

**LIVERMORE-AMADOR VALLEY
WATER MANAGEMENT AGENCY**

BASIC FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Livermore-Amador Valley Water Management Agency
Dublin, California

We have audited the accompanying financial statements of the Livermore-Amador Valley Water Management Agency (Agency), California, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Agency'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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency'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 Agency'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 Agency as of June 30, 2020 and 2019, and changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis 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 opinions on the financial statements that collectively comprise the Agency's basic financial statements. The Introductory Section and Supplemental Information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Pleasant Hill, California

October 29, 2020

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY

Management's Discussion & Analysis

June 30, 2020 and 2019

This section presents management's analysis of the Livermore-Amador Valley Water Management Agency (the Agency) financial condition and activities as of and for the years ended June 30, 2020 and 2019. Management's Discussion and Analysis (MDA) is intended to serve as an introduction to the Agency's basic financial statements. The MDA represents management's examination and analysis of the Agency's financial condition and performance.

This information should be read in conjunction with the audited financial statements that follow this section. The information in the MDA is presented under the following headings:

- Organization and Business
- Overview of the Financial Statements
- Financial Analysis
- Request for Information

Organization and Business

Livermore-Amador Valley Water Management Agency (the Agency) is a joint powers agency that was formed in 1974 by a joint exercise of powers agreement between the cities of Pleasanton and Livermore and the Dublin San Ramon Services District. The Agency has implemented a water quality management program involving wastewater disposal. The Agency operates an export pump station and pipeline connecting with the East Bay Dischargers Authority's system and discharges treated wastewater, through a deep-water outfall, into San Francisco Bay. The Agency currently has an Amended and Restated Joint Exercise of Powers Agreement dated September 10, 1997, among the members. This agreement, among other things, sets forth capacity limitations and capacity rights of each member as well as cost-sharing procedures for debt service and fixed operating costs related to capacity rights and variable operating costs related to actual use of the export facilities.

For additional information, please see the notes to the basic financial statements.

Overview of the Financial Statements

The basic financial statements include a *statement of net position*, a *statement of revenues, expenses, and changes in net position*, a *statement of cash flows*, and *notes to financial statements*. The report also contains other required supplementary information in addition to the basic financial statements.

The Agency's basic financial statements include:

The *statement of net position* presents information on the Agency's assets and liabilities, with the difference between the two reported as net position. It provides information about the nature and amount of resources and obligations at year-end.

The *statement of revenues, expenses, and changes in net position* presents the results of the Agency's operations over the course of the fiscal year and information as to how the *net position* changed during the year.

The *statement of cash flows* presents changes in cash and cash equivalents resulting from operational, capital and related financing, and investing activities. This statement summarizes the annual flow of cash receipts and cash payments, without consideration of the timing of the event giving rise to the obligation or receipt.

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY

Management's Discussion & Analysis

June 30, 2020 and 2019

The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to basic financial statements can be found on pages 9 to 19 of this report.

Financial Analysis:

Table 1 summarizes net position at June 30, 2020 and 2019, and Table 2 summarizes revenues, expenses and changes in net position for the years ended June 30, 2020 and 2019. Both tables also include variances from the prior year.

Table 1

Summary of Net Position

June 30, 2020 and 2019

| | 2020 | 2019 | Variance | 2018 | Variance |
|----------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Assets: | | | | | |
| Current assets | \$28,197,985 | \$18,660,220 | \$ 9,537,765 | \$21,221,982 | \$(2,561,762) |
| Non-current assets | - | 345,178 | (345,178) | 345,178 | - |
| Capital assets, net of accumulated depreciation | 107,040,339 | 110,204,567 | (3,164,228) | 113,274,221 | (3,069,654) |
| Total assets | <u>135,238,324</u> | <u>129,209,965</u> | <u>6,028,359</u> | <u>134,841,381</u> | <u>(5,631,416)</u> |
| Liabilities: | | | | | |
| Current liabilities | 15,132,701 | 6,378,730 | 8,753,971 | 9,693,923 | (3,315,193) |
| Long-term debt outstanding | 74,034,193 | 79,154,677 | (5,120,484) | 88,138,721 | (8,984,044) |
| Total Liabilities | <u>89,166,894</u> | <u>85,533,407</u> | <u>3,633,487</u> | <u>97,832,644</u> | <u>(12,299,237)</u> |
| Net position: | | | | | |
| Invested in capital assets, net of related debt | 32,481,873 | 31,391,513 | 1,090,360 | 26,105,620 | 5,285,893 |
| Unrestricted | 13,589,557 | 12,285,045 | 1,304,512 | 10,903,117 | 1,381,928 |
| Total net position | <u>\$46,071,430</u> | <u>\$43,676,558</u> | <u>\$ 2,394,872</u> | <u>\$37,008,737</u> | <u>\$ 6,667,821</u> |

- The total assets of the Agency increased \$6.0 million in 2020 from 2019, which had decreased \$5.6 million from 2018. The increase in current assets of \$9.5 million is primarily in cash and investments due to two JPA members paying their contribution for FYE 2021 in advance; this is offset by an increase in current liabilities. The increase in current assets is offset by \$3.2 million decrease in capital assets primarily due to depreciation (Note 3).
- Total liabilities increased \$3.6 million in 2020 from 2019, which had decreased \$12.3 million from 2018. The increase in current liabilities of \$8.8 million is primarily due to two JPA members paying their contribution for FYE 2021 in advance; this is offset by an increase in current assets. The increase in current liabilities is offset by \$5.1 million decrease in Long-term liabilities, which is due to debt payments and amortization of bond issuance premium (Note 5).
- Net position overall has increased the last two years as debt is being paid down.

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY

Management's Discussion & Analysis

June 30, 2020 and 2019

Table 2

Summary of Revenues, Expenses and Changes in Net Position

Years ended June 30, 2020 and 2019

| | 2020 | 2019 | Variance | 2018 | Variance |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|------------------|
| Operating revenues: | \$ 11,708,912 | \$ 16,070,959 | \$(4,362,047) | \$ 11,613,795 | \$ 4,457,164 |
| Operating expenses: | <u>6,730,537</u> | <u>6,653,044</u> | <u>77,493</u> | <u>6,268,924</u> | <u>384,120</u> |
| Net operating income (expenses) | <u>4,978,375</u> | <u>9,417,915</u> | <u>(4,439,540)</u> | <u>5,344,871</u> | <u>4,073,044</u> |
| Non operating revenues (expenses) | <u>(2,583,503)</u> | <u>(2,750,094)</u> | <u>166,591</u> | <u>(3,352,198)</u> | <u>602,104</u> |
| Change in net position | \$ 2,394,872 | \$ 6,667,821 | \$(4,272,949) | \$ 1,992,673 | \$ 4,675,148 |

- Operating revenues come from member agency contributions to cover operating costs, debt, and capital replacement. FYE 2020 operating revenue decreased \$4.4 million comparing to 2019 due to a one-time capacity purchase pay off with East Bay Dischargers Authority (EBDA) in the prior fiscal year.
- Operating expenses increased \$0.1 million in FYE 2020 compared to an increase of \$0.4 million in the prior fiscal year. FYE 2020 includes costs related to EBDA pension and other post-employment benefits. Energy is over one third of the operating budget, when depreciation is excluded from total operating expenses.
- Non-operating revenues (expenses) reflect a net decrease in non-operating expenses over the last two years primarily due to the decrease in bond interest expense as debt is paid down.

Request for Information

This financial report is designed to provide readers with a general overview of the Livermore-Amador Valley Water Management Agency's finances and demonstrate the Agency's accountability for the monies it manages. If you have any questions about this report or need additional information, please contact: LAVWMA Agency Treasurer, 7051 Dublin Blvd., Dublin, CA 94568.

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
 STATEMENTS OF NET POSITION
 JUNE 30, 2020 AND 2019

| | 2020 | 2019 |
|-----------------------------------------------------|--------------|--------------|
| <u>ASSETS</u> | | |
| Current assets: | | |
| Cash and cash equivalents (Note 2B) | \$27,570,553 | \$18,271,033 |
| Interest receivable | - | 113,287 |
| Due From members (Note 4) | 627,432 | 275,900 |
| Total current assets | 28,197,985 | 18,660,220 |
| Non-current assets: | | |
| Advances to DSRSD | - | 345,178 |
| Capital assets (Note 3): | | |
| Construction in progress | 493,466 | 273,054 |
| Depreciable, net of accumulated depreciation | 106,546,873 | 109,931,513 |
| Total non-current assets | 107,040,339 | 110,549,745 |
| Total assets | 135,238,324 | 129,209,965 |
| <u>LIABILITIES</u> | | |
| Current liabilities: | | |
| Accounts payable | 639,774 | 386,032 |
| Due to members (Note 4) | 76,395 | - |
| Advances from members | 8,287,063 | - |
| Interest payable | 1,424,469 | 1,517,698 |
| Current portion of long-term debt (Note 5) | 4,705,000 | 4,475,000 |
| Total current liabilities | 15,132,701 | 6,378,730 |
| Long-term liabilities: | | |
| Bond issuance premium, net of amortization (Note 5) | 4,674,193 | 5,089,677 |
| Long-term debt less current portion (Note 5) | 69,360,000 | 74,065,000 |
| Total long-term liabilities | 74,034,193 | 79,154,677 |
| Total liabilities | 89,166,894 | 85,533,407 |
| <u>NET POSITION</u> (Note 7) | | |
| Net investment in capital assets | 32,481,873 | 31,391,513 |
| Unrestricted | 13,589,557 | 12,285,045 |
| Total net position | \$46,071,430 | \$43,676,558 |

The accompanying notes are an integral part of these financial statements

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

| | 2020 | 2019 |
|-----------------------------------------|--------------|--------------|
| Operating revenues: | | |
| Service charges (Note 4) | \$11,491,600 | \$11,290,250 |
| Service charges - other (Note 4) | 217,312 | 275,900 |
| EBDA capacity | - | 4,504,809 |
| Total operating revenues | 11,708,912 | 16,070,959 |
| Operating expenses: | | |
| Energy | 1,275,977 | 1,362,311 |
| EBDA O&M costs | 840,921 | 586,338 |
| Operations agreement | 891,686 | 902,460 |
| Professional services | 255,401 | 201,869 |
| Livermore sole use O&M | 46,139 | 48,137 |
| Miscellaneous | 35,773 | 96,887 |
| Repairs and maintenance | - | 74,186 |
| Depreciation and amortization | 3,384,640 | 3,380,856 |
| Total operating expenses | 6,730,537 | 6,653,044 |
| Operating income | 4,978,375 | 9,417,915 |
| Non-operating revenues (expenses) | | |
| Interest income | 438,384 | 494,626 |
| Bond interest expense | (3,021,887) | (3,244,720) |
| Total non-operating revenues (expenses) | (2,583,503) | (2,750,094) |
| Change in net position | 2,394,872 | 6,667,821 |
| Net position, beginning of year | 43,676,558 | 37,008,737 |
| Net position, end of year | \$46,071,430 | \$43,676,558 |

The accompanying notes are an integral part of these financial statements

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

| | 2020 | 2019 |
|-----------------------------------------------------------------------------------------|--------------|--------------|
| Cash flows from operating activities: | | |
| Receipts from member contributions | \$20,102,908 | \$12,690,470 |
| Payments to suppliers | (3,015,760) | (3,233,928) |
| Net cash provided (used) by operating activities | 17,087,148 | 9,456,542 |
| Cash flows from capital and related financing activities: | | |
| Acquisition of capital assets | (220,412) | (311,202) |
| Principal paid on long-term debt | (4,475,000) | (8,628,601) |
| Interest paid on long-term debt | (3,530,600) | (3,880,057) |
| Net cash provided (used) by capital and related financing activities | (8,226,012) | (12,819,860) |
| Cash flows from investing activities: | | |
| Interest on cash and investments | 438,384 | 494,626 |
| Net cash provided (used) by investing activities | 438,384 | 494,626 |
| Net increase (decrease) in cash and cash equivalents | 9,299,520 | (2,868,692) |
| Cash and cash equivalents - beginning of period | 18,271,033 | 21,139,725 |
| Cash and cash equivalents - end of period | \$27,570,553 | \$18,271,033 |
| Reconciliation of operating income to net cash provided (used) in operating activities: | | |
| Operating income | \$4,978,375 | \$9,417,915 |
| Adjustments to reconcile operating income to cash flows from operating activities: | | |
| Depreciation and amortization | 3,384,640 | 3,380,856 |
| Changes in certain assets and liabilities: | | |
| (Increase) in due from members | (351,532) | (275,900) |
| (Decrease) in advance to members | 345,178 | - |
| (Increase) in interest receivable | 113,287 | (31,030) |
| Increase in accounts payable | 253,742 | 189,490 |
| (Decrease) increase in due to members | 76,395 | (151,230) |
| (Decrease) increase in advance from members | 8,287,063 | (3,073,559) |
| Net cash provided (used) by operating activities | \$17,087,148 | \$9,456,542 |

The accompanying notes are an integral part of these financial statements

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

Livermore-Amador Valley Water Management Agency (the Agency) is a joint powers agency that was formed in 1974 by a joint exercise of powers agreement between the cities of Pleasanton and Livermore and the Dublin-San Ramon Services District. The Agency has implemented a water quality management program involving wastewater disposal. The Agency operates an export pipeline connecting with the East Bay Dischargers Authority's (EBDA) system and discharges treated wastewater, through a deep-water outfall, into San Francisco Bay. The Agency currently has an Amended and Restated Joint Exercise of Powers Agreement dated September 10, 1997, among the members. This agreement, among other things, sets forth capacity limitations and capacity rights of each member as well as cost-sharing procedures for debt service and fixed operating costs related to capacity rights and variable operating costs related to actual use of the export facilities. This agreement has been extended through December 31, 2020. The Agency is in the process of renegotiating a new agreement with EBDA.

B. Reporting Entity

The Agency is the only entity included in these financial statements.

C. Fund Accounting

The accounts of the Agency are organized on the basis of funds, each of which is considered a separate accounting entity. The Agency maintains a proprietary fund that is used to account for the financing of goods or services provided by the Agency to other governments on a cost-reimbursement basis.

The Agency is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

An enterprise fund is used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets and all liabilities of the enterprise are recorded in its balance sheet, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

D. Basis of Accounting

Records of the Agency are maintained on the accrual basis. Revenues are recognized when earned and expenses are recognized when incurred.

Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-exchange transactions, in which the Agency gives or receives value without directly receiving or giving equal value in exchange, include member contributions.

Revenue from member contributions is recognized in the fiscal year in which it is earned. Nonoperating revenues, such as interest income, result from nonexchange transactions or ancillary activities.

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Use of Estimates

The basic financial statements have been prepared in conformity with U.S. generally accepted accounting principles, and as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

The Agency places certain funds with the State of California’s Local Agency Investment Fund (LAIF). The Agency is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer’s office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of the Agency’s investment in this pool is reported in the accompanying financial statements based upon the Agency’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 monies held in the pooled investment funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on the amortized cost basis. Funds are accessible and transferable to the master account with twenty-four hours’ notice. Financial statements for LAIF can be obtained from the California State Treasurer’s Office: State Treasurer’s Office, 915 Capitol Mall, Suite 110, Sacramento, CA 95814.

Cash and investments are used in preparing the statement of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

G. Capital Assets

Capital assets are recorded at cost. Assets with an initial cost of more than \$10,000 and an estimated useful life greater than three years are capitalized. Infrastructure assets with an initial cost of more than \$25,000 are capitalized. Depreciation of property and equipment is provided on the straight-line method over the following useful lives:

| | |
|------------------------------|-------------|
| Pipeline and Export Facility | 20-50 years |
| Pump Station | 10-25 years |
| Intangible | 33 years |
| Equipment | 3-25 years |

H. Bond Issuance Premium

Bond issuance premium is amortized on a straight-line basis over the term of the bond.

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs - other than quoted prices included within level 1 - that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

NOTE 2 – CASH AND INVESTMENTS

A. Policies

California Law generally requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Agency’s cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the Agency’s name and places the Agency ahead of general creditors of the institution. The Agency has waived collateral requirements for the portion of deposits covered by federal depository insurance. As of June 30, 2020 and 2019, the Agency’s cash in bank was insured or collateralized as discussed above.

Cash and investments are recorded at market value.

B. Composition

Cash and cash equivalents consist of the following as of June 30:

| | 2020 | 2019 |
|-----------------------------------------|--------------|--------------|
| Cash in Bank | \$9,268,921 | \$512,133 |
| California Local Agency Investment Fund | 18,301,632 | 17,758,900 |
| Total cash and cash equivalents | \$27,570,553 | \$18,271,033 |

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 2 – CASH AND INVESTMENTS (Continued)

C. Investments Authorized by the California Government Code and the Agency’s Investment Policy

The Agency’s Investment Policy and the California Government Code allow the Agency to invest in the following provided the credit ratings of the issuers are acceptable to the Agency; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the Agency’s Investment Policy where the Agency’s Investment Policy is more restrictive.

| Limit | Minimum Rating | Maximum Maturity | Authorized Investment |
|-------------------------|----------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| None | None | 5 years | Collateralized Certificate of Deposits purchased from banks or savings and loan institutions as authorized by statute |
| 30% | None | 5 years | Negotiable Certificates of Deposit |
| None | None | 5 years | U.S. Treasury Bills, Notes, and Bonds |
| None | None | 5 years | Securities of Government Agencies (e.g., Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Government National Mortgage Association, Federal Farm Credit Bank, Tennessee Valley Authority) |
| 30% | A | 5 years | Medium-Term Corporate Notes |
| 20% | None | N/A | Mutual Funds (Shares of beneficial interest issued by diversified management companies who invest in securities authorized by § 53601) |
| None | None | 5 years | Indebtedness issued by LAVWMA or any local agency in California |
| Maximum allowed by LAIF | None | N/A | The State of California Local Agency Investment Fund |
| Maximum allowed by CAMP | None | N/A | The California Asset Management Program |

D. Local Agency Investment Fund

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Agency reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2020 and 2019, these investments matured in an average of 191 and 173 days, respectively.

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 2 – CASH AND INVESTMENTS (Continued)

E. Investment Valuation

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Agency's only investment in the Local Agency Investment Fund is exempt from the fair value measurement hierarchy.

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2020:

| | Balance at June 30, 2018 | Additions | Transfers | Balance at June 30, 2019 | Additions | Transfers | Balance at June 30, 2020 |
|---------------------------------------------------|-----------------------------|---------------|------------|-----------------------------|---------------|-----------|-----------------------------|
| Non-depreciable assets: | | | | | | | |
| Construction in progress | \$ - | \$311,202 | (\$38,148) | \$ 273,054 | \$220,412 | \$ - | \$ 493,466 |
| Total non-depreciable assets | - | 311,202 | (38,148) | 273,054 | 220,412 | - | 493,466 |
| Capital assets being depreciated: | | | | | | | |
| Pipeline | 118,236,074 | - | 38,148 | 118,274,222 | - | - | 118,274,222 |
| Pump station | 18,900,060 | - | - | 18,900,060 | - | - | 18,900,060 |
| Export facility | 5,767,500 | - | - | 5,767,500 | - | - | 5,767,500 |
| Intangibles | 10,000,000 | - | - | 10,000,000 | - | - | 10,000,000 |
| Total capital assets being depreciated/amortized: | 152,903,634 | - | 38,148 | 152,941,782 | - | - | 152,941,782 |
| Less: | | | | | | | |
| Accumulated depreciation | (33,265,779) | (3,077,826) | - | (36,343,605) | (3,081,610) | - | (39,425,215) |
| Accumulated amortization | (6,363,634) | (303,030) | - | (6,666,664) | (303,030) | - | (6,969,694) |
| Net capital assets being depreciated/amortized | 113,274,221 | (3,380,856) | 38,148 | 109,931,513 | (3,384,640) | - | 106,546,873 |
| Total capital assets, net | \$113,274,221 | (\$3,069,654) | \$ - | \$110,204,567 | (\$3,164,228) | \$ - | \$107,040,339 |

Depreciation and amortization expense for the Agency for June 30, 2020 and June 30, 2019 was \$3,384,640 and \$3,380,856, respectively.

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 4 – SERVICE CHARGES TO MEMBERS

Under the terms of the Agency’s Sewer Service Contract with its members, the members pay the Agency a service charge equal to their share of the actual costs of operating the pipeline. The members are required to make advance payments to the Agency based on estimated costs. When advance payments are more or less than actual costs, differences are billed or refunded to the members in accordance with their participation percentage as specified in the agreement.

The following schedule reconciles the advance payments received from members with the actual costs of operating the pipeline to determine what is owed to or from the members as of June 30, 2020 and 2019:

| | <u>2020</u> | <u>2019</u> |
|----------------------------------------------|---------------------|---------------------|
| Advance payments received from members | | |
| City of Livermore | \$3,360,559 | \$3,295,436 |
| City of Pleasanton | 3,941,383 | 3,866,344 |
| Dublin San Ramon Services District | 4,189,658 | 4,128,470 |
| EBDA Capacity Purchase Payoff | - | 4,504,809 |
| Total services charges | <u>\$11,491,600</u> | <u>\$15,795,059</u> |
| | | |
| Advance payments received from members | \$11,491,600 | \$15,795,059 |
| Interest earned on operating advances | 38,232 | 30,758 |
| Less advances for: | | |
| Debt service | (8,005,600) | (8,003,850) |
| Joint Use replacement | (400,000) | (400,000) |
| Net available for operations and maintenance | <u>3,124,232</u> | <u>7,421,967</u> |
| | | |
| Operations and maintenance expenses: | | |
| Power | 1,275,977 | 1,362,311 |
| LAVWMA share of EBDA O&M Costs | 840,921 | 586,338 |
| Operations agreement | 891,686 | 902,460 |
| EBDA capacity payment | - | 4,504,809 |
| Professional services | 255,401 | 201,869 |
| Livermore Sole Use O&M | 46,139 | 48,137 |
| Miscellaneous | 31,420 | 91,943 |
| Total operations and maintenance expenses | <u>3,341,544</u> | <u>7,697,867</u> |
| Amount due to (due from) members, net | <u>(\$217,312)</u> | <u>(\$275,900)</u> |
| | | |
| Amount due to (due from): | | |
| City of Livermore | (\$116,541) | (\$129,669) |
| City of Pleasanton | (177,166) | (79,932) |
| Dublin San Ramon Services District | 76,395 | (66,299) |
| | <u>(\$217,312)</u> | <u>(\$275,900)</u> |

The Dublin San Ramon Services District refunded an operation deposit to the Agency in the amount of \$333,724 on August 20, 2020. The deposit was recognized in fiscal year ending 2020 as due from members, which increased the amount to \$627,432 at June 30, 2020.

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 5 – LONG-TERM DEBT

The following is a summary of changes in general long-term liabilities during the year ended June 30, 2020:

| | Balance June 30, 2019 | Retirements | Balance June 30, 2020 | Amount due within one year | More than one year |
|-------------------------------------------------------------|--------------------------|--------------------|--------------------------|----------------------------------|-----------------------|
| Revenue Bonds | | | | | |
| 2011 Sewer Revenue Refunding Bonds 2% - 5%, due 8/1/2031 | \$78,540,000 | \$4,475,000 | \$74,065,000 | \$4,705,000 | \$69,360,000 |
| Total Long-Term Debt | 78,540,000 | 4,475,000 | 74,065,000 | 4,705,000 | 69,360,000 |
| Plus: Unamortized bond premium | 5,089,677 | 415,484 | 4,674,193 | - | 4,674,193 |
| Total Long-Term Debt, net | <u>\$83,629,677</u> | <u>\$4,890,484</u> | <u>\$78,739,193</u> | <u>\$4,705,000</u> | <u>\$74,034,193</u> |

The following is a summary of changes in general long-term liabilities during the year ended June 30, 2019:

| | Balance June 30, 2018 | Retirements | Balance June 30, 2019 | Amount due within one year | More than one year |
|-------------------------------------------------------------|--------------------------|--------------------|--------------------------|----------------------------------|-----------------------|
| Revenue Bonds | | | | | |
| 2011 Sewer Revenue Refunding Bonds 2% - 5%, due 8/1/2031 | \$82,795,000 | \$4,255,000 | \$78,540,000 | \$4,475,000 | \$74,065,000 |
| Loans Payable | | | | | |
| EBDA Loan payable 3%-6% , due 8/1/2030 | 4,373,601 | 4,373,601 | - | - | - |
| Total Long-Term Debt | 87,168,601 | 8,628,601 | 78,540,000 | 4,475,000 | 74,065,000 |
| Plus: Unamortized bond premium | 5,505,160 | 415,483 | 5,089,677 | - | 5,089,677 |
| Total Long-Term Debt, net | <u>\$92,673,761</u> | <u>\$9,044,084</u> | <u>\$83,629,677</u> | <u>\$4,475,000</u> | <u>\$79,154,677</u> |

A. 2011 Sewer Revenue Refunding Bonds

The Agency issued \$105,345,000 of 2011 Sewer Revenue Refunding Bonds on September 28, 2011. Proceeds of the issuance were used to refund and retire the Series A Sewer Revenue Bonds and to pay costs of issuance. Principal payments are due annually beginning August 1, 2012 through August 1, 2031.

Debt service on the 2011 Bonds is repayable from Agency Net Revenues which are defined as Gross Revenues less Maintenance and Operations costs, excluding in all cases depreciation, replacement and obsolescence charges or reserves therefore, debt service, amortization of intangibles or other book-keeping entries of a similar nature, and costs paid out of the Sole-Use, Dual-Use and Joint-Use Replacement Funds.

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 5 – LONG-TERM DEBT (Continued)

Member Liens for Repayment of 2011 Bonds: Under an Amended And Restated Sewer Service Contract dated October 1, 2011, between the Agency and Members, the Members pledge and create, in favor of LAVWMA and the Trustee for the 2011 Bonds, a lien on the Net Revenues of their respective wastewater systems (the “Sewer Systems”), to pay to LAVWMA the amounts owed in order for LAVWMA to pay debt service on the 2011 Bonds. There are three important limitations with respect to this pledge of Net Revenues. First, this lien is subordinate to the Members’ existing obligations payable from their Net Revenues, as well as obligations payable from their Net Revenues to be issued in the future by the Members to finance or refinance improvements to their respective Sewer System. Second, for DSRSD and Pleasanton, “Net Revenues” are not defined in the Sewer Service Contract to include all of the fees, rates and charges collected by DSRSD and Pleasanton in connection with their Sewer System; DSRSD and Pleasanton have only pledged regional service charges as security for their obligation to make the Payments. Third, Pleasanton, in its capacity as the largest customer of DSRSD’s Sewer System, is only obligated to levy regional charges and fees established by DSRSD and to transfer the amount collected to DSRSD.

Pursuant to the official statement, each member agency is required to set rates to achieve coverage of 1.1 times debt service. Furthermore, the official statement contains events of default that require the net revenue of the Agency and Members to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the Agency or Members to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the Agency or Members; or if any court or competent jurisdiction shall assume custody or control of the Agency or Members.

B. Debt Service Maturity

At June 30, 2020, future annual repayment requirements for long-term debt were as follows:

| For The Year Ending June 30 | Principal | Interest | Total |
|--------------------------------|---------------------|---------------------|---------------------|
| 2021 | \$4,705,000 | \$3,301,100 | \$8,006,100 |
| 2022 | 4,940,000 | 3,059,975 | 7,999,975 |
| 2023 | 5,195,000 | 2,806,600 | 8,001,600 |
| 2024 | 5,460,000 | 2,581,176 | 8,041,176 |
| 2025 | 5,660,000 | 2,344,125 | 8,004,125 |
| 2026-2030 | 32,750,000 | 7,319,356 | 40,069,356 |
| 2031-2032 | 15,355,000 | 693,818 | 16,048,818 |
| Total payments due | <u>\$74,065,000</u> | <u>\$22,106,150</u> | <u>\$96,171,150</u> |

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 6 – RISK MANAGEMENT

The Agency’s insurance coverage is as follows:

The Agency is exposed to various risks of loss related to torts: theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The Agency joined together with other entities to form the Special District Risk Management Authority (SDRMA), a public entity risk pool currently operating as a common risk management and insurance program for member entities. The purpose of SDRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The Agency pays annual premiums to SDRMA for its general, liability, and property damage.

SDRMA is governed by a Board composed of one representative from each member agency. The Board controls the operations of SDRMA including selection of management and approval of operating budgets, independent of any influence by member entities.

In addition to the primary insurance types provided for through SDRMA listed above, the Agency also maintains commercial fidelity bonds, public employee dishonesty and public official bonds to protect against employee theft or defalcation. Settled claims for SDRMA or commercial fidelity bonds have not exceeded coverage in any of the past three fiscal years.

The following is a summary of the insurance policies carried by the Agency as of June 30, 2020:

| Company Name | Type of Coverage | Limits | Deductibles |
|--------------------------------------|-------------------------|---------------|-------------|
| Uninsured/underinsured motorists | Each occurrence | \$1,000,000 | None |
| Auto Liability | Comprehensive liability | 5,000,000 | 1,000 |
| Property coverage | Comprehensive liability | 1,000,000,000 | 1,000 |
| Employee dishonesty | Blanket bond | 1,000,000 | None |
| Personal liability coverage (board) | Comprehensive liability | 500,000 | None |
| General liability | Comprehensive liability | 5,000,000 | 500 |
| Public officials and employee errors | Comprehensive liability | 5,000,000 | None |
| Employment practices liability | Comprehensive liability | 5,000,000 | None |
| Employee benefits liability | Comprehensive liability | 5,000,000 | None |
| Boiler and machinery coverage | Comprehensive liability | 100,000,000 | 1,000 |

Claims and judgments, including provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed above, the Agency has coverage for such claims, but it had retained the risk for the deductible or uninsured portion of these claims.

The Agency’s liability for uninsured claims is limited to general liability claims, as discussed above, and was estimated to be immaterial. The Agency has not exceeded its insurance coverage limits in any of the last three years.

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 7 – NET POSITION

Net Position is the excess of all the Agency's assets over all its liabilities. Net Position is divided into three categories which are described as follows:

- *Net investment in capital assets* describes the portion of net position that is represented by the current net book value of the Agency's capital assets, less the outstanding balance of any debt issued to finance these assets.
- *Restricted* describes the portion of net position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws or other restrictions which the Agency cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes. The Agency had no restricted net position.
- *Unrestricted* describes the portion of net position that is not restricted to use.

NOTE 8 – CONTINGENT LIABILITIES

The Agency is involved in various claims and litigation arising in the ordinary course of business. Agency management, based upon the opinion of legal counsel, is of the opinion that the ultimate resolution of such matters will not have a materially adverse effect on the Agency's financial position or results of operations.

**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

NOTE 9 – MEMBER EQUITY ALLOCATION

A review of the member equity calculation was conducted and each type of asset is allocated according to contractually agreed ownership shares. At June 30, 2020, the members' respective shares of the Agency's net position, based on this calculation, are as follows:

| | <u>Operation & Maintenance</u> | <u>EBDA Capacity</u> | <u>2011 Debt Service*</u> | <u>Joint-Use Replacement</u> | <u>Dual-Use Replacement</u> | <u>Sole-Use Replacement</u> | <u>TOTAL</u> |
|-----------------------|----------------------------------------|--------------------------|---------------------------|----------------------------------|---------------------------------|---------------------------------|---------------------|
| Net Position: | | | | | | | |
| Total Assets | \$2,718,036 | \$3,030,305 | \$6,484,060 | \$117,300,728 | \$496,730 | \$5,208,465 | \$135,238,324 |
| Total Liabilities | 2,223,324 | - | 86,578,025 | 365,545 | - | - | 89,166,894 |
| | <u>\$494,712</u> | <u>\$3,030,305</u> | <u>(\$80,093,965)</u> | <u>\$116,935,183</u> | <u>\$496,730</u> | <u>\$5,208,465</u> | <u>\$46,071,430</u> |
| Allocation: | | | | | | | |
| Livermore | 30.10% | 18.18% | 27.83% | 30.10% | - | 100.00% | |
| Pleasanton | 34.95% | 34.14% | 33.27% | 34.95% | 50.00% | - | |
| DSRSD | 34.95% | 47.68% | 38.90% | 34.95% | 50.00% | - | |
| Member Equity: | | | | | | | |
| Livermore | \$148,909 | \$550,909 | (\$22,289,492) | \$35,197,491 | \$ - | \$5,208,465 | \$18,816,282 |
| Pleasanton | 172,902 | 1,034,546 | (26,651,046) | 40,868,846 | \$248,365 | - | 15,673,613 |
| DSRSD | 172,902 | 1,444,849 | (31,153,427) | 40,868,846 | 248,365 | - | 11,581,535 |
| | <u>\$494,713</u> | <u>\$3,030,304</u> | <u>(\$80,093,965)</u> | <u>\$116,935,183</u> | <u>\$496,730</u> | <u>\$5,208,465</u> | <u>\$46,071,430</u> |

* Note that for debt service, blended allocations are shown above. Actual allocations are below:

| | Livermore | Pleasanton | DSRSD |
|----------------------------------|------------------|-------------------|--------------|
| Repair (30.46% of total debt) | 39.95% | 36.71% | 23.34% |
| Expansion (69.54% of total debt) | 22.52% | 31.77% | 45.71% |

At June 30, 2019, the members' respective share of the Agency's net position, based on this calculation, is as follows:

| | <u>Operation & Maintenance</u> | <u>EBDA Capacity</u> | <u>2011 Debt Service*</u> | <u>Joint-Use Replacement</u> | <u>Dual-Use Replacement</u> | <u>Sole-Use Replacement</u> | <u>TOTAL</u> |
|-----------------------|----------------------------------------|--------------------------|-------------------------------|----------------------------------|---------------------------------|---------------------------------|---------------------|
| Net Position: | | | | | | | |
| Total Assets | \$868,503 | \$3,333,335 | \$34,815 | \$119,039,210 | \$495,630 | \$5,438,472 | \$129,209,965 |
| Total Liabilities | 373,791 | - | 85,147,375 | 12,241 | - | - | 85,533,407 |
| | <u>\$494,712</u> | <u>\$3,333,335</u> | <u>(\$85,112,560)</u> | <u>\$119,026,969</u> | <u>\$495,630</u> | <u>\$5,438,472</u> | <u>\$43,676,558</u> |
| Allocation: | | | | | | | |
| Livermore | 30.10% | 18.18% | 27.83% | 30.10% | - | 100.00% | |
| Pleasanton | 34.95% | 34.14% | 33.27% | 34.95% | 50.00% | - | |
| DSRSD | 34.95% | 47.68% | 38.90% | 34.95% | 50.00% | - | |
| Member Equity: | | | | | | | |
| Livermore | \$148,908 | \$606,000 | (\$23,686,125) | \$35,827,119 | \$ - | \$5,438,472 | \$18,334,374 |
| Pleasanton | 172,902 | 1,138,001 | (28,320,969) | 41,599,926 | 247,815 | - | 14,837,675 |
| DSRSD | 172,902 | 1,589,334 | (33,105,465) | 41,599,926 | 247,815 | - | 10,504,512 |
| | <u>\$494,712</u> | <u>\$3,333,335</u> | <u>(\$85,112,559)</u> | <u>\$119,026,971</u> | <u>\$495,630</u> | <u>\$5,438,472</u> | <u>\$43,676,561</u> |

* Note that for debt service, blended allocations are shown above. Actual allocations are below:

| | Livermore | Pleasanton | DSRSD |
|----------------------------------|------------------|-------------------|--------------|
| Repair (30.46% of total debt) | 39.95% | 36.71% | 23.34% |
| Expansion (69.54% of total debt) | 22.52% | 31.77% | 45.71% |

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SUPPLEMENTAL INFORMATION

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
SCHEDULE OF SUB FUND ACCOUNT BALANCE SHEETS
JUNE 30, 2020

| | Maintenance & Operation | EBDA Capacity | 2011 Debt Service |
|-------------------------------------------------|----------------------------|------------------|-----------------------|
| <u>ASSETS</u> | | | |
| Cash and equivalents | \$1,918,082 | \$ - | \$6,441,167 |
| Investments | 489,700 | - | 42,893 |
| Interest receivable | - | - | - |
| Due from members | 627,432 | - | - |
| Advances to members | (317,178) | - | - |
| Capital assets, construction in progress | - | - | - |
| Capital assets, net of accumulated depreciation | - | 3,030,305 | - |
| Total assets | 2,718,036 | 3,030,305 | 6,484,060 |
| <u>LIABILITIES</u> | | | |
| Accounts payable | 474,229 | - | - |
| Due to members | 76,395 | - | - |
| Advances to members | 1,672,700 | - | 6,414,363 |
| Interest payable | - | - | 1,424,469 |
| Long-term debt: | - | - | - |
| Bond issuance premium, net of amortization | - | - | 4,674,193 |
| Due within one year | - | - | 4,705,000 |
| Due in more than one year | - | - | 69,360,000 |
| Total liabilities | 2,223,324 | - | 86,578,025 |
| <u>NET POSITION</u> | | | |
| Net investment in capital assets | - | 3,030,305 | (74,065,000) |
| Unrestricted | 494,712 | - | (6,028,965) |
| Total net position | \$494,712 | 3,030,305 | (\$80,093,965) |

Repair and Replacement Reserve

| Joint-use Replacement | Dual-use Replacement | Sole-use Replacement | Total |
|--------------------------|-------------------------|-------------------------|---------------------|
| \$888,913 | \$12,125 | \$9,175 | \$9,269,462 |
| 15,721,675 | 431,685 | 1,615,138 | 18,301,091 |
| - | - | - | - |
| - | - | - | 627,432 |
| 317,178 | - | - | - |
| 493,466 | - | - | 493,466 |
| 99,879,496 | 52,920 | 3,584,152 | 106,546,873 |
| <u>117,300,728</u> | <u>496,730</u> | <u>5,208,465</u> | <u>135,238,324</u> |
| 165,545 | - | - | 639,774 |
| - | - | - | 76,395 |
| 200,000 | - | - | 8,287,063 |
| - | - | - | 1,424,469 |
| - | - | - | - |
| - | - | - | - |
| - | - | - | 4,674,193 |
| - | - | - | 4,705,000 |
| - | - | - | 69,360,000 |
| <u>365,545</u> | <u>-</u> | <u>-</u> | <u>89,166,894</u> |
| 100,372,962 | 52,920 | 3,584,152 | 32,975,339 |
| 16,562,221 | 443,810 | 1,624,313 | 13,096,091 |
| <u>\$116,935,183</u> | <u>\$496,730</u> | <u>\$5,208,465</u> | <u>\$46,071,430</u> |

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
SCHEDULE OF SUB FUND ACCOUNT ACTIVITY
For the Year Ended June 30, 2020

| | Maintenance & Operation | EBDA Capacity | 2011 Debt Service |
|------------------------------------------------------|----------------------------|--------------------|-----------------------|
| Operating revenues: | | | |
| Service charges - City of Livermore | \$1,012,266 | \$ - | \$2,227,893 |
| Service charges - City of Pleasanton | 1,137,742 | - | 2,663,841 |
| Service charges - Dublin San Ramon Services District | 935,992 | - | 3,113,866 |
| Service charges other | 217,312 | - | - |
| EBDA capacity purchase pay off | - | - | - |
| Total operating revenues | <u>3,303,312</u> | | <u>8,005,600</u> |
| Operating expenses: | | | |
| Power | 1,275,977 | - | - |
| LAVWMA share of EBDA O&M | 840,921 | - | - |
| Operations agreement | 891,686 | - | - |
| Professional services | 255,401 | - | - |
| Livermore sole use O&M | 46,139 | - | - |
| Miscellaneous | 31,420 | - | 98 |
| Total operating expenses and capital outlay | <u>3,341,544</u> | - | <u>98</u> |
| Repairs and maintenance | | - | - |
| Total operating expenses | <u>3,341,544</u> | - | <u>98</u> |
| Operating income (loss) | <u>(38,232)</u> | - | <u>8,005,502</u> |
| Non-operating revenues (expenses) | | | |
| Depreciation and amortization | - | (303,030) | - |
| Interest income | 38,232 | - | 34,980 |
| Bond interest expense | - | - | (3,021,887) |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Total non-operating revenues (expenses) | <u>38,232</u> | <u>(303,030)</u> | <u>(2,986,907)</u> |
| Changes in net position | | (303,030) | 5,018,595 |
| Net position beginning of period | <u>\$494,712</u> | <u>\$3,333,335</u> | <u>(\$85,112,560)</u> |
| Net position end of period | <u>\$494,712</u> | <u>\$3,030,305</u> | <u>(\$80,093,965)</u> |

Repair and Replacement Reserve

| Joint-use Replacement | Dual-use Replacement | Sole-use Replacement | Total |
|--------------------------|-------------------------|-------------------------|---------------------|
| \$120,400 | \$ - | \$ - | \$3,360,559 |
| 139,800 | - | - | 3,941,383 |
| 139,800 | - | - | 4,189,658 |
| - | - | - | 217,312 |
| - | - | - | - |
| <u>400,000</u> | <u>-</u> | <u>-</u> | <u>11,708,912</u> |
| - | - | - | 1,275,977 |
| - | - | - | 840,921 |
| - | - | - | 891,686 |
| - | - | - | 255,401 |
| - | - | - | 46,139 |
| 3,778 | 102 | 375 | 35,773 |
| <u>3,778</u> | <u>102</u> | <u>375</u> | <u>3,345,897</u> |
| - | - | - | - |
| <u>3,778</u> | <u>102</u> | <u>375</u> | <u>3,345,897</u> |
| <u>396,222</u> | <u>(102)</u> | <u>(375)</u> | <u>8,363,015</u> |
| (2,812,349) | (7,560) | (261,701) | (3,384,640) |
| 324,341 | 8,762 | 32,069 | 438,384 |
| - | - | - | (3,021,887) |
| - | - | - | - |
| - | - | - | - |
| <u>(2,488,008)</u> | <u>1,202</u> | <u>(229,632)</u> | <u>(5,968,143)</u> |
| <u>(2,091,786)</u> | <u>1,100</u> | <u>(230,007)</u> | <u>2,394,872</u> |
| <u>\$119,026,969</u> | <u>\$495,630</u> | <u>\$5,438,472</u> | <u>\$43,676,558</u> |
| <u>\$116,935,183</u> | <u>\$496,730</u> | <u>\$5,208,465</u> | <u>\$46,071,430</u> |

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