CROPPER ROWE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

MT. VIEW SANITARY DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2021 and 2020

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CROPPER ROWE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Governing Body of
Mt. View Sanitary District
Martinez, California

We have audited the accompanying financial statements of the business-type activities of the Mt. View Sanitary District (the District) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 respective financial position of the business-type activities of the District, as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of contributions for pension plans, schedule of proportionate share of the net pension liability, schedule of changes in net OPEB liability, schedule of OPEB contributions, and all other schedules presented in the required supplementary information 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining Statement of Net Position; Combining Statement of Revenues, Expenses, and Changes in Net Position; and Comparison of Budget and Actual Expenses – General Fund on pages 45-47 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules and budget to actual schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 20, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Cropper Rowe, LLP

CROPPER ROWE, LLP
Walnut Creek, California
October 20, 2021

MANAGEMENT'S DISCUSSION & ANALYSIS

Mt. View Sanitary District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

The following discussion and analysis of the financial performance of the Mt. View Sanitary District (the District) provides an overview of the District's financial activities for the fiscal year ended June 30, 2021 Please read it in conjunction with the District financial statements.

HIGHLIGHTS

Financial Highlights

♦ District total net position increased by $84,104 or 0.4%.

♦ Total capital assets, net of accumulated depreciation, increased by $837,411, or 3.3%.

♦ Current assets increased by $5,118,927 or 55.4%, primarily due to a $6,000,000 Installment Purchase Contract debt issuance. Current assets include cash, accounts receivable, and prepaid expenses. Current liabilities increased by $212,625 or 16.4%. Current liabilities are primarily accounts payable, accrued expenses, current portion of long-term debt, construction deposits, and accrued vacations. The District's noncurrent liabilities increased by $5,666,441 or 52.1%.

Total operating revenues increased by $717,999, or 10.9% from the previous year. The District's total operating expenses, inclusive of Facilities Rehabilitation, Capital, and depreciation decreased by $668,644, or 7.9% from the previous year. The District-wide operating loss was $470,831. Operating expenses, not including depreciation, OPEB, and Pension, are approximately 14.4 % less than budgeted for fiscal year 2020-2021.

♦ Connection and franchise fee revenues increased by $32,647, or 30.5% from the previous year. This is due predominantly to unanticipated connection fees for additional dwelling units and remodeling for already connected parcels. The District is approaching build-out of its service area and future connection fee revenue is anticipated to drop off sharply following the construction of currently approved development projects. It is anticipated that connection fee revenue will be limited to occasional infill projects in the future, putting continued pressure on District Sewer Service Charge revenues to fund all capital and rehabilitation projects.

District Highlights

The District continues to maintain the plantings and remove nonnative invasive weeds in the completed Moorhen Marsh Enhancement Project. The Streambed Alteration Agreement with the California Department of Fish and Wildlife requires 80% survivorship of plantings for five years from 2019.

The District continued to work on the following capital projects in fiscal year 2020-2021: UV Disinfection Replacement (in design), Manhole Repair/Replacement (in design), Collection System Cleaning & CCTV (out to bid), rehabilitation of Biotower Pumps & Discharge Pipes (out to bid), and 20 SCADA System Upgrades bids were received.

In fiscal year 2020-2021 Sewer Service Charges were based on the fiscal year 2019-2020 Proposition 218 process that culminated in a Board-approved three-year schedule of rate increases (fiscal year 2021 to 2023).

♦ The District continued implementation of its 2018 Strategic Plan and approved an updated Strategic Plan for fiscal year 2021-2022 moving forward. Strategic Plan achievements in fiscal year 2020-2021 included:

- Collaborated in professionally facilitated meetings with the Petyon Slough Complex Stakeholders regarding the management EcoServices' tide gates to improve McNabney Marsh water quality and eliminate mash nuisance odors.
- Reviewed and updated Policy and Procedure Manuals
- Development of key Administrative, Engineering, Environmental Services, and Operational Standard Operating Procedures.
- Continued partnering with sister wastewater agencies and participation in pertinent professional organizations.
- Recruited and hired a Public Outreach Coordinator and established a Community Advisory Committee.
- Ongoing improved communication with the City of Martinez regarding both agency's projects
- Continued improved budgeting and financial reporting to the Board of Directors
- Completion of the Moorhen Marsh Enhancement Project Wrap Up
- Continued implementation of the McNabney Marsh Management Plan.

♦ District Management and the Board of Directors are continuing efforts to transition from a highly functioning wastewater agency to a Utility of the Future with the ultimate goal of reducing carbon footprint and maximizing sustainable practices and resiliency.

USING THIS ANNUAL REPORT

District financial statements report information about the District's use of accounting methods like those used by private sector companies. The Statement of Net Position includes all District assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for computing the rate of return; evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of District operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about District cash receipts, cash disbursements, and net changes in cash resulting from operations, investing, and capital and noncapital financial activities. It provides answers to questions such as, "Where did the cash come from?", "Cash was used for what purpose?", and "What was the change in the cash balance during the reporting period?"

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about District finances is whether the District's overall financial position has improved or deteriorated. The Statement of Net Position and the Statement of Revenues and Expenses and Changes of Net Position report information about District activities in a way that will help answer this question. These two statements report the net position of the District and changes in them. You can think of the District net position - the difference between assets and liabilities - as one way to measure financial health or financial position. Over time, increases or decreases in District net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider include changes in economic conditions, population growth, and new or changed legislation.

Changes in Net Position

District total net position decreased from the previous year by $84,104 or 0.4%.

Revenues

Total revenues have increased by $423,047 or 5.5%, compared to the previous fiscal year. Operating revenues increased by $717,999, or 10.9%, over the previous year driven primarily by an increase in Sewer Service Charges. Interest and investment income decreased by $117,728, or 79.2%, versus the previous year. Connection and Franchise Fees increased by $32,647, or 30.47%, over the previous year primarily due to additional dwelling units and remodeling. Other non-operating income decreased by $209,871 or 25.1% due primarily to a reduction in reimbursements from the Dorothy M. Sakazaki Environmental Endowment Fund for expenses on the Supplemental Environmental Project which was terminated in fiscal year 2019-2020.

Expenses

Operating expenses, inclusive of Facilities Rehabilitation, Capital, and depreciation decreased by $668,644, or 7.9%, in fiscal year 2020-2021 compared to fiscal year 2019-2020.

Budgetary Highlights

The District adopts an annual budget each year that outlines the major elements of forthcoming operations and capital improvements. The District maintains an ongoing Capital Improvement Program that is updated annually. In fiscal year 2020-2021, the District adopted an updated Ten-Year Facilities Replacement and Capital Improvement Plan (CIP) projecting expenditures of $44.9 million through fiscal year 2030-2031. The CIP encompasses all engineered studies and projects related to improvements, repairs, rehabilitation, and replacement of the District's collection system, pump station, plant, and marsh assets. The CIP Plan historically has been funded on a pay-as-you-go basis from District reserves. The approved CIP requires additional funding beyond current reserves. During the fiscal year, the District reviewed CIP expenditures and determined the need for additional debt issuance, which was obtained before the end of fiscal year 2020-2021. The District continues to be proactive to implement asset management, facilitate financial planning (sewer rates and cash flow), promote organizational balance (staff's ability to manage and support the workload), and inform the Board of Directors and the public about infrastructure needs, upcoming projects, and proposed capital expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2020-2021, the District had a total of $26,254,353 invested in capital assets, net of accumulated depreciation.

The assets included land, collection system subsurface lines and pump stations, treatment plant equipment and structures, the administration building, and vehicles. The total increase in the District's investment in capital assets for the current fiscal year was $837,411, or 3.3%.

Capital asset additions, replacements, or rehabilitations completed during the fiscal year include the Biotower Feed Pump Improvements, and the SCADA System Upgrades. Those still in progress during the fiscal year include the Manhole Repair / Replacement, Pipline Cleaning & Televising Phase 1, and the UV Disinfection Replacement. Those newly begun include the 888 Howe Road Sanitary Sewer Replacement.

Long Term Liabilities

Long-term liabilities include accrued vacation, long-term debt, pension liability, and other post-employment benefits (OPEB). Through the California Employers' Retiree Benefits Fund (CERBT), the District pre-funds the District's OPEB obligation.

For more information about this report, please contact:

Mt. View Sanitary District
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FINANCIAL STATEMENTS

MT VIEW SANITARY DISTRICT
Statements of Net Position
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets		
Cash in County	$ 7,145,236	$ 3,328,604
Cash in Bank	102,114	56,043
Investment in L.A.I.F.	6,906,026	5,463,558
Total Cash and Equivalents (Note 2)	14,153,376	8,848,205
Accounts Receivable (Note 3)	66,092	253,927
Prepaid Expense	138,009	136,418
Total Current Assets	14,357,477	9,238,550
Noncurrent Assets		
Capital assets, net of Accumulated Depreciation (Note 4)	26,254,353	25,416,942
Total Noncurrent Assets	26,254,353	25,416,942
TOTAL ASSETS	40,611,830	34,655,492
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits (Note 7)	211,390	155,102
Pension (Note 6)	862,687	1,038,799
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,074,077	1,193,901
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Expenses	929,066	957,831
Current Portion of Long-term Debt (Note 8)	439,360	205,633
Current Portion of Accrued Vacations	89,371	85,128
Construction Deposits	48,700	45,280
Total Current Liabilities	1,506,497	1,293,872
Noncurrent Liabilities:		
Noncurrent Portion of Long-term Debt (Note 8)	11,157,663	5,597,022
Noncurrent Portion of Accrued Vacations	89,371	85,128
Net OPEB Liability (Note 7)	1,585,532	1,644,244
Net Pension Liability (Note 6)	3,707,290	3,547,021
Total Noncurrent Liabilities	16,539,856	10,873,415
TOTAL LIABILITIES	18,046,353	12,167,287
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits (Note 7)	48,091	70,430
Pension (Note 6)	141,999	246,316
TOTAL DEFERRED INFLOWS OF RESOURCES	190,090	316,746
NET POSITION		
Net investment in capital assets	14,657,330	19,614,287
Unrestricted	8,792,134	3,751,073
TOTAL NET POSITION	$ 23,449,464	$ 23,365,360

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

MT VIEW SANITARY DISTRICT
Statements of Revenues, Expenses And Changes in Net Position
Years Ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Service charges	$ 7,227,185	$ 6,520,014
Permit and inspection fees	51,294	40,466
Total operating revenues	7,278,479	6,560,480
OPERATING EXPENSES		
Sewage collection	1,082,933	666,592
Sewage treatment	2,834,726	2,896,054
Sewage disposal	184,773	808,491
Administrative and general	2,278,925	2,599,554
Depreciation and amortization	1,367,953	1,447,263
Total operating expenses	7,749,310	8,417,954
OPERATING INCOME (LOSS)	(470,831)	(1,857,474)
NON-OPERATING REVENUES (EXPENSES)		
Taxes	451,087	431,974
Interest income	30,837	148,565
Rents and leases	177,908	206,112
Interest expense	(240,928)	(246,636)
Other non-operating revenues (expenses)	(3,769)	197,011
Total non-operating revenues (expenses)	415,135	737,026
Change in net position before connection and franchise fees	(55,696)	(1,120,448)
Franchise and connection fees	139,800	107,153
CHANGE IN NET POSITION	84,104	(1,013,295)
Net Position - Beginning	23,365,360	24,378,655
Net Position - Ending	$ 23,449,464	$ 23,365,360

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

MT VIEW SANITARY DISTRICT
Statements of Cash Flows
June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and users	$ 7,466,314	$ 6,527,005
Payments to suppliers	(2,601,765)	(3,244,765)
Payments to employees and related benefits	(3,703,317)	(3,295,588)
Net cash provided by (used in) operating activities	1,161,232	(13,348)
CASH FLOWS FROM NONNCAPITAL FINANCING ACTIVITIES:		
Receipt of taxes	451,087	431,974
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Franchise and connection fees received	139,800	107,153
Principal received / (paid)	5,794,368	(197,345)
Interest payments	(240,928)	(246,636)
Acquisition and construction of capital assets	(2,205,364)	(836,146)
Net cash provided by (used in) in capital and related financing activities	3,487,876	(1,172,974)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	30,837	148,565
Rents and leases	177,908	206,112
Other income	(3,769)	197,011
Net cash provided by (used in) investing activities	204,976	551,688
Net increase (decrease) in cash and cash equivalents	5,305,171	(202,660)
Cash and cash equivalents, July 1	8,848,205	9,050,865
Cash and Cash equivalents, June 30	$ 14,153,376	$ 8,848,205
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	$ (470,831)	$ (1,857,474)
Adjustments to reconcile operating income to net cash used in operating activities:		
Depreciation expense	1,367,953	1,447,263
GASB 68 effect on pension expense	232,064	382,404
GASB 75 effect on OPEB expense	(137,339)	(174,622)
(Increase) decrease in:		
Accounts receivable	187,835	(33,475)
Prepaid expenses	(1,591)	(31,356)
Increase (decrease) in:		
Accounts payable and accrued expenses	(28,765)	221,937
Refundable deposits	3,420	7,000
Accrued vacation	8,486	24,975
Net cash provided by operating activities	$ 1,161,232	$ (13,348)

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

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF DISTRICT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Mt. View Sanitary District was organized in 1923 under the Sanitary District Act of 1923 (Health and Safety Code 4600) and is one of the oldest districts of its type in California, having provided sewerage services for nearly 100 years. The district serves an estimated 21,900 people in an area of about 4,100 acres situated in the rolling hills in, and east of, the City of Martinez. About one-third of the District's area lies within the City. The District provides sewage collection, treatment, and disposal services within its boundaries for about 8,226 parcels.

The District is governed by a five-member elected Board of Directors and has 18 full-time employees. The District receives funding from local government sources and must comply with the concomitant requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since the Board members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primarily accountability for fiscal matters.

Financial Reporting Entity

For financial reporting purposes and in conformity with the Governmental Accounting Standards Board (GASB) Codification Section 2100, which defines the governmental entity, the District includes all funds that are controlled by, or are dependent on, the Board of Directors of the District. Since no other entities are controlled by, or rely upon, the District, the reporting entity consists solely of the District.

Basis of Accounting

The District applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued GASB No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This statement incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. This includes pronouncements by the Financial Accounting Standards Board (FASB), Accounting Principles Board Opinions (APB), and the Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure, unless those pronouncements conflict with or contradict with GASB pronouncements.

The District is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost and expenses, including depreciation, of providing goods or services to its customers be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expense incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

1. DESCRIPTION OF DISTRICT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

Enterprise funds are used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets and liabilities of the enterprise are recorded on its statement of net position, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the District are charges to customers for services. Operating expenses for the District include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

For internal operating purposes, the District's Board of Directors has established four separate sub-funds, each of which includes a separate self-balancing set of accounts and a separate Board approved budget for revenues and expenses. These sub-funds are combined into the single enterprise fund presented in the accompanying financial statements. The nature and purpose of these sub-funds are as follows:

General Fund - Accounts for services rendered on a cost-reimbursement basis within the District. The District maintains one enterprise fund, the General Fund, which is used to account for operating revenue and expenses related to providing service to its customers.

Capital Outlay Fund - Used to account for the construction and acquisition of capital improvements by the District.

Debt Service Fund - Used to account for the District's financing activities.

Facilities Rehabilitation Fund - Used to account for the repair or replacement of the collection system and other aging systems of the plant from proceeds of the ad valorem tax collections.

That portion of the District's net position which is allocable to each of these sub-funds has been shown separately in the supplementary information to the financial statements.

The District's Board of Directors adopts annual budgets on a basis consistent with accounting principles generally accepted in the United States of America.

1. DESCRIPTION OF DISTRICT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are carried at fair value. Fair value is based on quoted market price if applicable and/or are available. Otherwise, the fair value hierarch is as follows.

Level 1 – Values are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs, other than quoted prices, included within Level 1 that are observable for the asset or liabilities at the measurement date.

Level 3 – Certain inputs are unobservable inputs (supported by little or no market activity, such as the District's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date).

LAIF determines fair value on its investment portfolio based on market quotations for these securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available.

Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Inventory

Inventory is valued at average cost and is used primarily for internal purposes.

Pensions

For purposes of measuring the net pension liability (NPL) and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position (FNP) of the District's Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

1. DESCRIPTION OF DISTRICT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

	Fiscal Year 2021	Fiscal Year 2020
Valuation Date	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2021	June 30, 2020

Property, Plant, and Equipment

Purchased capital assets are stated at historical cost. Capital assets contributed to the District are stated at estimated fair value at the time of contribution. The capitalization threshold for capital assets is $5,000. Expenditures which materially increase the value or life of capital assets are capitalized and depreciated over the remaining useful life of the asset. The term depreciation includes amortization of intangible assets.

Depreciation of exhaustible capital assets has been provided using the straight-line method as follows:

	Years
Sewage Collection Facilities	75
Intangible Assets	75
Sewage Treatment Plant and Pumping Plants	40
Buildings	50
Furniture and Equipment	5 – 15
Motor Vehicles	6 – 15

Accrued Vacation and Sick Leave Benefits

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Property Taxes

Property tax revenue is recognized in the fiscal year for which the tax is levied. The County of Contra Costa levies, bills and collects property taxes for the District; all material amounts are collected by June 30.

General County taxes collected are the same as the amount levied since the County participates in California's alternative method of apportionment called the Teeter Plan. The Teeter Plan as provided in Section 4701 at seq. of the State of Revenue and Taxation Code establishes a mechanism for the county to advance the full amount of property tax and other levies to taxing agencies based on the tax levy, rather than on the basis of actual tax collections. Although this system is a simpler method to administer, the County assumes the risk of delinquencies. The County in return retains the penalties and accrued interest thereon.

1. DESCRIPTION OF DISTRICT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Taxes (continued)

Secured Property tax bills are mailed annually, during the month of October, on the current secured tax roll to the owner of the property as of the lien date (January 1). Payments can be made in two installments and are due on November 15 and March 15. Delinquent accounts are assessed a penalty of 10 percent. Accounts which remain unpaid on June 30 are charged an additional 1 ½ percent per month. Unsecured property tax is due on July 1 and becomes delinquent on August 31. The penalty percentage rates are the same as secured property tax.

Net Position

In Statement of Net Position net position is classified in the following categories:

Net Investment in Capital Assets - This amount consists of capital assets, net of accumulated depreciation, reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted - This amount is all net position that do not meet the definition of "net investment in capital assets" or "restricted."

Statement of Cash Flows

For purposes of the statement of cash flows, all highly liquid investments, including restricted assets, with maturities of three months or less when purchased, are considered to be cash equivalents. Included therein are petty cash, bank accounts, and the State of California Local Agency Investment Fund (LAIF). Restricted assets are debt service amounts maintained by fiduciaries and not available for general expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. DESCRIPTION OF DISTRICT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Implemented New GASB Pronouncements

For the year ended June 30, 2021, the District implemented the following GASB pronouncements:

GASB Statement No. 84, *Fiduciary Activities.* - The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The implementation of the provisions of this statement did not have a significant impact on the District's financial statements.

GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61.* - The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously was reported inconsistently. In addition, requiring reporting of information about component units if the government acquires a 100 percent equity interest provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit.

The requirements of this Statement did not have a significant impact on the District's financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates.* - The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an Interbank Offer Rate (IBOR). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged transaction is probable

1. DESCRIPTION OF DISTRICT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Implemented New GASB Pronouncements (continued)

- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap.
- Clarifying the definition of *reference rate,* as it is used in Statement 53, as amended.

The removal of London IBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021 (fiscal year 2023). All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020 (fiscal year 2021). The District does not believe that the implementation of this Pronouncement has had or will an impact on the financial statements.

Upcoming New GASB Pronouncements

GASB Statement No. 87, *Leases.* - The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model.

This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 (fiscal 2022). Earlier application is encouraged.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* - The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

The requirements of this Statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020 (fiscal 2022). Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

1. DESCRIPTION OF DISTRICT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Upcoming New GASB Pronouncements (continued)

GASB Statement No. 91, *Conduit Debt Obligations.* - The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021 (fiscal 2023). Earlier application is encouraged. The District does not believe this statement will have a significant impact on the District's financial statements.

GASB Statement No. 92, *Omnibus 2020.* - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. The topics include but are not limited to leases, intra-entity transfers between a primary government and a post-employment benefit plan component unit, accounting for pensions and OPEB related assets, measurement of liabilities related to asset retirement obligations, and nonrecurring fair value measurements of assets or liabilities.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 (fiscal 2022).

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* - The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

1. DESCRIPTION OF DISTRICT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Upcoming New GASB Pronouncements (continued)

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPP.

PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 (fiscal year 2023), and all reporting periods thereafter. The District has not yet determined whether the implementation of this Pronouncement will have a material impact on the financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* - This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

1. DESCRIPTION OF DISTRICT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Upcoming New GASB Pronouncements (continued)

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 (fiscal year 2023), and all reporting periods thereafter. The District has not yet determined whether the implementation of this Pronouncement will have a material impact on the financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.* - The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021 (fiscal year 2021-22). For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021 (fiscal year 2022).

2. CASH AND EQUIVALENTS

Summary of Cash and Equivalents

Cash and equivalents as of June 30, 2021 and 2020, are classified in the accompanying financial statements as follows:

	2021	2020
Cash	$ 7,145,224	$ 3,328,443
Cash in bank	102,114	56,043
Petty cash	12	161
Cash equivalents – investment in LAIF	6,906,026	5,463,558
Total Cash and Equivalents	$ 14,153,376	$ 8,848,205

2. CASH AND EQUIVALENTS (continued)

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; and certificates of participation. State code prohibits the District from investing in investments with a rating of less than A or equivalent.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

	California State Limits		
Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
Banker's Acceptance	180	40%	30%
Commercial Paper	270	25%	10%
Collateralized Certificates of Deposit	5 years	30%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment; generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investments at year end are held in external investment pools which are liquid investments.

Credit Risk

Credit risk is the risk that an issue of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code and the actual rating as of the June 30, 2021, for each investment type.

2. CASH AND EQUIVALENTS (continued)

Credit Risk (continued)

Investment Type	Fair Value	Minimum Legal Rating	Not Required To Be Rated	Rating at Year-End Aaa	Rating at Year-End Unrated
Cash	$ 7,247,350	N/A	$ 7,247,350	$ -	$ -
State Investment Pool	6,906,026	N/A	-	-	6,906,026
Total	$ 14,153,376		$ 7,247,350	$ -	$ 6,906,026

Concentration of Credit Risk

During the current fiscal year, the District invested 49% of its monies in the State Investment Pool (LAIF) which is not limited by the California Government Code.

At June 30, 2021 and 2020, the District respectively had $102,114 and $43,150 on deposit at the bank. The full amounts were under the $250,000 FDIC insured limit.

Investment in the State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the pool is reported in the accompanying financial statement at amounts based upon the District's prorata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

Custodial Credit Risk – Investments

Custodial risk for investments is the risk that, in the event of the failure of the counterparty (e.g. the broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk. The District's policy is to use the services of the Treasurer's Office of the County of Contra Costa, which will transact the District's investment decisions in compliance with the requirements of the District's policy. The County Treasurer's Office will execute the District's investments through such broker-dealers and financial institutions as are approved by the County Treasurer, and through the State Treasurer's Office for investment in the Local Agency Investment Fund.

Investment in Fair Value

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The balance for withdrawal has a remaining maturity of twelve months or less.

3. ACCOUNTS RECEIVABLE

At June 30, 2021 and 2020, accounts receivable were comprised of the following:

	2021	2020
Northern California Veteran's Hospital	$ 48,947	$ 30,083
LAIF interest	4,670	22,297
Dorothy M. Sakasaki Environmental Fund	-	190,244
Advance on Supplemental Taxes	5,133	5,321
All other	7,342	5,982
	$ 66,092	$ 253,927

4. LAND, PROPERTY, PLANT AND EQUIPMENT, AND CONSTRUCTION IN PROGRESS

Property, plant and equipment, and construction in progress are summarized below for the year ended June 30, 2021:

	Balance Beginning of Year	Additions	Transfers/ Retirements	Balance End of Year
At Cost				
Capital assets not being depreciated				
Land	$ 275,455	$ -	$ -	$ 275,455
Construction in progress	735,803	995,961	(219,213)	1,512,551
Total non-depreciable assets	1,011,258	995,961	(219,213)	1,788,006
Capital assets being depreciated				
Infrastructure	1,437,055	-	-	1,437,055
Subsurface lines	886,916	-	-	886,916
Collection facilities	11,059,402	246,150	-	11,305,552
Sewage treatment	18,895,944	1,066,350	-	19,962,294
Disposal plant	8,387,041	48,804	-	8,435,845
General plant	4,875,367	67,311	-	4,942,678
Total depreciated assets	45,541,725	1,428,615	-	46,970,340
Less accumulated depreciation				
Infrastructure	286,949	22,325	-	309,274
Subsurface lines	98,333	1,195	-	99,528
Collection facilities	5,605,044	255,773	-	5,860,817
Sewage treatment	10,897,645	702,803	-	11,600,448
Disposal plant	1,001,160	275,597	-	1,276,757
General plant	3,246,910	110,259	-	3,357,169
Total accumulated depreciation	21,136,041	1,367,952	-	22,503,993
Total capital assets being depreciated, net	24,405,684	60,663	-	24,466,347
Capital assets, net	$ 25,416,942	1,056,624	$ (219,213)	$ 26,254,353

5. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The District joined with other entities to form the California Sanitation Risk Management Authority (CSRMA), a public entity risk pool currently operating as a common risk management and insurance program for the member entities. The purpose of CSRMA is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. Through CSRMA, the District purchases property insurance and workers' compensation insurance.

Type of Insurance Coverage	Insurer	Limits	Self-Insured Deductible Per Occurrence
All-Risk Property			
Special Form Property	Alliant Property Insurance Program (APIP)	$42,319,138	$5,000
Public Entity Pollution Liability	Interstate Fire & Casualty Insurance Company	$2,000,000	$100,000 Retention
Liability			
General Liability	CSRMA Pool	$15,500,000	$2,500 (E&O) $25,000
Excess Liability	Great American Excess & Surplus Company	$10,000,000	-
Pollution (Aggregate) / (Occurrence)	Indian Harbor Insurance Company	$5,000,000/ $1,000,000	$25,000
Cyber Liability	Lloyd's of London	$2,000,000	$50,000 Retention
ID Fraud	Traveler's Insurance Co.	$25,000	-
Alliant Mobile Vehicle Program (AMVP)	AGCS Marine Insurance Company	$343,109	$1,000/$2,000
Deadly Weapons Response	Lloyd's of London	$500,000	-
Workers' Compensation			
Employer's Liability	CSRMA	$750,000	-
Excess Workers' Comp. Employer's Liability	Safety National Casualty Insurance	$1,000,000	-

6. PENSION PLANS

General Information about the Pension Plan

Plan Description:
The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes and membership information is listed in the June 30, 2020, Miscellaneous Risk Pool Actuarial Valuation Report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications. All qualified permanent and probationary employees are eligible to participate in the District's separate Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans 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 each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	
	Prior to	On or after
Hire Date	January 1, 2013	January 1, 2013
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8.000%	7.50%
Required employer contribution rates	16.045%	8.239%

6. PENSION PLANS (continued)

Contributions:
Section 20814(c) of the California Public Employees' Retirement Law 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 the CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the costs of benefits earned by employees during the year, with an additional amount to pay any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the measurement period ended June 30, 2020 (the measurement date), for employees hired before January 1, 2013, the active employee contribution rate is 8.000 percent of annual payroll, and the average employer's rate is 16.045 percent of annual payroll. For employees hired after January 1, 2013, the active employee contribution rate is 7.500 percent of annual payroll, and the average employer's rate is 8.239 percent of annual payroll.

For the year ended June 30, 2021, the contributions to pension for the Plan were as follows:

Miscellaneous Plan	Hired prior to 1/1/2013 Rate	Hired on or after 1/1/2013 Rate
$ 497,413	16.045%	8.239%

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:
The following table shows the Plan's proportionate share of the collective net pension liability over the measurement period:

	Proportionate Share of Net Pension Liability	Proportionate Share of Net Position Liability
Balance at: 6/30/20	$ 3,547,021	0.03462%
Balance at: 6/30/21	3,707,290	0.03407%
Total change in Net Pension Liability	$ 160,269	(0.00055%)

6. PENSION PLANS (continued)

The District's net pension liability at June 30, 2021, of $3,707,290 is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2020, and the total pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020 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.

For the year ended June 30, 2021 and 2020, the District recognized pension expense of $232,064 and $382,404, respectively, for the Plan. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Year Ended June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 497,413	$ -
Differences between actual and expected experience	191,048	-
Changes in assumptions	-	(26,442)
Proportionate share of contributions	64,095	(44,384)
Differences between projected and actual investment earnings	110,131	-
Adjustment due to differences in proportions	-	(71,173)
Total	$ 862,687	$ (141,999)

Year Ended June 30, 2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 457,005	$ -
Differences between actual and expected experience	246,356	(19,088)
Changes in assumptions	169,138	(59,958)
Proportionate share of contributions	134,518	-
Differences between projected and actual investment earnings	-	(62,013)
Adjustment due to differences in proportions	31,782	(105,257)
Total	$ 1,038,799	$ (246,316)

Of the $862,687 reported above as deferred outflows of resources, $497,413 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, 2022 (measurement period ended June 30, 2021). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

6. PENSION PLANS (continued)

Year Ended June 30, 2021		Year Ended June 30, 2020	
Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources	Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources
2022	$ 21,025	2021	$ 310,784
2023	87,773	2022	(27,516)
2024	61,655	2023	39,679
2025	52,822	2024	12,531
Thereafter	-	Thereafter	-

The amounts above are the net of outflows and inflows recognized in the measurement period ended June 30, 2021 and 2020.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability:
For the measurement period ending June 30, 2020 (the measurement date), the collective total pension liability was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. Both the June 30, 2021 total pension liability and the June 30, 2020 total pension liability were determined using the following actuarial methods and assumptions:

	Miscellaneous	
Year Ended June 30,	2021	2020
Valuation Date	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increase	Varies by entry age and service	Varies by entry age and service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality rates include 15 years of projected on-going mortality improvement using 90% of Scale MP 2016 published by the Society of Actuaries.	Derived using CalPERS' Membership Data for all Funds. The mortality rates include 15 years of projected on-going mortality improvement using 90% of Scale MP 2016 published by the Society of Actuaries.
Post Retirement Benefit Increase:	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

6. PENSION PLANS (continued)

Discount Rate:
The discount rate used to measure the total pension liability 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 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 for June 30, 2021 and 2020, are as follows:

Asset Class	Assumed Asset Allocation	Real Return Years 1–10 (1)	Real Return Years 11+ (2)
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%)
	100%		

(1) An expected inflation of 2.00% used for this period.
(2) An expected inflation of 2.92% used for this period.

6. PENSION PLANS (continued)

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, calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.15%) or 1-percentage point higher (8.15%) than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
June 30, 2021	$5,741,208	$3,707,290	$2,026,728
June 30, 2020	$5,463,296	$3,547,021	$1,965,272

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

Payable to the Pension Plan:
At June 30, 2021 and 2020, there were no outstanding accounts payable for contributions to the pension plan.

7. OTHER POST EMPLOYMENT BENEFITS (OPEB)

General Information about Other Post- Employment Benefits (OPEB)

Plan Description:
The District provides post-retirement benefits to eligible employees. Eligibility is based upon active employee status of the District at the time of retirement, completion of a five year vesting period of employment with the District is required, having achieved the eligibility age to retire under CalPERS (classic or PEPRA membership determines age eligibility), and not receiving health care benefits from any other source other than Medicare or workers' compensation.

Employees Covered:
As of the July 1, 2020 and 2019 actuarial valuations, the following current and former employees were covered by the benefit terms under the Plan:

	2021	2020
Active employees	15	16
Inactive employees or beneficiaries currently receiving benefits	12	10
Inactive employees entitled to, but not yet receiving benefits	-	-
	27	26

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

Contributions:
The District's plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the District and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the fiscal years June 30, 2021 and 2020, the District's implied subsidies were $43,462 and $37,785 respectively, which accounted for all contributions.

Net OPEB Liability:
The District's Net OPEB Liabilities were measured on June 30, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation dated June 30, 2020 to determine the total OPEB liabilities, based on the following actuarial methods and assumptions:

Actuarial Assumptions at June 30, 2020 and 2019:

Discount Rate	6.50%
Inflation	2.75% per year
Salary Increases	3.0% per annum
Investment rate of Return	6.50%
Mortality Rate (1)	Taken from the 2017 CalPERS' Assumption Model for Public Agency-Miscellaneous
Pre-retirement turnover	Taken from the 2017 CalPERS' Assumption Model for Public Agency-Miscellaneous 2.7% at 55
Healthcare trend rate	Increase 5.50% per year after 2020 and 2019.

Notes:
(1) Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website (www.calpers.ca.gov) under Forms and Publications.

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

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

Asset Class	Target Allocation	Real return, next 10 years
Global equity	59%	5.25%
Fixed income	25%	0.99%
Treasury securities	5%	0.45%
Real estate trusts	8%	4.50%
Commodities	3%	3.00%
Total	100%	

Discount Rate:
The discount rate used to measure the total OPEB liabilities at June 30, 2021 and 2020 was 6.50 percent. The cash flows of the OPEB plan were projected to future years, assuming that the District will contribute an amount so that the assets always exceed expected benefits to retirees. Under that projection, the plan assets are projected to be adequate to pay all benefits to retirees in all future years, so the discount rate has been set equal to the long-term expected rate of return on investments, 7.50%.

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2019	4,080,224	2,101,458	1,978,766
Changes recognized for the measurement period:			
Service cost	50,706	-	50,706
Interest	259,618	-	259,618
Difference between actual and expected experience	(11,067)	-	(11,067)
Assumption changes	(18,067)	-	(18,067)
Contributions - employer	-	480,420	(480,420)
Net investment income	-	135,756	(135,756)
Benefit payments	(172,213)	(172,213)	-
Administrative expense	-	(464)	464
Net changes	108,977	443,499	(334,522)
Balance at June 30, 2020	4,189,201	2,544,957	1,644,244
Changes recognized for the measurement period:			
Service cost	123,766	-	123,766
Interest	265,669	-	265,669
Contributions - employer	-	358,410	(358,410)
Net investment income	-	90,981	(90,981)
Benefit payments	(203,967)	(203,967)	-
Administrative expense	-	(1,244)	1,244
Net changes	185,468	244,180	(58,712)
Balance at June 30, 2021	$4,374,669	$2,789,137	$1,585,532

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

Sensitivity of the Net OPEB Liability to the Changes in the Discount Rate:
The following presents the Net OPEB Liability of the District if it were calculated using a discount rate that is one percentage point higher or lower than the current discount rate, for the measurement period ended June 30, 2020 and 2019:

	1% Decrease 5.50%	Discount Rate 6.50%	1% Increase 7.50%
June 30, 2020	$2,257,483	$1,585,532	$1,048,058
June 30, 2019	$2,288,595	$1,644,244	$1,129,529

Sensitivity of the Net OPEB Liability to the Changes in the Health Care Cost Trend Rates:
The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point higher or lower than the current rate, for the measurement period ended June 30, 2019 and 2018:

	1% Decrease 4.50%	Trend Rate 5.50%	1% Increase 6.50%
June 30, 2020	$1,061,840	$1,585,532	$2,238,793
June 30, 2019	$1,177,500	$1,644,244	$2,224,141

OPEB Plan Fiduciary Net Position:
CERBT issues a publicly available financial report that may be obtained from CalPERS, Prefunding Programs, CERBT (OPEB), P.O. Box 1494, Sacramento, CA 95812-1494

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

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

The recognition period differs depending on the source of the gain or loss; net differences arising between projected and actual earnings on OPEB plan investments are recognized over five years. All other differences are recognized over the expected average remaining service lifetime (EARSL).

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

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB:
For the years ended June 30, 2021 and 2020, the District recognized OPEB expense (benefit) of $(137,339) and $(174,622) respectively.

At June 30, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Year Ended June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 151,375	$ -
Differences between expected and actual experience	-	(8,897)
Changes of assumptions	-	(14,525)
Net differences between projected and actual earnings on plan investments	60,015	(24,669)
Total	$ 211,390	$ (48,091)

Year Ended June 30, 2020	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 154,443	$ -
Net differences between projected and actual earnings on plan investments	659	(70,430)
Total	$ 155,102	$ (70,430)

The $151,375 and $154,443 of reported deferred outflows of resources related to contributions subsequent to the measurement dates that will be and are recognized as a reduction of the net OPEB liability in the year ended June 30, 2021 and 2020 respectively.

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

Year Ended June 30, 2021		Year Ended June 30, 2020	
Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources	Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources
2022	$(7,295)	2021	$(22,174)
2023	7,004	2022	(22,175)
2024	12,188	2023	(7,876)
2025	12,025	2024	(2,692)
2026	(2,856)	2025	(2,856)
Thereafter	(9,142)	Thereafter	(11,998)

8. LONG-TERM DEBT

On October 1, 2018, the District entered into an arrangement with Municipal Finance Corporation ("MFC") in the form of an installment sale agreement to finance the acquisition, construction and installation of certain additions, betterments, extensions or improvements to the District sewer system ("the 2018 Project"). The agreement, fully funded in October 2018 and maturing in October 2038, calls for MFC to provide an advance payment of $6,000,000 to the District in exchange for a series of twenty (20) annual principal and interest installment payments. Interest accrues annually at a fixed rate of 4.2% on the unpaid principal. Title to the components of the 2018 Project immediately and automatically vest in the District upon their acquisition and construction.

The agreement requires the District to irrevocably pledge Revenues in excess of Operation and Maintenance costs for any fiscal year ("net revenues") to the payment of the 2018 Project installment payments. It also stipulates the District will set and collect rates and charges that are sufficient to yield net revenues that are at least equal to 115% of the required debt service for a given fiscal year.

Project installment note principal payments as of June 30, 2021 for each of the next five fiscal years are:

Fiscal Year	Principal	Interest	Total
2022	$ 214,270	$ 235,075	$ 449,345
2023	223,269	226,076	449,345
2024	232,646	216,698	449,344
2025	242,417	206,927	449,344
2026	252,599	196,745	449,344
2027-2031	1,431,329	815,394	2,246,723
2032-2036	1,758,239	488,483	2,246,722
2037-2039	1,242,254	105,780	1,348,034
Total	$ 5,597,023	$ 2,491,178	$ 8,088,201

On June 1, 2021, the District entered into an arrangement with Municipal Finance Corporation ("MFC") in the form of an installment purchase agreement to finance the acquisition, construction and installation of certain additions, betterments, extensions or improvements to the District sewer system ("the 2021 Project"). The agreement, fully funded in June 2021 and maturing in June 2041, calls for MFC to provide an advance payment of $6,000,000 to the District in exchange for a series of twenty (40) semi-annual principal and interest installment payments. Interest accrues annually at a fixed rate of 2.90% on the unpaid principal. Title to the components of the 2021 Project immediately and automatically vest in the District upon their acquisition and construction.

The agreement requires the District to irrevocably pledge Revenues in excess of Operation and Maintenance costs for any fiscal year ("net revenues") to the payment of the 2021 Project installment payments. It also stipulates the District will set and collect rates and charges that are sufficient to yield net revenues that are at least equal to 115% of the required debt service for a given fiscal year.

8. LONG-TERM DEBT (continued)

Project installment note principal payments as of June 30, 2021 for each of the next five fiscal years are:

Fiscal Year	Principal	Interest	Total
2022	$ 225,090	$ 172,368	$ 397,458
2023	231,666	165,792	397,458
2024	238,433	159,025	397,458
2025	245,398	152,060	397,458
2026	252,566	144,892	397,458
2027-2031	1,377,907	609,385	1,987,292
2032-2036	1,591,270	396,022	1,987,292
2037-2041	1,837,670	149,622	1,987,292
Total	$ 6,000,000	$ 1,949,166	$ 7,949,166

REQUIRED SUPPLEMENTARY INFORMATION

MT VIEW SANITARY DISTRICT
Required Supplementary Informatior
For the Year Ended June 30, 2021

Schedule of the District's Proportionate Share of the Net Pension Liability
Last 10 Years*

	Fiscal year ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
Measurement date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Plan's Proportion of the Net Pension Liability/(Asset)	0.034070%	0.034620%	0.035120%	0.036000%	0.036870%	0.390800%	0.036480%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	$3,707,290	$3,547,021	$3,384,056	$3,566,173	$3,190,315	$2,682,252	$2,269,996
Plan's Covered-Employee Payroll	$1,914,191	$1,765,842	$1,684,405	$1,543,243	$1,482,872	$1,325,538	$1,273,446
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	193.67%	200.87%	200.91%	231.08%	215.14%	202.35%	178.26%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	74.87%	73.49%	73.55%	70.77%	74.44%	74.65%	77.48%
Plan's Proportionate Share of Aggregate Employer Contributions (Fiduciary Net Position)	$11,124,101	$10,166,255	$9,136,745	$8,264,679	$8,016,342	$7,805,372	$ 2,596,213

* Fiscal year ending June 30, 2015 was the first year of implementation. Future years' information will be displayed, up to 10 years, as information becomes available.

MT VIEW SANITARY DISTRICT
Required Supplementary Information
For the Year Ended June 30, 2021

Schedule of the District's Pension Plan Contributions
Last 10 Years*

	Fiscal year ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
Measurement date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Actuarially Determined Contributions	$ 497,413	$ 457,005	$ 533,805	$ 473,404	$ 448,604	$ 397,863	$ 357,937
Contributions in Relation to the Actuarially Determined Contribution - Employer	$ (497,413)	$ (457,005)	$ (533,805)	$ (473,404)	$ (448,604)	$ (397,863)	$ (357,937)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$1,765,842	$1,684,405	$ 1,684,405	$ 1,543,243	$ 1,482,872	$ 1,325,538	$ 1,273,446
Contributions as a Percentage of Covered-Employee Payroll	28.17%	27.13%	31.69%	30.68%	30.25%	30.02%	28.11%

Notes to Schedule:	
Valuation Date:	June 30, 2017
Methods and assumptions used to determine contributions rates:	
Actuarial cost method	Entry age normal cost method
Amortization Remaining Period Method	Differs by employer rate plan but not more than 30 years.
Asset valuation method	Market Value of Assets
Inflation rate	2.50%
Salary increase	Varies by Entry Age and Service
Discount rate	7.00%, net of adminstration expenses
Mortality	Derived using CalPERS' Membership Data for all Funds. The post- retirement mortality rates include 15 years of projected on-going mortality improvemet using 90 percent of Scale MP 2016 published by the Society of Actuaries.

* Fiscal year ending June 30, 2015 was the first year of implementation. Future years' information will be displayed, up to 10 years, as information becomes available.

MT VIEW SANITARY DISTRICT
Schedule of Changes in the Net OPEB Liability and Related Ratios

Reporting Date - June 30,		2021	2020	2019	2018
Total OPEB liability					
Service cost		$ 123,766	$ 50,706	$ 49,229	$ 47,795
Interest		265,669	259,618	250,366	240,301
Differences between actual and expected experience		-	(11,067)	-	-
Changes of assumptions		-	(18,067)	-	-
Benefits paid to retirees		(203,967)	(172,213)	(142,314)	(124,186)
Net change in total OPEB liability		185,468	108,977	157,281	163,910
Total OPEB Liability - beginning		4,189,201	4,080,224	3,922,943	3,759,033
Total OPEB Liability - ending	(a)	4,374,669	4,189,201	4,080,224	3,922,943
Plan Fiduciary Net Position					
Employer contributions		358,410	480,420	142,314	322,489
Net investment income		90,981	135,756	152,625	174,067
Benefits paid to retirees		(203,967)	(172,213)	(142,314)	(124,186)
Administrative expense		(1,244)	(464)	(1,039)	(882)
Net change in plan fiduciary position		244,180	443,499	151,586	371,488
Plan fiduciary net position- beginning		2,544,957	2,101,458	1,949,872	1,578,384
Plan fiduciary net position- ending	(b)	2,789,137	2,544,957	2,101,458	1,949,872
Net OPEB liability- ending	(a) - (b)	$ 1,585,532	$ 1,644,244	$ 1,978,766	$ 1,973,071
Plan fiduciary net position as a percentage of the total OPEB liability		63.76%	60.75%	51.50%	49.70%
Covered-employee payroll (per actuary report)		$ 2,118,206	$ 1,684,405	$ 1,648,895	$ 1,482,872
Net OPEB liability as a percentage of covered-employee payroll		74.85%	97.62%	120.01%	133.06%

Notes to Schedule:
Historical information is required only for measurement periods for which GASB No. 75 is applicable.
Future years' information will be displayed, up to 10 years, as information becomes available.

MT VIEW SANITARY DISTRICT
Schedule of OPEB Contributions
Last Ten Fiscal Years*

Fiscal Year Ended June 30,	2021	2020	2019	2018
Actuarially determined contributions (ADC)	$ 358,410	$ 197,905	$ 136,348	$ 115,314
Contributions in relation to the ADC	(358,410)	(197,905)	(136,348)	(115,314)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-employee payroll	2,118,206	1,684,405	1,648,895	1,482,872
Contributions as a percentage of covered-employee payroll	16.92%	11.75%	8.27%	7.78%

Notes to Schedule:

*Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021 and 2020 were selected by the District after consultation with the actuary.
Future years' information will be displayed, up to 10 years, as information becomes available.

Method and assumptions used to determine contribution:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level percent of payroll
Inflation	2.75%
Long-term investment rate of return	6.50%
Discount rate	6.50% per annum
Healthcare cost-trend rates	5.5% per annum
Payroll growth	3.0% per annum
Coverage elections	100% of eligible employees assumed to elect coverage upon retirement, remaining covered for life. Employees with no current medical assumed to elect employee-only medical upon retirement.
Mortality	Taken from the 2014 CalPERS OPEB Assumptions Model for Public Agency-Miscellaneous
Retirement rates	Taken from the 2014 CalPERS OPEB Assumptions Model for Public Agency-Miscellaneous with a 2.7% at 55 retirement plan.
Turnover (withdrawal)	Taken from the 2014 CalPERS OPEB Assumptions Model for Public Agency-Miscellaneous

OTHER SUPPLEMENTARY INFORMATION

MT VIEW SANITARY DISTRICT
Combining Statement of Net Position
June 30, 2021

	General Fund	Facilities Rehabilitation	Capital Outlay	Debt Service	Total
ASSETS					
Current Assets:					
Cash in County including Petty Cash	$ 994,439	$ 127,379	$ 43,328	$ 5,980,090	$ 7,145,236
Payroll - Direct Deposit	102,114	-	-	-	102,114
Investment in L.A.I.F.	4,302,320	434,975	2,168,081	650	6,906,026
Total Cash and Equivalents	5,398,873	562,354	2,211,409	5,980,740	14,153,376
Accounts Receivable	64,004	109	1,179	800	66,092
Prepaid Expense	138,009	-	-	-	138,009
Total Current Assets	5,600,886	562,463	2,212,588	5,981,540	14,357,477
Noncurrent Assets					
Capital Assets, net of Accumulated Depreciation	26,254,353	-	-	-	26,254,353
Total Noncurrent Assets	26,254,353	-	-	-	26,254,353
TOTAL ASSETS	31,855,239	562,463	2,212,588	5,981,540	40,611,830
DEFERRED OUTFLOWS OF RESOURCES					
Deferred OPEB Outflows	211,390	-	-	-	211,390
Deferred Pension Outflows	862,687	-	-	-	862,687
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,074,077	-	-	-	1,074,077
LIABILITIES					
Current Liabilities					
Accounts Payable and Accrued Expenses	202,870	138,236	428,376	159,584	929,066
Current Portion of Long-term Debt	-	-	-	439,360	439,360
Current Portion of Accrued Vacations	89,371	-	-	-	89,371
Construction Deposits	36,700	-	12,000	-	48,700
Total Current Liabilities	328,941	138,236	440,376	598,944	1,506,497
Noncurrent Liabilities:					
Noncurrent Portion of Long-term Debt	-	-	-	11,157,663	11,157,663
Noncurrent Portion of Accrued Vacations	89,371	-	-	-	89,371
Net OPEB Liability	1,585,532	-	-	-	1,585,532
Net Pension Liability	3,707,290	-	-	-	3,707,290
Total Noncurrent Liabilities	5,382,193	-	-	11,157,663	16,539,856
TOTAL LIABILITIES	5,711,134	138,236	440,376	11,756,607	18,046,353
DEFERRED INFLOWS OF RESOURCES					
Deferred OPEB Inflows	48,091	-	-	-	48,091
Deferred Pension Inflows	141,999	-	-	-	141,999
TOTAL DEFERRED INFLOWS OF RESOURCES	190,090	-	-	-	190,090
NET POSITION					
Investment in capital assets, net of related debt	26,254,353	-	-	(11,597,023)	14,657,330
Other unrestricted	773,739	424,227	1,772,212	5,821,956	8,792,134
TOTAL NET POSITION	$ 27,028,092	$ 424,227	$ 1,772,212	$ (5,775,067)	$ 23,449,464

MT VIEW SANITARY DISTRICT
Combining Statement of Revenues, Expenses and Changes in Net Positio
Year Ended June 30, 2021

	General Fund	Facilities Rehabilitation	Capital Outlay	Debt Service	Total
Operating Revenues					
Service charges	$ 7,227,185	$ -	$ -	$ -	$ 7,227,185
Permit and inspection fees	40,211	-	11,083	-	51,294
Total operating revenues	7,267,396	-	11,083	-	7,278,479
Operating Expenses					
Sewage collection	658,353	11,160	413,420	-	1,082,933
Sewage treatment	2,791,350	39,783	3,593	-	2,834,726
Sewage disposal	184,773	-	-	-	184,773
Administrative and general	2,234,006	244	44,675	-	2,278,925
Depreciation and amortization	1,367,953	-	-	-	1,367,953
Total operating expenses	7,236,435	51,187	461,688	-	7,749,310
Operating Income (Loss)	30,961	(51,187)	(450,605)	-	(470,831)
Non-Operating Revenues (Expenses):					
Taxes	451,087	-	-	-	451,087
Interest income	9,942	1,141	5,049	14,705	30,837
Rents and leases	177,908	-	-	-	177,908
Interest Expense	-	-	-	(240,928)	(240,928)
Other income (expense)	16,231	-	-	(20,000)	(3,769)
	655,168	1,141	5,049	(246,223)	415,135
Income (loss) before connnection and franchise fees, and transfers	686,129	(50,046)	(445,556)	(246,223)	(55,696)
Franchise and connection fees	26,635	-	113,165	-	139,800
Transfers in (out)	1,336,110	(2,385)	(593,070)	(740,655)	-
Change in Net Position	2,048,874	(52,431)	(925,461)	(986,878)	84,104
Net Position - Beginning of Year	24,979,218	476,658	2,697,673	(4,788,189)	23,365,360
Net Position - End of Year	$ 27,028,092	$ 424,227	$ 1,772,212	$ (5,775,067)	$ 23,449,464

MT VIEW SANITARY DISTRICT
Comparision of Budget to Actual
General Fund
For the Year Ended June 30, 2021

	Sewage Collection	Sewage Treatment	Sewage Disposal	Administration & General	Total	General Fund FY 2020-21 Budget	Variance Favorable (Unfavorable)
Salaries and Wages	$ 282,553	$ 1,195,418	$ 65,205	$ 630,311	$ 2,173,487	$ 2,363,838	$ 190,351
Employee Benefits	177,343	750,298	40,925	395,713	1,364,279	1,636,675	272,396
Total Salaries and Benefits	459,896	1,945,716	106,130	1,026,024	3,537,766	4,000,513	462,747
Directors' Fees	-	-	-	23,265	23,265	24,910	1,645
Clothing and Supplies	-	34,426	-	-	34,426	25,900	(8,526)
Election Expense	-	-	-	300	300	12,500	12,200
Gasoline and Oil	11,333	3,300	-	-	14,633	15,600	967
Insurance	22,111	93,548	5,103	49,325	170,087	170,690	603
Memberships	7,292	37,028	23,771	41,804	109,895	121,656	11,761
Office Expenses	-	-	-	55,313	55,313	43,300	(12,013)
Operating Supplies	-	(238)	-	-	(238)	3,500	3,738
Chemicals	-	127,584	-	-	127,584	160,000	32,416
Contractual Services	61,272	94,891	12,850	324,927	493,940	660,240	166,300
Professional Services	-	8,961	1,997	512,551	523,509	630,726	107,217
Printing and Publications	-	-	-	3,291	3,291	2,800	(491)
Rents and Leases	868	147	-	-	1,015	4,400	3,385
Repairs and Maintenance	32,970	116,321	3,217	6,371	158,879	267,360	108,481
Small Tools	15,385	4,911	3,537	400	24,233	21,000	(3,233)
Research and Monitoring	724	21,192	28,168	-	50,084	54,010	3,926
Travel and Meetings - Admin./General	-	-	-	6,004	6,004	25,150	19,146
Bad Debt Expense	-	-	-	-	-	3,000	3,000
Utilities	45,888	302,957	-	82,757	431,602	474,900	43,298
Depreciation	-	-	-	1,367,953	1,367,953	-	(1,367,953)
OPEB Expense (Benefit)	-	-	-	(137,339)	(137,339)	-	137,339
Pension Expense (Benefit)	-	-	-	232,064	232,064	-	(232,064)
Other	614	606	-	6,949	8,169	23,100	14,931
Total General Fund Operating Expenses	$ 658,353	$ 2,791,350	$ 184,773	$ 3,601,959	$ 7,236,435	$ 6,745,255	$ (491,180)

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Governing Body of
Mt. View Sanitary District
Martinez, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, of Mt. View Sanitary District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Mt. View Sanitary District's basic financial statements, and have issued our report thereon dated October 20, 2021

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mt. View Sanitary District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mt. View Sanitary District's internal control. Accordingly, we do not express an opinion on the effectiveness of Mt. View Sanitary District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mt. View Sanitary District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cropper Rowe, LLP

CROPPER ROWE, LLP
Walnut Creek, California
October 20, 2021