months
Overnight Repurchase Agreements Sweep Account	\$ 15,696,926	\$ 15,696,926	\$ -	\$ -
California Asset Management Program (CAMP)	96,413	96,413	-	-
Local Agency Investment Fund (LAIF)	25,049,657	25,049,657	-	-
Riverside County Investment Pool	34,853,212	34,853,212	-	-
US Treasury Notes	31,596,938	3,160,339	15,156,139	13,280,460
Supra-National Agency Bond	5,029,423		1,419,048	3,610,375
Federal Agency Collateralized Mortgage	1,032,593	192,180	150,798	689,615
US Agency Securities				
FHLB	996,954	-	-	996,954
FHLMC	1,082,623	-	1,082,623	-
FNMA	7,497,673		6,776,510	721,163
Corporate Notes	22,526,212	332,774	11,275,678	10,917,760
Asset-Backed Security	11,222,536	-	-	11,222,536
Certificate of Deposit	15,318,912	3,785,627	7,981,563	3,551,722
Municipal Bond	1,132,299	-	-	1,132,299
Held by Bond trustee:				
Money Market Deposit Account	32,189,024	32,189,024	-	-
US Treasury Notes	7,894,342	7,894,342	-	-
US Agency Securities:				
FHLB	15,785,804	449,476	3,729,616	11,606,712
FNMA	11,315,589	8,778,332	1,998,534	538,723
FFCB	1,788,088	-	-	1,788,088
FHLMC	868,187	-	868,187	-
Total	<u>\$ 242,973,405</u>	<u>\$ 132,478,302</u>	<u>\$ 50,438,696</u>	<u>\$ 60,056,407</u>

***Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual Moody's rating as of year-end for each investment type.

***Concentration of Credit Risk***

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Less than 16 percent of the District's investments are in total Corporate Notes and Certificates of Deposit. Corporate Notes and Certificates of Deposit comprise 9.27 percent and 6.30 percent respectively, of the District's investment portfolio.

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 2: CASH AND INVESTMENTS**

Type	Minimum Rating	Totals	Exempt from Disclosure	Rating as of Year End				
				AAA	AA	A	A-1	Not Rated
Overnight Repurchase Agreements Sweep Account	N/A	\$ 15,696,926	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,696,926
California Asset Management Program (CAMP)	N/A	96,413	-	-	-	-	-	96,413
Local Agency Investment Fund (LAIF)	N/A	25,049,657	-	-	-	-	-	25,049,657
Riverside County Investment Pool	N/A	34,853,212	-	-	-	-	-	34,853,212
US Treasury Notes	N/A	31,596,938	31,596,938	-	-	-	-	-
Supra-National Agency Bond	AA	5,029,423	-	5,029,423	-	-	-	-
Federal Agency Collateralized Mortgage	N/A	1,032,593	1,032,593	-	-	-	-	-
US Agency Securities:								
FHLB	N/A	996,954	-	996,954	-	-	-	-
FHLMC	N/A	1,082,623	-	1,082,623	-	-	-	-
FNMA	N/A	7,497,673	-	7,497,673	-	-	-	-
Corporate Notes	A	22,526,212	-	517,596	5,040,016	16,968,600	-	-
Asset-Backed Security	AA	11,222,536	-	11,222,536	-	-	-	-
Certificate of Deposit	A	15,318,912	-	-	4,446,974	7,086,311	3,785,627	-
Municipal Bond	A	1,132,299	-	-	1,132,299	-	-	-
Held by Bond trustee:								
Money Market Deposit Account	N/A	32,189,024	32,189,024	-	-	-	-	-
US Treasury Notes	N/A	7,894,342	7,894,342	-	-	-	-	-
US Agency Securities:								
FHLB	N/A	15,785,804	-	15,785,804	-	-	-	-
FNMA	N/A	11,315,589	-	11,315,589	-	-	-	-
FFCB	N/A	1,788,088	-	1,788,088	-	-	-	-
FHLMC	N/A	868,187	-	868,187	-	-	-	-
Total		<u>\$242,973,405</u>	<u>\$72,712,897</u>	<u>\$ 56,104,473</u>	<u>\$ 10,619,289</u>	<u>\$24,054,911</u>	<u>\$3,785,627</u>	<u>\$ 75,696,208</u>

**NOTE 3: ACCOUNTS RECEIVABLE – UTILITIES, NET**

The accounts receivable – utilities, net balance consists of the following balances as of June 30, 2018:

Account Description	Water	Wastewater	Total
Accounts receivable - utilities, net	\$5,286,567	\$ 2,628,041	\$ 7,914,608

**NOTE 4: INVENTORY, PREPAID EXPENSES AND OTHER ASSETS**

Account Description	Parks	Water	Wastewater	Total
Water-in-storage inventory	\$ -	\$11,304,048	\$ -	\$ 11,304,048
Prepaid expenses and other deposits	24,943	167,117	57,369	249,429
Total Inventory, Prepaid expenses and Other Deposits	<u>\$ 24,943</u>	<u>\$11,471,165</u>	<u>\$ 57,369</u>	<u>\$ 11,553,477</u>

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 5: INVESTMENT IN WRCRWA, NET**

The District's investment in the WRCRWA changed in fiscal year 2018 as follows:

Account Description	Balance at July 1, 2017	Additions	Deletions	Balance at June 30, 2018
Investment in WRCRWA	\$ 6,127,684	\$ 31,068	\$ -	\$ 6,158,752
Accumulated Amortization	(1,837,250)	(143,557)	-	(1,980,807)
Investment in WRCRWA, Net	<u>\$ 4,290,434</u>	<u>\$ (112,489)</u>	<u>\$ -</u>	<u>\$ 4,177,945</u>

**NOTE 6: CAPITAL ASSETS**

***Governmental Activities***

Changes in capital assets for the year were as follows:

	Balance at June 30, 2017	Additions	Deletions	Balance at June 30, 2018
<b>Non-Depreciable assets:</b>				
Land	\$ 26,870,371	\$ -	\$ -	\$ 26,870,371
Construction in Progress	1,803,604	1,074,621	(3,800)	2,874,425
Total Non-Depreciable Assets	<u>28,673,975</u>	<u>1,074,621</u>	<u>(3,800)</u>	<u>29,744,796</u>
<b>Depreciable assets:</b>				
Land Improvements	35,764,754	-	-	35,764,754
Structures and Equipment	33,198,006	124,532	-	33,322,538
Total Depreciable Assets	<u>68,962,760</u>	<u>124,532</u>	<u>-</u>	<u>69,087,292</u>
<b>Accumulated depreciation:</b>				
Land Improvements	(12,791,395)	(907,554)	-	(13,698,949)
Structures and Equipment	(14,584,466)	(1,478,187)	-	(16,062,653)
Total Accumulated Depreciation	<u>(27,375,861)</u>	<u>(2,385,741)</u>	<u>-</u>	<u>(29,761,602)</u>
Total Depreciable Assets, Net	41,586,899	(2,261,209)	-	39,325,690
Total Capital Assets, Net	<u>\$ 70,260,874</u>	<u>\$ (1,186,588)</u>	<u>\$ (3,800)</u>	<u>\$ 69,070,486</u>

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 6: CAPITAL ASSETS**

***Business-type Activities***

Changes in capital assets for the year were as follows:

	Balance at June 30, 2017	Additions	Transfers / Deletions	Balance at June 30, 2018
<b>Non-Depreciable assets:</b>				
Land	\$ 5,771,800	\$ -	\$ -	\$ 5,771,800
Construction in Progress	58,862,144	6,083,180	(18,549,531)	46,395,793
<b>Total Non-Depreciable Assets</b>	<b>64,633,944</b>	<b>6,083,180</b>	<b>(18,549,531)</b>	<b>52,167,593</b>
<b>Depreciable assets:</b>				
Land Improvements	2,377,959	-	-	2,377,959
Structures and Improvements	109,721,225	4,330,141	-	114,051,366
Water Transmission and Distribution	147,366,986	5,637,307	-	153,004,293
Wasterwater Collection System	135,522,370	40,101,364	-	175,623,734
Vehicles and Equipment	12,466,771	611,927	-	13,078,698
<b>Total Depreciable Assets</b>	<b>407,455,311</b>	<b>50,680,739</b>	<b>-</b>	<b>458,136,050</b>
<b>Accumulated depreciation:</b>				
Land Improvements	(1,399,135)	(62,428)	-	(1,461,563)
Structures and Improvements	(34,041,175)	(3,161,862)	-	(37,203,037)
Water Transmission and Distribution	(42,395,453)	(3,516,631)	-	(45,912,084)
Wasterwater Collection System	(26,930,604)	(3,348,879)	-	(30,279,483)
Vehicles and Equipment	(7,375,206)	(1,156,237)	-	(8,531,443)
<b>Total Accumulated Depreciation</b>	<b>(112,141,573)</b>	<b>(11,246,037)</b>	<b>-</b>	<b>(123,387,610)</b>
<b>Total Depreciable Assets, Net</b>	<b>295,313,738</b>	<b>39,434,702</b>	<b>-</b>	<b>334,748,440</b>
<b>Total Capital Assets, Net</b>	<b>\$ 359,947,682</b>	<b>\$ 45,517,882</b>	<b>\$ (18,549,531)</b>	<b>\$ 386,916,033</b>

**NOTE 7: CUSTOMER DEPOSITS, RETENTIONS, AND ADVANCES**

Account Description	Parks	Water	Wastewater	Total
Customer Deposits	\$ 25,978	\$ 106,644	\$ 162	\$ 132,784
Retentions payable	272,197	125,992	291,658	689,847
Construction advances and deposits	-	1,667,284	-	1,667,284
Advances payable to Community Facilities Districts	-	16,082,378	-	16,082,378
<b>Total Customer Deposits, Retentions and Advances</b>	<b>\$ 298,175</b>	<b>\$ 17,982,298</b>	<b>\$ 291,820</b>	<b>\$ 18,572,293</b>



**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 8: COMPENSATED ABSENCES**

Changes in compensated absences were as follows for the year ended June 30, 2018:

	Governmental Activities	Business-type Activities	Total
Compensated absences, beginning	\$ 242,087	\$ 1,082,504	\$ 1,324,591
Current year employee earnings	35,698	654,335	690,033
Employee vacation time taken	(73,460)	(661,143)	(734,603)
Compensated absences, ending	204,325	1,075,696	1,280,021
Less: current portion payable	51,081	268,924	320,005
Long-term portion payable	<u>\$ 153,244</u>	<u>\$ 806,772</u>	<u>\$ 960,016</u>

**NOTE 9: LONG-TERM DEBT**

Changes in long-term debt were as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Amount due within one year
<b>Business-type Activities</b>					
<b>Bonds Payable:</b>					
2010 COPs - Series A - Water Fund	\$ 6,975,000	\$ -	\$ (640,000)	\$ 6,335,000	\$ 670,000
2010 COPs - Series B - Water Fund	19,940,000	-	-	19,940,000	-
2010 COPs - Series A - Wastewater Fund	5,395,000	-	(810,000)	4,585,000	845,000
2010 COPs - Series B - Wastewater Fund	27,495,000	-	-	27,495,000	-
Plus: Premiums on debt issuance	731,322	-	(32,264)	699,058	-
Less: discounts on debt issuance	(361,361)	-	15,942	(345,419)	-
Total bonds payable	<u>60,174,961</u>	<u>-</u>	<u>(1,466,322)</u>	<u>58,708,639</u>	<u>1,515,000</u>
<b>Loans Payable:</b>					
State Water Resources Control Board Loan	214,448	-	(107,224)	107,224	107,225
Western Municipal Water District Loan	6,364,279	-	(298,325)	6,065,954	318,214
WRCWRA SRF Loan	-	32,929,766	-	32,929,766	1,371,833
Total loans payable	<u>6,578,727</u>	<u>32,929,766</u>	<u>(405,549)</u>	<u>39,102,944</u>	<u>1,797,272</u>
Total Business-type Activities	<u>\$66,753,688</u>	<u>\$32,929,766</u>	<u>\$ (1,871,871)</u>	<u>\$97,811,583</u>	<u>\$ 3,312,272</u>

***2010 Series A – Certificates of Participation – Water Fund***

On February 25, 2010, the District issued \$10,895,000 in Series A – Certificates of Participation. The proceeds of the sale of the Series A – Certificates of Participation were used to refinance the District’s 2001 Certificates of Participation, partially finance the Chino Desalter Authority expansion project Phase No. 3 and to increase water supply and construct transmission facilities to convey water to appropriate pressure zones within the District’s service area.

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 9: LONG-TERM DEBT**

The 2010 Series A – Certificates of Participation were issued with an original issue premium of \$446,828 which will be amortized over the life of the issuance.

The certificates are scheduled to mature in 2033. Principal and interest are payable annually on September 1 at rates of 2.0 percent to 5.00 percent. Future annual debt service requirements on the certificates are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 670,000	\$ 271,850	\$ 941,850
2020	445,000	249,550	694,550
2021	460,000	231,450	691,450
2022	485,000	212,550	697,550
2023	500,000	192,225	692,225
2024-2028	1,795,000	692,950	2,487,950
2029-2033	1,980,000	258,000	2,238,000
Total	<u>\$ 6,335,000</u>	<u>\$ 2,108,575</u>	<u>\$ 8,443,575</u>

***2010 Series B – Certificates of Participation – Water Fund***

On February 25, 2010, the District issued \$19,940,000 in Series B – Certificates of Participation. The proceeds of the sale of the Series B – Certificates of Participation will be used to partially finance the Chino Desalter Authority expansion project Phase No. 3 and to increase water supply and construct transmission facilities to convey water to appropriate pressure zones within the District’s service area.

The certificates are scheduled to mature in 2041. Principal and interest are payable annually on September 1 at rates of 5.197 percent to 6.597 percent. Future annual debt service requirements on the certificates are as follows:

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 9: LONG-TERM DEBT**

Year Ending June 30,	Principal	Interest	Total
2019	\$ -	\$ 1,391,302	\$ 1,391,302
2020	250,000	1,384,806	1,634,806
2021	260,000	1,371,293	1,631,293
2022	265,000	1,356,861	1,621,861
2023	280,000	1,341,330	1,621,330
2024-2028	2,640,000	6,297,924	8,937,924
2029-2033	3,880,000	5,154,568	9,034,568
2034-2038	7,205,000	3,190,974	10,395,974
2039-2041	5,160,000	568,168	5,728,168
Total	<u>\$ 19,940,000</u>	<u>\$ 22,057,226</u>	<u>\$ 41,997,226</u>

***Build America Bonds***

The District is treating the 2010 Series B – Certificates of Participation as Build America Bonds under Section 54AA of the Internal Revenue Code and the Series B – Certificates of Participation will be “qualified bonds” under Section 54AA(g)(2) of the Internal Revenue Code which makes the District eligible for a cash subsidy payment from the United States Treasury equal to 35 percent of the interest payable on the Series B – Certificates of Participation. Such cash subsidy payments received by the District are referred to as U. S. Treasury Credits and are reflected in the above noted annual debt service schedule. U.S. Treasury Credits is defined to mean, with respect to the Series B – Certificates of Participation, the amounts which are payable by the Federal government under Section 6431 of the Internal Revenue Code, which the District has elected to receive under Section 54AA(g)(1) of the Internal Revenue Code. U.S. Treasury Credits are expected to be received contemporaneously with each interest payment date, upon timely receipt by the Internal Revenue Service of IRS Form 8038-CP, which is at least 45 days (but not more than 90 days) before each interest payment date.

***2010 Series A & B – Certificates of Participation – Water Fund***

The District has pledged future water fund revenues, net of specified operating expenses, to repay the water system certificates of participation. Net revenues are defined in the bond documents as operating income, less specified operating expenses, plus specified non-operating income. Net revenues are anticipated to equal at least 110 percent of annual principal and interest payments. The total principal and interest remaining to be paid on the bonds is \$50,440,801. Principal and interest paid for the current year and net revenues were \$2,350,819 and \$13,131,833, respectively.

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 9: LONG-TERM DEBT**

***2010 Series A – Certificates of Participation – Wastewater Fund***

On February 25, 2010, the District issued \$10,295,000 in Series A – Certificates of Participation. The proceeds of the sale of the Series A – Certificates of Participation were used to refinance the District’s 1993 Refunding Certificates of Participation, partially finance the Jurupa Trunk Line Improvements, Pyrite Creek Project, Pedley Trunk Line System Improvements, Sky Country Trunk Line Sewer Project, Regional Wastewater Pump Station Expansion and New Force Main to the Riverside Plant and Florine Lift Station Replacement as well as other wastewater system improvements.

The 2010 Series A – Certificates of Participation were issued with an original issue premium of \$521,099 which will be amortized over the life of the issuance. The certificates are scheduled to mature in 2033. Principal and interest are payable annually on September 1<sup>st</sup> at rates of 2.00 percent to 5.00 percent. Future annual debt service requirements on the certificates are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 845,000	\$ 175,631	\$ 1,020,631
2020	535,000	148,031	683,031
2021	550,000	126,331	676,331
2022	570,000	103,932	673,932
2023	595,000	79,888	674,888
2024-2028	965,000	182,788	1,147,788
2029-2033	525,000	66,154	591,154
Total	\$ 4,585,000	\$ 882,755	\$ 5,467,755

***2010 Series B – Certificates of Participation – Wastewater Fund***

On February 25, 2010, the District issued \$27,495,000 in Series B – Certificates of Participation. The proceeds of the sale of the Series B – Certificates of Participation will be used to partially finance the Jurupa Trunk Line Improvements, Pyrite Creek Project, Pedley Trunk Line System Improvements, Sky Country Trunk Line Sewer Project, Regional Wastewater Pump Station Expansion and New Force Main to the Riverside Plant, and Florine Lift Station Replacement as well as other wastewater system improvements.

The 2010 Series B – Certificates of Participation were issued with an original issue discount of \$478,271 which will be amortized over the life of the issuance. The certificates are scheduled to mature in 2041. Principal and interest are payable annually on September 1<sup>st</sup> at rates of 5.197 percent to 6.697. Future annual debt service requirements on the certificates are as follows:

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2018**

**NOTE 9: LONG-TERM DEBT**

Year Ending June 30,	Principal	Interest	Total
2019	\$ -	\$ 1,870,597	\$ 1,870,597
2020	340,000	1,861,762	2,201,762
2021	360,000	1,843,213	2,203,213
2022	375,000	1,823,004	2,198,004
2023	390,000	1,801,205	2,191,205
2024-2028	4,620,000	8,320,665	12,940,665
2029-2033	6,420,000	6,409,178	12,829,178
2034-2038	8,720,000	3,775,450	12,495,450
2039-2041	6,270,000	671,650	6,941,650
Total	<u>\$ 27,495,000</u>	<u>\$ 28,376,724</u>	<u>\$ 55,871,724</u>

***Build America Bonds***

The District is treating the 2010 Series B – Certificates of Participation as Build America Bonds under Section 54AA of the Internal Revenue Code and the Series B – Certificates of Participation will be “qualified bonds” under Section 54AA(g)(2) of the Internal Revenue Code which makes the District eligible for a cash subsidy payment from the United States Treasury equal to 35 percent of the interest payable on the Series B – Certificates of Participation. Such cash subsidy payments received by the District are referred to as U. S. Treasury Credits and are reflected in the above noted annual debt service schedule. U. S. Treasury Credits is defined to mean, with respect to the Series B – Certificates of Participation, the amounts which are payable by the Federal government under Section 6431 of the Internal Revenue Code, which the District has elected to receive under Section 54AA(g)(1) of the Internal Revenue Code. U.S. Treasury Credits are expected to be received contemporaneously with each interest payment date, upon timely receipt by the Internal Revenue Service of IRS Form 8038-CP, which is due at least 45 days (but not more than 90 days) before each interest payment due.

***2010 Series A & B – Certificates of Participation – Wastewater Fund***

The District has pledged future fund revenues, net of specified operating expenses, to repay the sewer system certificates of participation. Net revenues are defined in the bond documents as operating income, less specified operating expenses, plus specified non-operating income. Net revenues are anticipated to equal at least 110 percent of annual principal and interest payments.

The total principal and interest remaining to be paid on the bonds is \$61,339,479. Principal and interest paid for the current year and net revenues were \$2,913,529 and \$12,906,821, respectively.

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 9: LONG-TERM DEBT**

***State Water Resources Control Board Loan***

In October 1977, the District entered into a loan contract with the California State Water Resources Control Board (SWRCB Loan) to finance the construction of two wastewater equalization basins, and the slip-lining of inverted siphons of the Regional Force Main. Upon completion of the project in 1998, the final loan amount was determined to be \$2,573,401. The interest rate on the loan is zero percent per annum. Payments are payable annually on December 22 through the year 2018. Since the loan does not bear interest, the District is reporting the SWRCB loan in the accompanying financial statements at a discount of 6.5 percent. The discount is being amortized on a straight-line basis through 2018. Amortization expense of \$21,445 is included annually as a component on interest expense. Annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 107,223	\$ 21,445	\$ 128,668
Total	\$ 107,223	\$ 21,445	\$ 128,668

***Western Municipal Water District of Riverside County Loan***

On May 6, 2004, the District entered into an installment sale agreement with the Western Municipal Water District of Riverside County (WMWD loan) for the acquisition of 3.0 million gallons per day of capacity rights for wastewater treatment and disposal in the WRCRWA (see Note 18) treatment facility for \$9,486,754. The term of the WMWD loan is 28.5 years. Interest on the WMWD loan amount is payable monthly at a variable rate plus fees for liquidity facility and remarketing that equaled a rate of 3.305 percent as of June 30, 2018. The variable interest rate is determined by comparing the three-month average daily interest rates as provided by Paine Webber and J. P. Morgan. Principal payments are due annually on January 1, commencing January 1, 2005 in amounts ranging from \$198,884 to \$517,099. The final principal payment is due January 1, 2033. The District has pledged net water and sewer revenues as well as tax revenues towards the payment of the debt service on the WMWD loan. The District has the option to prepay the WMWD loan in whole or in part at any time upon 60 days written notice. Estimated annual debt service requirements are as follows:

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 9: LONG-TERM DEBT**

Year Ending June 30,	Principal	Interest	Total
2019	\$ 318,214	\$ 194,345	\$ 512,559
2020	318,214	183,828	502,042
2021	338,102	172,928	511,030
2022	338,102	161,753	499,855
2023	357,991	150,196	508,187
2024-2028	2,008,725	560,083	2,568,808
2029-2033	2,386,606	197,193	2,583,799
Total	<u>\$ 6,065,954</u>	<u>\$ 1,620,326</u>	<u>\$ 7,686,280</u>

***Western Riverside County Regional Wastewater Authority State Revolving Fund Loan***

On March 8, 2012 the District entered into an agreement with WRCRWA for the plant expansion. Amendment 1 through 6 specifies the changes to the original agreement including an increase in plant capacity. The final project capacity expands the plant by 6.0 MGD for a total capacity of 14.0 MGD. As a result, increasing the flow to WRCRWA and allocating an additional 2.75 MGD of treatment capacity.

On September 23, 2013, the District entered into an agreement to document the final percent allocation of their share at 42.856% for the expansion project. The District is considered an “Expander” member and shares financial liability including but not limited to, all costs expenses, debt repayment obligations and any and all other claims, demands, lawsuits, liabilities, and /or damages arising from or pertaining to the SRF loan.

The loan amount as of June 30, 2018 is \$71,570,889 with interest at 1.9% and 20 year repayment term starting with the first annual debt service payment due on December 31, 2018. The proceeds from the loan will be \$72,620,000 after final disbursement in August 2018. The District’s share of the debt as of June 30, 2018 is \$ 32,929,766 with a final estimated amount of \$34,134,480.

The loan with the State Water Resources Control Board contain covenants and restrictions that include, but are not limited to, assurances relating to adherence to the Clean Water Act, Equal Opportunity and Civil rights laws, and certain other assurances. As of June 30, 2018, the future annual maturities of the District’s obligation are estimated as follows:

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2018**

**NOTE 9: LONG-TERM DEBT**

Year Ending June 30,	Principal	Interest	Total
2019	\$ 1,371,833	\$ 622,471	\$ 1,994,304
2020	1,394,704	599,601	1,994,305
2021	1,421,203	573,101	1,994,304
2022	1,448,205	546,098	1,994,303
2023	1,475,722	518,583	1,994,305
2024-2028	7,809,998	2,161,524	9,971,522
2029-2033	8,580,683	1,390,840	9,971,523
2034-2038	9,427,418	544,105	9,971,523
Total	<u>\$ 32,929,766</u>	<u>\$ 6,956,323</u>	<u>\$ 39,886,089</u>

**NOTE 10: OTHER POST-EMPLOYMENT HEALTHCARE BENEFITS**

The District provides post-retirement health care benefits through a single-employer defined benefit Other Post Employment Benefit (OPEB) plan. The District contributes a fixed amount for health care benefits up to 100 percent of the premium for the retiree and their dependents. As of June 30, 2018, the District's total liability for post-employment healthcare benefits consisted of the following:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Benefits Plan	\$ 18,038,922	\$ 383,804	\$ 66,926	\$ 1,522,987

The details of the plan are as follows:

***Plan Description and Eligibility***

The following requirements must be satisfied in order to be eligible for lifetime postemployment medical benefits:

- 1) For employees hired prior to 2008, attainment of age 55 and 5 years for full-time service and for employees hired after 2008, attainment of age 55 and 20 years for full-time service.
- 2) Retirement from CALPERS and from the District (the District must be the last employer prior to retirement).
- 3) Lifetime post-employment medical benefits are no longer offered to employees hired after June 1, 2014.



**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 10: OTHER POST-EMPLOYMENT HEALTHCARE BENEFITS**

Membership in the health benefit plan consisted of the following at July 1, 2017, the date of the latest actuarial valuation:

Participant Type:	Number of Participants
Inactive participants currently receiving benefits	29
Inactive participants entitled to but not yet receiving benefit payments	-
Active plan members	132
Total	161

***Funding Policy***

The District's funding policy is to contribute the Annual Determined Contribution (ADC) to their account within the CERBT. For fiscal year ended June 30, 2017, the District paid \$447,986 to the plan including the implicit rate subsidy. The District contributed \$383,804 for retiree health benefits to the Trust during the fiscal year ended June 30, 2018.

***Net OPEB Liability***

The table herein shows the components of the net OPEB liability of the District:

	Balance June 30, 2018
Total OPEB liability	\$ 20,635,288
Plan fiduciary net position	(2,596,366)
District's net OPEB liability (asset)	\$ 18,038,922

Plan fiduciary net position as a percentage of the total OPEB liability (asset) 12.58%

***Investments***

As described above, at June 30, 2018, all Plan investments are held in the CERBT through CalPERS.

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 10: OTHER POST-EMPLOYMENT HEALTHCARE BENEFITS**

*Actuarial Methods and Assumptions*

The District's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. Liabilities in this report were calculated as of the valuation date.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the actuarial assumptions shown herein, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Methods and Assumptions

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Inflation	2.75%
Salary Increases	3.00%
Investment Rate of Return	7.00
Health Care Trend Rate	6.00%HMO/ 6.50%PPO

Mortality rates were based upon the rates under the CalPERS pensions plan updated to reflect the most recent experience study.

The long-term expected rate of return on 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 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 weighting 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 June 30, 2017 are shown herein:

<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Assumed Gross Return</u>
US Equity	30%	4.85%
International Equity	27%	5.85%
REITs	8%	3.65%
US Fixed Income	27%	2.35%
Commodities	3%	1.75%
Inflation Assets	5%	1.50%

The discount rate used to measure the total OPEB liability was 3.65 percent.

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 10: OTHER POST-EMPLOYMENT HEALTHCARE BENEFITS**

*Changes in the Net OPEB Liability*

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2017	\$ 19,380,391	\$ 2,349,545	\$ 17,030,846
Changes for the year:			
Service cost	968,330	-	968,330
Interest	734,553	-	734,553
Employer contributions	-	-	-
Net investment income	-	248,080	(248,080)
Benefit payments	(447,986)	-	(447,986)
Administrative expenses	-	(1,259)	1,259
Net changes	<u>1,254,897</u>	<u>246,821</u>	<u>1,008,076</u>
Balances at June 30, 2018	<u>\$ 20,635,288</u>	<u>\$ 2,596,366</u>	<u>\$ 18,038,922</u>

The following presents the District's net OPEB liability calculated using the discount rate of 3.65 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current rate:

Discount rate	Net OPEB Liability (Asset)
1% decrease (2.65%)	\$ 22,151,907
Current discount rate (3.65%)	18,038,922
1% increase (4.65%)	14,830,401

The following presents the District's net OPEB liability calculated using the current healthcare cost trend rate of 4.0 percent, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.0 percent) or 1-percentage-point higher (5.0 percent) than the current rate:

Healthcare trend rate	Net OPEB Liability (Asset)
1% decrease (5.00% HMO/5.50% PPO decreasing to 4.00% HMO/4.00% PPO)	\$ 14,451,561
Current healthcare trend rate (6.00% HMO/6.50% PPO decreasing to 5.00% HMO/5.00% PPO)	18,038,922
1% increase (7.00% HMO/7.50% PPO decreasing to 6.00% HMO/6.00% PPO)	22,743,187

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 10: OTHER POST-EMPLOYMENT HEALTHCARE BENEFITS**

*Other Post-Employment Benefits Expense*

For the year ended June 30, 2018, the District recognized OPEB expense of \$1,522,987 and recorded deferred outflows of resources of \$383,804 for contributions made during fiscal year 2018 after the measurement date. The deferred outflows will be recognized in OPEB expense for the period ending June 30, 2019.

The District recorded \$66,926 of deferred inflows of resources resulting from the differences between projected and actual earnings on OPEB plan investments for the period ending June 30, 2017. The deferred inflows of resources will be amortized and recognized in OPEB expense over three remaining periods ending June 30, 2021.

**NOTE 11: NET INVESTMENT IN CAPITAL ASSETS**

The calculation of the net investment in capital assets is as follows:

	Governmental Activities	Business-type Activities	Total
The balance consists of the following:			
Capital assets - not being depreciated	\$ 29,744,796	\$ 52,167,594	\$ 81,912,390
Capital assets - being depreciated, net	39,325,687	334,748,440	374,074,127
Long-term debt - current portion	-	(3,312,272)	(3,312,272)
Long-term debt - long-term portion	-	(94,499,312)	(94,499,312)
	<u>\$ 69,070,483</u>	<u>\$ 289,104,450</u>	<u>\$ 358,174,933</u>

**NOTE 12: RESTRICTED NET POSITION**

The District's net position is restricted as follows:

	Governmental Activities	Business-type Activities	Total
The balance consists of the following:			
Eastvale parks	\$ 19,159,881	\$ -	\$ 19,159,881
Graffiti abatement	461,103	-	461,103
Illumination District No. 2	284,179	-	284,179
Landscape and Lighting	2,115,175	-	2,115,175
Water fund - debt service reserves	-	2,843,777	2,843,777
Wastewater fund - debt service reserves	-	3,459,484	3,459,484
Water fund - capital facility fees	-	39,487,544	39,487,544
Wastewater fund - capital facility fees	-	28,048,101	28,048,101
	<u>\$ 22,020,338</u>	<u>\$ 73,838,906</u>	<u>\$ 95,859,244</u>

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 13: UNRESTRICTED NET POSITION**

The balance consists of the following:	Governmental Activities	Business-type Activities	Total
Prepaid expenses and other prepaid assets	\$ -	\$ 11,528,534	\$ 11,528,534
Water operations and capital replacement	-	37,427,586	37,427,586
Wastewater operations and capital replacements	-	30,041,472	30,041,472
	<u>\$ -</u>	<u>\$ 78,997,592</u>	<u>\$ 78,997,592</u>

**NOTE 14: DEFERRED COMPENSATION SAVINGS PLAN**

For the benefit of its employees, the District participants in a 457 Deferred Compensation Program (Program). The purpose of this program is to provide deferred compensation for public employees that elect to participate in the program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency.

Federal law requires deferred compensation assets to be held in a trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to claims of the District's general creditors. Market value of all plan assets held in trust by CalPERS and Nationwide at June 30, 2018 was \$3,381,284 and \$591,319, respectively.

The District has implemented GASB statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

**NOTE 15: PENSION PLAN – CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CalPERS)**

The District participates in a cost sharing multiple-employer defined benefit plan through the California Public Employees’ Retirement System (CalPERS) which covers substantially all regular full-time employees of the District. CalPERS acts as a common investment and administrative agent for participating public entities with the state of California and reports information to the District in accordance with reporting standards established by the Governmental Accounting Standards Board (GASB).

The District implemented GASB Statements No. 68 and No. 71, and reported its proportionate share of the net pension liability, pension expense and deferred inflow of resources for the above plan and a deferred outflow of resources as follows:

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 15: PENSION PLAN – CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CalPERS)**

Pension Plan	Proportionate Share of Net Pension Liability	Deferred Outflow of Resources	Deferred Inflow of Resources	Proportionate Share of Pension Expense
CalPERS	\$ 9,380,248	\$ 6,329,987	\$ 627,719	\$ 1,742,869

***Plan Description***

Qualified employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Plan under the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The Public Agency Cost-Sharing Multiple-Employer Plan in comprised of a Miscellaneous Risk Pool and a Safety Risk Pool. Individual employers may sponsor more than one Miscellaneous or Safety plan. The District sponsors two Miscellaneous Risk Pool plans; however, the information presented below represents the sum of the allocated pension amounts for each of the District’s respective plans (the Plan). The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Law.

The Plan 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 service credit, a benefit factor and the member’s final compensation. Members hired by the district, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for employment-related disability benefits regardless of length of service and non-duty disability benefits after 5 years of service. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The Post-Retirement Death Benefit is a one-time payment made to a retiree’s designated survivor or estate upon the retiree’s death. The Basic Death Benefit is paid to any member’s beneficiary if the member dies while actively employed. An employee’s eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least 5 years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 15: PENSION PLAN – CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CalPERS)**

The Plan provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous Risk Pool	
	Current Plan	PEPRA Misc. Plan
	On or Before	On or After
Hire date	31-Dec-12	1-Jan-13
Benefit formula	2.7% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Required employee contribution rate	8.000%	6.250%
Required employer contribution rate	11.049%	6.533%

***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. Total plan contributions are determined annually through the 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. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2018 are presented above and the total District contributions were \$2,214,160.

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

As of June 30, 2018, the District reported net pension liabilities for its proportionate share of the Miscellaneous Risk Pool net pension liability totaling \$9,380,248. The net pension liability was measured as of June 30, 2017. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the District’s proportion was 0.09456%.

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

For the year ended June 30, 2018, the District recognized pension expense of \$1,742,869. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**NOTE 15: PENSION PLAN – CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CalPERS)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contribution subsequent to measurement date	\$ 2,214,160	\$ -
Adjustment due to differences between expected and actual experience	13,043	186,870
Net differences between projected and actual earnings on plan investments	366,010	-
Effect of changes in assumption about future economic and demographic factors	1,618,375	123,403
Adjustment due to differences in proportions	668,297	317,446
Differences between contributions and proportionate share of contributions	1,450,102	-
	\$ 6,329,987	\$ 627,719

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. The deferred inflows of resources and remaining deferred outflows of resources will be amortized over a closed period of between 3.8 and 5 years and will be recognized in pension expense as follows:

Year Ended June 30	Amortization
2019	\$ 392,478
2020	2,192,456
2021	924,554
2022	(21,380)
2023	-
	\$ 3,488,108



# JURUPA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

### **NOTE 15: PENSION PLAN – CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CalPERS)**

#### *Actuarial Methods and Assumptions*

Total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30 ,2016
Measurement date	June 30 ,2017
Experience study	July 1, 1997 through June 30, 2011
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.00%
Consumer price inflation	2.75%
Wage growth	Varies by entry age and service

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include 20 years of mortality improvement using Scale BB published by the Society of Actuaries. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds’ asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

# JURUPA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

### **NOTE 15: PENSION PLAN – CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CalPERS)**

The target allocation and best estimates of long-term expected real rate of return by asset class are summarized in the following table:

Asset Class	New Strategic Allocation	Real Return Years	
		1-10	11+
Global equity	47.00%	4.90%	5.38%
Global fixed income	19.00%	0.80%	2.27%
Inflation sensitive	6.00%	0.60%	1.39%
Private equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%

#### ***Discount Rate***

The discount rate used to measure the total pension liability was 7.65% to 7.15% due to a decrease in the long-term expected rate of return. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CalPERS continues the Asset Liability Management (ALM) process to expand its review of assets and liabilities to ensure financial risks to the System are better understood, communicated, and mitigated. To establish appropriate levels of risk, ALM is focused on investment and actuarial policies. These policies include key decision factors that drive optimum asset allocations, while stabilizing employer rates, and volatility of those rates year to year. Additionally, in order to better manage risks arising from terminating agencies, CalPERS has enhanced its oversight of contracting public agencies’ financial health through its development of a standardized review criteria. These improvements include streamlining the collection and termination process to reduce the timeframe, accelerating notifications to the Board and members, and adopting a risk oversight process to improve early detection of financial hardship issues.

The following presents the District’s proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 15: PENSION PLAN – CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (CalPERS)**

<u>Discount rate</u>	<u>Net Pension Liability</u>
1% decreases (6.15%)	\$ 14,714,876
Current discount rate (7.15%)	9,380,248
1% increase (8.15%)	4,962,012

***Plan Fiduciary Net Position***

Detailed information about CalPERS Miscellaneous Risk Plan fiduciary net position is available in a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

**NOTE 16: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage and destruction of assets, errors and omissions, injuries to employees and natural disasters. In an effort to manage its risk exposure, the District purchases commercial package insurance policies. The District has experience no losses exceeding coverage during the past three years.

**NOTE 17: JOINT VENTURE**

***Western Riverside County Regional Wastewater Authority***

The Western Riverside County Regional Wastewater Authority (WRCRWA) was formed under a joint exercise of powers agreement for the purpose of constructing, maintaining, and operating a regional wastewater treatment plant. WRCRWA is composed office member agencies: Jurupa Community Services District, Santa Ana Watershed Project Authority, Western Municipal Water District, Home Gardens Sanitary District, and the City of Norco. The governing body of the Authority is a Board of Directors, which consists of ten individuals, two appointed by each member.

The construction of the wastewater treatment plant was substantially completed at June 30, 1999. Each member's share in the construction costs, as well as administrative costs, of WRCRWA is based on their capacity rights in different components of the plant. The District is billed for flows through the plant attributable to its jurisdiction as well as general and administrative costs. Payment of these bills is included in the costs of the District's sewer services activity. Members are deemed to have an ownership interest in the Authority and new members may only be admitted upon unanimous consent of the existing members. Upon withdrawal from the Authority, any member is entitled to receive its proportionate share of the Authority assets or the equivalent value thereof and is responsible for discharge of its proportionate share of the Authority's

# JURUPA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

### **NOTE 17: JOINT VENTURE**

liabilities. The investment in the Authority for the year June 30, 2018 is reported in the accompanying financial statements at \$4,177,945.

Financial data for WRCRWA is available at the District office. Audited financial information for WRCRWA can be obtained at Western Riverside County Regional Wastewater Authority, 450 Alessandro Boulevard, Riverside, California 92517-5286.

#### ***Western Municipal Water District***

In January 2002, the District entered into a Joint Exercise of Powers Agreement (Agreement) with the Western Municipal Water District of Riverside County (WMWD) for the formation of the Western Municipal Water District Facilities Authority (WMWDFa) pursuant to the Marks-Roos Local Bond Pooling Act of 1985, Article Y (Commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California. The purpose of this Agreement is to provide for the financing of public capital improvements for, and working capital requirements of the District and WMWD through the construction and/or the purchase by the WMWDFa of obligations of the District or WMWD pursuant to bond purchase agreements and/or the lending of funds by the WMWDFa to the District and/or WMWD. WMWD shall administer this agreement. Financial information of WMWDFa can be obtained from WMWD, 450 Alessandro Boulevard, Riverside, California 92517-5286.

#### ***Chino Basin Desalter Authority***

On September 25, 2001, the Chino Basin Desalter Authority (the Authority) was created under a joint exercise of powers agreement between Jurupa Community Services District, the Santa Ana River Water Company, the cities of Chino, Chino Hills, Ontario, Norco and the Inland Empire Utilities Agency, as an ex-officio member with the power among others, to design, finance, lease, purchase, acquire, construct, operate, maintain, sell, hypothecate or otherwise dispose of the Project for the purposes of the production, treatment and distribution of water to the Project Participants. This agreement was formed to successfully manage the groundwater resources in the Chino Basin.

The governing Board of Director consists of one representative appointed from each participating agency and has the power and responsibility to adopt budgets, operating plans and finance activities to further the purpose of the Authority. Financial statements of the Authority can be obtained from the CDA Treasurer's office located at 2151 S. Haven Avenue, Suite 202, Ontario, California 91761.

# **JURUPA COMMUNITY SERVICES DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

### **NOTE 18: COMMUNITY FACILITIES DISTRICTS**

Jurupa Community Services District is the lead agency for fifty-one community facilities districts that were formed to finance the construction and installation of certain public improvements that will service or provide benefit to properties located within the respective community facilities districts.

The bonds issued by the community facilities districts are payable solely from the revenues of annual special taxes levied against land within the districts and do not constitute an indebtedness of the Jurupa Community Services District. Jurupa Community Services District is not liable for the bonds, but acts as an agent for the bondholders in collecting the assessments from property owners, forwarding the collection to bond trustees, and initiating foreclosure proceedings, if necessary. Since the District is acting in an agency capacity, the assets and liabilities of the community facilities districts have been excluded from the District's government-wide statement of net position.

As of June 30, 2018, forty of the Community Facilities Districts have issued debt with an original aggregate principal amount payable of \$357,625,540. The amount outstanding as of June 30, 2018 is \$318,410,540.

Acting in a fiduciary capacity, the District collects assessments which are then forwarded to the trustee for future debt service payments. Until the funds are forwarded to the trustee, the District records a liability. The advance payable to the community services districts held as of June 30, 2018 was \$16,082,378 in the Water Fund and \$0 in the Wastewater Fund.

### **NOTE 19: COMMITMENTS AND CONTINGENCIES**

#### ***Construction Commitments***

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water facilities and distribution systems with its service area. The financing of such construction contracts is being provided primarily from the District's bond financing. The District has committed to approximately \$6,330,025 of open construction contracts as of June 30, 2018.

#### ***Litigation***

There are other lawsuits and claims pending against the District which arise during the normal course of business. To the extent the outcome of such litigation would result in a probable loss to the District, any such loss would be accrued in the accompanying financial statements.

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

**NOTE 19: COMMITMENTS AND CONTINGENCIES**

***Grant Awards***

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

**NOTE 20: EQUITY RESTATEMENT**

The beginning net position of the financial statements has been decreased \$11,282,633 to recognize the beginning balance of the net OPEB liability of \$17,030,846 and deferred outflows of resources of \$447,986 resulting from the implementation of GASB Statement No. 75. The beginning net position was not restated for the effect of deferred inflows of resources as the amount was not practical to determine.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net Position at Beginning of Year, as previously reported	\$96,760,262	\$432,287,482	\$529,047,744
Equity Restatement, GASB No. 75	<u>(2,425,764)</u>	<u>(8,856,869)</u>	<u>(11,282,633)</u>
Net Position at Beginning of Year, as restated	<u>\$94,334,498</u>	<u>\$423,430,613</u>	<u>\$517,765,111</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**JURUPA COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF POST-EMPLOYMENT HEALTHCARE  
BENEFITS CONTRIBUTIONS**

**June 30, 2018**

OPEB Contributions	2018
<u>Actuarially Determined Contribution (ADC)</u>	<u>\$ 1,121,220</u>
Contributions in relation to the ADC	<u>447,986</u>
Contribution deficiency (excess)	<u>\$ 673,234</u>
 District's covered-employee payroll	 \$ 9,597,000
 Contributions as a percentage of covered payroll	 4.67%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.



**JURUPA COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF CHANGES IN THE NET  
OTHER POST-EMPLOYMENT BENEFIT LIABILITY**

**June 30, 2018**

<u>Total OPEB Liability</u>	2018
Service Cost	\$ 968,330
Interest	734,553
Benefit Payments	(447,986)
Net Change in Total OPEB Liability	<u>1,254,897</u>
Total OPEB Liability - beginning	<u>19,380,391</u>
<b>Total OPEB Liability - ending (a)</b>	<b><u>\$ 20,635,288</u></b>
<u>Plan Fiduciary Net Position</u>	2018
Contributions - Employer	\$ 447,986
Net Investment Income	248,080
Benefit Payments	(447,986)
Administrative Expense	(1,259)
Net Change in Plan Fiduciary Net Position	<u>246,821</u>
Plan Fiduciary Net Position - beginning	<u>2,349,545</u>
<b>Plan Fiduciary Net Position - ending (b)</b>	<b><u>\$ 2,596,366</u></b>
 <b>Net OPEB Liability (Asset) - ending (a) - (b)</b>	 <b><u>\$ 18,038,922</u></b>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.58%
Covered-employee payroll	\$ 9,597,000
Net OPEB liability as a percentage of covered payroll	187.96%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

**JURUPA COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY –  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
For the Fiscal Year Ended June 30, 2018**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability (assets)	0.093098%	0.096520%	0.093080%	0.094560%
District's proportionate share of the net pension liability (asset)	\$ 5,793,320	\$ 6,624,931	\$ 8,054,303	\$ 9,380,248
District's covered payroll reported as of the previous fiscal year to align with the measurement date of the net pension liability	\$ 7,586,241	\$ 8,409,453	\$ 9,643,164	\$ 9,532,546
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	76.37%	78.78%	83.52%	98.40%
Plan fiduciary net position as a percentage of the total pension liability	77.88%	81.15%	78.90%	75.34%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as data becomes available.

See the accompanying notes to the required supplementary information.

**JURUPA COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF DISTRICT'S CONTRIBUTIONS –**  
**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**For the Fiscal Year Ended June 30, 2018**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$ 2,433,461	\$ 2,090,055	\$ 2,037,220	\$ 2,214,160
Contributions in relation to the contractually required contribution	<u>2,433,461</u>	<u>2,090,055</u>	<u>2,037,220</u>	<u>2,214,160</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 8,409,453	\$ 9,643,164	\$ 9,532,546	\$ 10,256,142
Contributions as a percentage of covered payroll	28.94%	21.67%	21.37%	21.59%

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as data becomes available.

See the accompanying notes to the required supplementary information.

**JURUPA COMMUNITY SERVICES DISTRICT**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
For the Fiscal Year Ended June 30, 2018**

**NOTE 1: PURPOSE OF SCHEDULES**

***Schedule of Post-Employment Healthcare Benefits Contributions***

The schedule presents information on the District's required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented.

***Schedule of Changes in Net OPEB Liability***

The schedule is intended to show the funded status of the District's actuarially determined liability for postemployment benefits other than pensions. In the future, as data becomes available, 10 years of information will be presented.

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

The schedule presents information on the District's proportionate share of the net pension liability, the plans' fiduciary net position and, when applicable, the State's proportionate share of the net pension liability associated with the District. In the future, as data becomes available, 10 years of information will be presented.

***Schedule of District's Contributions***

The schedule presents information on the District's required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented.

**SUPPLEMENTARY INFORMATION**

**JURUPA COMMUNITY SERVICES DISTRICT**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND**

**For the fiscal year ended June 30, 2018**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>ASSETS</b>				
Cash and investments	\$ 55,310,347	\$ 29,749,582	\$(30,167,786)	\$ 54,892,144
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>LIABILITIES</b>				
Due to bondholders	\$ 52,440,701	\$ 26,808,570	\$(25,760,249)	\$ 53,489,023
Due to other agencies	2,869,646	2,941,013	(4,407,538)	1,403,121
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>\$ 55,310,347</u>	<u>\$ 29,749,582</u>	<u>\$(30,167,786)</u>	<u>\$ 54,892,144</u>

See Independent Auditors' Report.

**JURUPA COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF RESERVE FOR ENTERPRISE FUNDS CAPITAL FACILITY FEES  
June 30, 2018**

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Reserve for Capital Facility Fees:			
Balance - beginning of year	\$ 35,043,110	\$ 24,942,868	\$ 59,985,978
Capital Contributions:			
Facility Fees	4,674,385	4,673,701	9,348,086
Total Contributions	4,674,385	4,673,701	9,348,086
Construction Costs	229,952	1,568,466	1,798,418
Total Expenses	229,952	1,568,466	1,798,418
Balance - end of year	<u>\$ 39,487,543</u>	<u>\$ 28,048,103</u>	<u>\$ 67,535,646</u>

See Independent Auditors' Report.

**JURUPA COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF COMMUNITY FACILITIES DISTRICTS  
OUTSTANDING DEBT**

**June 30, 2018**

<u>CFD No.</u>	<u>Bonds Issued</u>	<u>Outstanding</u>	<u>Yield on the Bonds</u>	<u>Issued</u>	<u>Final Maturity</u>
CFD # 1	\$ 24,710,000	\$ 13,975,000	4.76738	Aug-2010	Sep-2024
CFD # 2	13,805,000	12,770,000	3.43880	Aug-2014	Sep-2032
CFD # 3	9,240,000	7,295,000	4.76738	Aug-2010	Sep-2033
CFD # 4	12,650,000	11,100,000	4.97990	Jul-2013	Sep-2034
CFD # 5	3,135,000	2,425,000	4.76738	Aug-2010	Sep-2032
CFD # 6	3,560,000	2,750,000	4.76738	Aug-2010	Sep-2032
CFD # 7	7,925,000	7,195,000	3.43880	Aug-2014	Sep-2035
CFD # 10	6,690,000	5,280,000	4.76738	Aug-2010	Sep-2033
CFD # 11	9,110,000	8,280,000	3.43880	Aug-2014	Sep-2035
CFD # 12	10,895,000	9,900,000	3.43880	Aug-2014	Sep-2035
CFD # 14	13,115,000	11,010,000	4.76738	Aug-2010	Sep-2037
CFD # 14	2,035,000	2,000,000	5.22440	Jun-2013	Sep-2041
CFD # 15	8,405,000	7,840,000	4.97990	Jul-2013	Sep-2042
CFD # 16	6,570,000	5,920,000	3.43880	Aug-2014	Sep-2034
CFD # 17	13,985,000	12,830,000	3.43880	Aug-2014	Sep-2036
CFD # 18	12,825,000	12,140,000	3.59870	Jun-2015	Sep-2036
CFD # 19	18,915,000	17,910,000	3.59870	Jun-2015	Sep-2036
CFD # 21	7,775,000	7,135,000	3.43880	Aug-2014	Sep-2036
CFD # 22	3,205,000	3,110,000	3.59870	Jun-2015	Sep-2043
CFD # 23	4,920,000	4,425,000	4.75572	Jun-2012	Sep-2042
CFD # 24	11,990,000	10,420,000	4.76738	Aug-2010	Sep-2040
CFD # 25	11,945,000	11,145,000	3.43880	Aug-2014	Sep-2042
CFD # 26	4,810,000	4,590,000	3.79900	May-2015	Sep-2044
CFD # 27	7,885,000	7,395,000	4.75212	Mar-2014	Sep-2043
CFD # 28	6,145,000	5,760,000	4.60219	Mar-2014	Sep-2043
CFD # 29	13,945,000	12,260,000	4.76738	Aug-2010	Sep-2040
CFD # 30	6,015,000	5,550,000	3.43880	Aug-2014	Sep-2037
CFD # 31	12,095,000	10,680,000	4.22977	Mar-2013	Sep-2042
CFD # 32	2,980,000	2,735,000	3.43880	Aug-2014	Sep-2036
CFD # 33	15,865,000	14,860,000	4.16030	Jul-2014	Sep-2043
CFD # 34	7,150,000	6,590,000	4.97990	Jul-2013	Sep-2040
CFD # 35	4,005,000	3,480,000	4.37794	Nov-2012	Sep-2042
CFD # 36	5,185,000	5,185,000	4.02394	May-2017	Sep-2047
CFD # 37	3,865,000	3,780,000	3.09597	Aug-2016	Sep-2046
CFD # 37	3,980,000	3,890,000	3.09597	Aug-2016	Sep-2046
CFD # 38	6,025,000	5,705,000	3.43880	Aug-2014	Sep-2042
CFD # 38	4,935,000	4,555,000	4.97990	Jul-2013	Sep-2040
CFD # 39	10,740,000	10,400,000	3.59870	Jun-2015	Sep-2042
CFD # 42	2,115,000	2,020,000	3.84259	Dec-2014	Sep-2044
CFD # 43	7,465,000	7,105,000	2.94374	Jun-2016	Sep-2045
CFD # 47	8,315,000	8,315,000	4.32375	Mar-2017	Sep-2047
CFD # 48	4,635,000	4,635,000	3.70735	Apr-2018	Sep-2048
CFD # 51	2,065,540	2,065,540	4.07041	Oct-2017	Sep-2042
<b>Total</b>	<u><u>\$357,625,540</u></u>	<u><u>\$318,410,540</u></u>			

See Independent Auditors' Report.



**JURUPA COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF COMMUNITY FACILITIES DISTRICTS  
CASH AND INVESTMENT BALANCES**

**June 30, 2018**

<u>CFD No.</u>	<u>Location</u>	<u>Balance</u>
CFD # 1	Mira Loma	\$ 2,103,628
CFD # 2	Eastvale Area	775,504
CFD # 3	Eastvale Area	519,692
CFD # 4	Eastvale Area	774,462
CFD # 5	Eastvale Area	216,438
CFD # 6	Eastvale Area	218,559
CFD # 7	Eastvale Area	473,381
CFD # 10	Eastvale Area	400,065
CFD # 11	Eastvale Area	530,625
CFD # 12	Eastvale Area	638,420
CFD # 14	Eastvale Area	991,131
CFD # 15	Eastvale Area	410,189
CFD # 16	Eastvale Area	888,988
CFD # 17	Eastvale Area	772,258
CFD # 18	Eastvale Area	707,371
CFD # 19	Eastvale Area	1,091,316
CFD # 21	Eastvale Area	460,431
CFD # 22	Eastvale Area	158,322
CFD # 23	Eastvale Area	544,491
CFD # 24	Eastvale Area	598,010
CFD # 25	Eastvale Area	8,512,527
CFD # 26	Eastvale Area	500,782
CFD # 27	Eastvale Area	887,110
CFD # 28	Eastvale Area	695,481
CFD # 29	Eastvale Area	919,537
CFD # 30	Eastvale Area	447,711
CFD # 31	Eastvale Area	1,286,773
CFD # 32	Eastvale Area	206,866
CFD # 33	Eastvale Area	1,725,562
CFD # 34	Eastvale Area	389,125
CFD # 35	Eastvale Area	432,720
CFD # 36	Eastvale Area	589,910
CFD # 37	Eastvale Area	715,276
CFD # 38	Eastvale Area	581,417
CFD # 39	Eastvale Area	501,784
CFD # 42	Eastvale Area	280,167
CFD # 43	Eastvale Area	784,604
CFD # 47	Eastvale Area	934,977
CFD # 48	Eastvale Area	376,579
CFD # 51	Eastvale Area	890,925
JPFA Refunding 2010	Eastvale Area	4,862,351
JPFA Refunding 2013	Eastvale Area	2,540,016
JPFA Refunding 2014	Eastvale Area	7,464,012
JPFA Refunding 2015A	Eastvale Area	3,541,478
JPFA Refunding 2015B	Eastvale Area	1,551,176
		<u>\$ 54,892,144</u>

See Independent Auditors' Report.

**JURUPA COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF CHANGES OF CAPITAL ASSETS FOR  
ENTERPRISE FUNDS - WATER**

**June 30, 2018**

	Balance at July 1, 2017	Additions	Transfers / Deletions	Balance at June 30, 2018
<b>Non-Depreciable assets:</b>				
Land	\$ 5,503,960	\$ -	\$ -	\$ 5,503,960
Construction in Progress	46,778,736	1,545,144	(9,435,560)	38,888,320
<b>Total Non-Depreciable Assets</b>	<u>52,282,696</u>	<u>1,545,144</u>	<u>(9,435,560)</u>	<u>44,392,280</u>
<b>Depreciable assets:</b>				
Land Improvements	2,253,630	-	-	2,253,630
Structures and Improvements	54,813,843	4,330,141	-	59,143,984
Water Transmission and Distribution	147,366,986	5,637,307	-	153,004,293
Vehicles and Equipment	10,254,288	414,625	-	10,668,913
<b>Total Depreciable Assets</b>	<u>214,688,747</u>	<u>10,382,073</u>	<u>-</u>	<u>225,070,820</u>
<b>Accumulated depreciation:</b>				
Land Improvements	(1,328,668)	(58,024)	-	(1,386,692)
Structures and Improvements	(12,908,871)	(1,789,178)	-	(14,698,049)
Water Transmission and Distribution	(42,395,453)	(3,516,631)	-	(45,912,084)
Vehicles and Equipment	(5,983,471)	(881,104)	-	(6,864,575)
<b>Total Accumulated Depreciation</b>	<u>(62,616,463)</u>	<u>(6,244,937)</u>	<u>-</u>	<u>(68,861,400)</u>
<b>Total Depreciable Assets, Net</b>	<u>152,072,284</u>	<u>4,137,136</u>	<u>-</u>	<u>156,209,420</u>
<b>Total Capital Assets, Net</b>	<u>\$204,354,980</u>	<u>\$ 5,682,280</u>	<u>\$ (9,435,560)</u>	<u>\$200,601,700</u>

See Independent Auditors' Report.

**JURUPA COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF CHANGES OF CAPITAL ASSETS FOR  
ENTERPRISE FUNDS - WASTEWATER**

**June 30, 2018**

	Balance at July 1, 2017	Additions	Transfers / Deletions	Balance at June 30, 2018
Non-Depreciable assets:				
Land	\$ 267,840	\$ -	\$ -	\$ 267,840
Construction in Progress	12,083,408	4,538,035	(9,113,970)	7,507,473
<b>Total Non-Depreciable Assets</b>	<b>12,351,248</b>	<b>4,538,035</b>	<b>(9,113,970)</b>	<b>7,775,313</b>
Depreciable assets:				
Land Improvements	124,329	-	-	124,329
Structures and Improvements	54,907,381	-	-	54,907,381
Water Collection System	135,522,370	40,101,363	-	175,623,733
Vehicles and Equipment	2,212,483	197,304	-	2,409,787
<b>Total Depreciable Assets</b>	<b>192,766,563</b>	<b>40,298,667</b>	<b>-</b>	<b>233,065,230</b>
Accumulated depreciation:				
Land Improvements	(70,468)	(4,404)	-	(74,872)
Structures and Improvements	(21,132,304)	(1,372,684)	-	(22,504,988)
Water Collection System	(26,930,604)	(3,348,879)	-	(30,279,483)
Vehicles and Equipment	(1,391,734)	(275,133)	-	(1,666,867)
<b>Total Accumulated Depreciation</b>	<b>(49,525,110)</b>	<b>(5,001,100)</b>	<b>-</b>	<b>(54,526,210)</b>
<b>Total Depreciable Assets, Net</b>	<b>143,241,453</b>	<b>35,297,567</b>	<b>-</b>	<b>178,539,020</b>
<b>Total Capital Assets, Net</b>	<b>\$ 155,592,701</b>	<b>\$ 39,835,602</b>	<b>\$ (9,113,970)</b>	<b>\$ 186,314,333</b>

See Independent Auditors' Report.

**OTHER INDEPENDENT AUDITORS' REPORT**

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

Board of Directors  
Jurupa Community Service District  
Jurupa Valley, California

We have audited, 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, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information for Jurupa Community Service District (the District), as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 31, 2018.

**Internal Control Over Financial Reporting**

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

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

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

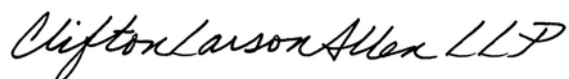
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



CliftonLarsonAllen  
Glendora, California  
October 31, 2018

**JURUPA COMMUNITY SERVICES DISTRICT**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**June 30, 2018**

There were no findings related to the basic financial statements for the year ended June 30, 2018.

**JURUPA COMMUNITY SERVICES DISTRICT**

**STATUS OF PRIOR YEAR FINDINGS**

**June 30, 2018**

**2017-001 RESTATEMENT OF CONTRIBUTED CAPITAL ASSETS**

**Finding:** The District did not have a procedure in place to properly identify and capitalize in-tract water and sewer pipeline contributed by developers. As such, when the in-tract pipelines were accepted by the Board signaling ownership transfer and responsibility for the infrastructure, the related assets were not capitalized. This resulted in a prior year restatement of net position of \$30,124,779.

**Recommendation:** Establish an internal control system whereby the progress of in-tract infrastructure is tracked, and completion of projects is clearly communicated. Develop written procedures to identify Board acceptance of in-tract pipeline, including a written policy to value the in-tract pipeline to ensure that capital assets are recorded timely and at the proper fair value amount at the time the assets are accepted.

**Status:** Fully implemented.



**STATISTICAL SECTION**

## **JURUPA COMMUNITY SERVICES DISTRICT STATISTICAL SECTION CONTENTS**

This part of the District's 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.

- **Financial Trends** – These schedules contain information to help the reader understand how the District's financial performance and well-being have changed over time.
  - Net position by component
  - Changes in net position – Enterprise Operations
  - Changes in fund balances, Governmental Funds
  
- **Revenue Capacity** – These schedules contain information to help the reader assess the District's most significant own-source revenue, water sales.
  - Monthly usage water rates
  - Monthly water and sewer service charges
  - Ten largest customers
  - Annual water revenues
  - Direct and overlapping tax rates
  
- **Debt Capacity** – These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.
  - Debt coverage ratio
  - Outstanding Debt by type
  - Total debt to total assets ratio
  - Direct and overlapping debt
  
- **Demographic and Economic information** – These schedules offer demographic indicators to help the reader understand the environment within which the District's financial activities take place.
  - Demographic statistics
  - Economic statistics
  - Principal employers
  
- **Operating Information** – These schedules contains service and infrastructure data to help the reader understand how the information in the District's financial report relates to the service provided by the District.
  - Number of authorized employees
  - Water production sources
  - Water production monthly

**JURUPA COMMUNITY SERVICES DISTRICT**

**NET POSITION BY COMPONENT  
Last Ten Fiscal Years**

	Fiscal Year				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental Activities</b>					
Net investments in capital assets	\$ 32,050,730	\$ 41,652,715	\$ 50,214,974	\$ 61,964,267	\$ 72,754,938
Restricted	2,018,797	2,020,169	13,556,184	12,029,046	22,546,481
Unrestricted	11,040,562	11,159,957	-	-	(4,740,905)
<b>Total governmental activities Net Position</b>	<b>\$ 45,110,089</b>	<b>\$ 54,832,841</b>	<b>\$ 63,771,158</b>	<b>\$ 73,993,313</b>	<b>\$ 90,560,514</b>
<b>Business-type Activities</b>					
Net investments in capital assets	163,559,227	121,863,659	183,903,232	191,775,304	196,258,228
Restricted	52,975,642	102,168,641	50,040,745	56,433,611	68,895,228
Unrestricted	35,298,932	38,466,581	32,978,728	37,888,258	44,400,938
<b>Total business-type activities Net Position</b>	<b>\$ 251,833,801</b>	<b>\$ 262,498,881</b>	<b>\$ 266,922,705</b>	<b>\$ 286,097,173</b>	<b>\$309,554,394</b>
<b>Total Net Position</b>	<b>\$ 296,943,890</b>	<b>\$ 317,331,722</b>	<b>\$ 330,693,863</b>	<b>\$ 360,090,486</b>	<b>\$400,114,908</b>

	Fiscal Year				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Governmental Activities</b>					
Net investments in capital assets	\$ 73,870,004	\$ 73,936,877	\$ 72,497,545	\$ 70,260,874	\$ 69,070,483
Restricted	17,335,230	20,466,194	22,351,155	26,499,388	22,020,339
Unrestricted	-	-	-	-	-
<b>Total governmental activities Net Position</b>	<b>\$ 91,205,234</b>	<b>\$ 94,403,071</b>	<b>\$ 94,848,700</b>	<b>\$ 96,760,262</b>	<b>\$ 91,090,821</b>
<b>Business-type Activities</b>					
Net investments in capital assets	223,149,508	231,907,024	256,090,032	293,498,091	289,104,450
Restricted	67,618,050	63,760,491	58,938,788	66,245,588	73,838,906
Unrestricted	36,870,195	59,216,890	62,141,958	72,543,803	78,997,592
<b>Total business-type activities Net Position</b>	<b>\$ 327,637,753</b>	<b>\$ 354,884,405</b>	<b>\$ 377,170,778</b>	<b>\$ 432,287,482</b>	<b>\$441,940,948</b>
<b>Total Net Position</b>	<b>\$ 418,842,987</b>	<b>\$ 449,287,476</b>	<b>\$ 472,019,478</b>	<b>\$ 529,047,744</b>	<b>\$533,031,769</b>

# JURUPA COMMUNITY SERVICES DISTRICT

## CHANGES IN NET POSITION-ENTERPRISE OPERATIONS Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Operating Revenues:										
Water revenues	\$ 20,298,430	\$ 24,310,344	\$ 26,398,139	\$ 29,551,327	\$ 30,385,862	\$ 31,297,958	\$ 31,035,318	\$ 31,295,176	\$ 32,812,650	\$ 37,271,413
Sewer revenues	8,287,781	9,466,418	11,376,518	12,768,919	14,638,311	15,952,553	16,523,992	17,481,851	17,779,196	19,402,012
Total Operating Revenue	<u>28,586,211</u>	<u>33,776,762</u>	<u>37,774,657</u>	<u>42,320,246</u>	<u>45,024,173</u>	<u>47,250,511</u>	<u>47,559,310</u>	<u>48,777,027</u>	<u>50,591,846</u>	<u>56,673,425</u>
Operating expenses										
Source of supply	8,133,015	9,869,836	9,661,292	10,018,377	11,615,333	11,834,918	11,665,300	15,202,199	12,417,801	13,830,391
Pumping	476,160	392,580	392,564	391,133	394,068	369,821	352,476	334,563	317,521	376,135
Water treatment	1,534,997	1,759,397	1,828,501	1,758,720	2,036,331	2,498,750	2,525,369	1,650,611	1,557,694	1,745,925
Transmission and distribution	1,686,121	1,571,063	1,968,706	1,884,289	2,042,544	2,916,168	2,773,225	2,671,853	2,223,930	2,923,168
Sewage collection	1,609,587	1,805,836	1,935,205	2,219,859	2,331,154	2,339,255	2,021,785	2,110,436	2,136,235	3,361,591
Sewage treatment	5,174,817	5,663,781	6,315,972	5,360,494	5,677,637	5,777,447	6,295,203	6,028,798	9,380,600	8,407,348
Customer service	1,964,970	2,232,936	2,485,096	2,402,791	2,245,012	2,143,285	1,815,536	1,725,399	2,269,934	1,830,620
General administrative	6,614,684	7,586,975	9,326,828	8,442,671	7,577,572	8,900,398	9,623,471	9,610,717	9,663,031	12,776,651
Operations and maintenance	-	-	-	1,297,112	951,934	1,466,479	195,770	173,520	7,185	1,120,268
Total Operating Expenses	<u>27,194,351</u>	<u>30,882,404</u>	<u>33,914,164</u>	<u>33,775,446</u>	<u>34,871,585</u>	<u>38,246,521</u>	<u>37,268,135</u>	<u>39,508,096</u>	<u>39,973,931</u>	<u>46,372,099</u>
Operating income (loss) before depreciation	1,391,860	2,894,358	3,860,493	8,544,800	10,152,588	9,003,990	10,291,175	9,268,931	10,617,915	10,301,326
Depreciation	<u>(5,170,610)</u>	<u>(5,541,896)</u>	<u>(6,094,148)</u>	<u>(6,283,091)</u>	<u>(6,548,591)</u>	<u>(7,080,152)</u>	<u>(7,633,402)</u>	<u>(8,404,250)</u>	<u>(10,915,415)</u>	<u>(11,246,037)</u>
Other Income (loss)	<u>(3,778,750)</u>	<u>(2,647,538)</u>	<u>(2,233,655)</u>	<u>2,261,709</u>	<u>3,603,997</u>	<u>1,923,838</u>	<u>2,657,773</u>	<u>864,681</u>	<u>(297,500)</u>	<u>(944,711)</u>
Non-operating revenues (expenses)										
Property tax revenue	2,363,064	2,747,849	2,301,206	2,200,721	2,106,187	2,273,061	2,443,908	2,687,080	3,021,312	3,368,006
Investment earnings	2,247,142	484,595	1,107,743	651,828	271,238	944,126	350,102	918,795	1,309,827	1,835,447
Interest expense	(1,428,991)	(2,493,453)	(2,048,038)	(1,795,574)	(1,733,748)	(904,732)	(503,916)	(996,448)	(1,228,649)	(2,093,405)
Other non-operating revenues (expenses), net	93,678	4,460,202	(54,066)	2,442,395	2,040,254	741,590	91,310	281,767	(703,199)	(1,583,643)
Total Non-Operating Revenues (Expenses),	<u>3,274,893</u>	<u>5,199,193</u>	<u>1,306,845</u>	<u>3,499,370</u>	<u>2,683,931</u>	<u>3,054,045</u>	<u>2,381,404</u>	<u>2,891,194</u>	<u>2,399,291</u>	<u>1,526,404</u>
Income (Loss) Before Capital Contributions	<u>(503,857)</u>	<u>2,551,655</u>	<u>(926,810)</u>	<u>5,761,079</u>	<u>6,287,928</u>	<u>4,977,883</u>	<u>5,039,177</u>	<u>3,755,875</u>	<u>2,101,791</u>	<u>581,693</u>
Capital contributions:										
Facility fees	13,797,736	8,113,425	4,337,205	15,367,697	10,683,725	8,280,462	13,438,121	11,714,598	17,199,658	9,348,086
Contributions in aid of construction	-	-	-	-	2,591,371	4,825,014	12,811,299	6,815,900	5,690,476	8,580,557
Special Item	-	-	(3,270,800) <sup>(1)</sup>	-	-	-	-	-	-	-
Capital contributions	<u>13,797,736</u>	<u>8,113,425</u>	<u>1,066,405</u>	<u>15,367,697</u>	<u>13,275,096</u>	<u>13,105,476</u>	<u>26,249,420</u>	<u>18,530,498</u>	<u>22,890,134</u>	<u>17,928,643</u>
Other Financing Source: Transfers (Out)	<u>(47,045)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ 13,246,834</u>	<u>\$ 10,665,080</u>	<u>\$ 139,595</u>	<u>\$ 21,128,776</u>	<u>\$ 19,563,024</u>	<u>\$ 18,083,359</u>	<u>\$ 31,288,597</u>	<u>\$ 22,286,373</u>	<u>\$ 24,991,925</u>	<u>\$ 18,510,335</u>

(1) Contingency accrual for legal matter settled in the following year

Source: Jurupa Community Services District

## JURUPA COMMUNITY SERVICES DISTRICT

### CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>										
Property tax	\$ 233,862	\$ 225,528	\$ 248,694	\$ 254,236	\$ 418,394	\$ 356,536	\$ 298,788	\$ 264,522	\$ 163,613	\$ 173,284
Special assessments	7,443,743	6,951,235	7,376,984	7,383,369	7,467,966	7,472,600	8,268,007	8,629,390	8,871,387	9,542,255
Charges for services	341,043	628,404	840,778	1,057,534	1,332,873	1,644,006	1,749,704	1,978,491	2,296,666	2,515,361
Capital grants and contributions	10,179,322	10,641,969	9,897,026	2,076,743	9,241,958	11,372,866	6,997,463	2,774,515	239,734	-
Interest	223,684	85,552	77,718	45,056	24,203	76,269	177,633	243,015	152,365	246,408
<b>Total Revenues</b>	<u>18,421,654</u>	<u>18,532,688</u>	<u>18,441,200</u>	<u>10,816,938</u>	<u>18,485,394</u>	<u>20,922,277</u>	<u>17,491,595</u>	<u>13,889,933</u>	<u>11,723,765</u>	<u>12,477,308</u>
<b>Expenditures</b>										
<b>Current:</b>										
Eastvale parks	3,933,676	4,893,342	5,074,865	6,275,562	7,723,300	9,377,747	8,602,426	8,974,857	9,329,213	8,087,798
Graffiti abatement	182,666	238,879	273,797	252,765	305,632	369,200	340,051	294,523	193,612	199,332
Illumination District No. 2	314,160	304,932	316,265	267,408	302,459	304,674	268,044	315,767	254,931	305,172
Landscape and lighting	1,012,075	951,064	994,393	957,402	923,417	1,015,123	1,021,114	980,941	896,897	1,119,984
<b>Debt Service</b>										
Principal	-	-	372,000	372,000	2,370,000	-	-	-	-	-
Capital outlay	8,400,877	15,162,925	11,063,760	14,271,106	11,412,343	4,725,701	3,295,125	1,715,824	338,236	1,195,353
<b>Total Expenditures</b>	<u>13,843,454</u>	<u>21,551,142</u>	<u>18,095,080</u>	<u>22,396,243</u>	<u>23,037,151</u>	<u>15,792,445</u>	<u>13,526,760</u>	<u>12,281,912</u>	<u>11,012,889</u>	<u>10,907,639</u>
<b>Other financing sources(uses)</b>										
Proceeds from loan payable	-	3,300,000	-	-	-	-	-	-	-	-
Transfers in(out)	47,045	-	-	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>47,045</u>	<u>3,300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Fund Balances</b>	<u>4,625,245</u>	<u>281,546</u>	<u>346,120</u>	<u>(11,579,305)</u>	<u>(4,551,757)</u>	<u>5,129,832</u>	<u>3,964,835</u>	<u>1,608,021</u>	<u>710,877</u>	<u>1,569,669</u>
Fund Balance at Beginning of Year	8,610,975	13,236,220	13,517,766	13,863,886	12,490,656 <sup>(1)</sup>	7,938,899	13,068,731	17,033,566	18,641,587	19,352,464 <sup>(2)</sup>
Fund Balance at Beginning of Year, as restated					12,490,656 <sup>(1)</sup>					(2,425,764) <sup>(2)</sup>
<b>Fund Balance at End of Year</b>	<u>\$ 13,236,220</u>	<u>\$ 13,517,766</u>	<u>\$ 13,863,886</u>	<u>\$ 2,284,581</u>	<u>\$ 7,938,899</u>	<u>\$ 13,068,731</u>	<u>\$ 17,033,566</u>	<u>\$ 18,641,587</u>	<u>\$ 19,352,464</u>	<u>\$ 18,496,368</u>

<sup>(1)</sup> Change in accounting principle and restatement of Beginning Fund Balance.

<sup>(2)</sup> Fiscal year 2017-18 beginning Fund Balance was restated due to the implementation of GASB 75.

**Source:** Jurupa Community Services District

**JURUPA COMMUNITY SERVICES DISTRICT**

**MONTHLY USAGE WATER RATE  
Last Ten Fiscal Years**

<b>Potable Water</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Tier 1	\$0.98	\$1.14	\$1.30	\$1.30	\$1.30	\$1.30	\$1.41	\$1.51	\$1.46	\$1.49
Tier 2	1.28	1.47	1.65	1.65	1.65	1.65	1.79	1.92	1.85	1.89
Tier 3	1.54	1.72	1.90	1.90	1.90	1.90	2.06	2.21	2.13	2.18
Tier 4	1.76	1.94	2.12	2.12	2.12	2.12	2.30	2.46	2.38	2.43
<b>Irrigation (Potable)</b>										
<b>Irrigation (Potable)</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Tier 1	\$0.98	\$1.14	\$1.30	\$1.30	\$1.30	\$1.30	\$1.94	\$2.05	\$2.08	\$2.16
Tier 2	1.28	1.47	1.65	1.65	1.65	1.65	0.00	0.00	0.00	0.00
Tier 3	1.54	1.72	1.90	1.90	1.90	1.90	0.00	0.00	0.00	0.00
Tier 4	1.76	1.94	2.12	2.12	2.12	2.12	0.00	0.00	0.00	0.00
<b>Irrigation (Non-Potable)</b>										
<b>Irrigation (Non-Potable)</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
All	\$0.72	\$0.72	\$0.72	\$0.72	\$0.72	\$0.72	\$0.90	\$0.94	\$0.98	\$1.02
<b>Hydrant Meters</b>										
<b>Hydrant Meters</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Tier 1	\$0.98	\$1.14	\$1.30	\$1.30	\$1.30	\$1.30	\$2.62	\$2.72	\$2.67	\$2.70
Tier 2	1.28	1.47	1.65	1.65	1.65	1.65	3.00	3.13	3.06	3.10
Tier 3	1.54	1.72	1.90	1.90	1.90	1.90	3.27	3.42	3.34	3.39
Tier 4	1.76	1.94	2.12	2.12	2.12	2.12	3.51	3.67	3.59	3.64

Source: Jurupa Community Services District

**JURUPA COMMUNITY SERVICES DISTRICT**  
**MONTHLY WATER AND SEWER SERVICE CHARGES**  
**Last Ten Fiscal Years**

**Fixed Monthly Base Potable Water Rate by Meter Size**

<b>Meter Size</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>5/8 Inch</b>	\$20.49	\$25.36	\$30.23	\$30.23	\$30.23	\$30.23	\$25.36	\$25.36	\$28.68	\$30.54
<b>3/4 Inch</b>	25.45	30.28	35.10	35.10	35.10	35.10	30.28	30.28	34.24	36.46
<b>1 Inch</b>	42.58	50.54	58.50	58.50	58.50	58.50	50.54	50.54	57.16	60.86
<b>1-½ Inch</b>	89.00	102.99	116.99	116.99	116.99	116.99	102.99	102.99	116.47	124.03
<b>2 Inch</b>	136.20	161.69	187.19	187.19	187.19	187.19	161.69	161.69	182.86	194.72
<b>3 Inch</b>	383.39	484.18	584.97	584.97	584.97	584.97	484.18	484.18	547.57	583.08
<b>4 Inch</b>	731.18	950.56	1,169.95	1,169.95	1,169.95	1,169.95	950.56	950.56	1,075.00	1,144.72
<b>6 Inch</b>	1,225.66	1,548.78	1,871.91	1,871.91	1,871.91	1,871.91	1,548.78	1,548.78	1,751.54	1,865.13
<b>8 Inch</b>	1,366.27	1,736.05	2,105.83	2,105.83	2,105.83	2,105.83	1,736.05	1,736.05	1,963.32	2,090.65
<b>10 Inch</b>	1,726.54	2,208.71	2,690.88	2,690.88	2,690.88	2,690.88	2,208.71	2,208.71	2,497.86	2,659.86

**Fixed Monthly Sewer Rate**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Monthly</b>	\$11.39	\$13.67	\$15.72	\$17.60	\$20.25	\$20.25	\$23.95	\$23.95	\$24.89	\$25.39

Source: Jurupa Community Services District

**JURUPA COMMUNITY SERVICES DISTRICT**

**TEN LARGEST CUSTOMERS  
Fiscal Years Ended June 30, 2018 and 2009**

**Fiscal Year Ended June 30, 2018**

Customer Name	HCF of Water	% of Total		Revenue	% of Total	
		HCF	Revenue		Revenue	
1. Koss Oak Quarry LLC	215,077	1.99%	\$ 235,279	0.6674%		
2. MC Management	145,101	1.34%	366,460	1.0395%		
3. Del Real Foods	100,164	0.93%	241,927	0.6862%		
4. Metal Container Corporation	90,238	0.83%	246,613	0.6995%		
5. Lewis Homecoming	81,081	0.75%	274,732	0.7793%		
6. Serafina HOA	46,031	0.43%	134,029	0.3802%		
7. Millard Refrigerated Services	38,340	0.35%	98,037	0.2781%		
8. Lewis Retail Center	38,155	0.35%	115,152	0.3266%		
9. Vesada Apartments	33,957	0.31%	104,794	0.2973%		
10. C V Apts/Mira Loma Assoc	32,471	0.30%	81,533	0.2313%		
	<u>820,615</u>	<u>7.59%</u>	<u>\$ 1,898,554</u>	<u>5.3854%</u>		

**Fiscal Year Ended June 30, 2009**

Customer Name	HCF of Water	% of Total		Revenue	% of Total	
		HCF	Revenue		Revenue	
1. Metal Container	98,655	0.887%	\$ 178,603	0.904%		
2. Lewis Homecoming	64,353	0.579%	182,186	0.923%		
3. Swan Lake - M.C.	15,607	0.140%	135,182	0.685%		
4. Harada Park	47,318	0.425%	87,647	0.444%		
5. Bravo Estates	39,685	0.357%	66,840	0.338%		
6. Del Real Foods	31,068	0.279%	52,204	0.264%		
7. Sarafina Homeowners Assoc.	25,026	0.225%	42,555	0.215%		
8. So. California Housing Authority	22,140	0.199%	41,128	0.208%		
9. Shaw Investments	13,886	0.125%	36,659	0.186%		
10. Quicksilver	13,814	0.124%	24,981	0.126%		
	<u>371,552</u>	<u>3.341%</u>	<u>\$ 847,985</u>	<u>4.294%</u>		

Source: Jurupa Community Services District



## JURUPA COMMUNITY SERVICES DISTRICT

### ANNUAL WATER REVENUES Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Residential Water Sales</b>	<b>Commercial Water Sales</b>	<b>Irrigation Water Sales</b>	<b>Wholesale &amp; Other Water Sales</b>	<b>Agricultural (Non-Potable)</b>	<b>Monthly Meter Service Charge</b>	<b>Other Charges &amp; Services</b>	<b>Investment Earnings</b>	<b>Property Taxes</b>	<b>Other Revenues</b>	<b>Total</b>
2018	12,413,740	2,871,798	2,851,897	871,800	340,656	16,771,715	1,149,806	1,337,371	-	-	38,608,784
2017	11,496,192	2,585,272	2,434,129	282,963	161,344	14,806,557	1,046,193	948,719	-	-	33,761,369
2016	10,539,381	2,413,737	2,217,670	505,857	296,819	14,080,399	1,241,313	671,691	-	354,902	32,321,769
2015	10,874,685	2,475,396	2,458,696	521,007	309,597	13,250,721	1,145,216	240,576	-	43,941	31,319,835
2014	11,590,093	2,950,524	2,496,480	529,401	163,120	12,671,042	897,298	660,905	-	404,894	32,363,757
2013	11,403,166	2,835,375	1,925,488	232,040	220,204	12,731,363	1,038,226	242,216	-	1,345,856	31,973,934
2012	10,971,689	2,906,469	1,532,026	586,692	224,528	12,382,554	947,369	397,983	-	2,242,231	32,191,541
2011	9,260,902	2,370,055	1,123,448	202,052	218,030	11,998,996	1,224,656	524,713	-	68,087	26,990,939
2010	9,436,340	2,220,592	980,823	251,581	183,140	10,445,800	792,066	241,699	-	4,086,100	28,638,141
2009	7,871,591	2,087,992	923,759	213,375	196,333	8,455,675	549,705	481,839	2,407	166,010	20,948,686

Source: Jurupa Community Services District

**JURUPA COMMUNITY SERVICES DISTRICT**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES  
Last Ten Fiscal Years**

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Corona-Norco Unified School District General Obligation	0.04032	0.04524	0.06614	0.06543	0.06844	0.06473	0.08540	0.09416	0.08313	0.09034
Jurupa Unified School District General Obligation	0.03855	0.04598	0.04927	0.04783	0.04914	0.04619	0.10368	0.10279	0.09633	0.08717
Riverside Community College General Obligation	0.01242	0.01499	0.01700	0.01702	0.01768	0.01791	0.01725	0.01649	0.01616	0.01478
Metropolitan Water District General Obligation	0.00430	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350

*Source: WEBB Municipal Finance, LLC*

## JURUPA COMMUNITY SERVICES DISTRICT

### DEBT COVERAGE RATIO Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Water Revenues	\$20,298,430	\$24,310,344	\$26,398,139	\$29,551,327	\$30,385,862	\$31,297,958	\$31,035,318	\$31,295,176	\$32,812,650	\$37,271,413
Sewer Revenues	8,287,781	9,466,418	11,376,518	12,768,919	14,638,311	15,952,553	16,523,992	17,481,851	17,779,196	19,402,012
Investment Earnings	2,247,142	484,595	1,107,743	651,828	271,238	944,126	350,102	918,795	1,309,827	1,835,447
Property Taxes	2,363,064	2,747,849	2,301,206	2,200,721	2,106,187	2,273,061	2,443,908	2,687,080	3,021,312	3,368,006
Other Revenue	93,678	4,460,202	-	2,442,395	2,040,254	741,590	91,310	281,767	-	-
<b>Total Revenues</b>	<b>33,290,095</b>	<b>41,469,408</b>	<b>41,183,606</b>	<b>47,615,190</b>	<b>49,441,852</b>	<b>51,209,288</b>	<b>50,444,630</b>	<b>52,664,669</b>	<b>54,922,985</b>	<b>61,876,877</b>
<b>Expenses</b>										
Source of supply	8,133,015	9,869,836	9,661,292	10,018,377	11,615,333	11,834,918	11,665,300	15,202,199	12,417,801	13,830,391
Pumping	476,160	392,580	392,564	391,133	394,068	369,821	352,476	334,563	317,521	376,135
Water treatment	1,534,997	1,759,397	1,828,501	1,758,720	2,036,331	2,498,750	2,525,369	1,650,611	1,557,694	1,745,925
Transmission and distribution	1,686,121	1,571,063	1,968,706	1,884,289	2,042,544	2,916,168	2,773,225	2,671,853	2,223,930	2,923,168
Sewage collection	1,609,587	1,805,836	1,935,205	2,219,859	2,331,154	2,339,255	2,021,785	2,110,436	2,136,235	3,361,591
Sewage treatment	5,174,817	5,663,781	6,315,972	5,360,494	5,677,637	5,777,447	6,295,203	6,028,798	9,380,600	8,407,348
Customer service	1,964,970	2,232,936	2,485,096	2,402,791	2,245,012	2,143,285	1,815,536	1,725,399	2,269,934	1,830,620
General administrative	6,614,684	7,586,975	9,326,828	8,442,671	7,577,572	8,900,398	9,623,501	9,610,717	9,663,031	12,776,651
Operations and maintenance	-	-	-	1,297,112	951,934	1,466,479	195,770	173,520	7,185	1,120,268
Other expenses	-	-	54,066	-	-	-	-	-	703,199	1,583,643
<b>Total Expenses</b>	<b>27,194,351</b>	<b>30,882,404</b>	<b>33,968,230</b>	<b>33,775,446</b>	<b>34,871,585</b>	<b>38,246,521</b>	<b>37,268,165</b>	<b>39,508,096</b>	<b>40,677,130</b>	<b>47,955,742</b>
<b>Net Revenues</b>	<b>6,095,744</b>	<b>10,587,004</b>	<b>7,215,376</b>	<b>13,839,744</b>	<b>14,570,267</b>	<b>12,962,767</b>	<b>13,176,465</b>	<b>13,156,573</b>	<b>14,245,855</b>	<b>13,921,135</b>
<b>Debt Service</b>										
Principal	983,412	17,494,850	1,869,873	1,943,978	4,003,800	1,724,014	1,823,770	1,848,859	1,885,895	1,871,871
Interest	1,428,991	2,493,453	2,048,038	1,795,574	1,733,748	904,732	503,916	996,448	1,228,649	2,093,405
<b>Total Debt Service</b>	<b>2,412,403</b>	<b>19,988,303</b>	<b>3,917,911</b>	<b>3,739,552</b>	<b>5,737,548</b>	<b>2,628,746</b>	<b>2,327,686</b>	<b>2,845,307</b>	<b>3,114,544</b>	<b>3,965,276</b>
<b>Net Revenues after Debt Service</b>	<b>\$ 3,683,341</b>	<b>\$ (9,401,299)</b>	<b>\$ 3,297,465</b>	<b>\$10,100,192</b>	<b>\$ 8,832,719</b>	<b>\$10,334,021</b>	<b>\$10,848,779</b>	<b>\$10,311,266</b>	<b>\$11,131,311</b>	<b>\$ 9,955,859</b>
<b>Debt Service Coverage Ratio</b>	<b>2.53</b>	<b>0.53</b>	<b>1.84</b>	<b>3.70</b>	<b>2.54</b>	<b>4.93</b>	<b>5.66</b>	<b>4.62</b>	<b>4.57</b>	<b>3.51</b>

Source: Jurupa Community Services District

# JURUPA COMMUNITY SERVICES DISTRICT

## OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Bonds</u>	<u>Certificate of Participation</u>	<u>Loans</u>	<u>Total</u>	<u>Population</u>	<u>Per Capita</u>
2018	\$ -	\$ 58,708,639	\$ 39,102,944	\$ 97,811,583	170,909	\$ 572
2017	-	60,174,961	6,578,727	66,753,688	165,928	402
2016	-	61,586,283	7,053,300	68,639,583	161,339	425
2015	-	62,942,605	7,545,837	70,488,442	158,563	445
2014	-	64,193,142	8,119,071	72,312,213	156,925	461
2013	-	65,540,249	8,495,978	74,036,227	156,431	473
2012	-	66,415,394	11,253,456	77,668,850	153,996	504
2011	-	67,598,300	12,014,528	79,612,828	n/a *	n/a
2010	-	68,711,206	12,771,495	81,482,701	n/a *	n/a
2009	-	16,747,286	10,243,075	26,990,361	n/a *	n/a

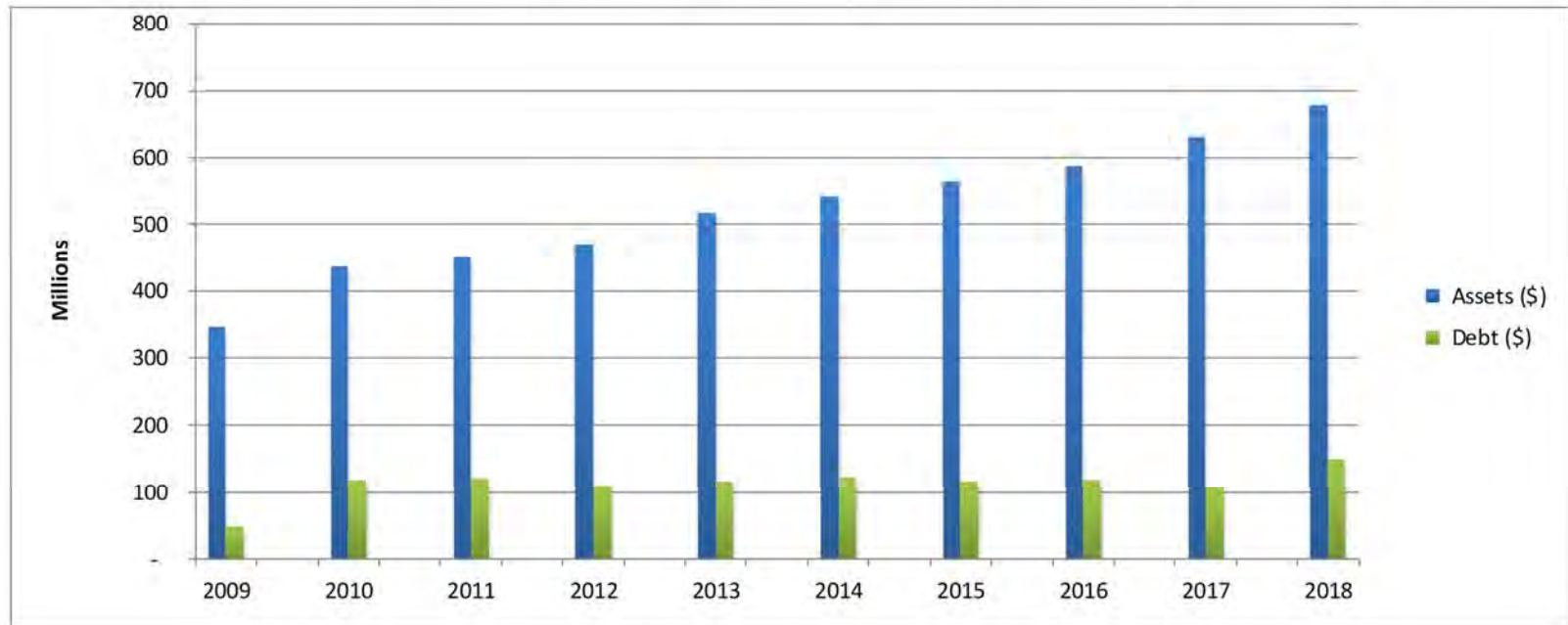
\* City of Eastvale incorporated on October 1, 2010, City of Jurupa Valley incorporated on July 1, 2011

Source: Jurupa Community Services District

## JURUPA COMMUNITY SERVICES DISTRICT

### TOTAL DEBT TO ASSETS RATIO Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assets (\$)	346,879,904	436,126,115	451,353,720	469,879,746	516,925,773	541,792,371	564,540,485	586,746,714	630,211,886	677,410,313
Debt (\$)	49,936,014	118,794,393	120,659,857	109,789,260	117,168,626	123,293,729	117,484,619	119,289,070	108,039,274	150,688,368
Ratio (%)	14.40	27.24	26.73	23.37	22.67	22.76	20.81	20.33	17.14	22.24



Source: Jurupa Community Services District

# JURUPA COMMUNITY SERVICES DISTRICT

## DIRECT AND OVERLAPPING DEBT

**June 30, 2018**

**I. Assessed Value**

2017-2018 Equalized Roll Secured Assessed Valuation of the Jurupa Community Services District, dated August 17, 2017 **\$15,816,009,473** <sup>(1)</sup>

**II. Land Secured Bond Indebtedness**

<u>Outstanding Direct and Overlapping Bonded Debt</u>	<u>% Applicable</u>	<u>Debt 6/30/18</u>
JURUPA COMMUNITY SERVICES DISTRICT (JCSD) COMMUNITY FACILITIES DISTRICTS	100.00	\$318,410,540 <sup>(2)</sup>
JURUPA UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICTS WITHIN JCSD BOUNDARY	100.00	\$74,670,000 <sup>(3)</sup>
CORONA-NORCO UNIFIED SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICTS WITHIN JCSD BOUNDARY	100.00	<u>\$89,128,703</u> <sup>(4)</sup>
<b>TOTAL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT</b>		<b><u>\$482,209,243</u></b>

**III. General Obligation Bond Indebtedness**

<u>Outstanding Direct and Overlapping Bonded Debt</u>	<u>% Applicable</u>	<u>Debt 6/30/18</u>
CORONA-NORCO UNIFIED SCHOOL DISTRICT	23.609	\$102,413,936 <sup>(5)</sup>
JURUPA UNIFIED SCHOOL DISTRICT	77.657	\$96,751,281 <sup>(6)</sup>
METROPOLITAN WATER DISTRICT	0.577	\$349,662 <sup>(7)</sup>
RIVERSIDE COMMUNITY COLLEGE	16.010	<u>\$41,044,090</u> <sup>(8)</sup>
<b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>		<b><u>\$240,558,970</u></b>

**IV. Long Term Debt**

<u>LONG TERM DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/30/18</u>
JCSD 2010A SEWER CERTIFICATES OF PARTICIPATION	100.00	\$4,585,000 <sup>(9)</sup>
JCSD 2010B SEWER CERTIFICATES OF PARTICIPATION	100.00	\$27,495,000 <sup>(10)</sup>
JCSD 2010A WATER CERTIFICATES OF PARTICIPATION	100.00	\$6,335,000 <sup>(11)</sup>
JCSD 2010B WATER CERTIFICATES OF PARTICIPATION	100.00	\$19,940,000 <sup>(12)</sup>
STATE WATER RESOURCES CONTROL BOARD LOAN	100.00	\$107,224 <sup>(13)</sup>
WESTERN MUNICIPAL WATER DISTRICT LOAN	100.00	<u>\$6,065,953</u> <sup>(14)</sup>
<b>TOTAL LONG TERM DEBT</b>		<b><u>\$64,528,177</u></b>

<b>TOTAL OF ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT</b> <sup>(15)</sup>	<b>\$787,296,390</b>
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**V. Ratios to 2017-2018 Assessed Valuation and Percent Applicable**

	<u>% Applicable</u>	<u>V-to I Ratio</u>
Land Secured Bond Indebtedness	100.00	32.80:1
General Obligation Bond Indebtedness	27.48	65.75:1
Long Term Debt	100.00	245.10:1
Total Debt	55.36	20.09:1

*See Direct and Overlapping Debt Endnotes for a complete list of references cited in this table.*

# JURUPA COMMUNITY SERVICES DISTRICT

## DIRECT AND OVERLAPPING DEBT June 30, 2018

### ENDNOTES

#### Sources

- |  |   |
|--|---|
| <sup>(1)</sup> 2017-18 Secured Assessed Valuation  | Riverside County Auditor-Controller for FY 17-18                      |
| <sup>(2)</sup> Jurupa Community Services District Community Facilities Districts   | Webb Municipal Finance, LLC. and Jurupa Community Services District   |
| <sup>(3)</sup> Jurupa Unified School District Community Facilities Districts within JCSD boundary  | Cooperative Strategies and California Municipal Statistics, Inc.      |
| <sup>(4)</sup> Corona-Norco Unified School District Community Facilities Districts within JCSD boundary  | Cooperative Strategies and California Municipal Statistics, Inc.      |
| <sup>(5)</sup> Corona-Norco Unified School District General Obligation Bonds   | California Municipal Statistics, Inc.                                 |
| <sup>(6)</sup> Jurupa Unified School District General Obligation Bonds   | California Municipal Statistics, Inc.                                 |
| <sup>(7)</sup> Metropolitan Water District General Obligation Bonds  | Metropolitan Water District and California Municipal Statistics, Inc. |
| <sup>(8)</sup> Riverside Community College General Obligation Bonds  | Piper Jaffray & Co. and California Municipal Statistics, Inc.         |
| <sup>(9)</sup> JCSD 2010A Sewer Certificates of Participation  | Fieldman, Rolapp & Associates, Inc.                                   |
| <sup>(10)</sup> JCSD 2010B Sewer Certificates of Participation   | Fieldman, Rolapp & Associates, Inc.                                   |
| <sup>(11)</sup> JCSD 2010A Water Certificates of Participation   | Fieldman, Rolapp & Associates, Inc.                                   |
| <sup>(12)</sup> JCSD 2010B Water Certificates of Participation   | Fieldman, Rolapp & Associates, Inc.                                   |
| <sup>(13)</sup> State Water Resources Control Board Loan   | Jurupa Community Services District                                    |
| <sup>(14)</sup> Western Municipal Water District Loan  | Jurupa Community Services District                                    |
| <sup>(15)</sup> As of the date above, WEBB Municipal Finance, LLC is not aware of any additional bonded debt for parcels in the District for the referenced Fiscal Year 2017-2018. |   |

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**WEBB**

Source: WEBB Municipal Finance, LLC

**JURUPA COMMUNITY SERVICES DISTRICT**

**DEMOGRAPHIC STATISTICS  
Last Ten Calendar Years**

<b>Calendar Year</b>	<b>Riverside County Population</b>	<b>Growth (%)</b>	<b>City of Eastvale Population <sup>(1)</sup></b>	<b>Growth (%)</b>	<b>City of Jurupa Valley Population <sup>(2)</sup></b>	<b>Growth (%)</b>
<b>2018</b>	2,415,955	1.3%	64,855	0.4%	106,054	4.7%
<b>2017</b>	2,384,783	1.6%	64,613	2.3%	101,315	3.2%
<b>2016</b>	2,347,828	1.3%	63,162	3.8%	98,177	0.4%
<b>2015</b>	2,317,924	1.2%	60,825	2.8%	97,738	0.0%
<b>2014</b>	2,291,093	1.1%	59,151	-0.1%	97,774	0.5%
<b>2013</b>	2,266,549	1.2%	59,185	3.4%	97,246	0.5%
<b>2012</b>	2,239,715	1.2%	57,251	3.0%	96,745	0%
<b>2011</b>	2,212,874	1.5%	55,602	0%	n/a	n/a
<b>2010</b>	2,179,692	1.8%	n/a	n/a	n/a	n/a
<b>2009</b>	2,140,626	1.8%	n/a	n/a	n/a	n/a

Notes: (1) City of Eastvale incorporated on October 1, 2010

(2) City of Jurupa Valley incorporated on July 1, 2011

**Source:** California Department of Finance



## JURUPA COMMUNITY SERVICES DISTRICT

### ECONOMIC STATISTICS Current and Last Six Fiscal Years

Calendar Year	Population <sup>(1)</sup> - Eastvale* & Jurupa Valley**	Personal Income in Thousands	Per Capita Personal Income <sup>(2)</sup>	Median Age <sup>(3)</sup>	Unemployment Rate <sup>(4)</sup>
<b>2018</b>	170,909	4,122,667	\$24,122	32	4.7%
<b>2017</b>	165,928	3,907,936	\$23,552	31	5.5%
<b>2016</b>	161,339	3,618,715	\$22,429	31	6.7%
<b>2015</b>	158,563	3,536,879	\$22,306	31	8.6%
<b>2014</b>	156,925	3,536,746	\$22,538	31	8.6%
<b>2013</b>	156,431	2,763,874	\$17,668	30	10.7%
<b>2012</b>	153,996	2,726,804	\$17,707	29	12.2%
<b>2011</b>	55,602	1,514,209	\$27,233	30	13.5%

Notes:

\* City of Eastvale incorporated on October 1, 2010

\*\* City of Jurupa Valley incorporated on July 1, 2011

**Sources:** (1) Population - California Department of Finance  
 (2) Per Capita Personal Income - US Census Bureau  
 (3) Median Age - US Census Bureau  
 (4) Unemployment Rate - US Bureau of Labor Statistics

**JURUPA COMMUNITY SERVICES DISTRICT**

**PRINCIPAL EMPLOYERS  
Current Fiscal Year and Nine Years Ago**

<u>Employer</u>	<u>2009</u>		<u>2018</u>	
	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>
County of Riverside	19,818	2.17%	22,038	2.17%
March Air Reserve Base	8,400	0.92%	9,000	0.89%
University of California, Riverside	7,147	0.78%	8,829	0.87%
Corona-Norco Unified School District			5,478	0.54%
Wal-Mart	6,550	0.72%		0.00%
Stater Brothers Market	6,500	0.71%		0.00%
Riverside Unified School District	5,099	0.56%	4,200	0.41%
Pechanga Resort & Casino	5,000	0.55%	4,750	0.47%
Abott Vascular	4,500	0.49%		0.00%
Riverside Community College District	3,765	0.41%		0.00%
Kaiser Permanente	3,200	0.35%	5,500	0.54%
Hemet Unified School District			4,058	0.40%
Riverside University Health System - Medical Center			3,965	0.39%
Morongo Casino, Resort & Spa			3,800	0.37%
	<u><b>69,979</b></u>	<u><b>7.66%</b></u>	<u><b>71,618</b></u>	<u><b>7.05%</b></u>

**Sources:** County of Riverside, Riverside County Economic Development Agency

**JURUPA COMMUNITY SERVICES DISTRICT**

**NUMBER OF AUTHORIZED EMPLOYEES  
Full-Time and Part-Time Employees as of June 30,**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Administration	8	9	9	11	8.5	5	5	5	5	4
Customer Service	12	13	13	14	14	14	14	14	14	13
Engineering	11	12	10	10	9	11	11	11	11	12
Finance	9	9	9	9	9	10	11	11	11	11
Human Resources	2	3	3	3	3	3	3	3	3	4
IT	1	2	2	2	2	6.5	7.5	8	8	9
Parks	13.5	19.5	19.5	22	25	29	29	30	30	30
Sewer	12	13	13	15	16	16	16	17	18	18
Water	39	39	39	40.5	39.5	41.5	45.5	46.5	49.5	49.5
<b>Total Employees</b>	<u>107.5</u>	<u>119.5</u>	<u>117.5</u>	<u>126.5</u>	<u>126</u>	<u>136</u>	<u>142</u>	<u>145.5</u>	<u>149.5</u>	<u>150.5</u>

Source: Jurupa Community Services District Budgets

**JURUPA COMMUNITY SERVICES DISTRICT**

**WATER PRODUCTION SOURCES (AF)  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Chino Basin (Potable)</b>	<b>Chino Basin (Non-Potable)</b>	<b>Temescal Basin (Non-Potable)</b>	<b>Riverside Basin (Non-Potable)</b>	<b>Chino Desalter Authority</b>	<b>Purchased</b>	<b>Total Production</b>
2018	14,942	281	271	514	8,668	2,965	27,640
2017	10,670	238	0	474	8,223	4,248	23,852
2016	8,992	238	95	452	8,184	4,199	22,160
2015	12,420	308	117	451	8,541	2,522	24,359
2014	18,084	362	81	526	8,644	694	28,392
2013	17,168	280	0	519	8,073	739	26,778
2012	15,982	305	0	545	8,219	724	25,774
2011	14,428	212	0	421	8,318	806	24,184
2010	15,763	212	0	507	8,675	679	25,837
2009	19,488	259	0	593	8,623	315	29,278
2008	16,527	250	0	605	8,797	1,665	27,845

Source: Jurupa Community Services District

## JURUPA COMMUNITY SERVICES DISTRICT

### WATER PRODUCTION MONTHLY (AF) Last Ten Fiscal Years

<b>Month</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
January	1,534.00	1,175.46	1,218.39	1,497.93	1,377.66	1,924.20	1,329.37	1,170.67	948.63	1,788.84
February	1,055.06	858.23	1,233.93	1,470.87	1,248.40	1,475.60	1,347.92	1,487.61	942.05	1,602.00
March	1,659.93	1,338.86	1,323.42	1,568.04	1,880.65	1,670.49	1,832.10	1,487.91	1,644.50	1,365.44
April	2,084.80	1,700.57	1,838.44	1,859.01	2,130.78	2,248.40	2,025.12	1,838.74	2,190.76	2,120.74
May	2,774.41	2,481.84	2,533.38	2,577.59	2,764.45	2,909.15	1,795.04	2,076.96	2,494.71	2,351.74
June	2,624.46	2,813.30	2,634.78	2,761.44	2,178.00	3,004.13	2,299.59	2,345.83	2,743.89	2,670.55
July	3,317.94	2,966.98	3,085.55	3,082.25	3,170.59	3,153.01	2,198.37	2,805.93	3,038.62	N/A
August	3,225.62	3,025.86	2,917.18	3,205.82	3,114.72	2,838.56	2,484.65	2,841.36	3,034.16	N/A
September	3,057.62	2,724.46	2,580.39	2,903.84	2,844.12	2,606.18	1,979.04	2,544.01	2,691.93	N/A
October	2,520.74	1,921.43	2,236.35	2,250.63	2,393.65	2,309.14	1,931.71	2,125.41	2,682.05	N/A
November	2,149.22	1,687.87	1,780.46	1,773.65	1,924.71	1,807.71	1,752.75	1,747.92	2,138.13	N/A
December	1,183.92	1,100.88	1,519.42	1,089.33	1,712.39	1,015.41	1,405.40	1,303.54	2,155.93	N/A

Source: Jurupa Community Services District