



San Bernardino LAFCO Fiscal Indicators

East Valley Water District

Report Created:11/3/2016

The East Valley Water District is authorized by LAFCO to provide the following functions: water, sewer, and park and recreation (not actively provided). The district operates with two business-type funds: water and sewer. The district encompasses an area of approximately 25 square miles and provides water and sewer service to the City of Highland, parts of the City of San Bernardino, and unincorporated portions of the county.



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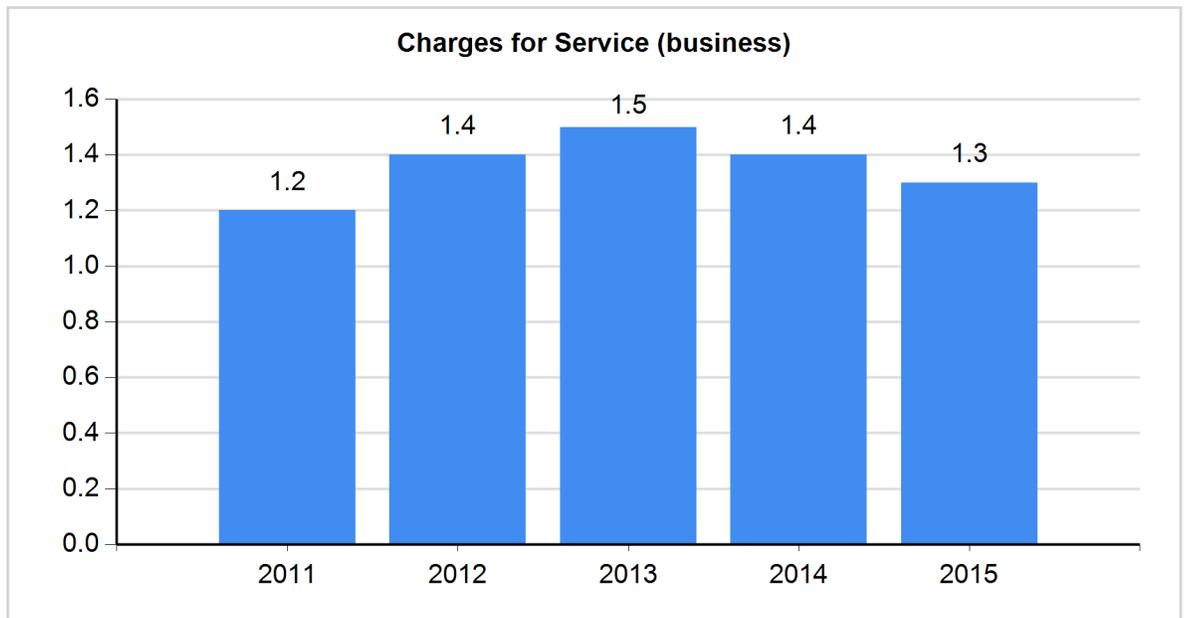
Charges for Service (business)

Description

Addresses the extent to which charges for service covered total expenses. A ratio of one or higher indicates that the service is self-supporting.

Formula:
charges for
service/operating
expenses (minus
depreciation)

Source:
Statement of
Activities; Statement
of Cash Flows



	2011	2012	2013	2014	2015
	\$25,205,990	\$28,652,017	\$31,513,194	\$32,620,577	\$30,743,445
	\$20,439,210	\$20,925,733	\$21,161,765	\$23,683,458	\$23,522,441
	1.2	1.4	1.5	1.4	1.3

Agency Response



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Liquidity

Description

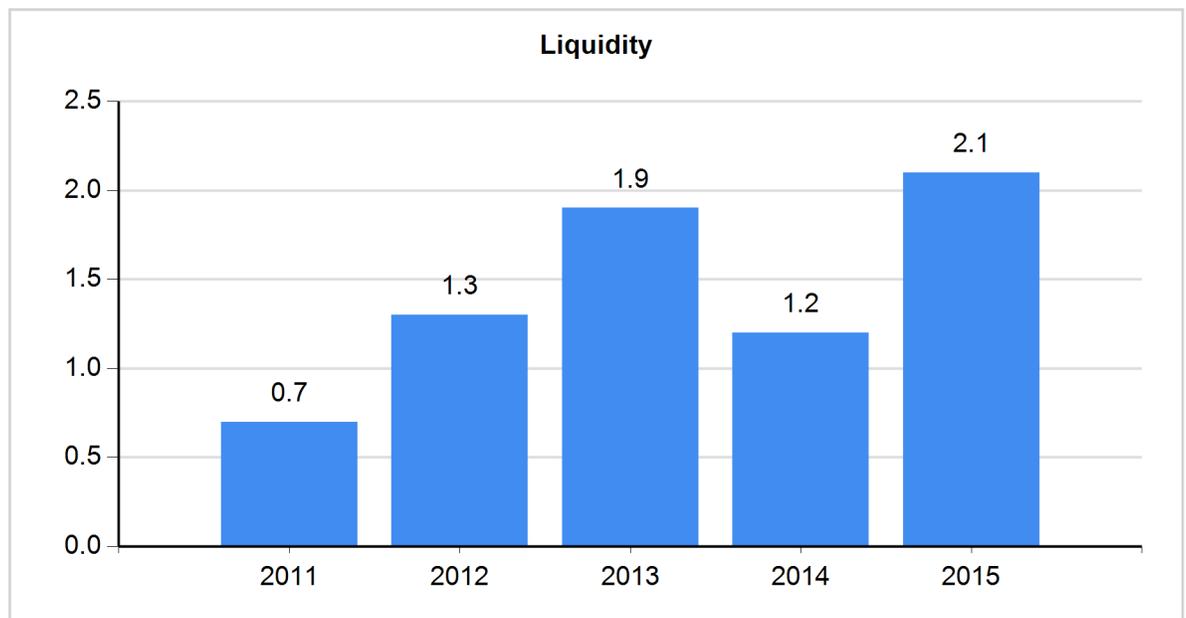
Measures a government's ability to meet its short-term obligations. A high ratio suggests a government is able to meet its short-term obligations.

Formula:

cash & investments
(does not include
fiscal agents,
restricted, or
fiduciary)/current
liabilities

Source:

Statement of Net
Position



	2011	2012	2013	2014	2015
Cash & Investments	\$4,434,534	\$8,316,754	\$14,565,007	\$11,178,765	\$15,266,822
Current Liabilities	\$6,596,268	\$6,369,323	\$7,641,911	\$9,451,666	\$7,204,417
Liquidity Ratio	0.7	1.3	1.9	1.2	2.1

Agency Response

The ratio calculated using unrestricted cash and current liabilities is skewed because the District reports a significant balance of Cash and Equivalents, that directly offset some of the current liabilities, as Restricted. For example, at June 2014, Restricted cash and equivalents included \$1,555,597 to offset the current portion of long term debt, \$1,848,421 to offset Customer Deposits, and \$1,305,081 to offset Construction Advances. These are shown on page 29 of the District's June 2014 CAFR. If these restricted cash amounts are included in the numerator of the calculation, the Liquidity ratio at June 2014 becomes 1.18 (11,140,883 / 9,451,666).



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Change in Cash and Cash Equivalents (business)

Description

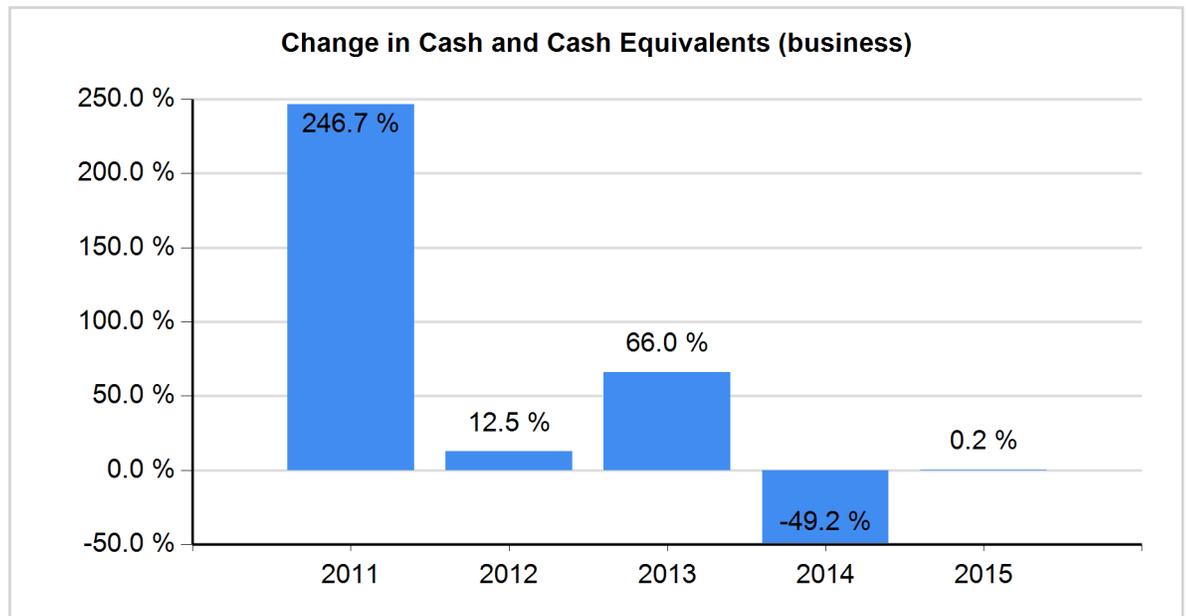
Cash and cash equivalents are the most liquid assets of an agency's assets and can be readily converted into cash. A positive percent change indicates that a government's cash position has improved.

Formula:

change in cash & cash equivalents/begin cash & cash equivalents

Source:

Statement of Cash Flows



2011	2012	2013	2014	2015
\$13,108,535	\$2,321,996	\$13,768,777	(\$17,028,086)	\$42,783
\$5,314,528	\$18,544,212	\$20,866,208	\$34,634,985	\$17,606,899
246.7%	12.5%	66.0%	-49.2%	0.2%

Agency Response

For 2008 the economic downtime caused lower than expected revenues and in turn, reduced cash balances. The District did not raise rates while the economy struggled to recover and cash reached its lowest levels in June 2010. A three-year phased in rate increase beginning October 2010 has helped the District re-establish adequate cash reserves. The significant decrease in Cash and Cash Equivalents during the 2013-14 fiscal year is due to the expenditure of \$13.7 million in bond proceeds on the Capital projects for which the bonds were issued. This is explained in the MD&A on page k of the June 2014 CAFR.



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Debt Service (business)

Description

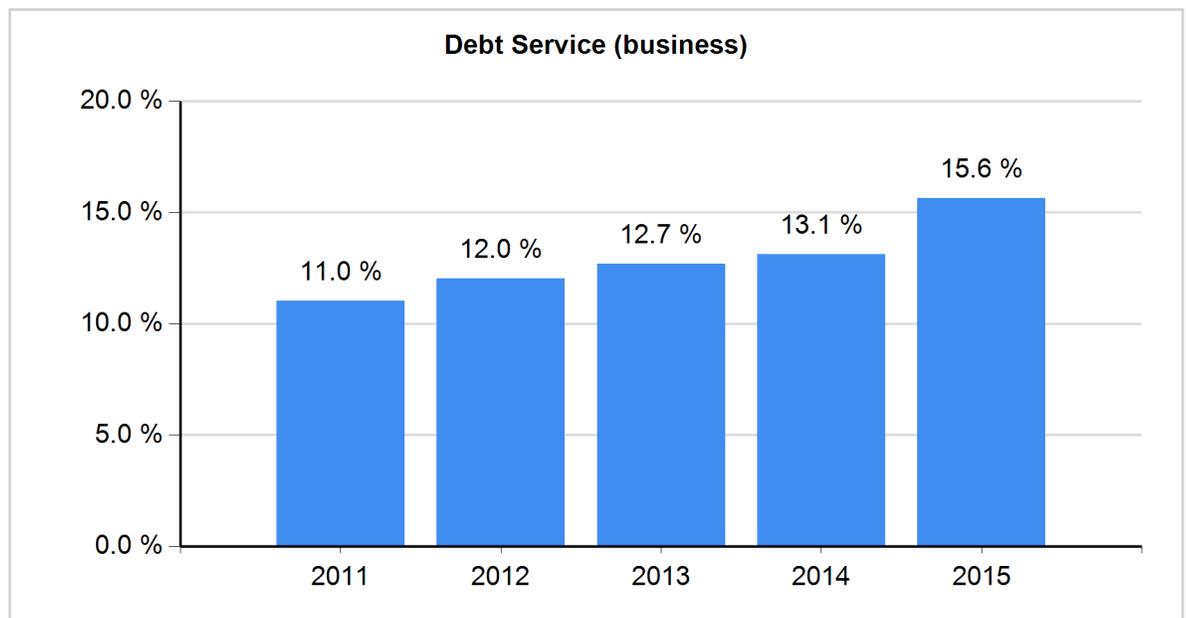
Looks at service flexibility by determining the amount of total expenses committed to annual debt service. Service flexibility decreases as more resources are committed to annual debt service.

Formula:

debt
service/operating
expenses (minus
depreciation)

Source:

Statement of Cash
Flows; Statement of
Activities



	2011	2012	2013	2014	2015
	\$2,257,056	\$2,515,718	\$2,684,115	\$3,107,415	\$3,676,969
	\$20,439,210	\$20,925,733	\$21,161,765	\$23,683,458	\$23,522,441
	11.0%	12.0%	12.7%	13.1%	15.6%

Agency Response



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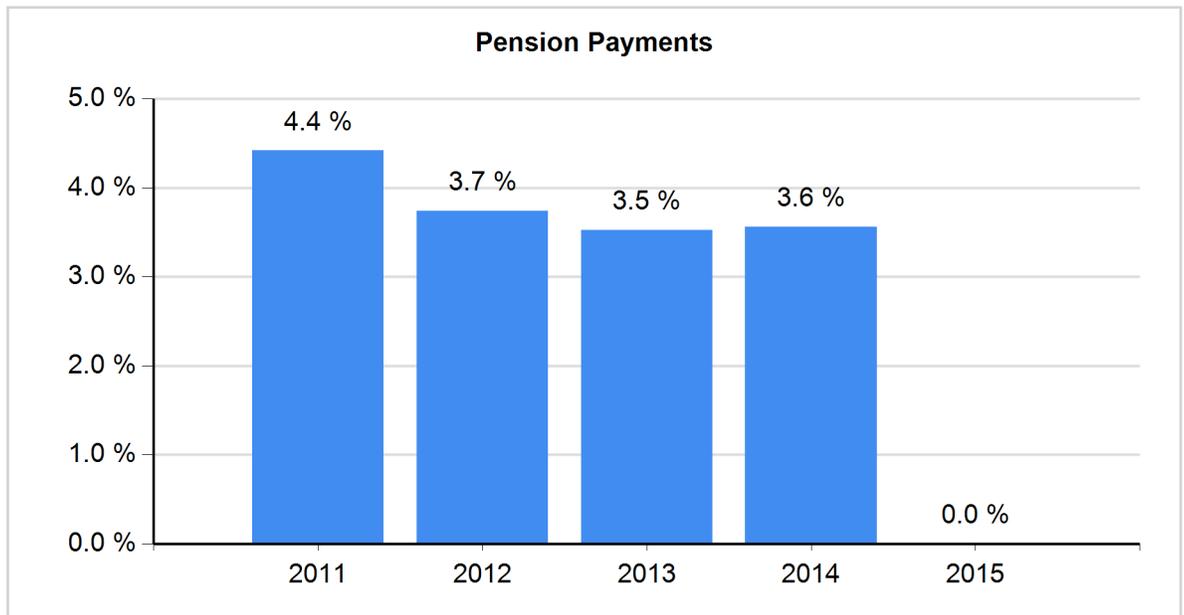
Pension Payments

Description

This indicator depicts the relationship between the pension payments as a percentage of an agency's total revenues. Due to pending updates to pension reporting requirements, the Pension Payments indicator does not show data for 2015. GASB 68 revised and established new financial reporting for pensions effective for 2015. Effective beginning 2017, GASB 73 and GASB 82 amend GASB 68, although implementation may occur earlier. Therefore, updates to the Pension Payments indicator will not occur until full implementation of GASB 73 and GASB 82.

Formula:
annual pension
cost/total revenue

Source:
Notes; Statement of
Revenues,
Expenditures and
Changes in Fund
Balance



2011	2012	2013	2014	2015
\$1,125,611	\$1,079,976	\$1,126,713	\$1,174,985	-
\$25,488,649	\$28,873,205	\$31,966,300	\$33,005,123	\$31,644,553
4.4%	3.7%	3.5%	3.6%	0.0%

Agency Response

Between 2008 and 2010, during which time the District did not adopt any rate increases, the District's PERS employer contribution rate rose from 15.056% to 16.424%. Though the contribution rate continued to rise to 18.664% in 2012, rate increases, reductions in staff size, and higher employee participation in payments to PERS have helped reverse the upward trending in this ratio. In addition the Public Employees Pension Reform Act has helped to reduce pension costs as new employees are hired under the new 2% @ 62 formula.



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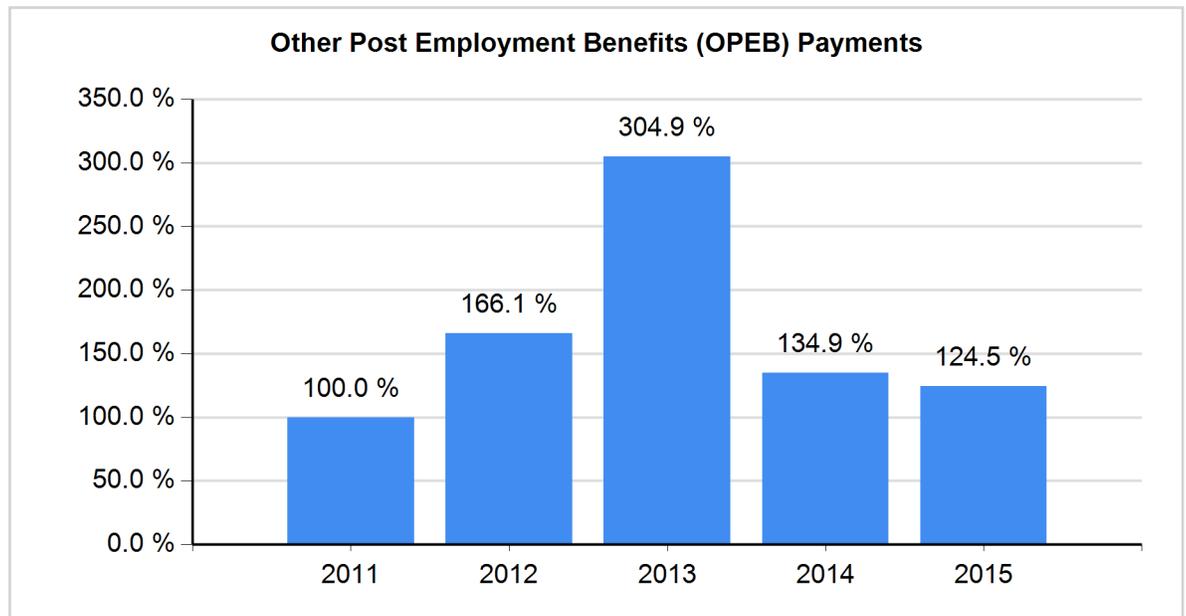
Other Post Employment Benefits (OPEB) Payments

Description

Monitors whether the agency is able to pay or is paying the amount required to fund the OPEB system as determined by its actuary.

Formula:
OPEB
payments/OPEB
annual cost

Source:
Notes



2011	2012	2013	2014	2015
\$101,313	\$147,036	\$288,143	\$102,991	\$102,991
\$101,313	\$88,522	\$94,490	\$76,355	\$82,700
100.0%	166.1%	304.9%	134.9%	124.5%

Agency Response

The District's initial OPEB actuarial valuation was effective July 1, 2008. In June 2011, the District joined the CalPERS CERBT, an irrevocable trust, in order to begin accumulating assets for the payment of the District's OPEB benefits.