

**BOLINAS COMMUNITY PUBLIC
UTILITY DISTRICT**

BOLINAS, CALIFORNIA

ANNUAL FINANCIAL REPORT

JUNE 30, 2022

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis - Required Supplementary Information (unaudited)	3-6
Financial Statements:	
Statement of Net Position	7
Statement of Revenues, Expenses, and Changes in Net Position	8
Statement of Cash Flows	9
Notes to Basic Financial Statements	10-21
Required Supplementary Information (unaudited):	
Schedule of District's Proportionate Share of the Net Pension Liability	Schedule 1 22
Schedule of Pension Contributions	Schedule 2 23

INDEPENDENT AUDITORS' REPORT

Board of Directors
Bolin Community Public Utility District
Bolin, California

Opinions

We have audited the accompanying financial statements of the business-type activities and the major fund of Bolin Community Public Utility District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Bolin Community Public Utility District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of Bolin Community Public Utility District, as of June 30, 2022, and the respective changes in financial position and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bolin Community Public Utility District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bolin Community Public Utility District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bolin Community Public Utility District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bolin Community Public Utility District's ability to continue as a going concern for a reasonable period of time.

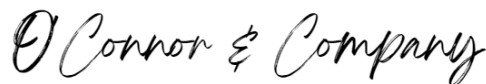
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Bolin Community Public Utility District's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 3, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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.



O'Connor & Company

San Rafael, California
March 6, 2023

Bolinás Community Public Utility District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2022

General Overview

The Bolinas Community Public Utility District's ("BCPUD" or "District") 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, 2022. 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 Statement of Net Position – Business-Type Activities Enterprise Fund ("Net Position Statements"). The second statement, on page 8, is titled Statement of Revenues, Expenses and Net Position - Business-Type Activities Enterprise Fund ("Revenue and Expenses Statements"). The third statement, on page 9 is titled Statement of Cash Flows - Business-Type Activities 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, 2022. 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 5). The line item shows the total long-term debt, net of current portion, for the fiscal period ending June 30, 2022. Note 5 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 \$63,876 for the period ending June 30, 2022.

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.

Bolin Community Public Utility District
MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the year ended June 30, 2022

Financial Highlights

Table 1
Business-type Net Position

	Business-type Activities Enterprise Fund	
	2022	2021
Current and other assets	\$ 2,601,427	\$ 2,479,030
Capital assets	<u>5,115,112</u>	<u>5,169,272</u>
Total assets	<u>7,716,539</u>	<u>7,648,302</u>
Deferred outflows of resources	<u>149,750</u>	<u>166,058</u>
Current liabilities	122,874	142,617
Long-term liabilities	<u>863,801</u>	<u>1,213,238</u>
Total liabilities	<u>986,675</u>	<u>1,355,855</u>
Deferred inflows of resources	<u>419,695</u>	<u>56,296</u>
Net position:		
Invested in capital assets, net of related debt	4,694,096	4,684,901
Restricted	1,487,588	1,442,761
Unrestricted	<u>278,235</u>	<u>274,547</u>
Total net position	<u>\$ 6,459,919</u>	<u>\$ 6,402,209</u>

The District's business-type net position amounted to \$6,459,919 as of June 30, 2022, an increase of \$57,710 from 2021. This increase is the Change in Net Position reflected in the Business-Type Activities column of the Statement of Activities shown in Table 2.

The District's financial statements for the period ending June 30, 2022 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), the pension plan provider/administrator. The District's proportionate share of net pension liability for the period ending June 30, 2022 was \$442,785.

Table 2
Changes in Business-Type Net Position

	Business- Type Activities 2022	Business- Type Activities 2021	Change
	Operating revenues	\$ 1,793,461	
Operating expenses	<u>1,729,585</u>	<u>1,571,892</u>	<u>(157,693)</u>
Net operating income (loss)	<u>\$ 63,876</u>	<u>\$ 195,127</u>	<u>\$ (131,251)</u>
Investment and other income	\$ 2,639	\$ 14,990	\$ (12,351)
Interest and other expenses	<u>8,805</u>	<u>14,580</u>	<u>(5,775)</u>
Non-operating net income	<u>\$ (6,166)</u>	<u>\$ 410</u>	<u>\$ (18,126)</u>

Bolin Community Public Utility District
MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the year ended June 30, 2022

- The District's operating revenue (see page 8, Revenues and Expenses Statement) for the period ending June 30, 2022 increased overall as compared to the period ending June 30, 2021 due primarily to increased property tax revenue and grant income.
- Operating expenses for the District increased over the period ending June 30, 2021 (see page 8, Revenue and Expenses Statements) due primarily to increased professional services expenses for emergency repairs.
- Depreciation expense was \$250,701 for the fiscal year ended June 30, 2022. See Note 3 of the financial statements 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 Table 2 above compares total operating revenue and expenditures for the fiscal years ending June 30, 2022 and June 30, 2021 and illustrates the District's net operating income of \$63,876 for the period ending June 30, 2022 as compared to the District's net operating income of \$195,127 for the period ending June 30, 2021.
- The Table 3 below depicts the District's capital assets at year-end as compared to the fiscal year ended June 30, 2021 and reflects the District's capital improvement expenditures during the year to complete the rehabilitation of one of its water storage tanks and improvements to its wastewater treatment facility, as well as expenditures for a new groundwater well project.

GASB Statement No. 34 requires the District to record all its capital assets, which were not recorded in prior years. At the end of fiscal year 2022, the cost of infrastructure and other capital assets recorded in the District's financial statements was as shown in Table 3 below:

Table 3
Capital Assets at Year End

	<u>2022</u>	<u>2021</u>
Land	\$ 328,006	\$ 328,006
Construction in progress	294,184	917,741
Sewer and water collection system	1,466,674	1,466,674
Transmission and distribution	3,386,748	3,320,049
Water and sewer treatment plant	5,233,130	4,482,400
Structures and other equipment	1,332,038	1,329,369
Shoreline Protection Facility	<u>641,581</u>	<u>641,581</u>
Subtotal	12,682,361	12,485,820
Accumulated depreciation	<u>(7,567,249)</u>	<u>(7,316,548)</u>
Net capital assets	<u>\$ 5,115,112</u>	<u>\$ 5,169,272</u>

Long-Term Debt - At year end, the District had \$421,016 in long term obligations as reported in Table 4 below. More detailed information regarding the District's long-term liabilities can be found in Note 5 of the financial statements.

Table 4
Long-Term Debt at Year End

	<u>2022</u>	<u>2021</u>
Clean Renewable Energy Bond (Wastewater)	\$ 28,250	\$ 42,375
Clean Renewable Energy Bond (Water)	75,623	113,436
California Department of Public Health	<u>317,143</u>	<u>328,560</u>
Total	<u>\$ 421,016</u>	<u>\$ 484,371</u>

Bolinas Community Public Utility District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended June 30, 2022

Economic Outlook and Major Initiatives

Financial planning is based on specific assumptions from recent trends, State of California economic forecasts and the capital improvement needs of the District.

The economic condition of the District as it appears on the balance sheet reflects financial stability. The District will continue to maintain a watchful eye over expenditures and remains committed to sound fiscal management practices to deliver the highest quality service to its customers.

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.

Bolin Community Public Utility District
(A California Public Utility District)
STATEMENT OF NET POSITION
Business-Type Activities
Enterprise Fund
June 30, 2022

ASSETS

Current assets:

Cash and investments (Note 2)	\$ 1,071,126
Restricted cash and investments (Note 2):	
Debt service	63,718
Capital projects	1,423,870
Total cash and investments	2,558,714
Accounts receivable	34,105
Prepaid expenses	3,687
Total current assets	2,596,506
Loan fees, net of accumulated amortization	4,921
Capital assets (Note 3):	
Non-depreciable assets	622,190
Depreciable assets (net of depreciation)	4,492,922
Total assets	7,716,539

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - Pension (Note 4)	149,750
---	---------

LIABILITIES AND NET POSITION

Current liabilities:

Accounts payable	81,223
Accrued salaries and vacation	38,468
Fiscal agency funds	3,183
Total current liabilities	122,874

Long-term liabilities:

Due within one year (Note 5)	63,718
Due in more than one year (Note 5)	357,298
Net pension liability (Note 4)	442,785
Total long-term liabilities	863,801
Total liabilities	986,675

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - Pension (Note 4)	419,695
--	---------

Net position:

Net investment in capital assets	4,694,096
Restricted	1,487,588
Unrestricted	278,235
Total net position	\$ 6,459,919

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

Bolin Community Public Utility District
(A California Public Utility District)
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
Business-Type Activities
Enterprise Fund
For the Year Ended June 30, 2022

Operating revenues:	
Water, sewer and septic service	\$ 1,147,134
Property taxes and special assessments (Note 6)	507,504
Resource recovery revenue	92,885
Grant income	28,612
Other revenue	<u>17,326</u>
Total operating revenues	<u>1,793,461</u>
Operating expenses:	
Salaries	521,559
Employee benefits	391,755
Insurance	23,620
Plant expenses	140,539
Power and fuel	68,925
Office expense	44,360
Trucks	3,610
Professional fees	189,455
Directors' fees	15,000
Depreciation (Note 3)	250,701
Fire fuel reduction project	-
Other expenses	<u>80,061</u>
Total operating expenses	<u>1,729,585</u>
Operating income (loss)	<u>63,876</u>
Non-operating revenues (expenses):	
Amortization	(4,921)
Interest income	2,639
Interest expense	<u>(3,884)</u>
Total non-operating revenues (expenses)	<u>(6,166)</u>
Changes in net position	<u>57,710</u>
Net position, beginning of period	<u>6,402,209</u>
Net position, end of period	<u>\$ 6,459,919</u>

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

Bolin Community Public Utility District
(A California Public Utility District)
STATEMENT OF CASH FLOWS
Business-Type Activities
Enterprise Fund
For the Year Ended June 30, 2022

Cash flows from operating activities:	
Receipts from customers	\$ 1,774,530
Payments to employees	(848,220)
Payments to suppliers	<u>(556,782)</u>
Net cash provided (used) by operating activities	<u>369,528</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(820,098)
Change in construction in progress	623,557
Payments on long-term debt	(63,354)
Interest paid on long-term debt	<u>(3,884)</u>
Net cash provided (used) by capital and related financing activities	<u>(263,779)</u>
Cash flows from investing activities:	
Interest earned	<u>2,639</u>
Net cash provided by investing activities	<u>2,639</u>
Net increase (decrease) in cash and cash equivalents	108,388
Cash and cash equivalents - beginning of period	<u>2,450,326</u>
Cash and cash equivalents - end of period	<u>\$ 2,558,714</u>
Reconciliation of operating income (loss) to net cash provided (used in) operating activities:	
Operating income (loss)	\$ 63,876
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	250,701
Changes in certain assets and liabilities:	
Accounts receivable	(15,283)
Prepaid expenses	(3,648)
Deferred outflow of resources - pension plan	16,308
Accounts payable	8,788
Accrued salaries and vacation	(28,531)
Deferred inflow of resources - pension plan	363,399
Net pension liability	<u>(286,082)</u>
Total adjustments	<u>305,652</u>
Net cash provided (used) by operating activities	<u>\$ 369,528</u>

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

Bolin Community Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Description of District

Bolin 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, sewer, and other utility services to the community and maintain programs to fulfill these obligations. 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.

B. 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.

C. 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 Statement 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.

D. 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 consists 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.

Bolinas Community Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. 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.

F. Accounts Receivable

The District bills the local residents for water usage on a quarterly basis and bills on behalf of the Resource Recovery Project for resource recovery services on a monthly basis. Water customers delinquent for over one billing period receive notices and face discontinuance of their services. Management believes all amounts are collectible and, accordingly, there is no provision for uncollectible accounts reflected herein.

G. 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 Statement of Net Position – Business-type Activities Enterprise Fund as a reduction in the book value of capital assets. Depreciation is charged as an operating expense on the Statement of Revenues, Expenses and Net Position - Business-type Activities Enterprise Fund. Depreciation expense was \$250,701 for the fiscal year ended June 30, 2022.

Property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Sewer and Water treatment plant	10-75
Sewer and Water collection system	15-75
Buildings and improvements	10-40
Vehicles, trucks and equipment	5-10

H. 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.

I. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation benefits. The liability for unpaid vacation is recorded in the financial statements when the liability is incurred and vacation is reported as the current portion of such compensated absences. The total amount of compensated absences payable at June 30, 2022 was \$38,468.

Bolin Community Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Compensated Absences (concluded)

Employees accrue vacation benefits up to an accrual maximum of 120 hours (Field Personnel) or up to an accrual maximum 360 hours (office employees). Upon termination, retirement, or death of an employee, the District pays any accrued and unused vacation in a lump-sum payment to the employee or beneficiary in accordance to applicable law.

J. 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.

K. 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.

L. 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.

M. Reclassifications

Certain balances at, and for the year ended June 30, 2021, were reclassified to conform with June 30, 2022, balances.

N. Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Bolin Community Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

O. Contingencies

Subsequent events have been evaluated through the date the financial statements were available to be issued.

Litigation

The District is involved in litigation incurred in the normal course of conducting District business. District management believes, based upon consultation with its counsel, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the District.

P. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources for its pension plan.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources for its pension plan.

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.

Restricted Cash and Investments

Cash and investments restricted for use in only capital projects or debt service are reported as restricted assets.

Bolin Community Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2022

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (concluded)

These funds have been segregated into various accounts and at June 30, 2022, the balances were as follows:

	2022
Cash and investments:	
Demand accounts	\$ 479,986
LAIF	591,140
Total	\$ 1,071,126
	2022
Restricted cash and investments:	
Demand accounts	\$ 63,718
Marin County Treasury	1,423,870
Total	\$ 1,487,588

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.

Fair Value Hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Both the California Local Agency Investment Fund (LAIF) and the County of Marin's investment pool are classified as exempt in the fair value hierarchy, as they are valued at amortized cost, which is exempt from being classified under GASB 72.

Bolinas Community Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 3 - CAPITAL ASSETS

Capital assets consisted of the following at June 30, 2022 and 2021.

<u>Business-type Activities</u>	<u>Balance 6/30/21</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 6/30/22</u>
Capital assets, not being depreciated:				
Land	\$ 328,006	\$ -	\$ -	\$ 328,006
Construction in progress	<u>917,741</u>	<u>127,075</u>	<u>750,632</u>	<u>294,184</u>
Total capital assets, not being depreciated	<u>1,245,747</u>	<u>127,075</u>	<u>750,632</u>	<u>622,190</u>
Capital assets, being depreciated:				
Sewer & water collection system	1,466,674	-	-	1,466,674
Transmission and distribution	3,320,049	66,699	-	3,386,748
Water and sewer treatment plants	4,482,400	750,730	-	5,233,130
Structures and other equipment	1,329,369	2,669	-	1,332,038
Shoreline protection facility	<u>641,581</u>	<u>-</u>	<u>-</u>	<u>641,581</u>
Total capital assets, being depreciated	<u>11,240,073</u>	<u>820,098</u>	<u>-</u>	<u>12,060,171</u>
Total accumulated depreciation	<u>(7,316,548)</u>	<u>(250,701)</u>	<u>-</u>	<u>(7,567,249)</u>
Total capital assets being depreciated – net	<u>3,923,525</u>	<u>569,397</u>	<u>-</u>	<u>4,492,922</u>
Capital assets – net	<u>\$ 5,169,272</u>	<u>\$ 696,472</u>	<u>\$ 750,632</u>	<u>\$ 5,115,112</u>

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.

Bolin Community Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2022

NOTE 4 - PENSION PLAN (continued)

A. General Information about the Pension Plans (concluded)

The Plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	60	62
Monthly benefits, as a % of eligible compensations	2.0%	2.0%
Required employee contribution rates	7.0%	6.75%
Required employer contribution rates	8.65%	7.59%

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.

For the year ended June 30, 2022, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous
Contributions - employer	\$89,629

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

As of June 30, 2022, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Miscellaneous Plans as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 442,785

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, 2021, 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, 2020, rolled forward to June 30, 2021, 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.

Bolin Community Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2022

NOTE 4 - PENSION PLAN (continued)

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

The District's proportionate share of the net pension liability for the Plan as of June 30, 2022, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2021	0.00017280%
Proportion - June 30, 2022	0.00023319%
Change – Increase (Decrease)	0.00006039%

For the year ended June 30, 2022, the District recognized pension expense of \$93,625. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 89,629	\$ -
Differences between actual and expected experience	49,654	-
Changes in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	(33,167)
Adjustments due to differences in proportions	10,467	-
Net differences between projected and actual earnings on plan investments	-	(386,528)
Total	\$ 149,750	\$ (419,695)

\$89,629 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

<u>Year Ended June 30</u>		
2023		\$ (84,976)
2024		(78,238)
2025		(89,544)
2026		(106,816)
Thereafter		-

Actuarial Assumptions - The June 30, 2020, valuation was rolled forward to determine the June 30, 2021, 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.

Bolinas Community Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2022

NOTE 4 - PENSION PLAN (continued)

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

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.

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)	Allocation	Real Return Years 1-10 (b)	Real Return Years 11+ (c)
Global equity	50%	4.80%	5.98%
Fixed income	28%	1.00%	2.62%
Inflation assets	-	0.77%	1.81%
Private equity	8%	6.30%	7.23%
Real assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%
Total	<u>100%</u>		

- (a) In the System's ACFR, 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 2.00% 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.

Bolinas Community Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2022

NOTE 4 - PENSION PLAN (concluded)

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

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. 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 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	\$809,181
Current Discount Rate	7.15%
Net Pension Liability	\$442,785
1% Increase	8.15%
Net Pension Liability	\$139,890

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

Payable to the Pension Plan - At June 30, 2022, the District reported no amounts payable for the outstanding amount of contributions to the pension plan required for the year then ended.

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt as of June 30, 2022:

	June 30, 2021	Additions	Retirements	June 30, 2022	Current
Clean Renewable Energy Bond	\$ 42,375	\$ -	\$ 14,125	\$ 28,250	\$ 14,125
Clean Renewable Energy Bond	113,436	-	37,813	75,623	37,813
CA Dept of Public Health	328,560	-	11,417	317,143	11,780
Total	\$ 484,371	\$ -	\$ 63,355	\$ 421,016	\$ 63,718

Bolinas Community Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2022

NOTE 5 - LONG-TERM DEBT (concluded)

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.

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

<u>Year ending June 30,</u>	
2023	\$ 51,938
2024	51,935
Total	<u>\$ 103,873</u>

The annual debt service on the CREBs bonds is funded through savings in power costs.

The California Department of Public Health (CDPH) approved a loan 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.

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

<u>Year ending June 30,</u>	
2023	\$ 11,780
2024	23,766
2025	24,317
2026	24,880
2027	25,456
Thereafter	<u>206,944</u>
Total	<u>\$ 317,143</u>

NOTE 6 - 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. 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.

Bolin Community Public Utility District
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 6 - PROPERTY TAXES (concluded)

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, 2022.

NOTE 7 - RELATED PARTY TRANSACTIONS

During the year ended June 30, 2022, the District paid the members of the Board of Directors a monthly Directors' fee. For the year ended June 30, 2022, \$15,000 was paid in Directors' fees.

NOTE 8 - 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 9 - SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

Bolin Community Public Utility District
As of June 30, 2022
Last 8 Years

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

<u>Measurement Date</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Schedule of the Proportionate Share of the Net Pension Liability							
Proportion of the net pension liability	0.0001728%	0.0014050%	0.0016450%	0.0017150%	0.0017250%	0.0017550%	0.0018313%
Proportionate share of the net pension liability	\$ 442,785	\$ 728,867	\$ 674,926	\$ 619,309	\$ 641,364	\$ 551,771	\$ 411,538
Covered - employee payroll	\$ 450,911	\$ 445,020	\$ 478,295	\$ 437,041	\$ 410,462	\$ 404,341	\$ 412,174
Proportionate share of the net pension liability as a percentage of covered-employee payroll	98.20%	163.78%	141.11%	141.71%	156.25%	136.46%	99.85%
Plan fiduciary net position as a percentage of the total pension liability	73.92%	73.92%	77.31%	77.69%	76.79%	78.16%	83.52%

NOTES TO SCHEDULE:

Changes in Benefit Terms - None

Changes in Assumptions-None

*Schedule is intended to show information for 10 years. Fiscal year 2015 was the 1st year of implementation. Additional years will be displayed as they become available.

Bolinas Community Public Utility District
As of June 30, 2022
Last 8 Years
SCHEDULE OF CONTRIBUTIONS

<u>Fiscal Year End</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>SCHEDULE OF CONTRIBUTIONS</u>								
Contractually required contribution (actuarially determined)	\$ 89,629	\$ 85,408	\$ 89,777	\$ 45,631	\$ 30,645	\$ 28,625	\$ 50,081	\$ 42,360
Contributions in relation to the actuarially determined contributions	<u>89,629</u>	<u>85,408</u>	<u>89,777</u>	<u>45,631</u>	<u>30,645</u>	<u>28,625</u>	<u>50,081</u>	<u>42,360</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll during the fiscal year	\$ 430,448	\$ 450,911	\$ 445,020	\$ 478,295	\$ 437,041	\$ 410,462	\$ 404,341	\$ 412,174
Contributions as a percentage of covered-employee payroll	20.82%	18.94%	20.17%	9.54%	7.01%	6.97%	12.39%	10.28%

NOTES TO SCHEDULE:

Valuation date 6/30/2020

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	2.50%
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

*Schedule is intended to show information for 10 years. Fiscal year 2015 was the 1st year of implementation. Additional years will be displayed as they become available.