



January 18, 2022

Board of Directors  
Richardson Bay Sanitary District

In planning and performing our audit of the financial statements of Richardson Bay Sanitary District (the “Organization”) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered Richardson Bay Sanitary District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization’s financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Perotti & Carrade*



January 18, 2022

To the Board of Directors of  
Richardson Bay Sanitary District

We have audited the financial statements of Richardson Bay Sanitary District for the year ended June 30, 2021 and have issued our report thereon dated January 18, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 27, 2019. Professional standards also require that we communicate to you the following information related to our audit.

*Our Responsibility under U.S. Generally Accepted Auditing Standards*

Our responsibility, as described by professional standards, was to express an opinion about whether the financial statements prepared by management with your oversight were fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the District's internal control over financial reporting in order, to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

*Planned Scope and Timing of the Audit*

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions examined and the areas tested.

We began our audit as expected, which was in September 2021.

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Richardson Bay Sanitary District are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transactions entered into by the District

during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the actuarially determined obligations of the District's pension and other postemployment benefits and the funding status of the benefits and the refinancing of the District's bond obligation. We evaluated the key factors and assumptions used in evaluating the obligations in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not identify any uncorrected misstatements of the financial statements.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter whether, or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 18, 2022.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the

consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

*Other Matters*

We applied certain limited procedures to the required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 the audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplemental information on pages 34-38, which accompany the financial statements, but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We have provided a separate letter to the board of directors surrounding internal controls.

This information is intended solely for the use of the Board of Directors and management of Richardson Bay Sanitary District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Perotti & Canade*

**RICHARDSON BAY SANITARY DISTRICT**

---

**FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**



# RICHARDSON BAY SANITARY DISTRICT

---

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-7
Financial Statements:	
Statements of Net Position	8
Statements of Revenues and Expenses and Changes in Net Position	9
Statements of Cash Flows	10-11
Notes to Financial Statements	12-29
Required Supplementary Information:	
Schedule of the District's Proportionate Share of the Net Pension Liability and Related Ratios (Administered by CalPERS)	30
Schedule of the District's Pension Contributions	31
Schedule of Changes in the Net OPEB Liability and Related Ratios	32
Schedule of the District's OPEB Contributions	33
Supplementary Information:	
Supplemental Schedules of Operating and System Maintenance and General and Administrative Expenses	34
Schedule of Activity in Cash Reserved for Infrastructure and Other Improvements	35
Statistical Information	37 - 38



## **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 years ended June 30, 2021 and 2020, 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audits 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 financial position of Richardson Bay Sanitary District as of June 30, 2021 and 2020, and the respective 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 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 8, the required supplementary information included on pages 30-33 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 34 through 37 is presented for purposes of additional analysis and is not a required part of the financial statements. It 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. Such 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 supplementary information on pages 34 through 37 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The additional information on page 38 is presented for purposes of additional analysis and is not a required part of the basic financial statements. It has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

January 18, 2022

*Perotti & Canade*



**RICHARDSON BAY SANITARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021 AND 2020**

---

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, 2021. Please read it in conjunction with the District's general purpose financial statements and accompanying notes, which follow this section.

**Economic Factors and Next Year's Operating Plans**

As a result of increasing operating costs, the District obtained an evaluation of the District's rates and operating costs. The Board concluded the District was required to increase its rates to cover increasing operating costs, the most significant being the sewage processing performed by Sewerage Agency of Southern Marin. During the fiscal year ended June 30, 2016, the District approved rate increases through the year ended June 30, 2021. The rate is increased over the five-year period from \$246 to \$826 for single family residences and non-residential units and from \$246 to \$565 for multi-family residential units. There currently is no expected planned increases for the year ending June 30, 2022.

**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**  
**JUNE 30, 2021 AND 2020**

The following are the District's condensed statements of net position:

	2021	2020	Increase (Decrease) Over 2020	Percent Increase (Decrease)	2019	Increase (Decrease) Over 2019
Cash and cash equivalents	\$ 6,150,455	\$ 5,430,335	\$ 720,120	13.26%	\$ 4,406,277	\$ 1,024,058
Board restricted reserves	1,977,396	1,963,873	13,523	0.69%	1,923,951	39,922
Property	13,101,737	12,737,769	363,968	2.86%	12,870,406	(132,637)
Deferred outflows of resources	2,008,316	3,015,782	(1,007,466)	-33.41%	746,810	2,268,972
<b>Total assets and deferred outflows of resources</b>	<b>23,237,904</b>	<b>23,147,759</b>	<b>90,145</b>	<b>0.39%</b>	<b>19,947,444</b>	<b>3,200,315</b>
Payables and other current liabilities	236,231	215,760	20,471	9.49%	106,349	109,411
Long-term debt and related deferred inflows of resources	4,759,754	5,690,022	(930,268)	-16.35%	3,251,970	2,438,052
<b>Total liabilities and deferred inflow of resources</b>	<b>4,995,985</b>	<b>5,905,782</b>	<b>(909,797)</b>	<b>-15.41%</b>	<b>3,358,319</b>	<b>2,547,463</b>
<b>Net position:</b>						
Net investment in capital assets	13,101,737	12,737,769	363,968	2.86%	12,870,406	(132,637)
Unrestricted	5,140,182	4,504,208	635,974	14.12%	3,718,719	785,489
<b>Total net position</b>	<b>\$ 18,241,919</b>	<b>\$ 17,241,977</b>	<b>\$ 999,942</b>	<b>5.80%</b>	<b>\$ 16,589,125</b>	<b>\$ 652,852</b>

***Net Position Statement and Analysis***

For the year ended June 30, 2021, the District's total net position increased by \$999,942, or 5.80%. The increase in net position is principally attributed to the District's financial results. The District lost approximately \$1,214,000 from operating activities, which was offset by approximately \$2,201,000 in property tax collections resulting in net increase in net position of approximately \$999,000.

During the year ended June 30, 2021, the District made improvements to its sewer lines and pump stations of \$787,768 and \$127,980, respectively.

For the year ended June 30, 2020, the District's total net position increased by \$652,852, or 3.94%. The increase in net position is principally attributed to the District's financial results. The District lost approximately \$1,473,000 from operating activities, which was offset by approximately \$2,121,000 in property tax collections resulting in net increase in net position of approximately \$653,000.

During the year ended June 30, 2020, the District made equipment purchases totaling \$421,782. During the year ended June 30, 2020, the District also borrowed \$2,383,000 to pay down its pension obligations.

**RICHARDSON BAY SANITARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021 AND 2020**

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

As of June 30, 2021, 33.72% of the District's net position was held in cash available for operations. The District did not require any long-term financing to fund operations or capital improvements in 2021, however as indicated previously, the District elected to acquire debt through a bond to pay down its pension obligation.

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

	2021	2020	Increase (Decrease) Over 2020	Percent Increase (Decrease)	2019	Increase (Decrease) Over 2019
Operating revenues	\$ 3,694,290	\$ 3,466,454	\$ 227,836	6.57%	\$ 3,216,107	\$ 250,347
Nonoperating revenues	2,250,041	2,259,090	(9,049)	-0.40%	2,122,807	136,283
Total revenues	5,944,331	5,725,544	218,787	3.82%	5,338,914	386,630
Operating expenses	4,908,432	4,939,021	(30,589)	-0.62%	4,457,308	481,713
Nonoperating expenses	46,973	133,671	(86,698)	-64.86%	-	133,671
Total expenses	4,955,405	5,072,692	(117,287)	-2.31%	4,457,308	615,384
Change in net assets	988,926	652,852	336,074	51.48%	881,606	(228,754)
Net position - beginning of period	17,241,977	16,589,125	652,852	3.94%	15,697,355	891,770
Contributed capital	11,016	-	11,016	100.00%	10,164	(10,164)
Net position - end of period	\$ 18,241,919	\$ 17,241,977	\$ 999,942	5.80%	\$ 16,589,125	\$ 652,852

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

During the year ended June 30, 2021, operating revenues increased by \$227,836. The District approved increase in sewer service rates for all customers over a five-year period. The fifth-rate increase occurred during the year ended June 30, 2021. As a result, the District received \$222,642 more in sewer service charges during the year ended June 30, 2021 compared to the year ended June 30, 2020. The District received approximately \$80,000 more in property taxes during the year ended June 30, 2021 compared to the prior year. The increase was attributed to an increase in secured property taxes and excess ERAF charges. Operating expenses decreased by \$30,589. The change is principally attributed to a \$154,226 increase for sewage collecting and processing charges by Sewerage Agency of Southern Marin (SASM) and a decrease in benefits of \$69,973, attributed to pension costs, a decrease in sewer repairs of \$64,243 and a decrease in professional fees of \$60,323.

During the year ended June 30, 2020, operating revenues increased by \$250,347. The District approved increase in sewer service rates for all customers over a five-year period. The fourth-rate increase occurred during the year ended June 30, 2020. As a result, the District received \$271,589 more in sewer service charges during the year ended June 30, 2020 compared to the year ended June 30, 2019. The District received approximately \$98,000 more in property taxes during the year ended June 30, 2020 compared to the prior. The increase was

**RICHARDSON BAY SANITARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021 AND 2020**

---

**Revenue, Expenses and Changes in Net Position Statement and Analysis (continued):** attributed to an increase in secured property taxes and excess ERAF charges. Of the \$481,713 increase in operating expenses, the change is principally attributed to a \$98,609 increase for sewage collecting and processing by Sewerage Agency of Southern Marin (SASM) and an increase in benefits due to pension costs of \$184,221.

The District and five other districts are members of a joint powers authority which operates 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 foreseeable future.

**Capital Assets**

The District made major replacements and improvements to its infrastructure between the years ended June 30, 2009 and 2021. After the completion of the projects, as of June 30, 2021, approximately eighty percent of the sewerage lines within the District had been replaced. Going forward, the District's approach will be to make minor improvements with the intention of replacing sewerage lines on a rolling basis. 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.

**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.

**RICHARDSON BAY SANITARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2021 AND 2020**

---

**Accounting System and Budgetary Control (continued):** 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**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2021 AND 2020**

	2021	2020
<b><u>ASSETS</u></b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 6,150,455	\$ 5,430,335
Total current assets	6,150,455	5,430,335
<b>Other Assets:</b>		
Board restricted cash reserves	1,977,396	1,963,873
Property, plant and improvements-net	13,101,737	12,737,769
Net pension asset	73,903	-
Total other assets	15,153,036	14,701,642
<b>Total Assets</b>	<b>21,303,491</b>	<b>20,131,977</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Pension related	1,874,122	2,869,727
OPEB related	134,194	146,055
<b>Total Deferred Outflows of Resources</b>	<b>2,008,316</b>	<b>3,015,782</b>
<b><u>LIABILITIES</u></b>		
<b>Current Liabilities:</b>		
Accounts payable	89,254	58,160
Compensated absence liability	33,583	31,350
Deposits	-	2,000
Accrued interest	29,394	53,250
Current portion of bond payable	84,000	71,000
Total current liabilities	236,231	215,760
<b>Long-term Liabilities:</b>		
Net pension liability	-	2,096,149
Bond payable	2,228,000	2,312,000
Net OPEB liability	717,978	774,129
<b>Total Liabilities</b>	<b>3,182,209</b>	<b>5,398,038</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Pension related	1,760,842	365,519
OPEB related	126,837	142,225
<b>Total Deferred Inflows of Resources</b>	<b>1,887,679</b>	<b>507,744</b>
<b><u>NET POSITION</u></b>		
Net investment in capital assets	13,101,737	12,737,769
Unrestricted	5,140,182	4,504,208
<b>Net Position</b>	<b>\$ 18,241,919</b>	<b>\$ 17,241,977</b>

See accompanying notes to the financial statements.

**RICHARDSON BAY SANITARY DISTRICT**  
**STATEMENTS OF REVENUES AND EXPENSES**  
**AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>Operating Revenues:</b>		
Sewer service charges	\$ 3,660,770	\$ 3,438,128
Connection charges	27,345	16,835
Other	6,175	11,491
Total operating revenues	3,694,290	3,466,454
<b>Operating Expenses:</b>		
Sewerage processing costs (SASM)	2,859,447	2,705,221
Operating and maintenance	1,101,068	1,217,227
General and administrative	382,842	462,154
Depreciation	565,075	554,419
Total operating expenses	4,908,432	4,939,021
<b>Operating Loss</b>	<b>(1,214,142)</b>	<b>(1,472,567)</b>
<b>Non-Operating Revenues/(Expenses):</b>		
Property taxes	2,201,174	2,121,463
Investment income	48,867	137,627
Interest expense	(46,973)	(53,250)
Bond issuance costs	-	(80,421)
Total non-operating revenues	2,203,068	2,125,419
<b>Increase in Net Position</b>	988,926	652,852
<b>Net Position, Beginning of Year</b>	17,241,977	16,589,125
<b>Contributed Capital</b>	11,016	-
<b>Net Position, End of Year</b>	\$ 18,241,919	\$ 17,241,977

See accompanying notes to the financial statements.

**RICHARDSON BAY SANITARY DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities:</b>		
Cash received from service, connection and other charges	\$ 3,692,290	\$ 3,467,454
Cash paid for:		
Sewerage processing costs	2,859,447	2,705,221
Operating and system maintenance	1,068,389	1,232,342
General and administrative	382,194	462,878
Change in net pension and OPEB debt and related inflows and outflows of resources	(161,198)	2,142,920
Total	<u>4,148,832</u>	<u>6,543,361</u>
Cash used for operating activities	<u>(456,542)</u>	<u>(3,075,907)</u>
<b>Cash Flows from Investing Activities:</b> Interest income	<u>48,867</u>	<u>137,627</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Proceeds from bond payable	-	2,383,000
Interest paid on bond payable	(70,829)	-
Principal payment on bond payable	(71,000)	-
Bond issuance costs	-	(80,421)
Contributed capital	11,016	-
Property additions	(929,043)	(421,782)
Cash provided by (used for) capital and related financing activities	<u>(1,059,856)</u>	<u>1,880,797</u>
<b>Cash Flows from Non-Capital and Related Financing Activities:</b>		
Property taxes collected	<u>2,201,174</u>	<u>2,121,463</u>
<b>Net Increase in Cash and Cash Equivalents, and Restricted Cash</b>	733,643	1,063,980
<b>Cash and Cash Equivalents, and Restricted Cash, Beginning of Year</b>	<u>7,394,208</u>	<u>6,330,228</u>
<b>Cash and Cash Equivalents, and Restricted Cash, End of Year</b>	<u>\$ 8,127,851</u>	<u>\$ 7,394,208</u>
<b>Reconciliation of Cash and Cash Equivalents, and Restricted Cash to Amounts Reported on the Statement of Net Position:</b>		
Cash and cash equivalents	\$ 6,150,455	\$ 5,430,335
Board restricted cash reserves	1,977,396	1,963,873
	<u>\$ 8,127,851</u>	<u>\$ 7,394,208</u>

See accompanying notes to the financial statements.



**RICHARDSON BAY SANITARY DISTRICT**  
**RECONCILIATIONS OF OPERATING LOSS TO CASH**  
**REQUIRED BY OPERATING ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>Operating Loss</b>	\$ (1,214,142)	\$ (1,472,567)
Add or deduct items not requiring the use of cash:		
Depreciation	565,075	554,419
Changes in operating assets and liabilities:		
Deposits	(2,000)	1,000
Accounts payable	31,094	(16,182)
Compensated absence liability	2,233	343
Net pension debt	(2,170,052)	224,946
Change in deferred outflows and inflows of resources related to pension	2,390,928	(2,307,736)
Net OPEB liability	(56,151)	(181,487)
Change in deferred outflows and inflows of resources related to OPEB	<u>(3,527)</u>	<u>121,357</u>
<b>Net Cash Required by Operating Activities</b>	<u>\$ (456,542)</u>	<u>\$ (3,075,907)</u>
 <b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid for interest	<u>\$ (70,829)</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

# RICHARDSON BAY SANITARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

---

### 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 cash 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, 2020, SASM has an outstanding balance of \$36,590,000 in revenue bond debt. The bonds mature over a 30-year period ending in 2046. The bonds are financing a significant capital improvement program and related costs that were placed into service during the year ended June 30, 2020. Additionally, SASM has an unfunded actuarial accrued liability of approximately \$5.9 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 pro-rata 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. Certain amounts in the financial statements have been reclassified to conform with the current presentation.

**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

# RICHARDSON BAY SANITARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Basis of Presentation and Accounting (continued):** providing services and 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.

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 and Cash Equivalents:** Cash equivalents include short-term, highly liquid, unrestricted investments administered by the County of Marin. 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, 2021, \$7,877,326 of the District's bank balances were 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. It is the County of Marin's Treasurer's Investment Pool Policy to comply with those standards. The monies held with Marin County are unrated.

For statement of cash flow purposes, cash and cash equivalents include both unrestricted and reserve accounts.

**Receivables, Property Taxes and Sewer Service Revenues:** Property taxes are levied as of July 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the County, and be shared by applicable jurisdictions. The County of Marin collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and become delinquent on December 10 and April 10. The District receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan". Under the plan, the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the District. The District recognizes property tax revenues in the fiscal year in which they are due to the District and accrues as receivable if not paid by year end. Accordingly, the District provides for no allowance for doubtful accounts.

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Receivables, Property Taxes and Sewer Service Revenues (continued):** Sewer service fees are set by the District based upon rates applied to the number of equivalent dwelling units (EDUs). For residential properties the rate is one EDU. Commercial properties are based on a calculated number of EDUs based on a measurement of water flow. The sewer service fees are incorporated into the property tax billings, and such fees are due in two equal installments on December 10 and April 10 following the assessment date. The District recognizes these fees as revenues in the year earned, which is also the year in which the service is provided to properties within the District. Under the Teeter Plan arrangement discussed above, the County remits substantially all of the sewer fees to the District each year, and the County bears the burden of any uncollectible accounts. Therefore, the District does not provide for an allowance for uncollectible accounts or bad debts.

**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	15-40 years
Management facilities and water reclamation equip	10-20 years
Generators, office equipment and tools	5-40 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.

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

**Other Post-Employment Benefits (OPEB):** For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the District's Retiree Benefits Plan (the OPEB Plan) and additions to/deductions are based on the when they are due and payable in accordance with the benefit terms for the measurement period included in the OPEB plan's actuarial reports. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracted that have a maturity at the time of purchase of one year or less, which are reported at cost.

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Deferred Outflows and Inflows:** The District recognizes deferred outflows and inflows of resources pursuant to GASB Statement Number 68 and 75. 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.

**Net Position:** The financial statements utilize a net position presentation. Net positions are categorized as follows:

- Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt against the acquisition, construction or improvement of those assets.
- Restricted Net Position - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. As of June 30, 2021 and 2020, there is no restricted net position.
- Unrestricted Net Position - This component of net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

**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.

**3. BOARD RESTRICTED CASH RESERVES**

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

	<u>2021</u>	<u>2020</u>
Sewer line replacement	\$ 3,955,000	\$ 2,955,000
Pumping facilities replacement	2,085,000	2,080,000
Vehicle replacement	315,000	315,000
Shop and office	186,000	170,000
Catastrophic event reserve	<u>1,000,000</u>	<u>1,000,000</u>
Total authorization	7,541,000	6,520,000
Unfunded portion	<u>5,563,604</u>	<u>4,556,127</u>
Funded reserves	\$ <u><u>1,977,396</u></u>	\$ <u><u>1,963,873</u></u>

Withdrawals occur only upon approval of the District's board.

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

**4. PROPERTY, PLANT AND IMPROVEMENTS**

Changes in the District's property, plant, and improvements and accumulated depreciation for the years ended June 30, 2021 and 2020 is summarized as follows:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>Historical Cost:</u>				
Sewer line and pump stations	\$ 18,599,684	\$ 82,530	\$ -	\$ 18,682,214
Management facilities and water reclamation equipment	1,889,246	5,974	(3,960)	1,891,260
Generators, office equipment and tools	710,030	333,278	(82,318)	960,990
Total	<u>21,198,960</u>	<u>421,782</u>	<u>(86,278)</u>	<u>21,534,464</u>
<u>Accumulated Depreciation:</u>				
Sewer line and pump stations	6,002,128	465,677	-	6,467,805
Management facilities and water reclamation equipment	1,721,266	37,076	(3,960)	1,754,382
Generators, office equipment and tools	605,160	51,666	(82,318)	574,508
Total	<u>8,328,554</u>	<u>554,419</u>	<u>(86,278)</u>	<u>8,796,695</u>
Property, Equipment and Improvements - net	<u>\$ 12,870,406</u>	<u>\$ (132,637)</u>	<u>\$ -</u>	<u>\$ 12,737,769</u>
	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
<u>Historical Cost:</u>				
Sewer line and pump stations	\$ 18,682,214	\$ 915,749	\$ -	\$ 19,597,963
Management facilities and water reclamation equipment	1,891,260	13,294	-	1,904,554
Generators, office equipment and tools	960,990	-	-	960,990
Total	<u>21,534,464</u>	<u>929,043</u>	<u>-</u>	<u>22,463,507</u>
<u>Accumulated Depreciation:</u>				
Sewer line and pump stations	6,467,805	480,768	-	6,948,573
Management facilities and water reclamation equipment	1,754,382	25,977	-	1,780,359
Generators, office equipment and tools	574,508	58,330	-	632,838
Total	<u>8,796,695</u>	<u>565,075</u>	<u>-</u>	<u>9,361,770</u>
Property, Equipment and Improvements - net	<u>\$ 12,737,769</u>	<u>\$ 363,968</u>	<u>\$ -</u>	<u>\$ 13,101,737</u>

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

**5. LONG-TERM OBLIGATION**

The District entered into a financing agreement with Capital One Public Financing, LLC, a private lender, on March 10, 2020, for \$2,383,000 of Taxable Pension Obligation Bonds. The obligation was to reduce the District's pension obligation. The note payable has a maturity date of August 1, 2035. Principal payments are due each August 1<sup>st</sup>; and interest payments are due each August 1<sup>st</sup> and February 1<sup>st</sup> commencing in August 2020 through August 2035. The note bears interest at 3.39%. The net proceeds from the sale, after paying issuance costs, underwriter fees, and other costs was \$2,302,579 which was been paid to California Public Employees Retirement System.

Interest expense incurred totaled \$46,973 and \$53,250 for the years ended June 30, 2021 and 2020, respectively. Bond issuance costs of \$80,421 were expensed during the year ended June 30, 2020.

The bonds are subject to redemption at the option of the District on or after August 1, 2028.

Future minimum payments are as follows for the years ending June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 84,000	\$ 76,953	\$ 160,953
2023	104,000	73,766	177,766
2024	117,000	70,020	187,020
2025	132,000	65,800	197,800
2026	142,000	61,164	203,164
2027-2031	877,000	223,530	1,100,530
2032-2036	856,000	60,894	916,894
	<u>\$ 2,312,000</u>	<u>\$ 632,127</u>	<u>\$ 2,944,127</u>

**6. 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.

# RICHARDSON BAY SANITARY DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

---

### 6. CALPERS RETIREMENT PLAN (continued)

**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.

**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. The District's contractually required contribution rate was 17.392% and 16.41% of covered payroll for the years ended June 30, 2021 and 2020, 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 made to the pension plan from the District were \$93,051 and \$2,459,150 for the year ended June 30, 2021 and 2020, respectively. The District's proportionate share of employer contributions allocated to its CalPERS account was \$349,561 and \$246,320 for the year ended June 30, 2020 and 2019.

#### **Pension (Asset)/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021 and 2020, the District reported an (asset)/liability of \$(73,903) and \$2,096,149, respectively, for its proportionate share of the net pension liability. The net pension (asset)/liability was measured as of June 30, 2020 for the District's fiscal year ended June 30, 2021 and measured as of June 30, 2019 for the District's fiscal year ended June 30, 2020, and the total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation as of those dates. 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, 2021 and 2020, the District's proportion was -0.0007% and 0.021%, respectively.



**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

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

For the year ended June 30, 2021 and 2020, the District recognized pension expense of \$311,197 and \$376,504, respectively. At June 30, 2021 and 2020, 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>
Balance at June 30, 2021		
Difference between expected and actual experience	\$ 95,378	\$ -
Changes of assumptions	-	13,691
Net difference between projected and actual earnings on pension plan investments	117,443	73,384
Changes in proportion and differences between District contributions and proportionate share of contributions	66,396	792,453
District contributions subsequent to the measurement date	93,051	-
Total	<u>\$ 372,268</u>	<u>\$ 879,528</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balance at June 30, 2020		
Difference between expected and actual experience	\$ 125,091	\$ 10,214
Changes of assumptions	90,505	30,803
Net difference between projected and actual earnings on pension plan investments	60,465	131,343
Changes in proportion and differences between District contributions and proportionate share of contributions	134,516	193,159
District contributions subsequent to the measurement date	2,459,150	-
Total	<u>\$ 2,869,727</u>	<u>\$ 365,519</u>

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

---

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

The \$93,051 reported as a deferred outflow of resources as of June 30, 2021 relates to pension payments from the District for contributions made subsequent to the measurement date which will be recognized as a reduction of the gross pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the following fiscal years as follows:

	2022	\$	(33,197)
	2023		(118,717)
	2024		(473,013)
	2025		24,616
	Net inflows		
	and outflows	\$	<u>(600,311)</u>

**Actuarial Assumptions:** The total pension liabilities in the June 30, 2020 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.15 percent, net of investment expense, including inflation
Mortality Rate	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchase Power Protection Allowance Floor on Purchasing Power applies

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

**Discount Rate:** The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

---

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

**Discount Rate (continued):** contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (b)</u>	<u>Real Return Years 11+ (c)</u>
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

(a) Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

---

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

**Sensitivity of the District’s proportionate share of the net pension (asset)/liability to changes in the discount rate:** The following presents the District’s proportionate share of the net pension (asset)/liability calculated using the discount rate of 7.15%, as well as what the District’s proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	\$ 957,408	\$ (73,903)	\$ (926,042)

In December 2016 CalPERS’ Board of Administration decided to lower the discount rate and investment rate of return assumptions that are used in the calculation of the net pension liability. The rates will decrease to 7.00% by fiscal year ending June 30, 2021. The impact on the District’s financial statements will be an increase in the District’s proportionate share of the net pension liability.

**Pension plans’ fiduciary net position:** Detailed information about the pension plans’ fiduciary net position is available in the separately issued CalPERS financial report.

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

**Plan Description:** The District has established a Retiree Healthcare Plan (HC Plan) and participates in an agent multiple-employer defined benefit retiree healthcare plan, California Employer’s Retiree Benefit Trust (CERBT), a CalPERS program to assist agencies to advance fund OPEB. The HC Plan provides employees who retire directly from the District, at a minimum age of 50, with a minimum of five years of service, a cash subsidy for monthly medical insurance premiums. The District pays 100% of the monthly medical premium, not to exceed the premium for Kaiser coverage, and 100% of the dental premium. Payments are made for the lifetime of the employee and the employee’s spouse. A separate financial report is not prepared for the HC Plan.

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.

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

---

**7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)**

**Employees Covered:** As of June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the HC plan.

Active employees	4
Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to, but not yet receiving benefits	<u>0</u>
Total	<u><u>9</u></u>

**Funding Policy:** The contribution requirements of the Plan members and the District are established and may be amended by the District. The annual contribution is based on the actuarially determined contribution. For the year ended June 30, 2021, the District's contributions were \$72,646 in payments to the trust, \$39,184 in current year premiums for retired employees, and \$6,451 of estimated implied subsidy resulting in total payments of \$118,281. For the year ended June 30, 2020, the District's contributions were \$85,933 in payments to the trust, \$38,868 in current year premiums for retired employees, and \$4,943 of estimated implied subsidy resulting in total payments of \$129,744.

**Net OPEB Liability:** The District's net OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions.

Discount Rate	5.75%
Inflation	2.75%
Salary increases	3.25% per year, including inflation
Investment rate of return	5.75%
Mortality Rate	Derived from 2014 CalPERS OPEB Assumptions model
Pre-Retirement Turnover	Derived from 2014 CalPERS OPEB Assumptions model
Healthcare Trend Rate	Medical increases of 5.0% in 2021, 4.75% in 2022, 4.5% each year after 2022. Dental premium increases of 4.0% per year.

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

**7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)**

The long-term expected rate of return on investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The asset class percentages are taken from the current composition of investment strategy #2 of the CERBT trust, and the expected yields are taken from a recent CalPERS publication for the Pension Fund, as of June 30, 2019:

<u>Asset Class</u>	<u>Percentage of Fund</u>	<u>Real Return, next 10 years</u>
Global equity	40.0%	5.25%
Fixed income	39.0%	0.99%
Treasury securities	10.0%	0.45%
Real estate trusts	8.0%	4.50%
Commodities	3.0%	3.90%
Total	<u>100%</u>	

**Discount Rate:** The cash flows of the HC plan were projected to future years, assuming that the District will contribute an amount so that the assets always exceed expected benefits to retirees. Under that projection, the plan assets are projected to be adequate to pay all benefits to retirees in all future years, so the discount rate has been set equal to the long-term expected rate of return on investments, 5.75%.

**OPEB Plan Fiduciary Net Position:** CERBT issues a publicly available financial report that may be obtained from CalPERS, PO Box 1494, Sacramento, CA 95812.

**Recognition of Deferred Outflows and Deferred Inflows of Resources:** Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss. For the net difference between projected and actual earnings on HC Plan investments it is 5 years. All other differences are recognized over a period based on the expected average remaining service lifetime (EARSL).

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

**7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)**

Changes in the OPEB Liability: The changes in the net OPEB liability for the HC Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2019 (Valuation Date June 30, 2018)	\$ 1,420,828	\$ 465,212	\$ 955,616
Changes recognized for the measurement period:			
Service cost	32,708	-	32,708
Interest	80,405	-	80,405
Contributions - employer	-	132,499	(132,499)
Differences between actual and expected experience	(147,695)	-	(147,695)
Changes in assumptions	17,879	-	17,879
Net investment income	-	32,385	(32,385)
Benefit payments	(44,975)	(44,975)	-
Administrative expense	-	(100)	100
Net changes	(61,678)	119,809	(181,487)
Balance at June 30, 2020 (Valuation Date June 30, 2019)	1,359,150	585,021	774,129
Changes recognized for the measurement period:			
Service cost	26,140	-	26,140
Interest	76,960	-	76,960
Contributions - employer	-	127,372	(127,372)
Differences between actual and expected experience	-	-	-
Changes in assumptions	-	-	-
Net investment income	-	32,168	(32,168)
Benefit payments	(41,439)	(41,439)	-
Administrative expense	-	(289)	289
Net changes	61,661	117,812	(56,151)
Balance at June 30, 2021 (Valuation Date June 30, 2020)	\$ 1,420,811	\$ 702,833	\$ 717,978

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

**7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)**

**Sensitivity of the net OPEB liability to changes in the discount rate:** The following presents the net OPEB liability of the District if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
Net OPEB liability	\$ 934,983	\$ 717,978	\$ 543,433

**Sensitivity of the net OPEB liability to changes in the health care cost trend rates:** The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (3.50%-4.25%)	Trend Rate (4.50%-5.25%)	1% Increase (5.50%-6.25%)
Net OPEB liability	\$ 526,381	\$ 717,978	\$ 956,015

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:** For the years ended June 30, 2021 and 2020, the District recognized OPEB expense of \$54,882 and \$55,040, respectively. As of June 30, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance at June 30, 2021		
Difference between expected and actual experience	\$ -	\$ 121,783
Changes of assumptions	14,743	-
Net difference between projected and actual earnings on pension plan investments	1,170	5,054
District contributions subsequent to the measurement date	118,281	-
Total	\$ 134,194	\$ 126,837



**RICHARDSON BAY SANITARY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance at June 30, 2020		
Difference between expected and actual experience	\$ -	\$ 134,739
Changes of assumptions	16,311	-
Net difference between projected and actual earnings on pension plan investments	-	7,486
District contributions subsequent to the measurement date	129,744	-
Total	\$ 146,055	\$ 142,225

The \$118,281 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2021.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

2022	\$	(13,528)
2023		(12,592)
2024		(12,222)
2025		(11,094)
2026		(11,388)
Thereafter		(50,100)
Total	\$	(110,924)

**8. 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**

**JUNE 30, 2021 AND 2020**

---

### **8. 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 \$912,000 and \$643,000 at June 30, 2021 and 2020, respectively.

### **9. 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 \$25,000 liability deductible. The District also participates in CSRMA's property insurance program for its buildings and plant with \$55 million in total insurable values.

**RICHARDSON BAY SANITARY DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

**9. RISK MANAGEMENT (continued)**

Audited condensed financial information for CSRMA is presented below for the year ended June 30, 2020 (most recent information available):

	<u>June 30, 2020</u>
Total Assets	\$ 29,737,991
Total Liabilities	<u>22,524,920</u>
Total Equity	<u>\$ 7,213,071</u>
Total Revenues	\$ 16,076,801
Total Expenditures	<u>15,266,567</u>
Net Income	<u>\$ 810,234</u>

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, 2021.

**10. 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 wastewater came from Sewerage Agency of Southern Marin's (SASM) processing plant. As a result of the spills, an assessment of \$1.6 million was 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.

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.

**RICHARDSON BAY SANITARY DISTRICT**

**REQUIRED SUPPLEMENTAL SCHEDULE OF THE DISTRICT'S  
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AND RELATED RATIOS  
for the measurement periods ended June 30**

**CALPERS Employer Retirement Plan  
Last 10 Fiscal Years\***

<i>Measurement period</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension (asset) liability	-0.0007%	0.0205%	0.0497%	0.4690%	0.0402%	0.0145%	0.0145%
District's proportionate share of the net pension (asset) liability	(73,903)	2,096,149	1,871,203	1,848,972	1,542,111	1,101,797	901,425
District's covered-employee payroll	532,392	517,723	518,721	493,464	479,100	467,901	444,495
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	-13.88%	404.88%	360.73%	374.69%	321.88%	235.48%	202.80%
Plan fiduciary net position as a percentage of the total pension liability	100.95%	75.65%	75.64%	77.90%	83.50%	86.59%	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**  
**REQUIRED SUPPLEMENTAL SCHEDULE OF THE DISTRICT'S**  
**PENSION CONTRIBUTIONS**  
**for the measurement periods ended June 30**

**CALPERS Employer Retirement Plan**  
Last 10 Fiscal Years\*

<i>Measurement period</i>	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions (actuarially determined)	\$ 93,051	\$ 156,571	\$ 128,227	\$ 107,702	\$ 91,181	\$ 77,297	\$ 69,002
Contributions in relation to actuarially determined contributions	93,051	2,459,150	128,227	107,702	91,181	77,297	69,002
Contribution deficient (excess)	<u>\$ -</u>	<u>\$ (2,302,579)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	532,392	517,723	518,721	493,464	479,100	467,901	444,495
Contributions as a percentage of covered payroll	17.48%	30.24%	24.72%	21.83%	19.03%	16.52%	15.52%

**Notes to Schedule:**

Valuation Date:	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	Level percentage of payroll
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.15 percent
Mortality Rate	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchase Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

\* The amounts presented for each 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**

**REQUIRED SUPPLEMENTAL SCHEDULE OF CHANGES IN THE  
NET OPEB LIABILITY AND RELATED RATIOS  
for the measurement periods ended June 30**

<i>Measurement Period (June 30)</i>	Last 10 Fiscal Years*			
	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 26,140	\$ 32,708	\$ 31,678	\$ 30,681
Interest	76,960	80,405	76,820	73,776
Actual and expected experience difference	-	(147,695)	-	-
Change in assumptions	-	17,879	-	-
Benefits payments	(41,439)	(44,975)	(47,332)	(55,687)
Net change in total OPEB liability	61,661	(61,678)	61,166	48,770
Total OPEB Liability - beginning	1,359,150	1,420,828	1,359,662	1,310,892
Total OPEB Liability - ending (a)	\$ 1,420,811	\$ 1,359,150	\$ 1,420,828	\$ 1,359,662
 Plan Fiduciary Net Position				
Contributions - employer	\$ 127,372	\$ 132,499	\$ 116,247	\$ 127,401
Net investment income	32,168	32,385	23,289	20,827
Benefits payments	(41,439)	(44,975)	(47,332)	(55,687)
Administrative expense	(289)	(100)	(192)	(146)
Net change in plan fiduciary net position	117,812	119,809	92,012	92,395
Plan fiduciary net position - beginning	585,021	465,212	373,200	280,805
Plan fiduciary net position - ending (b)	\$ 702,833	\$ 585,021	\$ 465,212	\$ 373,200
 Net OPEB Liability - ending (a) - (b)	\$ 717,978	\$ 774,129	\$ 955,616	\$ 986,462
 Plan fiduciary net position as a percentage of the total OPEB liability	49.47%	43.04%	32.74%	27.45%
Covered-employee payroll	532,392	517,723	518,721	493,464
Net OPEB liability as a percentage of covered-employee payroll	134.86%	149.53%	184.23%	199.91%

\* The amounts presented for each 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**  
**REQUIRED SUPPLEMENTAL SCHEDULE OF THE DISTRICT'S**  
**OPEB CONTRIBUTIONS**  
**for the measurement periods ended June 30**

<i>Measurement Period (June 30)</i>	Last 10 Fiscal Years*			
	2020	2019	2018	2017
Actuarially Determined Contribution (ADC)	\$ 127,372	\$ 132,499	\$ 116,247	\$ 127,401
Contributions in relation to actuarially determined contributions	127,372	132,499	116,247	127,401
Contribution deficient (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	532,392	517,723	518,721	493,464
Contributions as a percentage of covered-employee payroll	23.92%	25.59%	22.41%	25.82%

**Notes to Schedule:**

Actuarial methods and assumption used to set the actuarially determined contributions for the year ended June 30, 2019 were from the June 30, 2019 actuarial valuation.

Actuarial Cost Method	Entry age normal
Amortization Method/Period	Level percent of payroll
Asset Valuation Method	Market value
Inflation	2.75%
Salary Increases	3.25% per year
Investment rate of return	5.75%
Healthcare Trend Rate	Medical increases of 5.0% in 2021, 4.75% in 2022, 4.5% each year after 2022. Dental premium increases of 4.0% per year.
Retirement Age	Derived from 2014 CalPERS OPEB Assumptions model
Mortality Rate	Derived from 2014 CalPERS OPEB Assumptions model

**REQUIRED SUPPLEMENTAL SCHEDULE OF THE DISTRICT'S**  
**OPEB INVESTMENT RETURNS**  
**for the measurement periods ended June 30**

<i>Measurement Period</i>	Last 10 Fiscal Years*			
	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, net of investment expense	5.26%	6.57%	5.88%	6.80%

The annual money-weighted rate of return, net of investment expenses, is the net investment income for the year divided by the average net position for the year (less investment expenses).

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

The schedules are 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 SCHEDULES OF OPERATING AND  
SYSTEM MAINTENANCE AND GENERAL AND  
ADMINISTRATIVE EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021			2020
	<b>Operating and System Maintenance Expenses</b>	<b>General and Administrative Expenses</b>	<b>Total</b>	<b>Total</b>
Personnel	\$ 377,677	\$ 156,948	\$ 534,625	\$ 517,723
Benefits	337,102	140,087	477,189	547,162
Payroll taxes	25,961	11,806	37,767	36,994
Total payroll and related costs	740,740	308,841	1,049,581	1,101,879
Repairs and maintenance:				
Sewer	149,586	-	149,586	213,829
Pump station	49,767	-	49,767	56,843
Trestle Glen	32,047	-	32,047	41,415
Supplies	-	5,973	5,973	8,004
Professional fees	-	43,444	43,444	103,767
Utilities	35,227	7,042	42,269	40,366
Insurance	54,808	-	54,808	40,674
Truck operating costs	21,690	-	21,690	29,211
Telephone and communications	-	11,047	11,047	10,324
Other	9,589	870	10,459	17,914
Board stipend	-	5,625	5,625	6,500
Laundry	4,311	-	4,311	4,286
Safety	3,303	-	3,303	4,369
<b>TOTALS</b>	<b>\$ 1,101,068</b>	<b>\$ 382,842</b>	<b>\$ 1,483,910</b>	<b>\$ 1,679,381</b>



**RICHARDSON BAY SANITARY DISTRICT**

**SCHEDULE OF ACTIVITY IN CASH RESERVED  
FOR INFRASTRUCTURE AND OTHER IMPROVEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

---

<b>Reserve Balance, Beginning of the Year:</b>	\$ 1,963,873
<b>Reduction:</b> Transfers by Board to operating funds	-
<b>Addition:</b> Interest on restricted funds	<u>13,523</u>
<b>Reserve Balance, End of the Year</b>	<u><u>\$ 1,977,396</u></u>

## **STATISTICAL INFORMATION**

## RICHARDSON BAY SANITARY DISTRICT

**Table 1**

Year Ended June 30	Operating			Non Operating		Total
	Sewer Service Charges	Connection Fees	Other Operating	Property Tax Collection	Investment Income	
2021	\$ 3,660,770	\$ 27,345	\$ 6,175	\$ 2,201,174	\$ 48,867	\$ 5,944,331
2020	\$ 3,438,128	\$ 16,835	\$ 11,491	\$ 2,121,463	\$ 137,627	\$ 5,725,544
2019	\$ 3,166,539	\$ 27,664	\$ 21,904	\$ 2,022,635	\$ 100,172	\$ 5,338,914
2018	\$ 2,547,010	\$ 34,580	\$ 48,793	\$ 1,929,227	\$ 43,842	\$ 4,603,452
2017	\$ 1,944,142	\$ 42,673	\$ 33,791	\$ 1,851,385	\$ 18,500	\$ 3,890,491
2016	\$ 1,255,400	\$ 25,025	\$ 20,850	\$ 1,684,403	\$ 8,036	\$ 2,993,714
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

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
2021	\$ 2,859,447	\$ 1,101,068	\$ 382,842	\$ 4,343,357	\$ 565,075	\$ 4,908,432
2020	\$ 2,705,221	\$ 1,217,227	\$ 462,154	\$ 4,384,602	\$ 554,419	\$ 4,939,021
2019	\$ 2,606,612	\$ 957,070	\$ 373,799	\$ 3,937,481	\$ 519,827	\$ 4,457,308
2018	\$ 2,394,592	\$ 1,074,466	\$ 338,689	\$ 3,807,747	\$ 512,202	\$ 4,319,949
2017	\$ 1,866,433	\$ 1,099,631	\$ 364,439	\$ 3,330,503	\$ 511,495	\$ 3,841,998
2016	\$ 1,448,746	\$ 918,174	\$ 372,772	\$ 2,739,692	\$ 500,131	\$ 3,239,823
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

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.

NOTE: GASB Number 75 went into effect during the year ended June 30, 2018. The summary of costs by functions for the years ended June 30, 2017 and prior have not been restated to conform with GASB Number 75.

**RICHARDSON BAY SANITARY DISTRICT**

**Statistical Section  
Miscellaneous Statistics  
June 30, 2021**

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, 2021**

Retirement Plans Contact Information:

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