

Historical Report

October 27, 1998

To: Budget and Finance Committee--Information
Water Planning and Resources Committee--Information

From: General Manager _____

Submitted by: Lambertus H. Becker _____
Chief Financial Officer

Subject: Historical and Conversion Data for Areas Annexed on .1875% of A.V. Maximum
Tax Rate Basis

RECOMMENDATION(S)

For information only.

EXECUTIVE SUMMARY

The attached schedules in updated form are transmitted to your committees annually for informational purposes. They contain current and historical data for areas annexed on the basis of a maximum tax rate of .1875% of assessed valuation.

DETAILED REPORT

The attached schedules in updated form are transmitted to your committees annually for informational purposes. They contain current and historical data for areas annexed on the basis of a maximum tax rate of .1875% of assessed valuation.

- Schedule No. 1 – Historical Annexation Data
- Schedule No. 2 – Tax Rate Required to Convert Areas on .1875% AV. Maximum Tax Rate to 30-Year Amortization Basis or to 50-Year Collectibility Basis
- Schedule No. 3 –
 - A) Area Converted to 30-Year Amortization Basis
Current Year Conversion: **None**
 - B) Area Converted to 50-Year Collectibility Basis
Current Year Conversion: **None**

It is the District's policy not to record an annexation receivable until amortization can be accomplished within the 50 years following the date of annexation through application of an annual tax rate of .1875% of assessed valuation or less, assuming that the assessed valuation of the annexed area remains constant. This calculation is performed annually in conjunction with the annual tax levy. Annexation receivables in the amount of \$16,625,353, including \$9,105,453 of uncollected interest, are not reflected in the asset and equity sections of the balance sheet.

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Attachment A

Attachment B

Attachment C

Attachment A

Part 1: Balance owing cannot be amortized over remainder of 50 years on tax roll at tax rate of .1875% or less.

**ANNEXATION DATA FOR AREAS ON .1875% OF A.V. BASIS
Areas Not Recorded as Assets on Balance Sheet**

Finance & Business Services Div.
Schedule 1
Page 1 of 2

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AREA	Date Annexed	Approx. A.V. at Annexation	A.V. at 8/18/98	100% Assessed Valuation			Annexation Charge and Payment Record			
				Change	Charge for Cash-Time of Annexation	Accumulated Interest thru FY 98-99	Taxes Levied Through FY 98-99	Balance due after 98-99 Levy	FY 98-99 Interest Chg. (For Comparison Purposes)	FY 98-99 Tax Levy
MWD OF ORANGE COUNTY:										
Annex. 8D	1965	\$ 320,600	\$ 10,474,647	\$ 10,154,047	\$ 373,000	\$ 859,476	\$ 241,468	\$ 991,008	\$ 38,871	\$ 19,640
Annex. 8E	1965	964,840	13,801,201	12,836,361	461,100	942,093	371,972	1,031,221	40,658	25,877
Annex. 8H	1965	325,720	0 *	(325,720)	494,200	1,122,210	91,472	1,524,938	58,651	0
Total Orange Co. MWD		\$ 1,611,160	\$ 24,275,848	\$ 22,664,688	\$ 1,328,300	\$ 2,923,779	\$ 704,912	\$ 3,547,167	\$ 138,180	\$ 45,517
EASTERN MWD:										
9th Fringe Area	1963	\$ 34,160	\$ 3,629,078	\$ 3,594,918	\$ 66,000	\$ 130,706	\$ 107,769	\$ 88,937	\$ 3,682	\$ 6,805
21st Fringe Area	1971	543,240	46,274,124	45,730,884	1,460,400	2,247,579	1,255,987	2,451,992	97,644	86,764
Total Eastern MWD		\$ 577,400	\$ 49,903,202	\$ 49,325,802	\$ 1,526,400	\$ 2,378,285	\$ 1,363,756	\$ 2,540,929	\$ 101,326	\$ 93,569
WESTERN MWD:										
11th Fringe Area	1969	\$ 243,520	\$ 6,251,254	\$ 6,007,734	\$ 536,200	\$ 1,058,061	\$ 166,639	\$ 1,427,622	\$ 55,359	\$ 11,721
15th Fringe Area	1972	2,840	5,492	2,652	8,000	13,867	681	21,186	815	10
Total Western MWD		\$ 246,360	\$ 6,256,746	\$ 6,010,386	\$ 544,200	\$ 1,071,928	\$ 167,320	\$ 1,448,808	\$ 56,174	\$ 11,731
San Diego CWA:										
DeLuz Heights MWD Reorg.	1967	\$ 2,099,720	\$ 65,352,236	\$ 63,252,516	\$ 2,002,000	\$ 3,665,188	\$ 2,125,970	\$ 3,541,218	\$ 140,914	\$ 122,535
Rainbow No.3 Annex.	1967	774,000	23,585,842	22,811,842	1,728,000	3,647,439	813,424	4,562,015	177,207	45,382
DeLuz Heights Annex.1	1969	480,000	2,688,003	2,208,003	312,000	614,556	82,372	844,184	32,662	5,040
Fallbrook Air Park	1969	75,000	2,091,798	2,016,798	59,800	99,377	51,818	107,359	4,280	3,922
Rincon Del Diablo No.4	1972	43,480	285,895	242,415	19,200	26,855	12,382	33,673	1,316	536
Total San Diego CWA		\$ 3,472,200	\$ 94,003,774	\$ 90,531,574	\$ 4,121,000	\$ 8,053,415	\$ 3,085,966	\$ 9,088,449	\$ 356,379	\$ 177,415
GRAND TOTAL		\$ 5,907,120	\$ 174,439,570	\$ 168,532,450	\$ 7,519,900	\$ 14,427,407	\$ 5,321,954	\$ 16,625,353	\$ 652,059	\$ 328,232

.1875% of A.V. annexation tax levy policy established pursuant to modification of District Act, Section 405 effective with Tax Levy for Fiscal Year 1967-68. Areas are converted to the 50-year collectibility basis if, over two successive years it can be determined that the remaining annexation obligation could be amortized over the balance of 50 years at a tax rate of .1875% or less.

* The area is currently used for Orange County park services.

**ANNEXATION DATA FOR AREAS ON .1875% OF A.V. BASIS
Areas Recorded as Assets on Balance Sheet**

Part 2: Balance owing can be amortized over remainder of 50 years on tax roll at tax rate of .1875% or less.

Schedule 1
Page 2 of 2

AREA	Date Annexed	100% Assessed Valuation			Annexation Charge and Payment Record					
		Approx.A.V. at Annexation	As of 8/18/98	Change	Charge for Cash-Time of Annexation	Accumulated Int. thru FY 98-99	Taxes Levy Through FY 98-99	Balance due after FY98-99 Levy	FY 98-99 Interest (For Comparison Purposes)	Tax Levy
MWD OF ORANGE COUNTY:										
Annexation No.8C	1965	\$ 782,480	\$ 283,196,181	\$ 282,413,701	\$ 553,000	\$ 998,771	\$ 1,811,500	\$ 0	\$ 10,433	\$ 530,993
Annexation No. 16	1972	4,995,120	196,029,788	191,034,668	4,482,000	5,722,968	5,813,094	4,391,874	183,055	367,556
Total Orange County MWD		\$ 5,777,600	\$ 479,225,969	\$ 473,448,369	\$ 5,035,000	\$ 6,721,739	\$ 7,624,594	\$ 4,391,874	\$ 193,488	\$ 898,549
EASTERN MWD:										
12th Fringe Area	1965	1,520	506,650	505,130	10,000	16,080	17,082	8,998	383	950
14th Fringe Area	1967	8,981,080	541,643,774	532,662,694	5,310,000	8,736,645	11,818,366	2,228,279	124,764	1,015,582
Total Eastern MWD		\$ 8,982,600	\$ 542,150,424	\$ 533,167,824	\$ 5,320,000	\$ 8,752,725	\$ 11,835,448	\$ 2,237,277	\$ 125,147	\$ 1,016,532
WESTERN MWD:										
9th Fringe Area	1967	\$ 5,185,560	\$ 875,830,872	\$ 870,645,312	\$ 9,247,600	\$ 14,970,142	\$ 19,600,584	\$ 4,617,158	\$ 240,744	\$ 1,642,183
CHINO BASIN MWD:										
Perimeter Annex. No.1	1969	\$ 44,400	\$ 9,720,992	\$ 9,676,592	\$ 144,000	\$ 201,126	\$ 270,268	\$ 74,858	\$ 3,580	\$ 18,227
San Diego CWA:										
Ramona No. 4 Annex.	1967	\$ 377,800	\$ 33,830,380	\$ 33,452,580	\$ 480,600	\$ 598,205	\$ 1,083,989	\$ 0	\$ 2,240	\$ 63,432
Valley Center No. 2	1967	322,920	1,189,709	866,789	22,000	30,878	39,400	13,478	604	2,231
Total San Diego CWA		\$ 700,720	\$ 35,020,089	\$ 34,319,369	\$ 502,600	\$ 629,083	\$ 1,123,389	\$ 13,478	\$ 2,844	\$ 65,663
GRAND TOTAL		\$ 20,690,880	\$ 1,941,948,346	\$ 1,921,257,466	\$ 20,249,200	\$ 31,274,815	\$ 40,454,283	\$ 11,334,645	\$ 565,803	\$ 3,641,154

.1875% of A.V. annexation policy per District Act, Section 405, effective with Tax Levy for Fiscal Year 1967-68.

Areas are converted to the 30-year amortization basis if, over two successive years it can be determined that the remaining annexation obligation can be amortized over the balance of 30 years at a tax rate of .1875% or less.

Attachment B

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Schedule 2

**TAX RATE REQUIRED TO CONVERT AREAS ON .1875% A.V. MAXIMUM TAX RATE
TO 30-YEAR AMORTIZATION BASIS OR TO 50-YEAR COLLECTIBILITY BASIS**

<u>Description</u>	30-YEAR		50-YEAR	
	Amortization Basis (a)		Collectibility Basis (b)	
	<u>1997-98</u>	<u>1998-99</u>	<u>1997-98</u>	<u>1998-99</u>
<u>MWD of Orange County</u>				
Annexation 8D	n/a (c)	n/a (c)	0.7323	0.7777
Annexation 8E	n/a (c)	n/a (c)	0.6767	0.6142
Annexation 8H	n/a (c)	n/a (c)	3,055.5700	n/a (d)
Annexation 16	0.5179	0.6172	n/a (e)	n/a (e)
<u>Eastern MWD</u>				
9th Fringe Area	n/a (c)	n/a (c)	0.2220	0.2203
12th Fringe Area	n/a (c)	n/a (c)	n/a (e)	n/a (e)
14th Fringe Area	n/a (c)	n/a (c)	n/a (e)	n/a (e)
21st Fringe Area	1.4146	1.9092	0.3368	0.3566
<u>Western MWD</u>				
9th Fringe Area	n/a (c)	n/a (c)	n/a (e)	n/a (e)
11th Fringe Area	10.9577	23.7509	1.4302	1.6283
15th Fringe Area	85.0093	106.2811	24.2236	25.3068
<u>Chino Basin MWD</u>				
North Perimeter No.1	0.5039	0.8009	n/a (e)	n/a (e)
<u>San Diego CWA</u>				
Valley Center No.2	n/a (c)	n/a (c)	n/a (e)	n/a (e)
Rainbow No. 3	n/a (c)	n/a (c)	1.4212	1.4344
De Luz Height No. 1	17.0868	32.6619	2.2301	2.2392
Fallbrook Comm. Air Park	4.0468	5.3377	0.5282	0.3659
Rincon Del Diablo No.4	2.6358	3.2449	0.7511	0.7727
De Luz Heights MWD Reorg.	n/a (c)	n/a (c)	0.4057	0.4124

Notes:

- (a) Areas are converted to the 30-year amortization basis if over two successive years it can be determined that the remaining annexation obligation can be amortized over the balance of 30 years at a tax rate of .1875% or less.
- (b) Areas are converted to the 50-year collectibility basis if over two successive years it can be determined that the remaining annexation obligation can be amortized over the balance of 50 years at a rate of .1875% or less.
- (c) It has reached the 30th year.
- (d) No taxable assessed valuation reported.
- (e) Area already classified in 50-year collectibility basis.

Attachment C

AREAS CONVERTED TO 30-YEAR AMORTIZATION BASIS

<u>AREA</u>	<u>Date Annexed</u>	<u>Date Converted</u>	<u>Approximate Assessed Valuation at Annexation</u>	<u>Assessed Valuation in Year of Conversion</u>
Twin Lakes	3/12/65	8/19/80	\$ 483,390	\$ 4,038,762
<u>MWD of Orange County</u>				
Annexation 8A	3/29/65	9/12/72	319,820	7,476,220
Annexation 8F	3/29/65	8/19/77	151,070	6,328,410
Annexation 8B	3/29/65	8/16/85	541,920	72,829,807
Annexation No.15	11/15/72	8/16/85	298,800	11,371,927
Annexation 8G	3/29/65	8/20/91	498,560	201,636,359
<u>Eastern MWD</u>				
15th Fringe	8/12/69	9/15/70	348,990	451,320
19th Fringe	5/8/70	9/14/71	263,200	2,006,771
24th Fringe	12/30/75	8/17/83	3,401,764	26,660,288
7th Fringe	3/11/63	8/16/85	2,286,000	41,863,250
10th Fringe	9/22/64	8/16/85	65,200	4,991,569
13th Fring	10/13/67	8/20/86	18,000,000	678,955,957
22nd Fringe	4/27/72	8/20/86	1,202,440	29,923,583
18th Fringe	3/5/70	8/16/88	394,000	26,179,907
17th Fringe	3/5/70	8/24/93	97,440	2,673,036
20th Fringe	9/29/71	8/24/93	271,160	71,442,134
<u>Western MWD</u>				
5th Fringe	7/2/64	8/19/81	24,320	5,101,434
14th Fringe	10/11/73	8/14/87	576,000	5,846,575
6th Fringe	9/27/67	8/16/90	176,310	104,526,089
<u>San Diego CWA</u>				
Yuima No. 1	11/21/67	9/14/71	159,560	712,279
Ramona No. 5	5/17/72	10/8/74	600,000	6,691,605
Padre Dam No. 4	8/3/70	8/19/80	38,500	2,176,152
Rainbow MWD No. 5	11/12/73	8/19/80	21,250	153,153
Olivenhain No. 4	11/13/67	8/17/83	270,000	5,107,457
Yuima No. 2	11/24/69	8/20/86	136,560	736,780
Valley Center No. 3	11/30/67	8/20/91	859,560	49,067,565
San Dieguito No. 2	12/8/72	8/20/96	640,000	25,491,939
<u>Calleguas MWD</u>				
Annexation No. 6	10/17/68	8/19/77	195,000	7,333,900
Oxnard 8th Fringe	12/12/77	9/4/79	109,750	329,229

AREAS CONVERTED TO 50-YEAR COLLECTIBILITY BASIS

<u>AREA</u>	<u>Date Annexed</u>	<u>Date Converted</u>	<u>Approximate Assessed Valuation at Annexation</u>	<u>Approximate Assessed Valuation at Conversion</u>
<u>MWD of Orange County</u>				
Annexation 8C	3/29/65	8/20/91	\$ 782,480	\$ 31,872,778
Annexation No. 16	11/7/72	8/20/92	4,995,120	294,361,406
<u>Eastern MWD</u>				
8th Fringe	4/23/63	8/16/85	300,450	15,807,806
14th Fringe	10/23/67	8/16/90	8,981,080	436,730,344
12th Fringe	10/22/65	8/24/93	1,520	434,885
<u>Western MWD</u>				
9th Fringe	11/17/67	8/16/90	5,185,560	650,688,330
<u>Chino Basin</u>				
N. Perimeter No. 1	11/28/69	8/16/89	44,400	7,577,630
<u>San Diego CWA</u>				
Valley Center No. 2	11/29/67	8/17/83	322,920	922,860
Ramona No. 4	11/27/67	8/17/83	377,800	20,367,716

Note:

Effective FY 1981-82, County Auditor-Controllers established assessed valuations at 100% of full value. All areas converted on 8/19/81 and thereafter show assessed valuations at time of annexation and at time of conversion as 100% of assessed valuation.

All areas converted prior to 8/19/81 show assessed valuations as reported at 25% of full value.