FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2020

MWDOC

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INDEPENDENT AUDITORS' REPORT

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Report of Independent Auditors

The Honorable Members of the Board of Directors
Municipal Water District of Orange County

Report on the Financial Statements

We have audited the accompanying financial statements of the Municipal Water District of Orange County (the District) which comprise the statement of net position as of June 30, 2020, the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

Report on Summarized Comparative Information

We have previously audited the District's 2019 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated November 13, 2019. In our audit opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it was derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of OPEB Contributions, Schedule of the District's Proportionate Share of the Net Pension Liability and Schedule of Contributions for the Cost Sharing Retirement Plan on pages 3 through 9 and 37 through 41 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Vasquez & Company LLP

Glendale, California
November 2, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

The following is a brief discussion of the Municipal Water District of Orange County's (District) activities and financial performance for the year ended June 30, 2020. Please read it in conjunction with the District's basic financial statements and accompanying notes which follow this section.

FINANCIAL HIGHLIGHTS

- The District's revenues were $174.2 million in FY 2019-20, compared to $173.8 million in the prior fiscal year, a 0.2% increase.
- The District's expenses were $172.9 million in FY 2019-20, compared to $172.5 million in the prior fiscal year, a 0.2% increase.
- The District's assets at June 30, 2020 were $50.1 million, a 43.5% increase compared to total assets of $34.9 million at June 30, 2019.
- The District's liabilities at June 30, 2020 were $39.0 million, a 55.3% increase compared to total liabilities of $25.1 million at June 30, 2019.
- The District's net position at June 30, 2020 was $11.7 million, a 12.6% increase compared to net position of $10.4 million at June 30, 2019.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting.

Under the economic resources measurement focus, all assets, deferred inflows and outflows of resources, and liabilities (whether current or noncurrent) associated with these activities are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The District's financial statements, prepared in accordance with generally accepted accounting principles (GAAP), offer key, high-level financial information about the District activities during the reporting period. The financial statements of the District consist of three interrelated statements designed to provide the reader with relevant information on the District's financial condition and operating results. These statements offer short-term and long-term financial information about the District's activities utilizing the full accrual basis of accounting.

The *Statement of Net Position* includes all of the District's assets and deferred outflows of resources, less liabilities and deferred inflows of resources, with the difference being reported as Net Position. It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses, and Changes in Net Position*. This statement measures the District's operations over the past year and can be used to determine whether the District has successfully recovered all its projected costs through its rates and other service related charges.

The final required financial statement is the *Statement of Cash Flows*, which presents information about the District's cash receipts and cash payments during the reporting period classified as cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities. This statement also provides comparative information on the sources and uses of the District's cash during the reporting period.

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is: "Is the District, as a whole, financially better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and changes in them. You can think of the District's net position (the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources) as one way to measure financial health or financial position. Over time, increases or decreases in the District's Net Position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors, such as changes in economic conditions, population growth, changes in rates and charges and new or changed government legislation or accounting standards.

STATEMENT OF NET POSITION

Net position is the difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources, and may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's Statement of Net Position.

TABLE 1
Condensed Statements of Net Positions
(In thousands of dollars)
June 30:

	FY 2020	PY FY 2019	Variance	Total Percent Change
Current Restricted Assets	$ 3,377	$ 2,181	$ 1,196	54.8%
Current Unrestricted Assets	45,182	31,502	13,680	43.4%
Capital Assets	1,630	1,289	341	26.5%
Total Assets	**50,189**	**34,972**	**15,217**	**43.5%**
Deferred Outflows of Resources	**965**	**852**	**113**	**13.3%**
Current Liabilities Payable from Restricted Assets	1,098	880	218	24.8%
Current Liabilities Payable from Unrestricted Liabilities	35,113	21,775	13,338	61.3%
Noncurrent Unrestricted Liabilities	2,832	2,481	351	14.1%
Total Liabilities	**39,043**	**25,136**	**13,907**	**55.3%**
Deferred Inflows of Resources	**324**	**219**	**105**	**47.9%**
Net Position:				
Investment in Capital Assets, Net of Related Debt	1,630	1,288	342	26.6%
Restricted for Trustee Activities	2,279	1,301	978	75.2%
Unrestricted	7,877	7,880	(3)	(0.0%)
Total Net Assets	**$ 11,786**	**$ 10,469**	**$ 1,317**	**12.6%**

- Total Assets increased by $15.2 million due to a $12 million increase in Accounts Receivable for Water Sales, upfront funding of WEROC's AWIA Project of $1.5 million, an increase in cash due to less travel and expenses of $980 thousand because of COVID-19, as well as the addition of large capital assets, which are explained in Table 3.

- Total Liabilities increased by $13.9 million because of larger credits due to MET Conservation rebates at year end; Unrestricted liabilities increased due to increase in accounts payable for water purchased from MWD of Southern California ($11 million), as well as WEROC's AWIA project and the District's new Shared Services program which added $406 thousand to the liability.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

While the Statement of Net Position shows the financial position at year-end, the Statement of Revenues, Expenses, and Changes in Net Position provides information as to the results of operations of the District during the year. The District reported an increase in net position of $1,317 thousand for the year ended June 30, 2020, as compared to an increase of $1,270 thousand for the year ended June 30, 2019. The following is a summary of the change in the District's net position.

TABLE 2
Condensed Statements of Revenues
Expenses, and Changes in Net Assets
(In thousands of dollars)

	FY 2020	FY 2019	Variance	Total Percent Change
Water Sales	$ 170,997	$ 170,399	$ 598	0.4%
Special Project Revenues	2,529	2,706	(177)	(6.5%)
Non-operating Revenues	696	699	(3)	(0.4%)
Total Revenues	**174,222**	**173,804**	**418**	**0.2%**
Operating Expenses	170,180	169,637	543	0.3%
Special Projects Expenses	2,529	2,706	(177)	(6.5%)
Depreciation Expense	196	191	5	2.6%
Total Expenses	**172,905**	**172,534**	**371**	**0.2%**
Change in Net Position	**1,317**	**1,270**	**47**	**3.7%**
Beginning Net Position	**10,469**	**9,199**	**1,270**	**13.8%**
Ending Net Position	**$ 11,786**	**$ 10,469**	**$ 1,317**	**12.6%**

The sources of change in net position are the following:

- Water Sales Revenues and Operating Expenses are slightly higher due to higher water sales.
- Special Projects Revenue and Expense are lower due to less State Grant activity in conservation rebates due to lower applicants.
- Non-operating Revenues are lower due to a decrease in interest revenue.
- Net position increased due to capital and building expense projects being carried over in to the new fiscal year and an increase in our election reserve for upcoming election expenses.

CAPITAL ASSETS

The following is a summary of the District's capital assets at June 30, 2020 and June 30, 2019.

TABLE 3
Capital Assets
(In thousands of dollars)

	FY 2020	FY 2019	Variance	Total Percent Change
Leasehold Improvements	$ 4,284	$ 3,804	$ 480	12.6%
Furniture, Equipment & Computer Equipment	650	602	48	8.0%
Subtotal	**4,934**	**4,406**	**528**	**12.0%**
Less Accumulated Depreciation	**(3,304)**	**(3,118)**	**(186)**	**6.0%**
Net Capital Assets	**$ 1,630**	**$ 1,288**	**$ 342**	**26.6%**

The District purchased a new IT server rack, a truck and utility van; replaced the IT server room HVAC unit, and upgraded the electrical panel. Additional information regarding capital assets can be found in Notes 1 and 4 of the notes to the financial statements.

DEBT ADMINISTRATION

The District had no debt outstanding as of June 30, 2020. No new long-term debt was incurred in the year ended June 30, 2020, and the District does not plan to issue new debt in the year ending June 30, 2021.

BUDGETARY HIGHLIGHTS

The District is governed by a Board of Directors consisting of seven elected members. The Board adopts an annual appropriated budget prior to the start of the fiscal year. The Budget may be revised by Board action during the fiscal year. All amendments to the budget, or transfers of operating budget appropriations to or from reserve accounts, require Board notification. The General Manager is authorized to transfer budget amounts within programs and cost centers. The legal level of budgetary control is at the total fund level. An actual vs. budget comparison schedule for FY 2019-20 is presented in Table 4 to demonstrate compliance with the adopted budget.

TABLE 4
FY 2020 Actual vs FY 2020 Budget
(In thousands of dollars)

	Actual	Budget	Variance	Total Percent Change
Revenues:				
From Operations	$ 173,526	$ 259,090	$ (85,564)	(33.0%)
Non-operating Revenues	696	603	93	15.4%
Total Revenues	**174,222**	**259,693**	**(85,471)**	**(32.9%)**
Expenses:				
From Operations				
Cost of Water	161,113	246,413	85,300	34.6%
Other Operating	11,596	13,145	1,549	11.8%
Depreciation	196	191	(5)	(2.6%)
Total Expenses	**172,905**	**259,749**	**86,844**	**33.4%**
Change In Net Assets	**$ 1,317**	**$ (56)**	**$ 1,373**	**(2,451.8%)**

The variances on the budget to actual are as follows:

- Revenues from Operations were $85.5 million less than budget due to actual water sales being lower than expected.
- Non-Operating Revenues are higher due to an increase in the fair value of investments.
- Expenses from Cost of Water purchased were $85.3 million lower than budget due to actual water sales being lower than expected.
- Other Operating Expenses were $1.5 million lower due to a reduction in travel conference and other expenses due to COVID19 and a reduction of applicants in the conservation rebate programs.

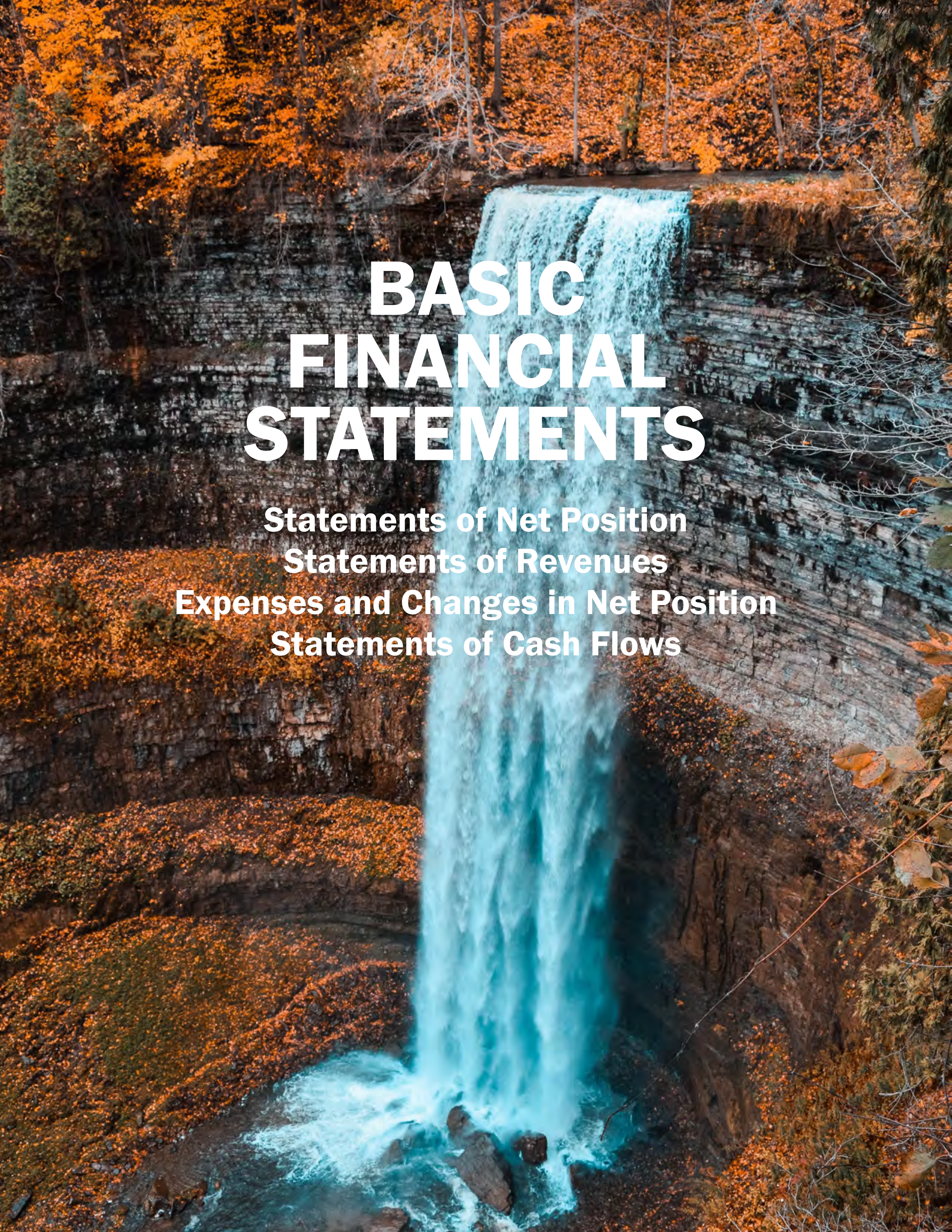
ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's Board of Directors and management considered many factors during preparation and approval of the annual budget for FY 2020-21. The budgeted operating expenses total $234.5 million and operating and non-operating revenues total $234.6 million.

Historically, the District has recouped the cost of water purchased from the resale of imported water to the District's 28 water agencies located in Orange County. In addition MWDOC has charged both a per acre-foot surcharge and a per retail meter charge to cover its operating budget. In past history, the District's operating revenue has been approximately 65% from per retail connection charges, and 35% from per acre-foot charges. Beginning in 2011-12, MWDOC began transitioning from the two-component rate structure to one involving only a single component. Over a five year period, ending in 2015-16, MWDOC had been transitioning from a water rate structure involving a per acre-foot charge and a fixed per retail meter charge to a 100% on the per retail meter charge. Beginning FY 2016-17 MWDOC has established two classes of customers, a retail meter and a groundwater customer. The District's budget is now allocated between retail meter customers and groundwater customers. In addition MWDOC's agencies will also pay for the resale cost of imported water.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is intended to provide the Board of Directors, customers, taxpayers, creditors, and other interested parties with a general overview of the District's financial operations and condition as of and for the year ended June 30, 2020, and to demonstrate the District's accountability for the funds it receives. If you have questions about this report or need additional information, you may contact the Municipal Water District of Orange County, Finance Dept., at 18700 Ward Street, Fountain Valley, CA 92708, (714) 963-3058, www.mwdoc.com.



BASIC FINANCIAL STATEMENTS

Statements of Net Position
Statements of Revenues
Expenses and Changes in Net Position
Statements of Cash Flows

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Net Position

June 30, 2020

(with comparative data as of June 30, 2019)

	2020	2019
ASSETS		
Current Assets:		
Restricted Assets (Note 3):		
Cash and Cash Equivalents (Note 2)	$ 1,817,311	$ 744,317
Accounts Receivable Other	1,557,816	1,432,806
Accrued Interest Receivable	2,058	4,056
Total Restricted Assets	3,377,185	2,181,179
Unrestricted Assets:		
Cash and Cash Equivalents (Note 2)	11,477,712	9,984,416
Investments (Note 2)	2,714,282	3,114,873
Accounts Receivable:		
Water Sales	29,851,130	18,019,979
Other	849,348	74,090
Accrued Interest Receivable	80,804	121,695
Deposits and Prepaid Expenses	208,462	187,146
Total Unrestricted Assets	45,181,738	31,502,199
Total Current Assets	48,558,923	33,683,378
Noncurrent Assets:		
Unrestricted Assets:		
Capital Assets, Net (Note 4)	1,630,237	1,288,478
Total Noncurrent Assets	1,630,237	1,288,478
TOTAL ASSETS	50,189,160	34,971,856
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount Related to Pensions (Note 7)	856,104	852,253
Deferred Amount Related to OPEB (Note 8)	108,419	161
TOTAL DEFERRED OUTFLOWS OF RESOURCES	964,523	852,414

See accompanying notes to basic financial statements

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Net Position (Continued)

June 30, 2020

(with comparative data as of June 30, 2019)

	2020	2019
LIABILITIES		
Current Liabilities:		
Payable from Restricted Assets		
Accrued Liabilities	$ 439,878	$ 80,266
Advances from Participants	658,092	799,951
Total Payable from Restricted Assets	1,097,970	880,217
Unrestricted Liabilities:		
Accounts Payable, Metropolitan Water District of Southern California	31,154,917	20,434,703
Accrued Liabilities	3,957,879	1,340,676
Total Unrestricted Liabilities	35,112,796	21,775,379
Total Current Liabilities	36,210,766	22,655,596
Noncurrent Liabilities:		
Unrestricted Liabilities:		
Net Pension Liability (Note 7)	2,516,221	2,214,703
Net OPEB Liability (Note 8)	316,000	266,409
Total Noncurrent Liabilities	2,832,221	2,481,112
TOTAL LIABILITIES	39,042,987	25,136,708
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount Related to Pensions (Note 7)	267,799	210,752
Deferred Amount Related to OPEB (Note 8)	56,477	7,883
TOTAL DEFERRED INFLOWS OF RESOURCES	324,276	218,635
NET POSITION		
Net Investment in Capital Assets	1,630,237	1,288,478
Restricted	2,279,215	1,300,962
Unrestricted	7,876,968	7,879,487
TOTAL NET POSITION	$ 11,786,420	$ 10,468,927

See accompanying notes to basic financial statements

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Revenues, Expenses and

Changes in Net Position

For the Fiscal Year Ended June 30, 2020

(with comparative data as of June 30, 2019)

	2020	2019
Operating Revenues:		
Water Sales	$ 170,997,486	$ 170,399,375
Special Projects Revenue	1,703,203	1,520,451
Federal Grant Revenue	178,610	169,354
State Grant Revenue	647,196	1,015,737
Total Operating Revenues	173,526,495	173,104,917
Operating Expenses:		
Cost of Water Sold	161,112,594	161,016,026
Salaries and Employee Benefits	6,089,438	5,263,408
General and Administrative	2,978,151	3,357,762
Special Project Expenses	2,529,009	2,705,543
Depreciation	195,898	191,366
Total Operating Expenses	172,905,090	172,534,105
Operating Income	621,405	570,812
Nonoperating Revenues:		
Investment Income	648,678	669,506
Other Income	47,410	29,504
Total Nonoperating Revenues	696,088	699,010
Change in Net Position	1,317,493	1,269,822
NET POSITION - BEGINNING OF YEAR	10,468,927	9,199,105
NET POSITION - END OF YEAR	$ 11,786,420	$ 10,468,927

See accompanying notes to basic financial statements

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2020

(with comparative data for the Year Ended June 30, 2019)

	2020	2019
Cash Flows from Operating Activities:		
Cash received from member agencies-water deliveries	$ 159,166,335	$ 187,959,595
Cash (payments) to Metropolitan Water District of Southern California	(150,392,380)	(178,988,878)
Cash (payments) for salaries and employee benefits	(5,744,797)	(5,144,145)
Cash (payments) for general and administrative expenses	(1,157,522)	(3,432,075)
Cash received from special projects	2,763,611	1,857,688
Cash (payments) for special projects	(2,670,868)	(2,859,904)
Other income	47,410	29,504
Net Cash Provided/(Used) by Operating Activities	2,011,789	(578,215)
Cash Flows from Capital and Related Financing Activity:		
Acquisition of capital assets	(537,657)	(127,991)
Cash Used by Capital and Related Financing Activity	(537,657)	(127,991)
Cash Flows from Investment Activities:		
Investment income	648,678	669,506
Investments matured/(purchased)	443,480	3,391,161
Cash Provided by Investment Activities	1,092,158	4,060,667
Net increase in cash and cash equivalents	2,566,290	3,354,461
Cash and Cash equivalents at beginning of year	10,728,733	7,374,272
Cash and Cash Equivalents at End of Year	$ 13,295,023	$ 10,728,733
Financial Statement Presentation:		
Cash and Cash Equivalents (Restricted)	$ 1,817,311	$ 744,317
Cash and Cash Equivalents (Unrestricted)	11,477,712	9,984,416
Totals	$ 13,295,023	$ 10,728,733

See accompanying notes to basic financial statements.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Statement of Cash Flows (Continued)

For the Fiscal Year Ended June 30, 2020

(with comparative data for the Year Ended June 30, 2019)

	2020	2019
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income	$ 621,405	$ 570,812
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	195,898	191,366
Other Income	47,410	29,504
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable - Water Sales	(11,831,151)	17,560,220
(Increase)/Decrease in Accounts Receivable - Other	(775,258)	436,897
(Increase) in Deposits and Prepaid Expenses	(21,316)	(3,570)
(Increase) in Accounts Receivable - Special Projects	(125,010)	(481,749)
(Increase)/Decrease in Deferred Outflows - Pension/OPEB Related	(112,109)	171,402
Increase/(Decrease) in Accrued and Other Liabilities	2,617,203	(507,640)
Increase/(Decrease) in Restricted Accrued Liabilities	359,612	(366,105)
(Decrease) in Advances from Participants	(141,859)	(154,361)
Increase/(Decrease) in Accounts Payable to Metropolitan Water District of Southern California	10,720,214	(17,972,852)
Increase/(Decrease) in Net Pension and OPEB Liability	351,109	(92,067)
Increase in Deferred Inflows - Pension/OPEB Related	105,641	39,928
Total Adjustments	1,390,384	(1,149,027)
Net Cash Provided(Used) by Operating Activities	$ 2,011,789	$ (578,215)
Noncash investing activity:		
Unrealized gain on investments*	$ 154,032	$ 125,479
Total noncash investing activity	$ 154,032	$ 125,479

*Per GASB 31 adjusted investments and cash equivalent to fair value for FY 2019-20

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

(1) Organization and Summary of Significant Accounting Policies

Reporting Entity

The Municipal Water District of Orange County (the District) was formed as a municipal water district on January 11, 1951 under the Municipal Water District Act of 1911. The District is a wholesale water supplier and resource planning agency that serves all of Orange County through 28 cities and water agencies (except the Cities of Anaheim, Fullerton, and Santa Ana which are independent member agencies of Metropolitan Water District of Southern California (Metropolitan). As a public agency member of Metropolitan, the District purchases imported water from Metropolitan and provides water to the District's 28 member agencies, which provide retail or wholesale water services to over 2.3 million residents within the District's service area of approximately 600 square miles. The District's primary sources of water from Metropolitan are the California State Water Project (SWP) and the Colorado River Aqueduct.

The District is an independent special district of the State of California governed by an elected seven-member board. On January 2001, the District merged with the Coastal Municipal Water District (Coastal) under the recommendation of the Local Agency Formation Commission of Orange County (LAFCO) as part of an effort to streamline local government. The consolidation of the two agencies allows the new district to more efficiently provide wholesale water services for the benefit of residents living throughout the service area.

The District's reporting entity includes the accounts of the District and the Municipal Water District of Orange County Water Facilities Corporation (WFC). Formed as a separate California nonprofit corporation on April 20, 1978 to assist in the financing of the Allen-McColloch Pipeline (AMP) and the Flow Augmentation Project (FAP), the WFC has no employees. The WFC is governed by a seven-member board comprised of the District's board members. The WFC had no activity or balances for the year ended June 30, 2020 and is kept active for potential future financing arrangements. WFC is a blended component unit of the District and the District has operational responsibility for WFC.

Basic Financial Statements

The District's basic financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows, and the Notes to the Basic Financial Statements.

Basis of Presentation

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

The District's basic financial statements have been prepared on the accrual basis of accounting, and are presented on an economic measurement focus reporting all economic resources and obligations as of and for the year ended June 30, 2020.

(1) Organization and Summary of Significant Accounting Policies (Continued)

Net Position

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

- Net investment in capital assets – This amount consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets as applicable.

- Restricted net position – This amount consists of restricted assets reduced by liabilities. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported or a resource subject to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

- Unrestricted net position – This amount is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

Operating and Nonoperating Revenues and Expenses

The District's primary purpose is to provide a dependable wholesale supply of imported water for its 28 member agencies. Accordingly, operating revenues such as water sales, result from exchange transactions associated with the principal activity of the District, which is the purchase and resale of imported water to the District's member agencies.

Revenues from federal and state grants, reimbursements from participants and special projects, as well as special project expenses are defined as operating revenues and expenses, respectively. Nonoperating revenues consist of investment income and other miscellaneous income.

Water Sales and Cost of Water Sold

Historically, the District's primary source of revenue has been from the resale of imported water to the District's 28 member agencies located in Orange County. Based on Metropolitan's cost of water, each year Metropolitan's Board of Directors approves water rates comprised of a capacity charge, readiness to serve charge and a per acre-foot charge. Metropolitan's rates are based on cost of service studies performed on a biennial basis. Water rates are not subject to regulation by the California Public Utilities Commission or by any other local, state, or federal agency. Revenue from sales of water is recognized on the accrual basis as water is delivered.

The District's revenue is from a per retail meter connection charge and a groundwater customer charge. Choice services are charged directly to the agencies as a "fee for service" on a subscription basis. The member agencies also pay for the resale of imported water in addition to the other charges noted.

(1) Organization and Summary of Significant Accounting Policies (Continued)

Investments

Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is 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.

The District's investment policy and delegation of investment authority, is reviewed and approved each year by the Board of Directors. The investment policy authorizes the Treasurer to invest, reinvest, sell or exchange permitted fixed income securities in accordance with the California Government Code. Investment income from restricted assets remains restricted.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash and short-term, highly liquid investments (i.e., Local Agency Investment Fund and Orange County Investment Pool) which are readily convertible to cash and mature within ninety (90) days of original purchase.

Accounts Receivable

The District extends credit to customers in the normal course of operations. Management believes all accounts receivable are collectible. In the event any accounts receivable are determined they are uncollectible, an allowance is recorded.

Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and a useful life greater than one (1) year. Upon retirement, sale or other disposition of capital assets, the cost and related accumulated depreciation are removed from their respective accounts and any gains or losses are recognized. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which range from 3 to 10 years for furniture, fixtures, and equipment, and up to 30 years for leasehold improvements.

Deposits and Prepaid Expenses

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

Deferred Outflows and Inflows of Resources

The District reported deferred outflows and inflows of resources related to pensions and OPEB. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources represents an acquisition of net position by the district that is applicable to a future period. Refer to Note 7 and 8 for items identified as deferred inflows and outflows as of June 30, 2020.

(1) Organization and Summary of Significant Accounting Policies (Continued)

Compensated Absences

As vacation leave is a vested employee benefit, the District is obligated to compensate employees for all earned but unused vacation days. Employee vacation days are accrued each pay period and reported as accrued liabilities. Depending on the length of employment, employees earn a minimum of 10 up to a maximum of 21 vacation days per year. Accumulated vacation days may not exceed 2 times the number of days earned per year without prior approval of the General Manager. Sick leave time is a non-vested employee benefit (i.e. accumulated sick leave is not payable in the event of employee termination) and is considered a contingent liability and is not reflected in the accompanying financial statements.

Unearned Revenue / Advances from Participants

Unearned revenue and advances from participants represent grant and agency revenues received in advance of the recognition of the related expense.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources, deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that could affect certain reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates. Also, the preparation of the financial statements inherently requires rounding of amounts and estimates. Management believes that any differences due to rounding are not material.

(1) Organization and Summary of Significant Accounting Policies (Continued)

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived.

(2) Cash and Investments

Cash and investments at June 30, 2020, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and cash equivalents (restricted)	$	1,817,311
Cash and cash equivalents (unrestricted)		11,477,712
Investments (unrestricted)		2,714,282
Total Cash and Investments	$	16,009,305

Cash and investments as of June 30, 2020 consist of the following:

Cash on hand	$	500
Deposits with financial institutions		213,216
Investments		15,795,589
Total Cash and Investments	$	16,009,305

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

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy). The table also identifies certain provisions of the California Government Code (or the District's investment policy) that address interest rate risk and concentration of credit risk. The District's investment policy allows for funds to be divided into two categories. The Operating Fund authorized investments are below:

(2) Cash and Investments (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One
U.S. Treasuries	5 years	100%	100%
U.S. Government Agencies	5 years	100%	50%
Corporate Securities	5 years	30%	5%
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Bankers' Acceptances	180 days	40%	5%
Repurchase Agreements	1 year	20%	10%
Money Market Mutual Funds	N/A	20%	20%
Collective Investment Pool	N/A	20%	10%
County Investment Pool	N/A	100%	100%
State Investment Pool	N/A	100%	100%

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair market value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair market 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:

		Remaining Maturity (in Months)		
Investment Type	Total	12 Months or Less	13 to 24 Months	25-60 Months
Negotiable Certificate of Deposits	$ 2,050,217	$ 253,490	$ 203,834	$ 1,592,893
Corporate Securities	664,065	252,315	207,842	203,908
Orange County Investment Pool	4,971,975	4,971,975	-	-
State Investment Pool	8,109,332	8,109,332	-	-
	$ 15,795,589	$ 13,587,112	$ 411,676	$ 1,796,801

(2) Cash and Investments (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. 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 or District's investment policy, or debt agreements, and the actual rating by Standard and Poor's (S&P) as of the year end of each investment type. The District purchases all investments at the minimum rating but some investments' ratings may downgrade during its life but it is the District's policy to hold investments until their maturity.

			Ratings as of Year End				
					**	**	
Investment Type	Total	Minimum Legal Rating	AAAm	A	A-	AA-	Not Rated
Negotiable Certificate of Deposits	$ 2,050,217	N/A	$ -	$ -	$ -	$ -	$ 2,050,217
Corporate Securities	664,065	A	-	203,908	252,315	207,842	-
Orange County Investment Pool	4,971,975	N/A	4,971,975	-	-	-	-
State Investment Pool	8,109,332	N/A	-	-	-	-	8,109,332
	$ 15,795,589		$ 4,971,975	$ 203,908	$ 252,315	$ 207,842	$ 10,159,549

** Investments conformed to District's Investment Policy at time of acquisition

Disclosures Relating to Fair Value Measurement and Application

Fair value measurements are categorized based on the valuation inputs used to measure 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 categorized as Level 2 are valued using a market approach using quoted market prices. Values are determined using pricing models and discounted cash flow models and includes management judgement and estimation. Uncategorized investments include investments in a non 2a-7 like pool, such as the Local Agency Investment Fund (LAIF) and the Orange County Investment Pool (OCIP). These investments do not have a legally binding guarantee for its share price and cannot have a measured amortized cost.

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

		Fair Value Application			
Investment Type		1	2	3	Uncategorized
Negotiable Certificate of Deposits	$ 2,050,217	$ -	$ 2,050,217	$ -	$ -
Corporate Securities	664,065	-	664,065	-	-
Orange County Investment Pool	4,971,975	-	-	-	4,971,975
State Investment Pool	8,109,332	-	-	-	8,109,332
	$ 15,795,589	$ -	$ 2,714,282	$ -	$ 13,081,307

Investments in LAIF and OCIP are uncategorized as deposits and withdrawals are made on the basis of $1 and not fair value. Accordingly, under the fair value hierarchy, these investments are uncategorized.

(2) Cash and Investments (Continued)

Concentration of Credit Risk

The District's investment policy contains limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. At June 30, 2020 the District did not have investments in more than one issuer (other than U.S. Treasury securities, mutual funds, external investment pools) that represented 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits.

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. The Government Code also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2020 the District's deposits with financial institutions are covered by the Federal Deposit Insurance Corporation up to $250,000, the remaining amounts of $192,405 were collateralized as described above.

Investment in State and County Investment Pool

The District is a voluntary participant in LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California, and in the OCIP under the oversight of the Orange County Treasurer. The fair market value of the District's investment in these pools are reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair market value provided by LAIF and OCIP for the entire LAIF and OCIP portfolios (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF and OCIP, which are recorded on an amortized cost basis.

LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provides oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office.

The Agency is a participant in the OCIP. The OCIP is an external investment pool, and is not registered with the Securities Exchange Commission (SEC). The County Treasury Oversight Committee conducts OCIP oversight. The OCIP values participant shares on an amortized cost basis during the year

(2) Cash and Investments (Continued)

and adjusts to fair value at year-end. For further information regarding the OCIP, refer to the County of Orange Comprehensive Annual Financial Report.

(3) Restricted Assets

Restricted assets are monies held in restricted funds or accounts by the District for the benefit of member agencies, including a rate stabilization fund. As of June 30, 2020, $3,377,185 was reported as restricted assets related to member agency activities.

(4) Capital Assets

The following is a summary of capital assets at June 30, 2020 with changes therein:

	2019	Additions	Deletions	2020
Furniture,Fixtures and Equipment	$ 602,412	$ 82,499	$ (35,137)	$ 649,774
Leasehold Improvements	3,804,126	484,265	(4,264)	4,284,127
	4,406,538	566,764	(39,401)	4,933,901
Less Accumulated Depreciation:				
Furniture,Fixtures and Equipment	(430,717)	(41,788)	6,258	(466,247)
Leasehold Improvements	(2,687,343)	(154,110)	4,036	(2,837,417)
	(3,118,060)	(195,898)	10,294	(3,303,664)
Net Capital Assets	$ 1,288,478	$ 370,866	$ (29,107)	$ 1,630,237

(5) Deferred Pension Plan

The District sponsors a Money Purchase Pension Plan (the Pension Plan), a defined contribution plan, under Internal Revenue Code Section 401(a). Currently the MWDOC Board of Directors, MWDOC MET Directors and the General Manager actively participate in the Pension Plan. In accordance with section 3401(c) of the Internal Revenue Code, the term employee includes officers, whether elected or appointed. The Directors contribute 7.5 percent of their covered compensation to the Pension Plan, in lieu of contributing to Social Security. The Directors' contributions to the Pension Plan totaled $27,939 for the year ended June 30, 2020. Participants become vested in the Pension Plan at a rate of 20% per year of service until they are fully vested after five (5) years.

Previously in FY 2015-16 due to a possible issue with conflicting State and Federal requirements regarding the District making contributions to the Director's retirement plans and whether these contributions would be considered compensation to the Directors subject to State Government Code limits; the District stopped making contributions and the Directors committed to refunding all contributions previously made by the District with interest. In FY 2015-16 all current MWDOC Directors at that time refunded $156,833 to the District.

Based on the Attorney General's Opinion issued in April 2019, which concludes that MWDOC may make employer-paid pension contributions on behalf of its Directors without violating statutory limits regarding Directors compensation; the District reimbursed each Director based on the amount they reimbursed the District in 2015 plus interest which totaled $163,655.

(5) Deferred Pension Plan (Continued)

District employees were previously part of the Pension Plan until March 2003 when they became members of the CalPERS plan. See Note 7.

(6) Risk Management

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA) (Insurance Authority). The Insurance Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq. The purpose of the Insurance Authority is to arrange and administer programs of insurance for the pooling of self- insured losses and to purchase excess insurance coverage for participating member agencies.

The Insurance Authority bills the District a deposit premium at the beginning of each year, which is placed in a reserve fund to cover the self-insurance portion of any claim. Settlements and/or expenses related to claims during the year are then charged to the reserve. If the balance of the reserve at the end of the year is deemed too low in relation to the amount of outstanding claims, the District is billed for additional premiums. When the claims are fully settled, any amounts remaining in the reserve are refunded to the District.

At June 30, 2020, the District participated in the self-insurance programs as follows:

Property Loss - The Insurance Authority has pooled self-insurance up to $100,000 per occurrence and has purchased excess insurance coverage up to $500 million. The District has a $1,000 deductible for buildings, personal property and fixed equipment and $500 for licensed vehicles/trailers.

General, Auto and Public Officials Liability - The Insurance Authority has pooled self-insurance up to $5 million per occurrence, and has purchased excess insurance coverage up to $55 million per occurrence.

Crime Policy/Fidelity Bond - The Insurance Authority has a coverage limit of $3 million, per loss. The District has a $1,000 deductible.

Cyber Liability – The Insurance Authority has a coverage limit of $3 million per claim and $5 million aggregate with a $10,000 to $50,000 retention based on annual revenue.

Special District Risk Management Authority Workers' Compensation Program offers an alternative workers' compensation program for special districts and other public agencies. Responsive claims management and cost containment, combined with tailored safety and loss prevention provides members an unequaled full-service workers' compensation program. All claims are handled by a third party administrator, Sedgwick. Comprehensive Coverage includes Statutory Workers' Compensation Limits, $5 Million Employer's Liability, Zero Member Deductible, and SDRMA maintains a Self-Insured Retention that is periodically adjusted based on market conditions.

The JPIA's Liability Program is designed specifically for public water agencies. It provides protection to members against liability for bodily injury, property damage, errors and omissions, employment practices, fiduciary responsibilities, products, and pollution. The program provides pooled, reinsurance and excess coverage of up to $55 million for its members.

(6) Risk Management (Continued)

The District pays annual premiums for all policy coverages. The District currently does not have any active/open claims or pending settlements.

(7) Cost-Sharing Defined Benefit Plan

General Information about the Pension Plan

Plan Descriptions – Effective March 1, 2003, all qualified regular full-time employees working over 1,000 hours in a fiscal year are eligible to participate in the District's employee pension plan, a cost-sharing multiple employer defined benefit pension plan administered by CalPERS. The CalPERS Plans (the Plans) consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. The risk pools are included within the Public Employees' Retirement Funds C (PERF C). Benefit provisions under the Plans are established and may be amended by State statute and the District's resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, membership information, and related financial information can be found on the CalPERS website at: http://www.calpers.ca.gov.

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous	
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Formula	2.0% @55	2.0% @62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of annual salary	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7%	6.750%
Required employer contribution rates	10.221%	6.985%
Pensionable Compensation Cap*	No Cap	$151,549

∗ Will increase to reflect changes in the Consumer Price Index

(7) Cost-Sharing Defined Benefit Plan (Continued)

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 rate. Funding contributions for Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rates of employees.

Contributions recognized by the Plans from the employer for the year ended June 30, 2020 were $349,145. The District has phased out contributions paid on behalf of employees as of July, 2018.

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

As of June 30, 2020, the District's reported net pension liabilities for its proportionate share of the net pension liability of the Plan is as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	$ 2,516,221

The District's net pension liability was measured as the proportionate share of the net pension liability of the collective cost-sharing plan. The District's net pension liability was measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 were as follows:

	Miscellaneous
Proportion - June 30, 2018	0.05877%
Proportion - June 30, 2019	0.06283%
Change - Increase (Decrease)	0.00406%

For the year ended June 30, 2020, the District recognized pension expense of $703,859.

(7) Cost-Sharing Defined Benefit Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 174,762	$ 13,541
Changes of Assumptions	119,985	42,534
Differences between Projected and Actual Investment Earnings	-	43,991
Change in Employer's Proportion	212,212	-
Differences between District Contributions and Proportionate Share of Contributions	-	167,733
Pension Contributions Made Subsequent to Measurement Date	349,145	-
Total	$ 856,104	$ 267,799

The amount of $349,145 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ending June 30,	
2021	$ 223,263
2022	(11,515)
2023	18,523
2024	8,889
	$ 239,160

(7) Cost-Sharing Defined Benefit Plan (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuation were determined using the following actuarial assumptions.

	Miscellaneous
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Investment Rate of Return	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table[1]	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

[1] The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 CalPERS Experience Study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website at www.calpers.ca.gov.

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

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

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

(7) Cost-Sharing Defined Benefit Plan (Continued)

The table below reflects long-term expected real rate of return by asset class.

Asset Class[1]	Assumed Asset Allocation	Real Return Years 1-10[2]	Real Return Years 11 +[3]
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

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

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

	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
District's Net Pension Liability/(Asset)	$ 4,315,661	$ 2,516,221	$ 1,030,909

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

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

(7) Cost-Sharing Defined Benefit Plan (Continued)

The amortization period differs depending on the source of the gain or loss:

Net Difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

(8) Retiree Medical Plan – Other Post-Employment Benefits (OPEB)

Plan Description:

Effective October 1, 2011, the District established a Post-Retirement Healthcare Plan (Health Plan), and has contributed to a Section 115 Irrevocable Exclusive Benefit Trust for the pre-funding of post-employment health care costs. Currently, the District provides health insurance for its retired employees and their dependent spouses (if married and covered on the District's plan at time of retirement), or survivors in accordance with Board resolutions. Medical coverage is provided for retired employees who are age 55 or over and who have a minimum of 10 consecutive years of full-time service with the District. The District pays 100% of the premium for the lowest cost single retiree plan plus 90% of the difference to the plan actually selected, plus 80% of the combined retiree and spouse's medical premium until age 65. If a retiree in receipt of these benefits dies before reaching age 65, the surviving spouse will continue to receive coverage that the retiree would have been entitled to until age 65 only. When a retiree reaches age 65 and/or is eligible for Medicare, the District reimburses the retiree up to $1,800 per calendar year for the cost of Supplemental Medical Insurance and Medicare Prescription Drug (Part D) Insurance for the lifetime of the retiree only. Retirees who complete at least 25 consecutive years of full-time service receive District-paid dental and vision benefits along with the above-mentioned medical coverage and post-age 65 coverage includes Medicare Part B premium reimbursements until the time of the retiree and spouse's death. Employees hired on or after July 1, 2012 are ineligible for District-paid retiree health benefits.

Plan benefits and contribution requirements of Health Plan members and the District are established, and may be amended, by the District's Board of Directors.

The following parties are responsible for administration of the Health Plan:

- Public Agency Retirement Services (PARS) serves as Trust Administrator and Consultant
- US Bank serves as Trustee, and
- HighMark Capital Management (HighMark) serves as Investment Manager

PARS issues monthly account reports to the District and HighMark publishes quarterly performance reports.

(8) Retiree Medical Plan – Other-Post-Employment Benefits (OPEB) (Continued)

Plan membership. At June 30, 2020, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	12
Active plan members	13
Total	25

Funding Policy:

The contribution requirements of Health Plan members and the District are established, and may be amended, by the District's Board of Directors. Currently, contributions are not required from Health Plan members. The District has fully funded the OPEB obligation with the addition of an OPEB Designated Reserve account.

Net OPEB Liability:

The District's Net OPEB Liability was measured as of June 30, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2020. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions:

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00%
Inflation rate	3.00%
Investment rate of return	6.00%, net OPEB plan investment expense
Healthcare cost trend rate	6.00% for 2020; 5.9% for 2021; 5.80% for 2022; and decreasing 0.10% per year to an ultimate rate of 5.00% for 2030 and later years

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2020 valuation were based on a review of plan experience during the period July 1, 2018 to June 30, 2020.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rate of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected rates of return by asset class (based on published capital market assumption).

(8) Retiree Medical Plan – Other-Post-Employment Benefits (OPEB) (Continued)

Asset Class	Assumed Asset Allocation	Real Rate of Return
Broad U.S. Equity	50%	4.4%
U.S. Fixed	50%	1.5%

Discount rate:

GASB 75 requires a discount rate that reflects the following:

a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;

b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District's total OPEB liability is based on these requirements and the following information:

Reporting Date	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2019
Long-Term Expected Return of Plan Investments	6.00%	6.00%
Fidelity GO AA 20-Year Municipal Index	2.45%	3.13%
Discount Rate	6.00%	6.00%

The components of the net OPEB liability at June 30, 2020, were as follows:

Total OPEB liability	$ 2,602,083
Plan fiduciary net position	2,286,083
Net OPEB liability	$ 316,000
Measurement date	June 30, 2020
Reporting date	June 30, 2020
Covered payroll	$ 1,975,686
Net OPEB liaiblity (asset) as a percentage of covered payroll	15.99%
Plan fiduciary net position as a percentage of the total OPEB liability	87.86%

(8) Retiree Medical Plan – Other-Post-Employment Benefits (OPEB) (Continued)

Schedule of Change in Net OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2019	$ 2,478,646	$ 2,212,237	$ 266,409
Changes for the year:			
Service Cost	30,118	-	30,118
Interest	148,417	-	148,417
Differences between expected and actual experience	(86,201)	-	(86,201)
Change in assumptions	102,437	-	102,437
Net investment income	-	85,732	(85,732)
Contributions			
Employer - cash subsidy	-	71,334	(71,334)
Benefit payments, including implicit subsidy	(71,334)	(71,334)	-
Administrative expense	-	(11,886)	11,886
Net changes	123,437	73,846	49,591
Balances at June 30, 2020	**$ 2,602,083**	**$ 2,286,083**	**$ 316,000**

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current discount rate:

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB liability (asset)	$689,315	$316,000	$11,006

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

The following presents the net OPEB liability, 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 (5.00 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.00 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

	1% Decrease (5.00% decreasing to 4.00%)	Trend Rate (6.00% decreasing to 5.00%)	1% Increase (7.00% decreasing to 6.00%)
Net OPEB liability (asset)	$14,860	$316,000	$683,735

(8) Retiree Medical Plan – Other-Post-Employment Benefits (OPEB) (Continued)

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

For the year ended June 30, 2020, the District made a total contribution of $63,891, which represent actual health care costs for its retirees and their covered dependents. Total contribution inclusive of implicit subsidy amounted to $71,334.

OPEB Expense

For the year ended June 30, 2020, the District's OPEB expense was $61,261.

Service Cost	$	30,118
Interest Cost		148,417
Expected Return on Assets		(132,734)
Recognition of Deferred Outflows and Inflows		
Difference between expected and actual experience		(29,724)
Change of assumptions		35,323
Difference between projected and actual investments		9,861
Net OPEB Expense June 30, 2019 to June 30, 2020	$	61,261

Actuarially Determined Contribution

The following shows the actuarially determined contribution for the year ended June 30, 2020:

Service Cost	$	34,408
Net OPEB Liability Amoritization Payment (30-year)		15,439
Total	$	49,847

Valuation Date	July 1, 2020
Discount Rate	6.00%
Salary Increases	3.00%

(8) Retiree Medical Plan – Other-Post-Employment Benefits (OPEB) (Continued)

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

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

	Defered Outflows of Resources	Defered Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ 41,305	$ -
Differences between expected and actual experience	-	56,477
Changes in assumptions	67,114	-
Total	$ 108,419	$ 56,477

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year ending June 30:	Defered Outflows of Resources	Deferred Inflows of Resources
2021	$ 45,184	$ (29,724)
2022	41,651	(26,753)
2023	9,808	-
2024	11,776	-
	$ 108,419	$ (56,477)

Investments

For the year ended June 30, 2020 the annual money-weighted rate of return on investments, net of investment expense, was 3.89%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

The District's policy regarding the allocation of the plan's invested assets is established and may be amended by the District's management and Board of Directors. The current investment selection is the Moderate HighMark PLUS. The dual goals of the Moderate Strategy are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important. The portfolio will be allocated between equity and fixed income investments.

Asset Class	Strategic Asset Allocation Ranges
Equity	40-60%
Fixed income	40-60%
Cash	0-20%

(9) Commitments and Contingencies

The District is involved in various litigation from time to time arising from the normal course of business. In the opinion of management and legal counsel, the District is not involved in any litigation that is expected to have a material adverse effect on the overall financial position of the District at June 30, 2020.

(10) Subsequent Events

On March 4, 2020, California Governor Gavin Newsome declared a State of Emergency in response to the spread of COVID-19 in the state of California. Water utilities are identified as critical infrastructure by the United States Department of Homeland Security and the District has activated its emergency response plan. The District has instituted guidelines prescribed by the Centers for Disease Control (CDC) to help prevent the spread of COVID-19. Accordingly, as of report issuance date, there is no direct threat to the water supply from the COVID-19 pandemic and the District continues to monitor CDC and the Environmental Protection Agency (EPA) guidelines to ensure the District's groundwater and water delivery services are not compromised.

Other than the events described above, no events have occurred subsequent to the balance sheet date through November 2, 2020, the date on which the financial statements were available to be issued, that require adjustment to, or disclosure in, the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

(Unaudited)

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2020

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Measurement Periods Ended June 30

Measurement Period	2020	2019	2018
Total OPEB Liability			
Service cost	$ 30,118	$ 34,408	$ 33,406
Interest on the total OPEB liability	148,417	140,392	134,254
Actual and expected experience difference	(86,201)	-	-
Changes in assumptions	102,437	-	-
Changes in benefit terms	-	-	-
Benefit Payments	(71,334)	(71,021)	(59,870)
Net change in total OPEB liability	123,437	103,779	107,790
Total OPEB liability - beginning	2,478,646	2,374,867	2,267,077
Total OPEB liability - ending (a)	2,602,083	2,478,646	2,374,867
Plan Fiduciary Net Position			
Contribution - employer	71,334	71,021	59,870
Net investment income	85,732	140,186	128,809
Benefit payments	(71,334)	(71,021)	(59,870)
Administrative expense	(11,886)	(5,669)	(11,456)
Net change in plan fiduciary net position	73,846	134,517	117,353
Plan fiduciary net position - beginning	2,212,237	2,077,720	1,960,367
Plan fiduciary net position - ending (b)	2,286,083	2,212,237	2,077,720
Net OPEB liability - ending (a)-(b)	$ 316,000	$ 266,409	$ 297,147
Plan fiduciary net position as a percentage of the total OPEB liability	87.86%	89.25%	87.49%
Covered-employee payroll	$ 1,975,686	$ 1,956,477	$ 1,933,612
Net OPEB liability as a percentage of covered-employee payroll	15.99%	13.62%	15.37%

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2020

Schedule of OPEB Contributions
Last Ten Fiscal Years*

Fiscal Year Ended June 30	2020	2019	2018
Actuarially Determined Contribution (ADC)	$ 46,537	$ 49,847	$ 48,878
Contributions in relation to the ADC	(71,334)	(71,021)	(59,870)
Contribution deficiency (excess)	$ (24,797)	$ (21,174)	$ (10,992)
Covered-employee payroll	$ 1,975,686	$ 1,956,477	$ 1,933,612
Contributions as a percentage of covered-employee payroll	3.61%	3.63%	3.10%

* Fiscal year 2018 was the first year of implementation, therefore only 3 years are shown

Notes to Schedule:

The District's Net OPEB Liability was measured as of June 30, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2020 (June 30, 2020). Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age, Level Percent of Pay
Recognition of deferred inflows and outflows of resources	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB
Salary increases	3.00%
Inflation Rate	3.00%
Investment Rate of Return	6.00%, net of OPEB plan investment expense
Healthcare cost-trend rates	6.00% for 2020; 5.90% for 2021; 5.80% for 2022; and decreasing 0.10% per year to an ultimate rate of 5.00% for 2030 and later years
Mortality	Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Cost Sharing Retirement Plan
Schedule of the District's Proportional Share of the Net Pension Liability
Last Ten Years*

	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.06283%	0.05877%	0.05774%	0.05387%	0.05019%	0.02186%
Proportionate share of the net pension liability	$ 2,516,221	$ 2,214,703	$ 2,276,032	$ 1,871,472	$ 1,376,955	$ 1,360,017
Covered Payroll	$3,482,913	$3,295,260	$3,022,872	$ 2,748,796	$ 2,640,576	$ 2,601,571
Proportionate share of the net pension liability as a percentage of covered payroll	72.24%	67.21%	75.29%	68.08%	52.15%	52.28%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	75.26%	73.31%	75.87%	78.40%	79.82%

* Fiscal year 2015 was the first year of implementation, therefore only six years are shown

Notes to Schedule:

Fiscal Year End:	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Valuation Date:	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Discount Rate	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%
Projected Salary Increase	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service	Varies, based on Entry Age and Service
Inflation	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%
Payroll Growth	2.75%	3.25%	3.00%	3.00%	3.00%	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2020

Cost Sharing Retirement Plan
Schedule of the District's Proportional Share of the Net Pension Liability
Last Ten Years* (continued)

Summary of Changes of Benefits or Assumptions

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Changes of Assumptions: None

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2020

Cost Sharing Retirement Plan
Schedule of Contributions
Last Ten Years*

	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	$ 349,145	$ 302,458	$ 273,125	$ 252,815	$ 220,517	$ 288,065
Contributions in relation to the actuarially determined contribution	(349,145)	(302,458)	(273,125)	(252,815)	(220,517)	(288,065)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$3,792,545	$3,482,913	$3,295,260	$3,022,872	$2,748,796 [1]	$2,640,576 [1]
Contributions as a percentage of covered-employee payroll	9.21%	8.68%	8.29%	8.36%	8.02%	10.91%

* Fiscal year 2015 was the first year of implementation, therefore only six years are shown

[1] Restated Covered Payroll