

**RICHARDSON BAY SANITARY DISTRICT**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2015**

**RICHARDSON BAY SANITARY DISTRICT**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED JUNE 30, 2015**

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors,  
Richardson Bay Sanitary District

We have audited the accompanying financial statements of Richardson Bay Sanitary District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financials 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 audits. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in the State Controller's Minimum Audit Requirements for California Special Districts. 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 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 purposes of expressing an opinion on the effectiveness of the District's internal

controls. 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 respective net position of Richardson Bay Sanitary District as of June 30, 2015, and the respective changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7, the schedule of funding progress for retired employee health care plan on page 24, and the schedule of the District's proportionate share of net pension liability of CalPERS on page 25, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standard Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Richardson Bay Sanitary District's basic financial statements. The additional information on pages 26 through 30 is

presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

April 20, 2016

*Perotti & Carrade*

## **RICHARDSON BAY SANITARY DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the District's Independent Audit Report presents management's discussion and analysis of the District's financial performance during the year ended June 30, 2015. Please read it in conjunction with the District's general purpose financial statements and accompanying notes, which follow this section.

Due to the implementation of GASB Number 68 during the year ended June 30, 2015, the financial statements are not comparative. The June 30, 2014 net position was required to be restated by \$1,609,972 as a result of GASB 68.

#### **Required Financial Statements**

The financial statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities.

The Statement of Net Position includes all of the District's assets and liabilities and provides information about the nature and amount of investment resources (assets) and obligations (liabilities). Over time, increases or decreases in net position may serve as a useful indicator of whether the net position of the District is improving or deteriorating.

All 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 success of the District's operations over the past year and can be used to determine credit worthiness and whether the District has successfully recovered all of its cost through its user fees and other charges.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments made during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities.

#### **Financial Analysis**

This discussion is intended to serve as an introduction to the District's basic financial statements. The District's financial statements are comprised of two components: 1) District financial statements, and 2) notes to the financial statements.

## RICHARDSON BAY SANITARY DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is the District's condensed statement of net position.

	<u>2015</u>	Increase (Decrease) Over 2014	Percent Increase (Decrease)
Cash	\$ 1,303,363	\$ -1,676,197	-56.26%
Board restricted reserves	2,301,285	-994,584	-30.18%
Other current assets	71,810	22,364	45.23%
Property	14,210,935	1,349,222	10.49%
Deferred outflows of resources *	<u>100,631</u>	<u>11,632</u>	13.07%
Total assets and deferred outflows of resources	<u>17,988,024</u>	<u>-1,287,563</u>	-6.68%
Payables and other current liabilities	73,639	-1,169,361	-94.08%
Net pension liability and related deferred inflows of resources *	<u>1,301,247</u>	<u>-52,263</u>	-3.86%
Total liabilities and deferred inflow of resources	<u>1,374,886</u>	<u>-1,221,624</u>	-47.05%
Net position:			
Invested in capital assets	14,210,935	1,349,222	10.49%
Unrestricted *	<u>2,402,203</u>	<u>-1,415,161</u>	-37.07%
Total net position	<u>\$ 16,613,138</u>	<u>\$ -65,939</u>	-0.40%

\* includes restatement effect.

#### ***Net Position Statement and Analysis***

The District's total net position decreased by \$65,939, or 0.40%, as a result of operations for the year ended June 30, 2015. The District lost approximately \$1,681,000 from operating activities, which was offset by approximately \$1,579,000 in property tax collections and investment earnings resulting in a net loss of approximately \$102,000. The net position above includes the restatement to reflect District's net pension liability and related deferred outflows and inflows of resources. The net impact of the restatement was a reduction of the District's net position by \$1,609,972 as of June 30, 2014.

During the year, the District completed its final of three pipe replacement projects. Total cost incurred for the third project during the year ended June 30, 2015 was \$1,701,000. The first pipe replacement project was completed during the year ended June 30, 2013, and the second project was completed during the year ended June 30, 2014. The District also completed work on the improvements of the Trestle Glen and Seminary Cove Pump Stations, as well as other stations.

## RICHARDSON BAY SANITARY DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### *Net Position Statement and Analysis (continued)*

Total capitalized costs incurred for the pump station improvements amounted to \$103,000 during the year ended June 30, 2015. The costs of these capital improvements and other smaller capital improvement projects were initially funded by operations before the District transferred about \$995,000 of funds out of its capital improvements reserve to repay operations for a substantial portion of the costs of the 2014 and 2015 capital projects in 2015.

Effective June 30, 2012, the District elected to participate in the California Employer's Retiree Benefit Trust (CERBT), a CalPERS program to assist agencies to fund in advance other postretirement benefits (OPEB). Contributions made by the District to the trust are invested by the trust to provide for payment of benefits.

As of June 30, 2015, 7.8% of the District's net position were held in cash available for operations. The District did not require any long-term financing to fund operations or capital improvements in 2015.

The following is the District's condensed statement of revenue, expenses and changes in net position:

	2015	Increase (Decrease) Over 2014	Percent Increase (Decrease)
Operating revenues	\$ 1,295,030	\$ 22,855	1.80%
Nonoperating revenues	1,578,987	26,651	1.72%
Total revenues	2,874,017	49,506	1.75%
Operating expenses	2,976,836	(32,409)	-1.08%
Change in net assets	(102,819)	81,915	-44.34%
Net position - beginning of period, restated	16,679,077	(1,794,706)	-9.71%
Contributed capital	36,880	36,880	-100.00%
Net position - end of period	\$ 16,613,138	\$ (1,675,911)	-9.16%

#### **Revenue, Expenses and Changes in Net Position Statement and Analysis**

There was no significant change in revenues or expenses during the year ended June 30, 2015. Of the \$1,794,706 decrease in net position as of June 30, 2014, \$1,609,972 is the result of reducing net assets for the net pension liabilities as described in Note 10.

The District and five other districts are members of a joint powers authority which operates the Sewerage Agency of Southern Marin (SASM). SASM's purpose is to treat and dispose of sewage collected by member agencies. SASM's revenue is derived from charging the six member agencies to cover projected operating and finance costs. It is expected the fee charged by SASM will increase at a rate of more than 3% each year for the next several years.

## RICHARDSON BAY SANITARY DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### **Capital Assets**

The District's investment in capital assets as of June 30, 2015 is \$14,210,935, net of accumulated depreciation. This investment in capital assets includes building and improvements, sewerage lines, pump stations, water reclamation equipment, maintenance equipment and vehicles. Net capital assets increased by approximately 10.49% in 2015. Improvements made approximated \$1,807,000, the most significant of which were the pipe replacement project and improvements made at pump stations as discussed above. Depreciation of approximately \$458,000 was recorded. The District has developed and continually updates a comprehensive plan for replacement and improvement of sewer lines, pump stations, facilities and other District equipment. Additional information on the District's capital assets can be found in Note 4 to the financial statements.

The District and its Board have elected to make major replacements and improvements to its infrastructure. Since June 30, 2009 the District has made improvements to its capital assets of approximately \$9,765,000. With the completion of the pipe replacement projects being completed in 2015, approximately seventy percent of the sewerage lines within the District have been replaced. Going forward, the District's approach will be to make minor improvements with the intention of replacing the sewerage lines on a rolling basis every twenty years.

#### **Accounting System and Budgetary Control**

Management of the District is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are made to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that the assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management and board authorization and are properly recorded to permit the preparation of financial statements. We believe that the District's internal accounting controls do adequately safeguard assets and provide reasonable assurance that financial transactions are recorded properly.

The District is a California Special District maintained in a single enterprise fund. As a special district, charges to customers are made only to those who receive services. The District's account structure, insofar as is practical and in accordance with generally accepted accounting principles, generally follows the State Controller's System of Accounts and Waste Management Districts, a set of procedures that provides the general accounting and reporting guidelines to be used by all California Special Districts performing waste management enterprise activities.

The District and its Board adopts an annual non-appropriated budget and a long-term capital improvements budget to serve as its approved financial plan. Any increases in connection fees and infrastructure charges are likewise approved by the Board after public hearings. The budget is used as a key control device: (1) to ensure Board approval for amounts set for operations and capital improvements; (2) to monitor expenses and project progress, and (3) as compliance that approved spending levels have not been exceeded. All operating activities and capital activities of the District are included within the approved budgets.

**RICHARDSON BAY SANITARY DISTRICT**

**STATEMENT OF NET POSITION**

**JUNE 30, 2015**

	<b><u>2015</u></b>
<b><u>ASSETS</u></b>	
<b>Current Assets:</b>	
Cash and equivalents	\$ 1,303,363
Accounts receivable	6,498
Total current assets	<u>1,309,861</u>
<b>Other Assets:</b>	
Other post-employment benefits (OPEB) cost funded in advance	65,312
Board restricted cash reserves	2,301,285
Property, plant and improvements-net	14,210,935
Total other assets	<u>16,577,532</u>
<b>Total Assets</b>	<u>17,887,393</u>
<b><u>DEFERRED CASH OUTFLOWS: Pension costs</u></b>	<u>100,631</u>
<b><u>LIABILITIES</u></b>	
<b>Current Liabilities:</b>	
Operating accounts payable	38,227
Compensated absence liability	28,306
Deposits	7,106
Total current liabilities	<u>73,639</u>
<b>Long-term liability: Net pension liability</b>	<u>901,425</u>
<b>Total Liabilities</b>	<u>975,064</u>
<b><u>DEFERRED CASH INFLOWS: Pension costs</u></b>	<u>399,822</u>
<b><u>NET POSITION</u></b>	
Invested in capital assets	14,210,935
Unrestricted	<u>2,402,203</u>
<b>Net Position</b>	<u>\$ 16,613,138</u>

See accompanying notes to the financial statements.

**RICHARDSON BAY SANITARY DISTRICT**

**STATEMENT OF REVENUES AND EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b><u>2015</u></b>
<b>Operating Revenues:</b>	
Sewer service charges	\$ 1,232,005
Connection charges	32,223
Other	30,802
	<hr/>
Total operating revenues	1,295,030
	<hr/>
<b>Operating Expenses:</b>	
Sewerage processing costs (SASM)	1,406,242
Operating and maintenance	858,145
General and administrative	254,206
Depreciation	458,243
	<hr/>
Total operating expenses	2,976,836
	<hr/>
<b>Operating Loss</b>	<b>(1,681,806)</b>
	<hr/>
<b>Non-Operating Revenues:</b>	
Property taxes	1,570,667
Investment income	8,320
	<hr/>
Total non-operating revenues	1,578,987
	<hr/>
<b>Decrease in Net Position</b>	<b>(102,819)</b>
<b>Net Position, Beginning of Year (restated)</b>	<b>16,679,077</b>
<b>Contributed Capital</b>	<b>36,880</b>
	<hr/>
<b>Net Position, End of Year</b>	<b>\$ 16,613,138</b>
	<hr/>

See accompanying notes to the financial statements.

**RICHARDSON BAY SANITARY DISTRICT**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b><u>2015</u></b>
<b>Cash Flows from Operating Activities:</b>	
Cash received from service, connection and other charges	\$ <u>1,311,925</u>
Cash paid for:	
Sewerage processing costs	1,406,242
Operating and system maintenance	912,914
General and administrative	274,463
Payment on pension debt	452,085
Change in deferred outflows and inflows of resources related to pension	<u>(388,190)</u>
Total	<u>2,657,514</u>
Cash used for operating activities	<u>(1,345,589)</u>
<b>Cash Flows from Investing Activities:</b>	
Board restricted reserves used for designated purposes	994,584
Interest income	<u>8,320</u>
Cash provided by investing activities	<u>1,002,904</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Contributed capital	36,880
Property additions	<u>(2,941,059)</u>
Cash used for capital and related financing activities	<u>(2,904,179)</u>
<b>Cash Flows from Non-Capital and Related Financing Activities: Property taxes collected</b>	<u>1,570,667</u>
<b>Net Decrease in Cash and Equivalents</b>	<b>(1,676,197)</b>
<b>Cash and Equivalents, Beginning of Year</b>	<u>2,979,560</u>
<b>Cash and Equivalents, End of Year</b>	<b>\$ <u><u>1,303,363</u></u></b>

See accompanying notes to the financial statements.

**RICHARDSON BAY SANITARY DISTRICT**

**RECONCILIATION OF OPERATING LOSS TO CASH  
REQUIRED BY OPERATING ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b><u>2015</u></b>
<b>Operating Loss</b>	\$ (1,681,806)
Add or deduct items not requiring the use of cash:	
Depreciation	458,243
Change in deferred outflows and inflows of resources related to pension	388,190
Changes in assets and liabilities:	
Increase in accounts receivable and deposits	16,895
Increase in OPEB funded in advance	(39,805)
Decrease in operating accounts payable	(30,541)
Decrease in compensated absence liability	(4,680)
Decrease in pension debt	<u>(452,085)</u>
<b>Cash Required by Operating Activities</b>	<b><u>\$ (1,345,589)</u></b>

See accompanying notes to the financial statements.

# RICHARDSON BAY SANITARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### 1. THE ORGANIZATION

Richardson Bay Sanitary District (District) is an independent special district that provides sewage collection services in portions of the Town of Tiburon, California and adjacent unincorporated areas of Marin County. The District is a proprietary fund, also referred to as an enterprise fund, which is a fund established by governmental agencies to account for goods and services provided to the general public that are financed primarily through user charges.

The District's cash and equivalents and Board restricted reserves include demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The District's cash is pooled with other similar funds administered by the County of Marin. Investments are reported at fair value. The County of Marin is restricted by State statute to invest in its own bonds, U.S. Treasury notes, commercial paper, and like investments. Interest earned on pooled funds is allocated to the District quarterly based on the District's average daily balance.

In 1979, the District joined with five similar districts in southern Marin County to create the Sewerage Agency of Southern Marin (SASM). SASM was formed to provide, at cost, final treatment to the sewage collected by member districts. Each district is charged an annual fee based on SASM's estimated operating costs, (including principal and interest repayments on debt and certain capital improvement costs) and the relative number of equivalent dwelling units contained within its boundaries.

As of June 30, 2015, SASM has outstanding balance of \$4,310,000 in 2% to 4% revenue bond debt. The bonds mature over a 30 year period ending in 2042. Additionally, SASM has an unfunded actuarial accrued liability of approximately \$3.2 million for pension and other post-employment benefits provided to its employees. As a member of SASM, the District's future assessments for sewage treatment cost will include its prorata share to cover these obligations.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

**Basis of Presentation and Accounting:** The activities of the District are accounted for in a single enterprise fund using the accrual basis of accounting. The District is engaged in only business-type activities and the District's basic financial statements consist of only the financial statements required for enterprise funds. These include management's discussion and analysis, a statement of net position, a statement of revenues, expenses, and changes in net position, a statement of cash flows, these notes to the basic financial statements, and required supplementary information.

Proprietary enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

processing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to the households and commercial and public facilities in the District for sewer service. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. As permitted by the Governmental Accounting Standards Board's Statements Number 20, the District applies all applicable GASB pronouncements as well as all applicable FASB pronouncements issued on or before November 30, 1989.

The District, as authorized by its Board of Directors, charges new users a fee to pay for capital improvements necessitated by their addition. Fees received have been treated as contributed capital and have been expended solely on infrastructure improvements.

**Cash Equivalents:** Cash equivalents include short-term, highly liquid, unrestricted investments administered by the County of Marin and transferable into operating funds upon appropriate notice to the County. The District's policy for deposits is that they will be made in institutions in California; they will be insured or collateralized in accordance with section 53562 of the California Government Code. At June 30, 2015, \$3,354,323 of the District's bank balances was exposed to credit risk.

**Custodial Credit Risk –** Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. All monies held with the County of Marin are not evidenced by specific securities; and therefore are not subject to custodial credit risk disclosure requirements.

State law limits investments in various securities to certain levels of risk ratings issued by nationally recognized statistical rating organizations. The monies held with Marin County are unrated.

**Property, Plant and Improvements:** Property, plant and improvements are recorded at cost. Depreciation is computed using the straight line method over the estimated lives of the assets as follows:

Sewer lines and pump stations	40 years
Management facilities and water reclamation equip	10-20 years
Generators, office equipment and tools	5-20 years

The normal cost of maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**Compensated Absences:** The District accrues a liability for vacation earned by District employees because future payment for such absences has been earned. The District does not provide for payment of unused sick leave at termination dates.

**Pensions:** For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the California Public Employees Retirement System (CalPERS) and additions to/deductions from CalPERS' fiduciary net position have been determined on the same basis as they are reported by CalPERS which is a year in arrears of the statement date. For this purpose, District's payments are recognized when due and payable in accordance with the contract terms and allocate among net pension liability and pension expense in the following year. Investments are reported at fair value.

**Deferred Outflows and Inflows:** The District recognizes deferred outflows and inflows of resources pursuant to GASB Statement Number 68. A deferred outflow of resources is defined as a consumption of net asset (net position) by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period.

**Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Subsequent events:** Subsequent events have been evaluated through April 20, 2016, the date the financial statements were available to be issued.

**3. BOARD RESTRICTED CASH RESERVES**

The Board of Directors has authorized the establishment of cash reserves as of June 30 for the following purposes:

	<b><u>2015</u></b>
Sewer line replacement	\$ 2,250,000
Pumping facilities replacement	1,490,000
Vehicle replacement	135,000
Shop and office	55,000
Catastrophic event reserve	<u>1,000,000</u>
Total authorization	4,930,000
Unfunded portion	<u>2,628,715</u>
Funded reserves	\$ <u><u>2,301,285</u></u>

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**4. PROPERTY, PLANT AND IMPROVEMENTS**

Changes in the District's property, equipment and improvements and accumulated depreciation for the year ended June 30, 2015 is summarized as follows:

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance June 30, 2015</u>
<u>Historical Cost:</u>				
Sewer line and pump stations	\$ 16,261,897	\$ 1,804,218	\$	\$ 18,066,115
Management facilities and water reclamation equipment	1,843,140	1,551		1,844,691
Generators, office equipment and tools	<u>645,002</u>	<u>1,696</u>	<u>(169)</u>	<u>646,529</u>
Total	<u>18,750,039</u>	<u>\$ 1,807,465</u>	<u>\$ (169)</u>	<u>20,557,335</u>
<u>Accumulated Depreciation:</u>				
Sewer line and pump stations	3,746,716	414,233		4,160,949
Management facilities and water reclamation equipment	1,535,329	39,778		1,575,107
Generators, office equipment and tools	<u>606,281</u>	<u>4,232</u>	<u>(169)</u>	<u>610,344</u>
Total	<u>5,888,326</u>	<u>\$ 458,243</u>	<u>\$ (169)</u>	<u>6,346,400</u>
Property, Equipment and Improvements - net	<u>\$ 12,861,713</u>			<u>\$ 14,210,935</u>

**5. CALPERS RETIREMENT PLAN**

**Plan Description:** Employees of the District are provided with pension benefits under a plan which is part of a cost-sharing multiple-employer public employee pool of similar organizations administered by the California Public Employees Retirement System (CalPERS). CalPERS acts as a common investment and administrative agent for participating California public entities. Benefits provisions and all other requirements are established by State Statute and District Ordinances. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for CalPERS. That report may be obtained from their executive office, 400 "P" Street, Sacramento, California 95814.

**Benefits Provided:** CalPERS provides retirement, disability and death benefits to plan members and beneficiaries. Retirement benefits are determined as 3 percent of the employee's final 3-year average compensation multiplied by the employee's number of years of service. Employees with 5 years of continuous service are eligible to retire at age 60.

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**5. CALPERS RETIREMENT PLAN (continued)**

**Contributions:** Contribution requirements of active employees and the Districts are established and may be amended by the District. Employees are required to contribute 8.0% of their annual pay. Before September 2014, it was the District's policy to pay the employee's contribution. Effective September 1, 2014 employees are responsible to pay their required contribution. The District's contractually required contribution rate was 13.281% and 13.475% of covered payroll for the years ended June 30, 2015 and 2014, respectively. The rate was actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$69,002 for the year ended June 30, 2015. The District's proportionate share of employer contributions allocated to its CalPERS account was \$157,404 for the year ended June 30, 2014.

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

At June 30, 2015, the District reported a liability of \$901,425 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liabilities 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 public entities, actuarially determined. At June 30, 2014, the District's proportion was 0.044%.

For the year ended June 30, 2015, the District recognized pension expense of \$5,108. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments		\$ 399,822
Changes in proportion and differences between District contributions and proportionate share of contributions	\$ 31,629	
District contributions subsequent to the measurement date	69,002	-
Total	<u>\$ 100,631</u>	<u>\$ 399,822</u>

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**5. CALPERS RETIREMENT PLAN (continued)**

\$69,002 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2016. Aggregate amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2016	\$	19,657
2017		88,659
2018		90,918
2019		99,957
Net inflows		
and outflows	\$	<u>299,191</u>

**Actuarial assumptions:** The total pension liabilities in the June 30, 2014 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.5 percent, net of pension plan investment expense, including inflation

The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using 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 (11-60 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**5. CALPERS RETIREMENT PLAN (continued)**

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses:

<u>Asset Class</u>	<u>Net Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>	<u>Real Return Years 11+</u>
Global equity	47.0%	5.25%	5.71%
Global fixed income	19.0%	0.99%	2.43%
Inflation sensitive	6.0%	0.45%	3.36%
Private equity	12.0%	6.83%	6.95%
Real estate	11.0%	4.50%	5.13%
Infrastructure and forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

**Discount rate:** The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent is applied to all plans in CalPERS Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

**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 pensions liability calculated using the discount rate of 7.50%, as well as what the District's proportionate share of the net pensions liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease <u>(6.50%)</u>	Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
District's proportionate share of the net pension liability	\$1,793,212	\$ 901,425	\$ 161,327

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**6. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

In addition to the pension benefits described in Note 5, the District provides post-retirement healthcare benefits to employees who retire from the District in accordance with District policy as approved by the Board of Directors. The District has agreed to cover the cost of health and dental insurance (exclusive of Medicare) for their retired employees.

Effective June 30, 2012, the District elected to participate in the California Employer's Retiree Benefit Trust (CERBT), a CalPERS program to assist agencies to advance fund other postretirement benefits (OPEB). Contributions are invested. The District is responsible for paying monthly OPEB premiums. The District has the ability to request withdrawals from CERBT to cover current annual premiums.

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on an amount actuarially determined in accordance with the parameters of government accounting standards. The annual required amount represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The District contributes annually an amount equal to the actuarially determined annual obligation into CERBT. The District has also elected not to request withdrawals from CERBT to cover the current year's annual premiums.

The following table shows the components of the District's annual OPEB cost for the year, the amounts actually paid, and changes in the District's net OPEB obligation (prepaid):

Annual required amount	\$ 65,956
Contributions into CERBT	(65,956)
Premiums paid on behalf of retirees	(39,805)
Decrease in net OPEB obligation	<u>(39,805)</u>
Net OPEB prepaid, beginning of year	<u>(25,507)</u>
Net OPEB prepaid, end of year	<u><u>\$ (65,312)</u></u>

The District's annual OPEB cost, the percentage of the annual OPEB cost paid and the net OPEB obligation for the years ended June 30, 2015 and 2014 were as follows:

<u>Year</u>	<u>Annual OPEB Cost</u>	<u>Percent Paid</u>	<u>Net OPEB Obligation (Prepaid)</u>
2013	\$63,613	171.10%	\$ 16,740
2014	\$64,721	165.28%	\$ (25,507)
2015	\$65,956	160.35%	\$ (65,312)

## RICHARDSON BAY SANITARY DISTRICT

### NOTES TO FINANCIAL STATEMENTS

#### **6. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)**

An actuarial valuation is required once every three years. Valuations were performed as of June 30, 2012 and June 30, 2013. The actuarial accrued liability for benefits (AAL), the covered payroll (the annual payroll of active employees' eligible to participate) and the ratio of the unfunded actuarial accrued liability (UAAL) are summarized on page 24.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status and the annual required employer contribution amount are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of assets set aside to cover obligations is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the approved policy (the policy as understood by the employer and qualified employees) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and qualified employees to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuations, the Entry Age Normal Cost Method was used. The actuarial assumptions included a discount rate (6.36% for the June 30, 2012 and 2013 valuations), the annual healthcare cost trend of 8% initially, reduced by decrements to an ultimate rate of 4.5% after five years and the annual dental cost trend of 4 percent. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll over 30 years from June 30, 2013.

#### **7. DEFERRED COMPENSATION PLAN**

Employees of the District may participate in two deferred compensation plans adopted under the provisions of Internal Revenue Code (IRC) Section 457 (Deferred Compensation Plans With Respect To Service For State and Local Governments).

The deferred compensation plans are available to all employees of the District. Under the plans, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until their withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

## RICHARDSON BAY SANITARY DISTRICT

### NOTES TO FINANCIAL STATEMENTS

#### **7. DEFERRED COMPENSATION PLAN (continued)**

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

In accordance with a revision to Section 457, the District has been designated as the trustee of the plans' assets and the plans' assets are to be held for the exclusive benefit of the plans' participants and beneficiaries and not diverted to any other purpose. The value of those plan assets approximates \$455,000 at June 30, 2015.

#### **8. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters, for which the District carries insurance. The District is a member of the California Sanitation Risk Management Authority (CSRMA), a Joint Powers Authority for risk pooling, which provides insurance coverage and risk management services to its 60 member agencies through its' coverage programs.

The District participates in CSRMA's Pooled Liability Program, where each member agency is assessed a deposit based on their ratable exposures. At each program's year end, deposits are retrospectively reviewed for all years of participation, based on actual loss performance of the individual member agencies. If a member's losses exceed their deposit, the member is assessed, through a debit on their renewal invoice, to adjust for this situation. Conversely, if the member's losses are less than the collected deposit, a credit is shown on the member's renewal invoice.

The risk of loss is transferred from the District to CSRMA under this arrangement. CSRMA's Pooled Liability Program provides \$25 million in coverage to the members with a combination of reinsurance and excess insurance, with CSRMA retaining the first \$500,000. The District maintains a \$5,000 liability deductible. The District also participates in CSRMA's property insurance program for its buildings and plant with \$31 million in total insurable values.

The District paid no material uninsured losses during the last three fiscal years. There have been no significant reductions in insurance coverage, and there have been no settlements exceeding insurance coverage in the last three years.

Liabilities of the District are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. There were no claims payable as of June 30, 2015.

## RICHARDSON BAY SANITARY DISTRICT

### NOTES TO FINANCIAL STATEMENTS

#### 9. CONTINGENCIES AND CONCENTRATIONS

The following have the potential to effect the operations of the District:

##### **Contractual Commitments:**

**Sewerage Agency of Southern Marin** - On January 25 and January 31, 2008 partially treated sewage spilled into Richardson Bay. The waste water came from Sewerage Agency of Southern Marin's (SASM) processing plant. As result of the spills, an assessment of \$1.6 million had been levied against SASM by a governing oversight board. Of the total assessment of \$1.6 million, SASM paid \$800,000 to the California Regional Water Quality Control Board using reserve funds. In addition, the settlement provides that SASM shall fund and implement \$800,000 in improvements and programs referred to as supplemental environmental projects. In June 2010, the Board of SASM approved increases of the sewerage processing fee of 3% annually during the years 2014 through 2018 to replenish its reserves and address expected increases in operating costs.

The Environmental Protection Agency, EPA, has also issued an administrative order against SASM and the joint powers member agencies in June 2008 to employ certain procedures, make certain capital improvements, and provide additional reporting until the order is terminated by the EPA. The District has made all capital improvements and procedural changes required by the order and is now only providing additional reporting.

#### 10. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES

GASB's Statement Number 68 and 71 provided new guidance on financial reporting for pensions by state and local governmental employers. The accounting standard under GASB 68 as amended by GASB 71 provided that cost sharing employers are required to recognize a liability for their share of the pension liabilities (the collective liability of all pool members less the plans' collective assets). The standard also expanded the disclosure requirements for pension plans. GASB Statement 68 and 71 became effective during the year ended June 30, 2015.

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**10. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES (continued)**

The unrestricted net position of the audited financial statements as of June 30, 2014 has been restated to reflect the District's application of GASB 68 and 71. The net position as of June 30, 2014 has been reduced by \$1,609,972. The changes to the previously reported balances in the 2014 financial statements are reflected in the following table:

	<u>As Originally Stated</u>	<u>Change</u>	<u>As Restated</u>
Deferred pension outflows	\$ -	\$ 88,999	\$ 88,999
Net pension liability	\$ 345,461	\$ (1,698,971)	\$ (1,353,510)
Net position, June 30, 2014	\$ 18,289,049	\$ (1,609,972)	\$ 16,679,077

In June 2015 GASB issued statement Number 75 which provides new guidance on the financial reporting for other post-employment benefits (OPEB). The accounting standard under GASB 75 provides that employers are to recognize a liability for the unfunded actuarial accrued liability (the net of actuarial value of assets less the actuarial accrued liability). GASB 75 becomes effective in the year ended June 30, 2018.

**RICHARDSON BAY SANITARY DISTRICT**

**REQUIRED SUPPLEMENTAL SCHEDULE OF FUNDING PROGRESS FOR  
RETIRED EMPLOYEES HEALTH CARE PLAN  
JUNE 30, 2015 AND 2014**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll</b>	<b>Unfunded AAL as a % of Covered Payroll</b>
6/30/2012	0 \$	899,625 \$	899,625 \$	0%	\$ 454,272	198%
6/30/2013 *	63,427 \$	933,058 \$	869,631 \$	6.80%	\$ 454,272	191%

\* Date of last actuarial valuation; consequently, this schedule will be updated with the completion of the next required actuarial report at June 30, 2016.

**RICHARDSON BAY SANITARY DISTRICT**

**REQUIRED SUPPLEMENTAL SCHEDULE OF THE DISTRICT'S  
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF CALPERS**

Fiscal Year Information \*

	<u>2015</u>
District's proportion of the net pension liability	0.0145%
District's proportionate share of the net pension liability	901,425
District's covered-employee payroll	467,901
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	192.65%
Plan fiduciary net position as a percentage of the total pension liability	86.59%

\* The amounts presented for the fiscal year were determined as of the measurement date, which was one year prior to the fiscal year end date.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the presented information is for those years for which information is available.

**RICHARDSON BAY SANITARY DISTRICT**

**SUPPLEMENTAL SCHEDULE OF OPERATING AND  
SYSTEM MAINTENANCE AND GENERAL AND  
ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Operating and System Maintenance Expenses</b>	<b>General and Administrative Expenses</b>	<b>Total</b>
Personnel	\$ 340,611	\$ 123,213	\$ 463,824
Benefits	132,937	48,088	181,025
Payroll taxes	24,257	9,844	34,101
Total payroll and related costs	<u>497,805</u>	<u>181,145</u>	<u>678,950</u>
Professional fees		33,896	33,896
Supplies	29,255	5,326	34,581
Utilities	30,952	3,975	34,927
Other	6,179	932	7,111
Truck operating costs	25,649		25,649
Insurance	16,755		16,755
Repairs and maintenance:			
Sewer	145,331		145,331
Pump station	26,231		26,231
Trestle Glen	75,357		75,357
Other		1,451	1,451
Telephone and communications		19,731	19,731
Board stipend		7,750	7,750
Laundry	3,056		3,056
Safety	1,575		1,575
<b>TOTALS</b>	<b>\$ <u>858,145</u></b>	<b>\$ <u>254,206</u></b>	<b>\$ <u>1,112,351</u></b>

**RICHARDSON BAY SANITARY DISTRICT**

**SCHEDULE OF ACTIVITY IN CASH RESERVED  
FOR INFRASTRUCTURE AND OTHER IMPROVEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>2015</u>
<b>Reserve Balance, Beginning of the Year:</b>	\$ 3,295,869
<b>Reduction:</b> Transfers by Board to operating funds	(1,000,000)
<b>Addition:</b> Interest on restricted funds	<u>5,416</u>
<b>Reserve Balance, End of the Year</b>	<u><u>\$ 2,301,285</u></u>

**STATISTICAL INFORMATION**

**RICHARDSON BAY SANITARY DISTRICT**

**Table 1**

Revenues by Source

Year Ended June 30	Operating			Non Operating		Total
	Sewer Service Charges	Connection Fees	Other Operating	Property Tax Collection	Investment Income	
2015	\$ 1,232,005	\$ 32,223	\$ 30,802	\$ 1,570,667	\$ 8,320	\$ 2,874,017
2014	\$ 1,220,186	\$ 28,301	\$ 23,688	\$ 1,544,890	\$ 7,446	\$ 2,824,511
2013	\$ 1,217,269	\$ 24,661	\$ 3,008	\$ 1,390,431	\$ 11,543	\$ 2,646,912
2012	\$ 1,213,686	\$ 20,111	\$ 32,018	\$ 1,383,789	\$ 22,566	\$ 2,672,170
2011	\$ 1,181,215	\$ 22,381	\$ 20,138	\$ 1,394,602	\$ 52,771	\$ 2,671,107
2010	\$ 1,173,303	\$ 55,148	\$ 23,604	\$ 1,456,970	\$ 106,340	\$ 2,815,365
2009	\$ 1,169,561	\$ 41,951	\$ 21,615	\$ 1,400,245	\$ 245,332	\$ 2,878,704
2008	\$ 1,167,657	\$ 47,800	\$ 16,194	\$ 1,513,543	\$ 468,520	\$ 3,213,714
2007	\$ 1,137,703	\$ 43,639	\$ 18,618	\$ 1,260,287	\$ 438,718	\$ 2,898,965
2006	\$ 1,132,276	\$ 76,833	\$ 19,188	\$ 1,111,451	\$ 319,791	\$ 2,659,539

Source: Audited Financial Statements

**Table 2**

Expenses by Function

Year Ended June 30	Sewerage Processing Charges	Operating and Maintenance	General and Administrative	Subtotal	Depreciation	Total
2015	\$ 1,406,242	\$ 858,145	\$ 254,206	\$ 2,518,593	\$ 458,243	\$ 2,976,836
2014	\$ 1,343,397	\$ 913,442	\$ 349,197	\$ 2,606,036	\$ 403,209	\$ 3,009,245
2013	\$ 1,216,814	\$ 893,976	\$ 391,281	\$ 2,502,071	\$ 365,335	\$ 2,867,406
2012	\$ 1,102,588	\$ 899,256	\$ 303,891	\$ 2,305,735	\$ 352,837	\$ 2,658,572
2011	\$ 950,486	\$ 893,821	\$ 287,606	\$ 2,131,913	\$ 320,631	\$ 2,452,544
2010	\$ 829,012	\$ 877,704	\$ 260,789	\$ 1,967,505	\$ 292,790	\$ 2,260,295
2009	\$ 826,943	\$ 954,145	\$ 260,593	\$ 2,041,681	\$ 274,712	\$ 2,316,393
2008	\$ 711,612	\$ 922,559	\$ 192,282	\$ 1,826,453	\$ 273,921	\$ 2,100,374
2007	\$ 704,901	\$ 879,792	\$ 188,963	\$ 1,773,656	\$ 275,973	\$ 2,049,629
2006	\$ 669,368	\$ 870,567	\$ 200,324	\$ 1,740,259	\$ 280,803	\$ 2,021,062

Source: Audited Financial Statements

NOTE: GASB Number 68 went into effect during the year ended June 30, 2015. The summary of costs by functions for the years ended June 30, 2014 and prior have not been restated to conform with GASB Number 68.

**RICHARDSON BAY SANITARY DISTRICT**

**Statistical Section  
Miscellaneous Statistics  
June 30, 2015**

General

Authority	Resolution via public election
Governing body	Elected five member Board of Directors
Chief executive officer	District Manager
Chief financial officer	District Manager
Date of formation	February 21, 1949
Type of service	Sewage and solid waste collection
Number of employees	4

Service Charges

- ◆ Annual service charges are based upon the charge per EDU and the number of EDU's. An EDU generally is one household. However, in the case of multiple dwellings, the number of EDU's varies by dwelling. EDU's for commercial and industrial type buildings vary depending upon the quantity and strength of flow.
- ◆ Inspection and permit fees are based upon the number of fixtures within each dwelling.

**Contact Information  
June 30, 2015**

Retirement Plans Contact Information:

Public Employees Retirement Systems  
Lincoln Plaza  
400 P Street  
Sacramento, CA 95814  
(888) 225-7377