

Homestead Valley Sanitary District  
Financial Statements  
June 30, 2024

**HOMESTEAD VALLEY SANITARY DISTRICT**  
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**June 30, 2024**

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Board of Directors  
Homestead Valley Sanitary District  
Mill Valley, California

**Independent Auditor's Report**

**Report on the Audit of the Financial Statements**

**Opinion**

I have audited the financial statements of the Homestead Valley Sanitary District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Homestead Valley Sanitary District's basic financial statements as listed the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Homestead Valley Sanitary District as of June 30, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am required to be independent of the Homestead Valley Sanitary District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibility for the Audit of Financial Statements**

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I

- exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform auditing procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Homestead Valley Sanitary District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Homestead Valley Sanitary District's ability to continue as a going concern for a reasonable period of time.

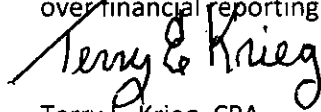
I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters I identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that *management's discussion and analysis* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government 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. I have applied certain limited procedures to the required supplemental 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 representations to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated December 18, 2024, on my consideration of Homestead Valley Sanitary District's internal control over financial reporting and on my 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 my 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 Homestead Valley Sanitary 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 Homestead Valley Sanitary District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Terry E. Krieg". The signature is written in a cursive style with a long horizontal stroke at the beginning.

Terry E, Krieg, CPA  
Santa Rosa, California  
December 18, 2024

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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This section of the Homestead Valley Sanitary District's annual financial report presents our discussion and analysis of the district's financial performance during the fiscal year that ended on June 30, 2024. Please read it in conjunction with the district's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The net position of the district's business-type activities increased by about \$702,300 in fiscal 2024 compared to an increase of \$646,000 in fiscal year 2023 mainly because of the increase in sewer service rates and higher investment income.
- Total operating expenses in fiscal 2024 increased by a net \$72,000 compared to fiscal 2023 expenses. Of the \$72,000 increase in expenses, most was caused by higher SASM treatment costs and higher line cleaning, inspections and repairs.
- In fiscal 2024, overall District revenues increased by about a net seven percent mainly related to the increases in service fees and interest income.
- There was about a seven percent increase in the district's capital assets in fiscal 2024 caused by line improvement projects.
- The district's cash and investment holdings increased by about \$394,000 at the end of fiscal 2024 for a total of about \$1.91 million. The district at the end of fiscal 2024 had no long-term debt outstanding.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – *management's discussion and analysis* (this section), and the *basic financial statements including related disclosures*. The basic financial statements include one kind of statement that presents both a short-term and long-term view of the district:

- *Proprietary* enterprise fund-type statements offer *short-* and *long-term* financial information about the activities that the district operates *like businesses*, such as the district's wastewater collection and treatment system.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Figure A-1 summarizes the major features of the district's financial statements, including the portion of the district they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**FIGURE A-1**

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<b>Basic Financial Statement Features</b>	<b>Basic Financial Statements</b>
<b>Scope</b>	Activities the District operates similar to a to a private business; the wastewater collection and treatment systems
<b>Required Financial Statements</b>	Statement of net position; statement of revenues, expenses, and changes in net position, and the statement of cash flows
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic measurement focus
<b>Type of Asset and Liability Information</b>	All assets and liabilities, both financial and capital and short term and long-term focus
<b>Type of Inflow and Outflow Information</b>	All revenues and expenses during the year regardless of when the cash is received

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Basic Financial Statements**

The basic financial statements report information about the district as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* the district's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net position regardless of when cash is received or paid.

The basic financial statements report on the district's *net position* and how it has changed. Net position – the difference between the district's assets and liabilities – is one way to measure the district's financial health, or *position*.

- Over time, increases or decreases in the district's net position are an indicator of whether its financial health is improving or deteriorating, respectively. The basic financial statements of the district consist of one category:
  - *Business-type activities* – The District charges fees to help it cover the costs of certain services it provides. All of the District's operations are accounted for in this category. *The district uses proprietary enterprise fund-type accounting principles to account for all operations.* Proprietary accounting provides both long-and short-term financial information.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position.** The district's *combined* net position increased by about \$702,300 in fiscal year 2024 (See Table A-1.)

Table A-1  
DISTRICT'S NET POSITION  
(In Nearest Hundred Dollars)  
June 30

	2024	2023	Percentage Change
Cash and investments	\$1,918,100	\$1,523,700	26%
Other assets	17,300	42,600	-60%
Capital assets, net	6,050,100	5,712,700	6%
<b>Total assets</b>	<b>7,985,500</b>	<b>7,279,000</b>	<b>10%</b>
Long-term debt	-	-	0%
Other liabilities	92,500	88,300	5%
<b>Total liabilities</b>	<b>92,500</b>	<b>88,300</b>	<b>5%</b>
Net position:			
Net investment in capital assets	6,050,100	5,712,700	6%
Unrestricted	1,842,900	1,478,000	25%
<b>Total net position</b>	<b>\$7,893,000</b>	<b>\$7,190,700</b>	<b>10%</b>

The 26 percent increase in cash and investments was a result of the net cash flows from all district's financial activities in fiscal 2024 being greater than operating and capital outflows. The 60% decrease in receivables was caused by delayed collection of receivables until shortly after the year end. The other liabilities were higher because of contract retentions and accounts payable.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

The district's change in net position in fiscal 2024 was about nine percent more than the increase in fiscal 2023.

**Change in net position.**

The district's total revenue increase of \$128,800 in fiscal 2024 was a net change consisting of about \$121,900 more from the rate increase, \$35,000 more in investment income, and reductions in grant and other operating revenues.

Other significant revenue reductions include \$24,200 less in pass through grant revenues.

TABLE A-2  
District Revenues, Expenses and Changes in Net Position  
(Rounded to Nearest Hundred Dollars)

	<u>Fiscal Year Ended June 30</u>		Percentage Change
	<u>2024</u>	<u>2023</u>	
<b>Revenues:</b>			
Program revenues:			
Charges for sewer service	\$1,501,500	\$1,379,600	9%
Other operating charges	47,000	63,300	-26%
Property taxes	332,900	321,600	4%
Franchise fees	27,000	25,800	5%
Investment income	82,000	47,100	74%
Capital contributions and grants		24,200	-100%
<b>Total revenues</b>	<b>1,990,400</b>	<b>1,861,600</b>	<b>7%</b>
<b>Expenses:</b>			
Salaries and benefits	230,500	233,200	-1%
Intergovernmental treatment cost	748,800	707,600	6%
Line inspections, cleaning, repairs	93,500	67,100	39%
Insurance and claims	10,700	9,400	14%
Professional services	8,200	7,800	5%
Mapping and other	27,200	25,500	39%
Contributions		20,200	7%
Depreciation	169,200	145,300	16%
<b>Total expenses</b>	<b>1,288,100</b>	<b>1,216,100</b>	<b>6%</b>
<b>Change in net position</b>	<b>702,300</b>	<b>645,500</b>	<b>9%</b>
Net position, beginning	7,190,700	6,545,200	
<b>Net position ending</b>	<b>\$7,893,000</b>	<b>\$7,190,700</b>	<b>10%</b>



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)**

Investment revenues in fiscal 2024 increased 74 percent because of the higher rates of return being experienced by Marin County's investment pool and increases in the overall fair value of the pool because of favorable market conditions and changes.

Table A-2 presents the cost of each of the district's largest functions from an expense perspective – operating expenses and depreciation on capital assets.

- ✓ There was in fiscal 2024 about a 9 percent net increase in total expenses compared to fiscal 2023 total expenses.

The district paid for these costs by using all of the direct charges collected from its customers and franchise fees.

On a cash flow basis, there was a \$394,400 net increase in the district's cash and investment holdings at the end of fiscal 2024 compared to the end of fiscal 2023. The district was financially able to fund its 2024 operating and capital cost without the need to obtain external financing.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal 2024, the district's investment in capital assets increased by a net \$337,400 as a result of depreciation charge of about \$169,000 offsetting the capital improvements to lines of about \$506,600. Additional information about the district's capital assets can be found on page 16 of these financial statements.

TABLE A-3  
DISTRICT INVESTMENT IN CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION  
(Rounded to Nearest Hundred Dollars)

	June 30		Percentage Change
	2024	2023	
Original sewer lines	\$181,500	\$181,500	0%
Line replacements and extensions	7,452,000	6,945,400	7%
Contributed lines	134,100	134,100	0%
<b>Totals</b>	<b>7,767,600</b>	<b>7,261,000</b>	<b>7%</b>
Less accumulated depreciation	(1,717,500)	(1,548,300)	11%
<b>Net capital assets</b>	<b>\$6,050,100</b>	<b>\$5,712,700</b>	<b>6%</b>

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

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### **Long-Term Debt**

There was no new long-term debt issued by the district in fiscal 2023. The district has no long-term debt outstanding.

### **ECONOMIC FACTORS AND NEXT YEAR'S OPERATING PLAN AND RATES**

Several major changes in the district's financial capabilities and operations are anticipated in the future.

In the capital area, the district has determined that it is in need of significant capital projects and programs. These will in large part deal with the aging infrastructure of the district which is now reaching the end of its useful life due to improvement needs in the district collection system. The district has undertaken a comprehensive evaluation of the collection system and developed a long-range capital improvement plan. In order to finance future improvements to the district's collection system and provide for normal anticipated cost increases, the district in fiscal 2021 held hearings and approved increases in the annual sewer service charges for the next four fiscal years. The base charge for a single-family residential dwelling unit increases from \$975 in fiscal 2021 to \$1,175 in fiscal 2022 and is scheduled to increase by \$100 per residential unit in each of the next three fiscal years.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our customers and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the General Manager, Homestead Valley Sanitary District, P.O. Box 149, Mill Valley, California, 94942.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**HOMESTEAD VALLEY SANITARY DISTRICT**  
**Statement of Net Position**  
**June 30, 2024**

**ASSETS**

Current assets:

Cash and investments	\$ 1,918,105
Receivables :	
Franchise fees	6,746
Accounts	4,294
Prepayments	6,204

Total current assets	1,935,349
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Capital assets being depreciated:

Collection system:

Original sewer lines	181,500
Contributed lines	134,140
Line extensions and replacements	7,452,029
Less accumulated depreciation	(1,717,548)

Total capital assets being depreciated	6,050,121
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Total capital assets	6,050,121
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Total assets	7,985,470
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**LIABILITIES**

Current liabilities:

Accounts payable	3,587
Accrued liabilities	9,054
Contract retentions	79,854

Total current liabilities	92,495
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**NET POSITION**

Net investment in capital assets	6,050,121
Unrestricted	1,842,854
Total net position	\$ 7,892,975

The accompanying notes are an integral part of the financial statements

**HOMESTEAD VALLEY SANITARY DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For The Fiscal Year Ended June 30, 2024**

<b>OPERATING REVENUES</b>	
Sewer service fees	\$ 1,501,500
Franchise fees	27,015
Other operating revenues	<u>47,038</u>
Total operating revenues	<u>1,575,553</u>
<b>OPERATING EXPENSES</b>	
Salaries and benefits	230,489
Intergovernmental treatment costs	748,770
Line cleaning, inspection and repairs	93,523
Liability and property insurance	10,653
Contract and professional services	8,300
Other operating	27,269
Depreciation	<u>169,173</u>
Total operating expenses	<u>1,288,177</u>
Operating income	<u>287,376</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Property taxes	332,912
Investment income (loss)	<u>82,001</u>
Total non-operating revenues	<u>414,913</u>
Change in net position	702,289
Total net position, beginning	<u>7,190,686</u>
Total net position, ending	<u><u>\$ 7,892,975</u></u>

The accompanying notes are an integral part of the financial statements

**HOMESTEAD VALLEY SANITARY DISTRICT**  
**Statement of Cash Flows**  
**For The Fiscal Year Ending June 30, 2024**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 1,501,500
Other operating receipts	78,944
Payments to suppliers for goods and services	(891,261)
Payments to employees for services and benefits	(236,459)
Net cash provided by operating activities	<u>452,724</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Property tax collections	<u>332,912</u>
Net cash provided by noncapital financing activities	<u>332,912</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital connections	-
Collection system improvements	<u>(473,234)</u>
Net cash used for capital and related financing activities	<u>(473,234)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest receipts	<u>82,001</u>
Net cash provided by investing activities	<u>82,001</u>
Net decrease in cash and cash equivalents	394,403
Balances-beginning of the year	<u>1,523,702</u>
Balances-end of the year	<u><u>\$ 1,918,105</u></u>
<b>Reconciliation of operating loss to net cash used for operating activities:</b>	
Operating income (loss)	\$ 287,376
Adjustments to reconcile operating income(loss) to net cash provided by operating activities:	
Depreciation expense	169,173
Change in assets and liabilities:	
Decrease (increase) in other receivables	4,891
Decrease (increase) in prepayments	493
Decrease (increase) receivables from employees	20,000
Increase (decrease) in accrued liabilities	(25,970)
Increase (decrease) in accounts payable	<u>(3,239)</u>
Net cash provided by operating activities	<u><u>\$ 452,724</u></u>
<b>Noncash capital financing activities:</b>	
None	

The accompanying notes are an integral part of the financial statements

**HOMESTEAD VALLEY SANITARY DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The Homestead Valley Sanitary District was formed in 1931 under the Sanitary District Act of 1923. The District is governed by five elected Directors. The district's service area includes about 480 acres of watershed adjacent to the Southwestern boundaries of the City of Mill Valley in the County of Marin, California. The district provides sewerage collection and disposal services and contract administration for the collection of municipal solid waste and recycling services. The district has no component units. The district does not own or operate its own wastewater treatment plant. As a member of the Sewerage Agency of Southern Marin (A joint powers agency), the district is charged an annual fee for the treatment of its wastewater.

**B. Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the nonfiduciary activities of the district. For the most part, the effect of interfund activity has been removed from these statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes, service fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The district is engaged in only business-type activities and the district's basic financial statements consist of only the financial statements required for enterprise funds. These include management's discussion and analysis, a statement of net position, a statement of revenues, expenses, and changes in net position, a statement of cash flows, and these notes to the basic financial statements.

Proprietary enterprise funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the district are charges to the customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**HOMESTEAD VALLEY SANITARY DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**D. Assets, Liabilities, and Net Position**

**1. Deposits and Investments**

The district's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The district's investment policy has been to invest all cash in the Marin County Treasurer's Investment Pool. Investments are reported at fair value. The County Pool is operated in accordance with applicable state laws and regulations, and the reported value of the district's investment in the County Pool is the same as the fair value of the County Pool shares.

**2. Receivables, Property Taxes and Sewer Service Revenues**

Property taxes are levied as of March 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the County, and be shared by applicable jurisdictions. The County of Marin collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1 and become delinquent on December 10 and April 10. The district receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan." Under the plan, the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the district. The district recognizes property tax revenues in the fiscal year in which they are due to the district and accrues as receivable such taxes. Accordingly, the District provides for no allowance for doubtful accounts.

Sewer service fees (used to supplement tax revenues) are set by the district based upon rates applied to the number of equivalent dwelling units (EDUs) for nonvacant properties and adjusted flows applicable to commercial properties. The sewer service fees are incorporated into the property tax billings, and such fees are due in two equal installments on December 10 and April 10 following the assessment date. The district recognizes these fees as revenues in the year earned, which is also the year in which the service is provided to properties within the district. Under an arrangement with the County known as the Teeter Plan, the County advances substantially all of the sewer fees to the district each year, and the County bears the burden of any uncollectible accounts. Therefore, the District does not provide for an allowance for uncollectible accounts or bad debts.

**3. Prepaid Items**

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

**4. Designated Cash Equivalents and Investments**

Cash equivalents and investments restricted for use in only capital projects are reported as noncurrent assets. The district follows the practice of reporting in this category the funds (if any such funds are held), which by Resolution of the Board of Directors, can only be used for the purpose of financing the design, construction, replacement, and improvement of related District facilities.



**HOMESTEAD VALLEY SANITARY DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**D. Assets, Liabilities, and Net Position**

**5. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (mainly the existing wastewater system) are reported in the financial statements. Capital assets are defined by the district as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets and assets constructed by developers are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the district is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Year</u>
Subsurface lines	40-50

**6. Compensated Absences, Sick Leave, Other Post-Employment Benefits and Claims**

The district's policy is to provide employees with no vacation or sick pay benefits. Accordingly, the District reports no liability for compensated absences/unpaid vacation or sick leave in these financial statements.

The district does not provide any other post employment retirement benefits (OPEB) such as retiree medical benefits, and accordingly the district reports no liability for such OPEB plans in these financial statements.

The district does not participate in the Public Employees Retirement System (PERS) and provides employees with no pension benefits; accordingly, the district reports no information about pension plans or contributions in these financial statements.

The district obtains insurance coverage for property and equipment, fidelity bonds, automobile liability and general liability, through its membership with the Sewerage Agency of Southern Marin (SASM). The district pays a prorate share of the premiums charged to SASM for coverage under a master policy. The risk of loss is transferred from the District to the SASM's insurance provider in exchange for the district's payment of annual premiums. Incurred and unbilled claims, if any, are accrued as a liability when it is probable that an asset has been impaired, the amount of the obligation can be reasonably estimated, and the claim is not covered by insurance. The district has a self-insured retention limit, similar to a deductible, of \$25,000.

**HOMESTEAD VALLEY SANITARY DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**D. Assets, Liabilities and Net Position**

**7. Long-term Obligations**

In enterprise fund-type financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. The district has no outstanding long-term debt obligations.

**8. Net Position**

In the financial statements, fund net position is reported in two categories as follows:

- Net investment in capital assets - This category of net position reports the net book value of capital assets used in District operations including construction in progress all net of related accumulated depreciation and reduced by the carrying value of related long-term debt issued to finance the acquisition of such assets.
- Unrestricted - Unrestricted net position represented all other assets net of related liabilities available for use by the district.

**2. Detailed Notes**

**A. Cash Equivalents and Investments**

Cash equivalents and Investments consisted of the following on June 30:

Marin County Treasurer's Investment Pool:	
District operating	\$ 1,871,081
Payroll checking account	<u>47,024</u>
Total cash equivalents and investments	<u>\$ 1,918,105</u>

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. The district's policy for deposits is that they will all be deposited with the County of Marin Treasurer's Investment Fund. The district maintains no separate bank checking, savings, money market, or time deposit accounts other than a payroll clearing account. The district had no custodial credit risk as to deposits because the \$47,024 commercial account was fully insured by the FDIC.

*Custodial Credit Risk - Investments.* Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the District's investments were invested in specific securities. All of the District's monies in the Marin County Treasurer's Investment Pool are not evidenced by specific securities; and therefore, are not subject to custodial credit risk.

*Credit Risk- Investments.* State law limits investments in various securities to certain levels of risk ratings issued by nationally recognized statistical rating organizations. It is the County of Marin's Treasurer's Investment Pool policy to comply with those requirements. The Marin County Treasurer's Investment Pool is rated AAF'/S1' by Fitch Ratings.

**HOMESTEAD VALLEY SANITARY DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**2. Detailed Notes (Continued)**

**A. Cash Equivalents and Investments (Continued)**

*Fair Value Measurements – Investments.* The district categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs. The district has no separately held investments and its funds are held primarily by the Marin County Investment Pool which pool values its investments monthly using real-time pricing viewed as Level 1 inputs.

**B. Receivables:**

Receivables at year end consisted of \$11,040 in franchise fees and customer accounts.

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$	\$	\$	\$
Construction in progress		506,600	(506,600)	-
Total capital assets, not being depreciated		506,600	(506,600)	-
Capital assets, being depreciated:				
Original sewer lines	181,500	-	-	181,500
Contributed lines	134,140	-	-	134,140
Line extensions and replacements	6,945,429	506,600	-	7,452,029
Total capital assets, being depreciated	7,261,069	506,600	-	7,767,669
Less accumulated depreciation for:				
Original lines	(181,500)	-	-	(181,500)
Contributed lines	(95,134)	(2,683)	-	(97,817)
Line extensions and replacements	(1,271,741)	(166,490)	-	(1,438,231)
Total accumulated depreciation	(1,548,375)	(169,173)	-	(1,717,548)
Total capital assets, being depreciated, net	5,712,694	337,427	-	6,050,121
Business-type activities capital assets, net	<u>\$ 5,712,694</u>	<u>\$844,027</u>	<u>\$ (506,600)</u>	<u>\$ 6,050,121</u>

**HOMESTEAD VALLEY SANITARY DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**3. Other Information**

**A. Jointly Governed Organizations**

The Homestead Valley District is a member of the Sewerage Agency of Southern Marin (SASM). The SASM was formed in 1979 as a joint power's agency with six members: The City of Mill Valley, the Richardson Bay, Almonte, Alto and Homestead Sanitary Districts and the Tamalpais Community Services District. The SASM is a stand-alone governmental entity, and it is not financially accountable for any other governmental entity, and it has no component units. SASM's primary function is the maintenance and operation of its owned wastewater treatment plant and related lines and facilities. Member agencies pay annual assessments to SASM, based upon the concept of their respective number of equivalent dwelling units (EDUs), in exchange for the treatment and disposal of wastewater collected through their respective collection systems and conveyed to SASM's treatment plant and facilities. Member agency assessments are expected to increase in future years as SASM undertakes plant modernization and improvement projects.

In August of 2016, the District entered into a financing agreement with the SASM wherein the district agreed to maintain its net system revenues at a level equal to at least 120 percent of its obligation to SASM to support the SASM Bonds. The SASM issued \$38,000,000 in revenue bonds to provide financing for improvements to its wastewater treatment plant and refund other debt obligations. The district's annual financial obligations under the JPA Agreement and the Financing Agreement are passed through to the district each year in the form of a billing for an annual assessment payable in two equal semi-annual installments. These annual assessments are reported by the district as intergovernmental treatment costs in the statement of revenues, expenses, and changes in net position and amounted to \$748,770 in fiscal 2024.

Under the Joint Powers Agreement, all excess administration, operations, and maintenance funds, from any source, are the property of SASM and not its members. If excess monies are available, the SASM may, but is not required to, reduce member assessments for the subsequent year. There are no provisions for sharing among the members the net earnings of SASM. Accordingly, the Homestead Valley Sanitary District is deemed to have no equity interest in SASM. Separate financial statements of the SASM are available at the City of Mill Valley's Department of Finance.

**B. Risk Management**

The district obtains general liability, property, and automobile insurance through its membership in the SASM. Each member agency is assessed a premium based on ratable exposure. The SASM purchases insurance coverage from the California Sanitation Risk Management Authority (CSRMA) for SASM and the member Districts.

The risk of loss is transferred from the Districts to the Authority under the arrangement to the extent that the insurance coverage pertains to the district's membership in SASM. Subject insurance coverage does not extend to claims arising from the sole acts of the district independent of its SASM membership. The Authority provides coverage for the first \$500,000 in general liability and auto claims with the district being responsible for the first \$25,000 and a \$25,000 sewer backup deductible limit. The Authority provides coverage for the next \$15 million in claims by purchasing commercial insurance coverages. The Authority provided insurance coverage for the buildings and plant of all SASM members. Flood insurance is also provided with a \$2 million coverage limit which limit is shared with other member agencies and has a \$500,000 deductible in zones A and V and a \$100,000 deductible in other zones. The district paid \$6,987 in fiscal 2023 related to a residential sewer line backup. Uninsured losses in fiscal 2020 were \$17,720, in fiscal 2021 were \$7,280. for a cumulative loss of \$25,000.

**HOMESTEAD VALLEY SANITARY DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2024**

**3. Other Information (Continued)**

**B. Risk Management (Continued)**

Liabilities of the District are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The district had no significant uninsured claim liabilities on June 30, 2024, 2023, and 2022.

**C. Contingencies and Commitments**

*Litigation.* In the opinion of the district's general counsel, there is no pending or threatened litigation which would have a material adverse impact on the accompanying financial statements.

HOMESTEAD VALLEY SANITARY DISTRICT  
Report to Those Charged with Governance  
June 30, 2024

December 18, 2024

Honorable President and Members of  
Board of Directors  
Homestead Valley Sanitary District  
Mill Valley, California

I have audited the basic financial statements of the business-type activities of the Homestead Valley Sanitary District for the year ended June 30, 2024, and have issued my report thereon dated December 18, 2024. Professional standards require that I provide you with the following information related to my audit.

1. My Responsibility under U.S. Generally Accepted Auditing Standards

As stated in my engagement letter, my responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material aspects, in conformity with U.S. generally accepted accounting principles. My audit of the financial statements does not relieve you or management of your responsibilities.

As part of my audit, I considered the internal control of the Homestead Valley Sanitary District. Such considerations were solely for the purpose of determining my audit procedures and not to provide assurance concerning such internal control. My responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. I am responsible for communicating significant matters related to the audit that are, in my professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, I am not required to design procedures specifically to identify such matters.

2. Other Information in Documents Containing Audited Financial Statements and Electronic Dissemination of Audited Financial Statements

My responsibility for other information in documents containing the Homestead Valley Sanitary District financial statements and my auditor's report, such as an official statement for a bond or debt offering, does not extend beyond the financial information identified in the report. I do not have an obligation to perform any procedures to corroborate other information contained in such other documents. To my knowledge, the Homestead Valley Sanitary District's audited financial statements were not incorporated into other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, I am not required to read the information in any such sites or to consider the consistency of other information in the electronic site with the original documents.

3. Planned Scope and Timing of the Audit

I performed the audit according to the planned scope and timing previously communicated to the District Manager in the audit engagement letter and discussed with the District Manager. My understanding is that the District Manager has the responsibility for coordinating the audit process with my firm and for communicating to you significant audit matters.

#### 4. Significant Audit Findings

##### *A. Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with my engagement letter, I will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Homestead Valley Sanitary District are described in Note one to the financial statements.

##### *B. Changes in Accounting Policies*

No new accounting policies were adopted, and the application of existing policies was not significantly changed in the 2024 fiscal year.

##### *C. Significant and Unusual Transactions*

There were no significant and unusual transactions reported in fiscal 2023 in the district's statement of net position or cash flows for business-type activities other than:

1. Reporting a \$702,289 increase in the district's net position.
2. Reporting about \$506,600 as additions to the district's pipeline system in fiscal 2024.

##### *D. Transactions Having a Lack of Authoritative Guidance*

No significant dollar value transactions came to my attention where there was a lack of authoritative guidance regarding the application of accounting principles to the transactions.

##### *E. Accounting Estimates*

Accounting estimates are an integral part of financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimate affecting the financial statements was management's estimate of depreciation expense which estimates were based upon subsidiary schedules of capital assets and depreciation calculations using the straight-line method of depreciation. I evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relationship to the financial statements taken as a whole.

##### *F. Sensitive Financial Statement Disclosures*

The disclosures in the financial statements are to be neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were, in my judgment, information about the district's investments in the County pool and wastewater line project costs.

#### 5. Difficulties Encountered in Performing the Audit

I experienced no significant difficulties in dealing with management in performing and completing my audit.



#### 6. Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit other than those that are trivial and communicate them to the appropriate level of management. Management has corrected all such misstatements.

There were five proposed adjusting/reclassification entries relating to prepayments, accounts payable, accrued liabilities and grant revenues.

#### 7. Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to my satisfaction, concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements or the auditor's report.

I am pleased to report that no such disagreements arose during the course of the audit.

#### 8. Management Representations

I have requested certain representations from management that are included in the management representation letter.

#### 9. Consultations with Other Independent Accountants

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

To my knowledge, there were no such consultations with other accountants.

#### 10. Other Audit Findings or Issues

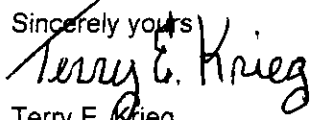
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to our retention as the district's auditors or prior to commencement of the financial statement audit. However, these discussions occurred in the normal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

Significant changes were made in my auditor's report as to its wording, format, content and placement of the opinion all as required by changes in generally accepted auditing standards. The new wording is not optional and has sections for my opinion, the basis for my opinion, responsibilities of management, auditor's responsibilities, required supplementary information and other reports.

Homestead Valley Sanitary District  
December 18, 2024  
Page 4

This information is intended solely for the use of the Board of Director of the Homestead Valley Sanitary District and management of the district and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely yours

A handwritten signature in black ink that reads "Terry E. Krieg". The signature is written in a cursive style with a large, prominent "K" and "R".

Terry E. Krieg  
Santa Rosa, California

**HOMESTEAD VALLEY SANITARY DISTRICT**  
 Working Trial Balance  
 6/30/2024

**TEK**  
**12/18/2024**

	AUDIT	CLIENT	For Fiscal year 2024		Final	Reference
	Trial Balance Year End Closing 6/30/2023	Trial Balance Year End Closing 06/30/202024	KRIEG Audit Adjusting Journal Entries		Adjusted Trial Balance 6/30/2024	
			Debits	Credits		
Cash County marin operations fund	1,469,995.79	1,843,612.11			\$ 1,843,612.11	B200
Fair value County Pool	11,069.00		11,069.00	16,400.00	\$ 27,469.00	
Cash payroll account	42,636.82	47,024.09			\$ 47,024.09	B300
Accounts receivable	15,931.15	12,596.69		(1,557.00)	\$ 11,039.69	D400
Advance employee	20,000.00				\$ -	
PrepaidGIS	166.67	183.83			\$ 183.83	
Prepaid USA	257.59	440.24			\$ 440.24	
Prepaid payroll liabilities Employee Adv	-	502.52			\$ 502.52	
Prepaid encroachment	245.00				\$ -	
Prepaid insurance	4,497.50		5,077.00		\$ 5,077.00	BB300
Prepaid payroll liabilities	1,530.00				\$ -	
	<b>1,566,329.52</b>	<b>1,904,359.48</b>			<b>\$ 1,935,348.48</b>	
Capital assets:						
Original sewer lines	181,500.00	181,500.00			\$ 181,500.00	I301
Contributed lines	134,139.00	134,139.00			\$ 134,139.00	I301
Line extensions and replacements	\$ 1,391,383.00	\$ 1,391,383.00			\$ 1,391,383.00	I301
Line extensions and replacements	\$ 557,252.05	\$ 557,252.05			\$ 557,252.05	I302
Line extensions and replacements	\$ 214,529.78	\$ 214,529.78			\$ 214,529.78	I302
Line extensions and replacements	\$ 18,799.00	\$ 18,799.00			\$ 18,799.00	I302
Line extensions and replacements	\$ 37,662.74	\$ 37,662.74			\$ 37,662.74	I302
Line extensions and replacements	\$ 12,156.76	\$ 12,156.76			\$ 12,156.76	I302
Line extensions and replacements	4,200.00	4,200.00			\$ 4,200.00	I302
CIP 2015	305,947.50	305,947.50			\$ 305,947.50	I302
CIP 2016	524,329.04	524,329.04			\$ 524,329.04	I302
CIP 2018	147,921.00	147,921.00			\$ 147,921.00	I303
CIP 2019	751,390.00	751,390.00			\$ 751,390.00	I303
CIP 2020	1,178,354.16	1,178,354.16			\$ 1,178,354.16	
CIP 2021	303,992.86	303,992.86			\$ 303,992.86	I-304
CIP 2021	1,147.50	1,147.50			\$ 1,147.50	I-304
CIP 2021 added 2023	895.51	895.51			\$ 895.51	I-304
CIP 2023	962,764.61	962,764.61	11,366.24		\$ 974,130.85	I305
CIP 2024		495,233.66			\$ 495,233.66	
Nute 2017-2018	20,572.76	20,572.76			\$ 20,572.76	
Engineering 18-19	8,767.50	8,767.50			\$ 8,767.50	303
CIP 2022	186,538.67	186,538.67			\$ 186,538.67	I305
Line extensions and replacements 13-1	316,825.75	316,825.75			\$ 316,825.75	
Total capital assets	7,261,069.19	7,756,302.85			\$ 7,767,669.09	I305
Accumulated depreciation	(1,548,354.58)	(1,717,547.69)			\$ (1,717,547.69)	I305
Net capital assets	5,712,714.61	6,038,755.16			\$ 6,050,121.40	
Total assets	<b>7,279,044.13</b>	<b>7,943,114.64</b>			<b>\$ 7,985,469.88</b>	
Accounts payable	(6,825.55)	(76,052.81)	88,908.36	(16,443.24)	\$ (3,587.69)	BB-200
Accounts payable County						
Payroll taxes manager	(35,024.38)	-		(9,054.36)	\$ (9,054.36)	BB200
Contract retentions	(46,507.80)			(79,854.00)	\$ (79,854.00)	BB200
Unearned revenue					\$ -	
					\$ -	
	(88,357.73)	(76,052.81)			\$ (92,496.05)	
Beginning fund balance	(6,545,243.43)	(7,181,173.50)		(9,512.00)	\$ (7,190,685.50)	HH-200
Current secured taxes	(212,283.85)	(223,562.86)			\$ (223,562.86)	D200
Unitary	(1,942.40)	(2,154.99)			\$ (2,154.99)	D200
Current unsecured	(3,822.41)	(4,198.99)			\$ (4,198.99)	D200
Excess ERAF	(85,104.40)	(84,743.48)			\$ (84,743.48)	D200
ERAF reverse	(9,496.92)	(12,782.12)			\$ (12,782.12)	D200
Supplemental secured	(7,458.77)	(4,123.24)			\$ (4,123.24)	D200
Supplemental unsecured	(245.31)	(267.86)			\$ (267.86)	D200
Redemptions	(184.46)	(41.92)			\$ (41.92)	D200
Prior unsecured		(245.51)			\$ (245.51)	D200
HOPTR	(212.03)	(791.52)			\$ (791.52)	D200
District assessments	(1,379,550.00)	(1,501,500.00)			\$ (1,501,500.00)	
Fair value adjustment \$11,069 \$15,330	(26,399.00)				\$ -	
Interest allocations	(20,751.28)	(65,472.55)		(16,400.00)	\$ (81,872.55)	D200
Investment income ERAF	(798.92)	(128.17)			\$ (128.17)	D200
TCSO Sewer fees	(2,554.10)	(2,750.00)			\$ (2,750.00)	
Public housing	(35,700.00)	(38,500.00)			\$ (38,500.00)	
Fees encroachment	(1,000.00)				\$ -	
Marin Horizon surcharge AR	(9,435.00)	(3,987.50)			\$ (3,987.50)	
Franchise fee	(25,836.48)	(27,014.99)			\$ (27,014.99)	
Grants	(20,231.00)				\$ -	
Fees lateral replacements	(3,600.00)	(1,600.00)			\$ (1,600.00)	
Fees lateral repairs	(400.00)	(200.00)			\$ (200.00)	
add fixures	(10,600.00)				\$ -	
Connections	(4,000.00)				\$ -	
Other					\$ -	
	(1,861,606.33)	(1,974,065.70)	\$ 116,420.60	\$ (116,420.60)	\$ (1,990,465.70)	

**HOMESTEAD VALLEY SANITARY DISTRICT**  
 Working Trial Balance  
 6/30/2024

TEK  
 12/18/2024

	CLIENT	CLIENT	For Fiscal year 2024		Final
	Trial Balance Year End Closing 6/30/2023	Trial Balance Year End Closing 6/30/2024	Debits	Credits	Adjusted Trial Balance 6/30/2024
Treatment:					
SASM assessments	707,553.00	748,770.00			\$ 748,770.00
sasm SERP	2341.85				\$ -
Maintenance:					
Rotorooter cleaning ty etc	64,724.30	90,723.53			\$ 90,723.53
Nute engineering					\$ -
Other engineering					\$ -
Emergency recovery		2,800.00			\$ 2,800.00
Administration:					
Chair stipend					\$ -
Secretary stipend					\$ -
Director stipend					\$ -
Director stipend					\$ -
Director stipend	11,675.00	11,375.00			\$ 11,375.00
Directors payroll tax	894.38	870.19			\$ 870.19
manager salary	199,800.00	199,800.00			\$ 199,800.00
US Treasury WH	12,571.19	11,064.23			\$ 11,064.23
Manger truck allowance	6,030.24	6,030.24			\$ 6,030.24
Manager vacation	2,272.00	1,350.00			\$ 1,350.00
Workers compensation SDRMA	6,769.88	8,332.39			\$ 8,332.39
Bookkeeping	2,492.10	2,642.25			\$ 2,642.25
telephone , cell	605.17	718.96			\$ 718.96
Printing	225.24				\$ -
Postage					\$ -
Office		114.67			\$ 114.67
payroll deposit account/fees	1,375.39	1,530.53			\$ 1,530.53
SASM liability insurance	9,377.00	9,574.50			\$ 9,574.50
CSMRA deductible		1,079.00			\$ 1,079.00
GIS	150.00	-			\$ -
Dues USA alarm underground alert	527.12	697.84			\$ 697.84
SWRCB permits	3,453.00	3,746.00			\$ 3,746.00
audit	7,800.00	8,300.00			\$ 8,300.00
Elections & pubic notices	362.00				\$ -
County LAFCO fees	742.61	753.03			\$ 753.03
County counsel fees	191.25				\$ -
County tax collector	4,680.25	4,516.67			\$ 4,516.67
Office software	400.00	423.34			\$ 423.34
County enrichment fee	490.00	490.00			\$ 490.00
PO Box fees	258.00	274.00			\$ 274.00
Computer		415.61			\$ 415.61
Professional contracts					\$ -
Grant expenses	20,404.80				\$ -
Tools	580.37	19.30			\$ 19.30
Marin map	750.00	750.00			\$ 750.00
Web fees	517.61	251.88			\$ 251.88
Eng other	875.00	1,591.50			\$ 1,591.50
	1,070,888.75	1,119,004.66	-		\$ 1,119,004.66
Net income	(790,717.58)	(855,061.04)			\$ (871,461.04)
Depreciation expense	\$ 145,275.71	\$ 169,172.71			\$ 169,172.71
Change in net assets	(645,441.87)	(685,888.33)			\$ (702,288.33)
PROOF	\$ (7,190,685.30)	(7,867,061.83)			\$ (7,892,973.83)
PROOF	\$ 7,190,686.40	7,867,061.83	\$ 116,420.60	\$ (116,420.60)	\$ 7,892,973.83
OUT BALANCE					
ap difference					

**HOMESTEAD VALLEY SANITARY DISTRICT**

Working Trial Balance  
6/30/2024

**AJE # 1**

Revenue fair value adjustment			35,220.00
Accounts receivable			1,557.00
Asset fair value increase 2024	Correct Fy 2024 increase Fair value (market)	16,400.00	
Asset fair value increase 2023		11,069.00	
Investment income			16,400.00
Fund balance beginning			9,512.00
		27,469.00	27,469.00

To correct opening fund balance for fair value adjustment and old receivable.

**AJE#2**

Payroll taxes payable		\$ 9,054.36	\$ 9,054.36
Accounts payable	\$ 9,054.36		\$ 16,443.24
Contract retention payable			\$ 79,854.00
Prepaid insurance	\$ 5,077.00		
Accounts payable	\$ 79,854.00		
CIP 2024	\$ 11,366.24		
		\$ 105,351.60	\$ 105,351.60

To reclassify payroll liabilities, prepaid insurance and contract retentions payable

Special District Name: Homestead Valley Sanitary District (Marin)  
Special Districts' Financial Transactions Report  
General Information

**Fiscal Year: 2024**

**District Mailing Address**

Street 1 PO BOX 149

Has Address Changed?

Street 2

City Mill Valley State CA Zip 94942-0149

Email manager@homesteadvalleysd.org

**Members of the Governing Body**

	First Name	M. I.	Last Name	Title
Member 1	Joan		Florsheim	Director
Member 2	Alan		Saltzman	Director
Member 3	Al		Wuthnow	Director
Member 4	Allan		Leibof	President
Member 5	Rick		Montalvan	Secretary
Member				

**District Fiscal Officers**

	First Name	M. I.	Last Name	Title	Email
Official 1	Bonner		Beuhler	Manager	manager@homesteadvalleysd.org
Officials					

**Report Prepared By**

First Name Terry M Last Name Krieg  
Telephone (707) 888-1052 Email kriegcpa@msn.com

**Independent Auditor**

Firm Name Terry E Krieg, CPA  
First Name Terry M Last Name Krieg  
Telephone (707) 888-1052

1. Is this district a component unit of a City, County, or Special District (Choose one)? If "Yes", answer question 2.  Yes  No

2. Is this district a blended component unit (BCU) or a discretely presented component unit (DPCU) of a City, County, or Special District (Choose one)? Refer to the Financial Transactions Report (FTR) instructions for definitions of these terms. If the district is a BCU, answer questions 3 - 5.

BCU  DPCU

3. Is financial data of this BCU included in the financial statements or Annual Comprehensive Financial Report (ACFR) of a City, County, or Special District (Choose one)?

City  County  Special District

4. In which City, County, or Special District financial statements or ACFR is the financial data of this BCU included?

City name:

County name:

Special District name:

5. Is financial data of this BCU included in the City, County, or Special District FTR (Choose one)?  Yes  No

6. In preparing the District's financial transactions reports for governmental fund type accounts, which basis of accounting was used? (Choose one):

Cash basis  Modified cash basis  Modified accrual basis  Full accrual basis  N/A

7. In preparing the District's financial transactions reports for proprietary fund type accounts (Internal Service Funds and Enterprise Funds), which basis of accounting was used? (Choose one):

Cash basis  Modified cash basis  Modified accrual basis  Full accrual basis  N/A

8. In preparing the District's financial transactions reports for fiduciary fund type accounts, which basis of accounting was used? (Choose one):

Cash basis  Modified cash basis  Modified accrual basis  Full accrual basis  N/A

Special District Name: Homestead Valley Sanitary District (Marin)  
Special Districts' Financial Transactions Report  
Comments for the Special District Report

**Fiscal Year: 2024**

Comments

The Homestead Valley Sanitary District is responsible for the information and financial statements included in the accompanying prescribed forms of the Special District's Financial Transaction Report as of June 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements included in the accompanying prescribed forms, nor was I required to perform any procedures to verify the accuracy, or the completeness of the information provided by management. I do not express an opinion, a conclusion, or provide any assurance on the information and the financial statements included in the accompanying forms.

The information and the financial statements in the accompanying prescribed forms are presented in accordance with the instructions of the California State Controller's Office and are not intended to be a complete presentation in accordance with accounting principles generally accepted in the United States of America. The primary differences being that certain disclosures required by accounting principles generally accepted in the United States of America are omitted from this Report and a statement of cash flows is not presented in the prescribed forms. If the omitted disclosures and a statement of cash flows were included in the Report, they might influence the user's conclusions about the district's assets, liabilities, equity, revenues and expenses.

This report is intended solely for the information of the Homestead Valley Sanitary District and the California State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Terry E. Krieg, CPA  
Santa Rosa, California  
January 3, 2025



Special District Name: Homestead Valley Sanitary District (Marin)  
Special Districts' Financial Transactions Report  
Sewer Enterprise Fund  
Statement of Revenues, Expenses, and Changes in Fund Net Position

**Fiscal Year: 2024**

<b>Operating Revenues</b>	
R01. Service Charges	1,501,500
R02. Permit and Inspection Fees	1,800
R03. Connection Fees	
R04. Standby and Availability Charges	
R05. Service-Type Assessments	
R06. Service Penalties	
R07. Other Operating Revenues	72,253
R08. <b>Total Operating Revenues</b>	<b>\$1,575,553</b>
<b>Operating Expenses</b>	
R09. Transmission	
R10. Treatment and Disposal	748,770
R11. Taxes	
R12. Personnel Services	230,489
R13. Contractual Services	8,300
R14. Materials and Supplies	
R15. General and Administrative Expenses	37,921
R16. Depreciation and Amortization Expenses	169,173
R17. Other Operating Expenses	93,524
R18. <b>Total Operating Expenses</b>	<b>\$1,288,177</b>
R19. <b>Operating Income (Loss)</b>	<b>\$287,376</b>

**Nonoperating Revenues**

R20.	Investment Income	82,001	
R21.	Rents, Leases, Concessions, and Royalties		
	Taxes and Assessments		
SD22.	Current Secured and Unsecured (1%)	332,120	
SD23.	Voter-Approved Taxes		
SD24.	Pass-through Property Taxes (ABX1 26)		
SD25.	Property Assessments		
SD26.	Special Assessments		
SD27.	Special Taxes		
SD28.	Prior-Year Taxes and Assessments		
SD29.	Penalties and Cost of Delinquent Taxes and Assessments		
	Intergovernmental – Federal		
R30.	Aid for Construction		
R31.	Other Intergovernmental – Federal		
	Intergovernmental – State		
R32.	Aid for Construction		
SD33.	Homeowners Property Tax Relief	792	
SD34.	Timber Yield		
R35.	In-Lieu Taxes		
R36.	Other Intergovernmental – State		
R37.	Intergovernmental – County		
R38.	Intergovernmental – Other		
R39.	Gain on Disposal of Capital Assets		
R40.	Other Nonoperating Revenues		
R41.	<b>Total Nonoperating Revenues</b>	<table border="1"><tr><td>\$414,913</td></tr></table>	\$414,913
\$414,913			
	<b>Nonoperating Expenses</b>		
R42.	Interest Expense		
R43.	Loss on Disposal of Capital Assets		
R44.	Other Nonoperating Expenses		
R45.	<b>Total Nonoperating Expenses</b>	<table border="1"><tr><td>\$0</td></tr></table>	\$0
\$0			
R46.	<b>Income (Loss) Before Capital Contributions, Transfers, and Special and Extraordinary Items</b>	<table border="1"><tr><td>\$702,289</td></tr></table>	\$702,289
\$702,289			

**Capital Contributions**

R47.	Federal	
R48.	State	
R49.	Connection Fees (Capital)	
R50.	County	
R51.	Other Government	
R52.	Other Capital Contributions	
R53.	<b>Total Capital Contributions</b>	<input type="text" value="\$0"/>

R54. **Transfers In**

R55. **Transfers Out**

**Special and Extraordinary Items**

R55.5	Special Item	
R55.6	Extraordinary Item	
R55.7	<b>Total Special and Extraordinary Items</b>	<input type="text" value="\$0"/>

R56. **Change in Net Position**

R57. **Net Position (Deficit), Beginning of Fiscal Year**

R58. **Adjustment**

R59. Reason for Adjustment

R60. **Net Position (Deficit), End of Fiscal Year**

**Net Position (Deficit)**

R61.	Net Investment in Capital Assets	6,050,121
R62.	Restricted	
R63.	Unrestricted	1,842,854
R64.	<b>Total Net Position (Deficit)</b>	<input type="text" value="\$7,892,975"/>

Special District Name: Homestead Valley Sanitary District (Marin)  
Special Districts' Financial Transactions Report  
Statement of Net Position  
Proprietary Funds

Fiscal Year: 2024

	Enterprise	Internal Service
<b>Assets</b>		
Current Assets		
Cash and Investments		
R01. Unrestricted	1,918,105	
R02. Restricted		
R03. Accounts Receivable (net)	11,040	
R04. Taxes Receivable		
R05. Interest Receivable (net)		
R05.5 Lease Receivable		
R06. Due from Other Funds		
R07. Due from Other Governments		
R08. Inventories		
R09. Prepaid Items	6,204	
R10. Other Current Assets 1		
R11. Other Current Assets 2		
R12. Total Current Assets	\$1,935,349	\$0
Noncurrent Assets		
R13. Cash and Investments, Restricted		
R14. Investments		
R14.5 Lease Receivable		
R15. Other Loans, Notes, and Contracts Receivable		
Capital Assets		
R16. Land		
R17. Buildings and Improvements	7,767,669	
R18. Equipment		
R18.5 Infrastructure		
R18.6 Lease Assets (Lessee)		
R19. Other Intangible Assets – Amortizable		
R20. Construction in Progress		
R21. Intangible Assets – Nonamortizable		
R22. Other Capital Assets		
R23. Less: Accumulated Depreciation/Amortization	-1,717,548	
R23.5 Net Pension Asset		
R23.6 Net OPEB Asset		
R24. Other Noncurrent Assets 1		
R25. Other Noncurrent Assets 2		
R26. Total Noncurrent Assets	\$6,050,121	\$0
R27. <b>Total Assets</b>	<b>\$7,985,470</b>	<b>\$0</b>

**Deferred Outflows of Resources**

R28. Related to Pensions

R28.5 Related to OPEB

R28.6 Related to Debt Refunding

R29. Other Deferred Outflows of Resources

R30. <b>Total Deferred Outflows of Resources</b>	\$0	\$0
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R31. <b>Total Assets and Deferred Outflows of Resources</b>	\$7,985,470	\$0
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**Liabilities**

**Current Liabilities**

R32. Accounts Payable	3,587	
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R33. Contracts and Retainage Payable	79,854	
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R34. Interest Payable

R35. Due to Other Funds

R36. Due to Other Governments

R37. Deposits and Advances

R38. Compensated Absences

R39. Long-Term Debt, Due Within One Year	0	0
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R40. Other Long-Term Liabilities, Due Within One Year

R41. Other Current Liabilities 1	9,054	
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R42. Other Current Liabilities 2

R43. <b>Total Current Liabilities</b>	\$92,495	\$0
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**Noncurrent Liabilities**

R44. Deposits and Advances

R45. Compensated Absences

R46. General Obligation Bonds		
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R47. Revenue Bonds		
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R48. Certificates of Participation		
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R49. Other Bonds		
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R50. Loans (Other Long-Term Debt)		
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R51. Notes (Other Long-Term Debt)		
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R52. Other (Other Long-Term Debt)		
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R53. Construction Financing – Federal		
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R54. Construction Financing – State		
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R54.5 Lease Liability

R55. Lease-Obligations (Purchase Agreements)		
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R56. Net Pension Liability

R57. Net OPEB Liability

R58. Other Noncurrent Liabilities 1

R59. Other Noncurrent Liabilities 2

R60. <b>Total Noncurrent Liabilities</b>	\$0	\$0
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R61. <b>Total Liabilities</b>	\$92,495	\$0
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**Deferred Inflows of Resources**

R62. Related to Pensions

R62.5 Related to OPEB

R62.6 Related to Debt Refunding

R62.7 Related to Leases

R63. Other Deferred Inflows of Resources

R64. <b>Total Deferred Inflows of Resources</b>	\$0	\$0
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R65. <b>Total Liabilities and Deferred Inflows of Resources</b>	\$92,495	\$0
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R66. <b>Total Net Position (Deficit)</b>	\$7,892,975	\$0
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**Net Position (Deficit)**

R67. Net Investment in Capital Assets	6,050,121	
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R68. Restricted		
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R69. Unrestricted	1,842,854	
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R70. <b>Total Net Position (Deficit)</b>	\$7,892,975	\$0
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Special District Name: Homestead Valley Sanitary District (Marin)  
Special Districts' Financial Transactions Report  
Appropriations Limit Information

**Fiscal Year: 2024**

R01. Appropriations Limit	517,164
R02. Total Annual Appropriations Subject to the Limit	-142,645
R03. <b>Revenues Received (Over) Under Appropriations Limit</b>	<b>\$659,809</b>

Special District Name: Homestead Valley Sanitary District (Marin)  
Special Districts' Financial Transactions Report  
Summary

Fiscal Year: 2024

	Governmental Funds	Internal Service Fund	Enterprise Fund	Total
<b>Governmental Revenues</b>				
R01. General				
R02. Special Revenue				
R03. Debt Service				
R04. Capital Projects				
R05. Permanent				
R06. Transportation				
R07. <b>Total Governmental Revenues</b>	\$0			
<b>Internal Service Revenues</b>				
R08. Total Operating Revenues		\$0		
R09. Total Non-Operating Revenues		\$0		
R10. <b>Total Internal Service Revenues</b>		\$0		
<b>Enterprise Revenues</b>				
<b>Operating Revenues</b>				
R11. Airport				
R12. Electric				
R13. Gas				
R14. Harbor and Port				
R15. Hospital				
R16. Sewer			1,575,553	
R17. Solid Waste				
R18. Transit				
R19. Water				
R20. Other Enterprise				
R21. Conduit				
R22. Transportation				
R23. <b>Total Operating Revenues</b>			\$1,575,553	
<b>Non-Operating Revenues</b>				
R24. Airport				
R25. Electric				
R26. Gas				
R27. Harbor and Port				
R28. Hospital				
R29. Sewer			414,913	
R30. Solid Waste				
R31. Transit				
R32. Water				
R33. Other Enterprise				
R34. Conduit				
R35. Transportation				
R36. <b>Total Non-Operating Revenues</b>			\$414,913	
R36.5 <b>Total Revenues</b>	\$0	\$0	\$1,990,466	\$1,990,466

**Governmental Expenditures**



R37.	General				
R38.	Special Revenue				
R39.	Debt Service				
R40.	Capital Projects				
R41.	Permanent				
R42.	Transportation				
R43.	<b>Total Governmental Expenditures</b>	\$0			
<b>Internal Service Expenses</b>					
R44.	Total Operating Expenses		\$0		
R45.	Total Non-Operating Expenses		\$0		
R46.	<b>Total Internal Service Expenses</b>		\$0		
<b>Enterprise Expenses</b>					
<b>Operating Expenses</b>					
R47.	Airport				
R48.	Electric				
R49.	Gas				
R50.	Harbor and Port				
R51.	Hospital				
R52.	Sewer			1,288,177	
R53.	Solid Waste				
R54.	Transit				
R55.	Water				
R56.	Other Enterprise				
R57.	Conduit				
R58.	Transportation				
R59.	<b>Total Operating Expenses</b>			\$1,288,177	
<b>Non-Operating Expenses</b>					
R60.	Airport				
R61.	Electric				
R62.	Gas				
R63.	Harbor and Port				
R64.	Hospital				
R65.	Sewer				
R66.	Solid Waste				
R67.	Transit				
R68.	Water				
R69.	Other Enterprise				
R70.	Conduit				
R71.	Transportation				
R72.	<b>Total Non-Operating Expenses</b>			\$0	
R72.5	<b>Total Expenditures/Expenses</b>	\$0	\$0	\$1,288,177	\$1,288,177
R73.	Transfer In				
R74.	Transfer Out				
R75.	<b>Change in Fund Balance/Net Position</b>	\$0	\$0	\$702,289	\$702,289
R76.	<b>Fund Balance/Net Position (Deficit), Beginning of Fiscal Year</b>	\$0	\$0	\$7,190,686	\$7,190,686
R77.	Adjustments				
R78.	<b>Fund Balance/Net Position (Deficit), End of Fiscal Year</b>	\$0	\$0	\$7,892,975	\$7,892,975

**Assets**

R79. Total Current Assets			1,935,349	1,935,349
R80. Total Noncurrent Assets			6,050,121	6,050,121
R81. <b>Total Assets</b>	\$0	\$0	\$7,985,470	\$7,985,470

**Liabilities**

R82. Total Current Liabilities			92,495	92,495
R83. Total Noncurrent Liabilities				
R84. <b>Total Liabilities</b>	\$0	\$0	\$92,495	\$92,495
R85. <b>Total Fund Balance/Net Position (Deficit)</b>	\$0	\$0	\$7,892,975	\$7,892,975

Special District of Homestead Valley Sanitary District (Marin)  
Special District Financial Transactions Report  
Footnotes

Fiscal Year: 2024

FORM DESC	FIELD NAME	FOOTNOTES
SewerEnterpriseFund	(R02)PermitandInspectionFees	The revenues were lower in fiscal 2024 because of less line and lateral repairs.
SewerEnterpriseFund	(R07)OtherOperatingRevenues	This line item includes \$35,700 in public housing user fees, \$2,554 in Tamalpais Community Services District user fees, \$27,015 in franchise fees, and \$6,983 in other fees.
SewerEnterpriseFund	(R17)OtherOperatingExpenses	The \$93,524 consists primarily of payments to Roto Rooter for line cleaning, line repairs and line televising work.
ProprietaryFunds	(R01)Entpr-Unrestricted	Cash and investments increased as a result of a sewer service rate increases and revenues exceeding expenses in fiscal 2024.
ProprietaryFunds	(R12)Entpr-TotalCurrentAssets	Current assets increased because of positive cash inflows in fiscal 2024.
ProprietaryFunds	(R41)Entpr-OtherCurrentLiabilities1	Accrued payroll and payroll taxes are reported here.
ProprietaryFunds	(R56)Entpr-NetPensionLiability	The district is not a member of CalPERS and does not maintain any pension plans.

Total Footnote: 7