BOLINAS COMMUNITY PUBLIC UTILITY DISTRICT
(A California Public Utility District)

BASIC FINANCIAL STATEMENTS

For the Years Ended June 30, 2019 and 2018

DORAN & ASSOCIATES

C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Bolinas Community Public Utility District
Bolinas, California

We have audited the accompanying financial statements of the business-type activities of the Bolinas Community Public Utility District (a California special district), as of and for the years ended June 30, 2019 and 2018, 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 and the California State Controller's *Minimum Audit Requirements for California Special Districts*; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions 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 California 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 purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Bolinas Community Public Utility District as of June 30, 2019 and 2018, 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 and the California State Controller's *Minimum Audit Requirements for California 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 and pension plan information on pages 3 – 6 and 24 - 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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.

Doran & Associates

November 25, 2019

General Overview

The Bolinas Community Public Utility District ("BCPUD")'s primary objective is to deliver a range of high-quality, cost-effective utility services to the residents of Bolinas. These include, but are not limited to, municipal drinking water service; wastewater collection and treatment; solid waste management; drainage and flood control services.

BCPUD's strategic direction is set within the requirements of the California Public Utilities Code, Division 7, *The Public Utility District Act.*

This discussion and analysis of the Bolinas Community Public Utility District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2019. Please review it in conjunction with the basic financial statements and notes to the statements that begin on page 10.

Using This Annual Report

The first statement in the audit report, on page 7, is titled Statements of Net Position – Proprietary Enterprise Fund ("Net Position Statements"). The second statement, on page 8, is titled Statements of Revenues, Expenses and Net Position – Proprietary Enterprise Fund ("Revenue and Expenses Statements"). The third statement, on page 9 is titled Statements of Cash Flows – Proprietary Enterprise Fund ("Cash Flow Statements"). Following these statements are the Notes To Financial Statements ("Notes"), which provide explanations of specific items and sections of the report, as well as additional detail in tabular form. The Notes are integral to the Financial Statements.

The Net Position Statements can be seen as a snapshot of BCPUD's financial status effective June 30, 2019. It indicates the amount of cash and cash equivalents the District had on hand at the end of the fiscal period, as well as the value of the fixed assets owned by the District (buildings, equipment, land, pipelines, dams, etc.). This statement also shows total liabilities, including bills that were due at the end of the fiscal period, as well as total long-term debt. Finally, the statement shows total equity, or the net worth of the District. Assets equal Liabilities plus Net Position.

The Net Position Statements contains references to the Notes. The Notes provide additional detail and/or explanations for line items in the Net Position Statement. For example, on the Net Position Statements, under Liabilities and Net Position, there is a line item: Long-term debt, net of current portion (Note 6). The line item shows the total long-term debt, net of current portion, for the fiscal period ending June 30, 2019. Note 6 breaks the line item into current and long-term portions and includes a brief explanation of this debt, which consists of a single loan from the California Department of Public Health (now known as the State Water Resources Control Board); the loaned funds were used by the district to finance a water system improvement project (i.e., the relocation of the Terrace Avenue Water Main, which was threatened by coastal bluff erosion).

The Revenue and Expenses Statements shows the specific sources of income for the past fiscal year, and the specific operational targets of expenses. It also indicates that BCPUD had a Net Operating Income of $186,892 for the period ending June 30, 2019.

The Cash Flow Statements provides a detailed picture of adjustments to and changes in the District's cash position for the fiscal period. The first line item under Reconciliation Of Net Operating Income To Net Cash Provided By Operating Activities shows the Net Operating Income figure from the Revenue and Expenses Statements. That can also be derived from the Cash Flow Statements' two line items – Net Cash Provided by Operating Activities minus Total Adjustments.

Financial Highlights

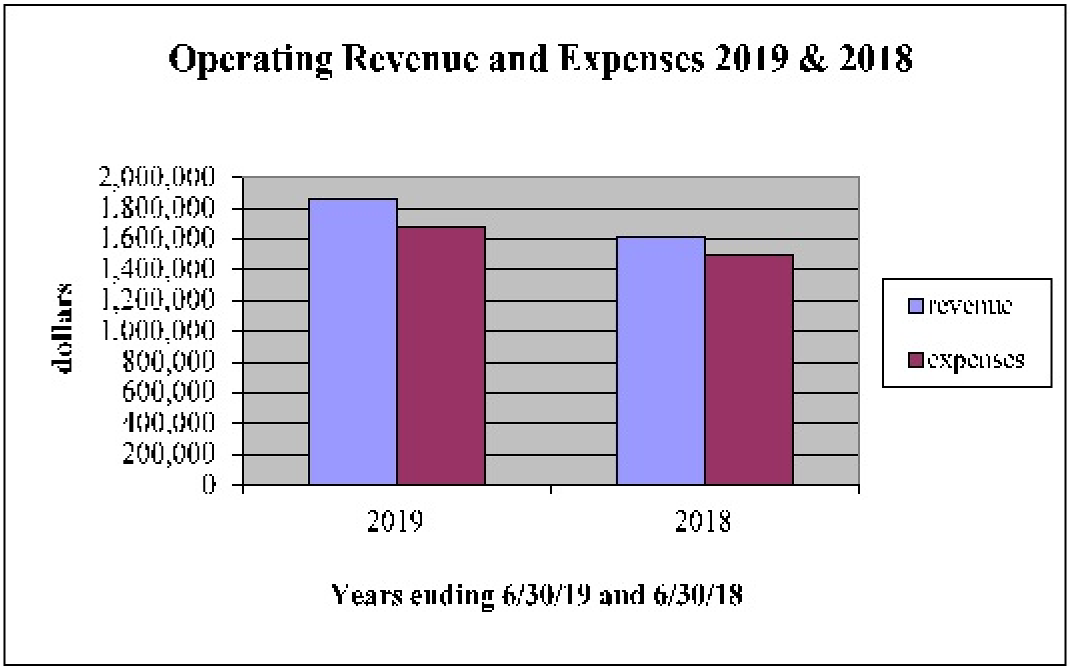
- The District's financial statements for the period ending June 30, 2019 continue to reflect the implementation of the Governmental Accounting Standards Board ("GASB") Statement No. 68 (known as "GASB 68"), which revised and established new financial reporting requirements for governments that provide their employees with pension benefits, effective as of the 2015 fiscal year. Significantly, GASB 68 requires that employers recognize a liability as employees earn their pension benefits (that is, as they provide services to the government). Specifically, employers are required to recognize their net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense. The District's Statements of Net Position on page 7 and the accompanying Note 4 reflect these requirements and were determined on the basis of information provided to the District by CalPERS (including CalPERS's actuarial assumptions as detailed in Note 4 on page 16), the pension plan provider/administrator. The District's proportionate share of net pension liability for the period ending June 30, 2019 was $619,309.

- The District's operating revenue (see page 8, Revenues and Expenses Statement) for the period ending June 30, 2019 increased overall as compared to the period ending June 30, 2018 due to: increases in services charges for water and sewer to cover anticipated operational and capital improvement expenditures; increased property tax revenues received by the District from the County of Marin as a result of rising property values; and the receipt of $145,707 in grant funds from the California Department of Forestry and Fire Protection/CAL FIRE for a hazardous fuels reduction project on District land.

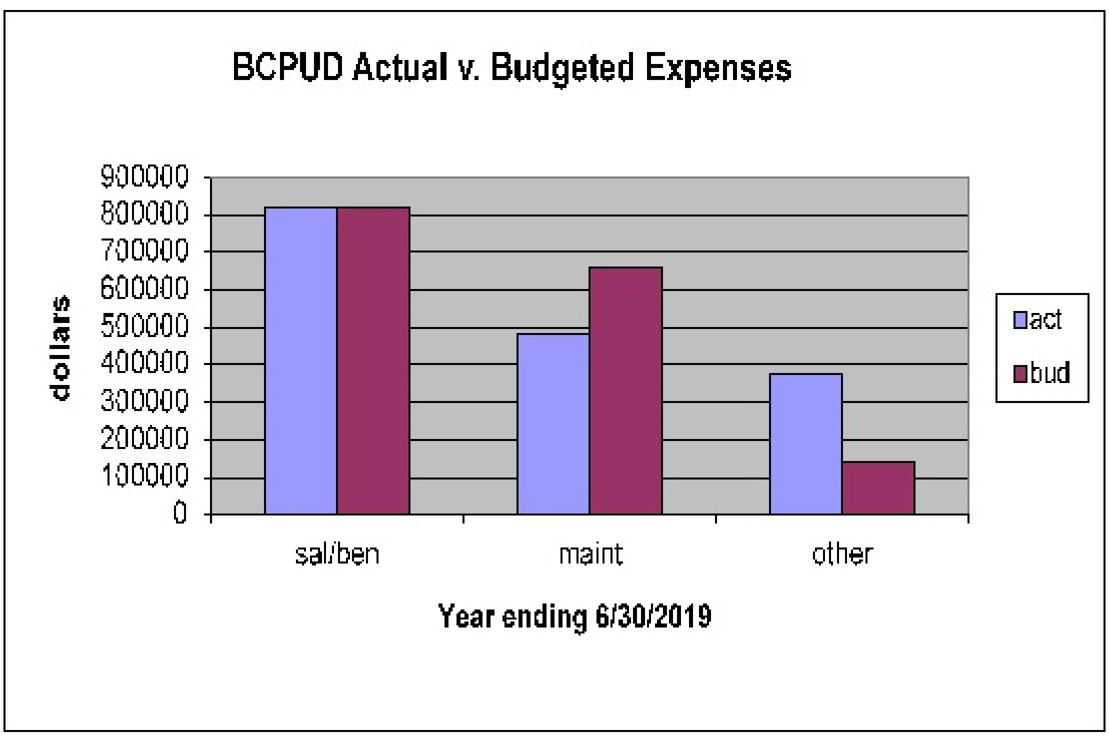
- Operating expenses for the District increased by $182,311 over the period ending June 30, 2018 (see page 8, Revenue and Expenses Statements) due primarily to the costs incurred by the District to perform the above-mentioned hazardous fuels reduction project.

- Depreciation expense was $272,961 for the fiscal year ended June 30, 2019. See Note 3 of the financial statements on page 13 for detail of non-depreciable assets (land), and depreciable assets (plant, system and other equipment, and vehicles) with additions during the year, and accumulated depreciation expense.

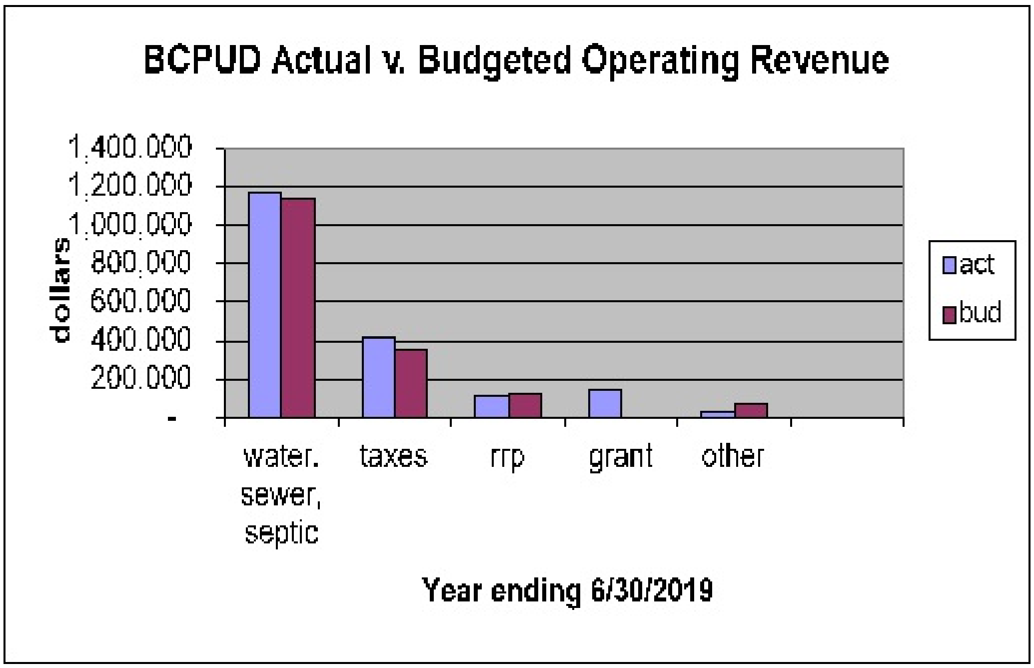
- The chart below compares total operating revenue and expenditures for the fiscal years ending June 30, 2019 and June 30, 2018 and illustrates the District's net operating income of $186,892 for the period ending June 30, 2019 as compared to the district's net operating income of $120,489 for the period ending June 30, 2018:



The next two charts below show actual versus budgeted expenses and actual versus budgeted revenue, respectively, for the fiscal year ended June 30, 2019. The expenses chart illustrates that with respect to salaries and benefits, BCPUD was right at budget for the year, whereas BCPUD was under budget on maintenance expenses and over budget on other expenses for the year.



- The revenue chart reveals that the District's actual revenue for the fiscal year ended June 30, 2019 ($1,867,732), came in above budget projection (which was $1,695,757, not including funds budgeted as revenue to be spent from the district's designated and reserve funds). The chart below indicates that revenue from water, sewer and septic/drainage services and property tax revenues were $31,312 above projections, whereas revenue from the Resource Recovery project (a paid disposal site for green waste – yard and tree trimmings) was $15,750 below projections. Annual charges for water and sewer service, and for the District's ongoing efforts to improve drainage/flood control and septic system functioning, are placed on the Marin County property tax bill and this revenue plus revenue from water sales directly to customers comprise approximately 70% of total district revenue.



This financial report is designed to provide a general overview of the District's fiscal situation for all those with an interest in the BCPUD's finances. Questions concerning any of the information in this report, or requests for additional financial information should be addressed to: General Manager, Bolinas Community Public Utility District, P.O. Box 390, Bolinas, California 94924.

BOLINAS COMMUNITY PUBLIC UTILITY DISTRICT
(A California Public Utility District)

STATEMENTS OF NET POSITION - PROPRIETARY ENTERPRISE FUND
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash, cash equivalents, and investments (Notes 1 and 2)	$ 2,464,496	$ 2,339,771
Accounts receivable (Note 1)	38,190	33,173
Prepaid expenses	40	910
Total current assets	2,502,726	2,373,854
Capital assets, net of accumulated depreciation of $6,805,879 at 2019 and $6,532,918 at 2018 (Notes 1 and 3)	4,248,153	4,490,839
Construction in progress (Note 3)	495,021	218,533
Loan fees, net of accumulated amortization of $100,010 at 2019 and $93,252 at 2018	23,223	29,981
Deferred outflows of resources, pension plan (Note 4)	129,951	165,741
Total assets	$ 7,399,074	$ 7,278,948
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable and accrued expenses	$ 48,878	$ 44,229
Current portion of bonds payable (Note 5)	51,938	51,938
Current portion of long-term debt (Note 6)	21,935	10,658
Accrued salaries and vacation	48,090	43,128
Fiscal agency funds	3,182	3,182
Total current liabilities	174,023	153,135
Bonds payable, net of current portion (Note 5)	207,749	259,686
Long-term debt, net of current portion (Note 6)	351,003	383,719
Net pension liability (Note 4)	619,309	641,364
Total liabilities	1,352,084	1,437,904
Deferred inflows of resources, pension plan (Note 4)	82,452	86,070
Net position (Note 1):		
Invested in capital assets, net of related debt	4,133,772	4,033,352
Restricted for payment of debt service	31,009	30,751
Unrestricted	1,799,757	1,690,871
Total net position	5,964,538	5,754,974
Total liabilities and net position	$ 7,399,074	$ 7,278,948

The accompanying notes are an integral part of these financial statements.

BOLINAS COMMUNITY PUBLIC UTILITY DISTRICT
(A California Public Utility District)

STATEMENTS OF REVENUES, EXPENSES AND NET POSITION - PROPRIETARY ENTERPRISE FUND
For the years ended June 30, 2019 and 2018

	2019	2018
OPERATING REVENUE		
Water, sewer and septic service	$ 1,170,885	$ 1,101,285
Property taxes and special assessments (Note 7)	412,850	385,900
Resource recovery revenue	112,550	103,287
Grant income	145,707	5,000
Other revenue (Note 8)	25,740	23,546
Total operating revenue	1,867,732	1,619,018
OPERATING EXPENSES		
Salaries	558,604	548,337
Employee benefits	260,907	261,393
Insurance	18,790	24,799
Plant expenses	155,879	165,580
Power and fuel	29,621	24,991
Office expense	33,860	30,094
Trucks	7,688	16,555
Professional fees	72,248	66,080
Directors' fees	15,000	15,000
Depreciation (Note 3)	272,961	272,318
Fire fuel reduction project	173,203	2,036
Other expenses	82,079	71,346
Total operating expenses	1,680,840	1,498,529
Net operating income	186,892	120,489
OTHER INCOME AND (EXPENSES)		
Amortization	(6,758)	(6,758)
Interest income	38,392	18,950
Interest expense	(8,962)	(14,535)
Total other income and (expenses)	22,672	(2,343)
Change in net position	209,564	118,146
Total net position, beginning of year	5,754,974	5,636,828
Total net position, end of year	$ 5,964,538	$ 5,754,974

The accompanying notes are an integral part of these financial statements.

BOLINAS COMMUNITY PUBLIC UTILITY DISTRICT
(A California Public Utility District)

STATEMENTS OF CASH FLOWS - PROPRIETARY ENTERPRISE FUND
For the years ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 1,862,715	$ 1,627,336
Cash paid to employees	(804,432)	(771,093)
Cash paid to suppliers	(582,849)	(426,443)
Net cash provided by operating activities	475,434	429,800
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	38,392	18,950
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES		
Acquisition and construction of capital assets	(30,275)	(21,983)
Change in construction in progress	(276,488)	(76,754)
Payments on long-term debt	(73,376)	(91,188)
Interest paid on long-term debt	(8,962)	(14,535)
Net cash used by capital and related financial activities	(389,101)	(204,460)
Increase in cash and cash equivalents	124,725	244,290
Cash and cash equivalents, beginning of year	2,339,771	2,095,481
Cash and cash equivalents, end of year	$ 2,464,496	$ 2,339,771
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net operating income	$ 186,892	$ 120,489
Depreciation	272,961	272,318
Changes in assets and liabilities:		
Accounts receivable	(5,017)	8,318
Prepaid expenses	870	(870)
Deferred outflows of resources - pension plan	35,790	(47,955)
Accounts payable and accrued expenses	4,649	(9,092)
Accrued salaries and vacation	4,962	(2,809)
Net pension liability and deferred inflows of resources -pension plan	(25,673)	89,401
Total adjustments	288,542	309,311
Net cash provided by operating activities	$ 475,434	$ 429,800

The accompanying notes are an integral part of these financial statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Description of District - The Bolinas Community Public Utility District (the District) was organized in 1967 by taxpayers and residents of the District pursuant to the Health and Safety Code of the State of California. Its function is to provide water and sewer service to the community and maintain programs to fulfill this obligation. Members of the board of directors are elected to four year terms and serve as the District's local governing body. The District is subject to the laws, regulations and guidelines as set forth by the State Controller's Office. Major sources of revenue for the District include water and sewer service charges and property taxes.

The Reporting Entity - The financial statements consist of the District’s proprietary enterprise fund, which consists of the maintenance, operation and expansion of the water and sewer public utility system. These services are proprietary in nature and are maintained as an enterprise fund. Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting - The proprietary enterprise fund financial statements required by GASB No. 34 are reported using the “*flow of economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statements of Financial Position. The Statements of Revenues, Expenses, and Net Position presents changes in fund equity. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

Net Position -The proprietary enterprise fund financial statements utilize a net position presentation. Net position categories are as follows:

- Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets.
- Restricted Net Position - This component of net position consists of amounts with constraints placed on net position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position - This component of net position consist of net positions that do not meet the definition of restricted or net investment in capital assets. This may include amounts Board-designated to be reported as being held for a particular purpose.

Budgets and Budgetary Accounting - The District adopts an annual budget for the Enterprise Fund. The budget for the Enterprise Fund is adopted under a basis consistent with GAAP, except that depreciation, certain capital expense, and non-operating income and expense items are not considered.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable - The District bills the local residents for water usage on a quarterly basis and bills for resource recovery revenue on a monthly basis. Water customers delinquent for over one billing period receive shut-off notices and face discontinuance of their services. The District has also billed for the reimbursement of a portion of capital project work directly benefitting certain projects and individuals. Management believes all amounts are collectible and, accordingly, there is no provision for uncollectible accounts reflected herein.

Capital Assets - Capital assets in excess of $2,000 are stated at cost of acquisition. Significant improvements or betterments to existing assets are capitalized; maintenance and repairs that do not extend the useful lives of the assets are charged to operations. Costs incurred during the construction phase of a project, including interest paid, are included in the construction in progress account and upon completion of the project are transferred to capital assets.

Depreciation of capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, accumulated depreciation, is reported on the Statements of Net Position - Proprietary Enterprise Fund as a reduction in the book value of capital assets. Depreciation is charged as an operating expense on the Statements of Revenue, Expenses and Net Position - Proprietary Enterprise Fund.

Cash and Cash Equivalents - Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

Limited Risk Pooled Self-Insurance - The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority. Through this Association the District has acquired liability, public officials' liability, property and workers' compensation insurance of which the first layer of coverage is pooled self-insurance. All claims above the first layer are covered by Joint Powers acquired insurance policies and the District's liability is limited to the premiums paid out plus a self-insured retention which is similar to a deductible.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Pensions - For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Bolinas Community Public Utility District's California Public Employees' Retirement System (CalPERS) plan (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.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications - Certain balances at, and for the year ended June 30, 2018, were reclassified to conform with June 30, 2019, balances.

Subsequent Events - Subsequent events have been evaluated through November 25, 2019, which is the date the financial statements were available to be issued.

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

The District maintains a fiscal services and deposit account with California Bank and Trust, several money market and checking accounts with the Bank of Marin, an account with Local Agency Investment Fund, and all other funds are on deposit with the County of Marin investment pool, which is entirely insured or collateralized by the custodial bank with pooled securities designating the County of Marin as beneficiary in case of default. Cash and investments with the County Treasurer are invested pursuant to investment policy guidelines established by the County Treasurer. The objectives of the policy are, in order of priority, legality of investment, safety of principal, liquidity and yield. The Marin County Treasurer's Pool is not SEC-registered, but is invested in accordance with California State Government Code, and the Marin County Treasurer's Investment Policy. California State Government Code requires the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the Oversight Committee reviews the monthly investment report prior to presentation to the Board of Supervisors and causes an audit of investments to occur annually. Additionally, the Investment Pool is rated by Fitch Ratings and has a "AAA/VI+" rating.

All pooled cash is entirely collateralized. The County of Marin's investment pool consists of Treasury Bills, Federal Agency Securities, Negotiable Certificates of Deposit, Bankers Acceptances, and Commercial Paper. There are no repurchase agreements, investments in foreign currency, or derivative financial products.

These funds have been segregated into various accounts and, at June 30, 2019 and 2018, the balances were as follows:

	2019	2018
General operating fund	$ 128,836	$ 139,628
Investment fund	2,894	2,843
Bond and loan redemption funds	546	525
Designated reserve fund	1,392,316	1,392,488
FEMA flood repair fund	79	77
Total cash held by County	1,524,671	1,535,561
CDPH loan reserve	30,463	30,226
Other cash accounts	338,258	215,548
LAIF reserve funds	571,104	558,436
Total cash, cash equivalents, and investments	$ 2,464,496	$ 2,339,771

NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Cash deposits held at financial institutions can be categorized according to three levels of risk:

1) Deposits which are insured or collateralized with securities held by the District or by its agent in the District's name.
2) Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
3) Deposits which are not collateralized or insured.

Based on these three levels of risk, all of the District's cash deposits are classified as Category 1.

NOTE 3 CAPITAL ASSETS

Capital assets consisted of the following at June 30, 2019 and 2018:

	Non-Depreciable Capital Assets	Depreciable Capital Assets		
Capital assets, at cost	Land	Building and System Equipment	Vehicles and Other Equipment	Total
Balance, June 30, 2017	$ 328,006	$10,059,953	$ 613,815	$ 11,001,774
Additions	-	-	13,500	13,500
Construction in progress placed in service	-	8,483	-	8,483
Balance, June 30, 2018	328,006	10,068,436	627,315	11,023,757
Additions	-	-	30,275	30,275
Balance, June 30, 2019	328,006	10,068,436	657,590	11,054,032
Accumulated depreciation				
Balance, June 30, 2017	-	5,962,432	298,168	6,260,600
Depreciation expense	-	251,220	21,098	272,318
Balance, June 30, 2018	-	6,213,652	319,266	6,532,918
Depreciation expense	-	251,560	21,401	272,961
Balance, June 30, 2019	-	6,465,212	340,667	6,805,879
Capital assets, net	$ 328,006	$ 3,603,224	$ 316,923	$ 4,248,153

Throughout FY2019 the District continued its work on its East Tank Rehabilitation Project as well as its Wastewater Treatment Plant Upgrade Project. As of June 30, 2019 and 2018, $495,021 and $218,533, respectively, had been expended on these and other capital projects in process. It is impracticable to estimate the total costs of these projects, and no amounts have been accrued for future construction and project costs.

NOTE 4 PENSION PLAN

A. General Information about the Pension Plans

Plan Descriptions - All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous	
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	
Retirement age	60	62
Monthly benefits, as a % of eligible compensation	2%	2%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	7.634%	6.842%

Contributions - Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the District to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

NOTE 4 PENSION PLAN (Continued)

For the year ended June 30, 2019, the contributions recognized as part of pension expense for the Plan were as follows:

	Miscellaneous
Contributions - employer	$ 20,376
Contributions - employee paid by employer	$ -

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension

As of June 30, 2019, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	$ 619,309
Total net pension liability	$ 619,309

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2018, was as follows:

	Miscellaneous
Proportion, June 30, 2017	0.017570%
Proportion, June 30, 2018	0.017150%
Change - Increase (Decrease)	(0.00042%)

For the year ended June 30, 2019, the District recognized pension expense of $89,700. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 20,376	$ -
Differences between actual and expected experience	23,762	-
Changes in assumptions	70,602	(17,303)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	(8,086)
Adjustments due to differences in proportions	12,149	-
Net differences between projected and actual earnings on plan investments	3,062	(57,063)
Total	$ 129,951	$ (82,452)

NOTE 4 PENSION PLAN (Continued)

$20,376 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Year ending June 30,	
2020	$ 43,002
2021	18,812
2022	(29,121)
2023	(5,570)
	$ 27,123

Actuarial Assumptions - The June 30, 2017, valuation was rolled forward to determine the June 30, 2018, total pension liability, based on the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal in accordance with requirements of GASB 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.5%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing 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 MP2016. For more details on this table, please refer to the December 2017 experience study report.

Discount Rate - The discount rate used to measure the total pension liability for PERF C was 7.15%. 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 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.

NOTE 4 PENSION PLAN (Continued)

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of 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 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:

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

(a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflations Assets are included in both Global Equity Securities and Global Debt Securities.
(b) An expected inflation of 2.00% used for this period.
(c) An expected inflation of 2.92% used for this period.

Subsequent Events - There were no subsequent events that would materially affect the results presented in this disclosure.

Amortization of Deferred Outflows and Deferred Inflows of Resources - Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

NOTE 4 PENSION PLAN (Continued)

The amortization period differs depending on the source of the gain or loss:

Net Difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	$ 1,007,511
Current Discount Rate	7.15%
Net Pension Liability	$ 619,309
1% Increase	8.15%
Net Pension Liability	$ 298,854

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

E. Payable to the Pension Plan

At June 30, 2019, the District reported no amounts payable for the outstanding amount of contributions to the pension plan required for the year then ended.

NOTE 5 BOND INDEBTEDNESS

On August 1, 2008, the District received funds from Municipal Finance Corporation for two issuances of Clean Renewable Energy Bonds (CREBs). These funds were used for the purchase and installation of solar arrays at the District's water treatment plant and at the wastewater treatment facility. The loan agreements require annual installment payments of principal-only beginning December 16, 2008, with the last payment due August 1, 2023.

The District's outstanding bond debt as of June 30, 2019, consisted of the following:

	Current Portion	Long-term Portion	Total
CREBs wastewater project interest-free bonds, issued 2008, maturing 2023, principal reduction in the amount of $14,125 paid annually.	$ 14,125	$ 56,500	$ 70,625
CREBs water treatment interest-free bonds, issued 2008, maturing 2023, principal reduction in the amount of $37,813 paid annually.	37,813	151,249	189,062
	$ 51,938	$ 207,749	$ 259,687

Principal payments on the bonds for the succeeding five years and thereafter are as follows:

Year ending June 30,	
2020	$ 51,938
2021	51,938
2022	51,938
2023	51,938
2024	51,935
	$ 259,687

The annual debt service on the general obligation bonds is funded through an annual county-wide tax levy. The annual debt service on the CREBs bonds is funded through savings in power costs.

NOTE 6 LONG-TERM DEBT

The District's long-term debt as of June 30, 2019, consisted of the following:

	Current Portion	Long-Term Portion	Total
California Department of Public Health (CDPH) loan approved for a maximum amount of $485,000. The loan funds are part of the Safe Drinking Water State Revolving Fund, and were used to pay for one of the District's water construction projects. Interest is 2.3035% per annum; interest-only payments began after payment of the first claim by CDPH to the District. Semi-annual principal and interest payments of $15,200 began upon completion of the project in July 2014 and will be due in semiannual payments for 20 years.	$ 21,935	$ 351,003	$ 372,938

The following is a schedule of the maturities of the notes payable for the succeeding five years and thereafter:

Year ending June 30,	
2020	$ 21,935
2021	22,443
2022	22,936
2023	23,495
2024	24,040
Thereafter	258,089
	$ 372,938

NOTE 7 PROPERTY TAXES

Property taxes are assessed, collected and distributed by the County of Marin in accordance with legislation. Secured property taxes are attached as an enforceable lien on real property located in the County of Marin as of March 1. Secured property taxes are levied each November 1 on the assessed value of the real property as of prior March 1. Taxes are due in two equal installments on December 10 and April 10 following the levy date.

NOTE 7 PROPERTY TAXES (Continued)

Under California law, secured property taxes are assessed and collected by the counties at up to 1% of assessed value, plus other increases approved by the voters. The property taxes are pooled and then allocated to the District based upon complex formulas.

Unsecured property taxes are levied throughout the year beginning March 1 on the assessed value of personal property as of March 1. For unsecured property tax bills issued between March 1 and June 30, the amount is payable by August 31. For unsecured property tax bills issued after June 30, the amount of the tax is due 30 days after the bill is issued, but no later than February 28/29.

Special assessment charges are incorporated on the property tax bill, and therefore are attached as an enforceable lien on real property located within the District. Special assessment charges are due in two installments on December 10 and April 10 following the assessment date. The special assessments are collected and distributed to the District by the County of Marin.

Effective July 1, 1993, the District, in addition to other districts, entered into an agreement (hereafter known as the "Teeter Plan") with the County of Marin whereby the County agreed to purchase without recourse all previously outstanding (net of all adjustments) secured delinquent property tax and special assessment receivables, penalties and interest of the districts as of June 30, 1993. Additionally, the County agreed to advance each district its share of the annual gross levy of secured property taxes and special assessments (net of adjustments) billed through the County's Tax Collector for the fiscal year ended June 30, 1996, and for each subsequent fiscal year of the agreement. In consideration, the District gives the County of Marin its right to penalties and interest on delinquent property tax receivables and actual proceeds collected. This agreement is still operational as of the fiscal year ended June 30, 2019.

NOTE 8 OTHER REVENUE

Other revenue consisted of the following for the years ended June 30, 2019 and 2018:

	2019	2018
Rental income	$ 5,820	$ 4,860
Sanitary waste franchise revenue	7,850	5,000
Other	12,070	13,686
	$ 25,740	$ 23,546

NOTE 9 EQUIPMENT LEASE

In August 2016, the District leased office equipment under a non-cancellable operating lease. The lease calls for 60 monthly minimum payments of $160, plus usage charges and is scheduled to mature August 2021. During the years ended June 30, 2019 and 2018, the District paid $2,781 and $2,705, respectively, under this lease.

NOTE 9 EQUIPMENT LEASE (Continued)

The estimated future minimum payments for the long-term lease for the current and succeeding years are as follows:

Year ending June 30,		
2020	$	1,920
2021		1,920
2022		320
	$	4,160

NOTE 10 RELATED PARTY TRANSACTIONS

During the years ended June 30, 2019 and 2018, the District paid the members of the Board of Directors a monthly Directors' fee. For each of the years ended June 30, 2019 and 2018, $15,000 was paid in Directors' fees.

NOTE 11 DEFERRED COMPENSATION PLAN

The District provides a deferred compensation plan (the "Plan") according to Internal Revenue Code Section 457. The Plan is available to all employees and permits the deferral of a portion of the participating employees' salaries. Deferred amounts may not be withdrawn until termination, retirement, death or unforeseeable emergency. Prior to August 20, 1996, the assets of the Plan were owned by the District and were subject to claims from general creditors. On August 20, 1996, President Clinton signed into law changes affecting Internal Revenue Code Section 457. New plans, which have been amended to comply with the new provisions, require the plans to hold the assets in trust for the exclusive benefit of the participant and their beneficiaries. The District has an obligation to ensure that the Plan's funds are prudently managed and invested. Participating employees may direct Plan investments to several categories of investment mutual funds provided by the Plan's trustee. Since the assets of the Plan are no longer available to general creditors, the respective assets and liabilities have been removed from these financial statements.

NOTE 12 EXCESS OF FDIC

As of June 30, 2019, the District had exceeded the Federal Depository Insurance Corporation cash limit of $250,000 on its depository accounts. At June 30, 2019, the District had approximately $94,000 on deposit in excess of federally insured limits.

SUPPLEMENTARY INFORMATION

BOLINAS COMMUNITY PUBLIC UTILITY DISTRICT
(A California Public Utility District)

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Years*

	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.001715%	0.017250%	0.017550%	0.018313%	0.00763%
Proportionate share of the net pension liability	$ 619,309	$ 641,364	$ 551,771	$ 411,538	$ 474,834
Covered - employee payroll	$ 478,295	$ 437,041	$ 410,462	$ 404,341	$ 412,174
Proportionate Share of the net pension liability as percentage of covered-employee payroll	129.48%	146.75%	134.43%	101.78%	115.20%
Plan fiduciary net position as a percentage of the total pension liability	77.69%	76.79%	78.16%	83.52%	80.29%

* Fiscal year 2015 was the 1st year of implementation; therefore only five years are shown

BOLINAS COMMUNITY PUBLIC UTILITY DISTRICT
(A California Public Utility District)

SCHEDULE OF PENSION CONTRIBUTIONS
Last 10 Years*

	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 45,631	$ 30,645	$ 28,625	$ 50,081	$ 42,360
Contributions in relation to the actuarially determined contributions	45,631	30,645	28,625	50,081	42,360
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 619,309	$ 437,041	$ 410,462	$ 404,341	$ 412,174
Contributions as a percentage of covered-employee payroll	7.37%	7.01%	6.97%	12.39%	10.28%

Notes to Schedule

Valuation date	6/30/2018

Methods and assumptions used to determine contribution rates:

Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	5 years
Asset valuation method	5-year straight-line
Inflation	2.5%
Salary increases	Varies by entry age and service
Investment rate of return	7.15%, net of pension plan investment expense, including inflation
Retirement age	50-63
Mortality	Derived from CalPERS' Membership Data

* Fiscal year 2015 was the 1st year of implementation; therefore only five years are shown