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# SONOMA COUNTY FIRE DISTRICT

FINANCIAL STATEMENTS
And
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

# SONOMA COUNTY FIRE DISTRICT

## Table of Contents

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# SONOMA COUNTY FIRE DISTRICT

Roster of Board Members

As of December 1, 2021, the District Board consisted of the following members:

| Directors: | Office | Term Expires |
|---|---|---|
| Steve Klick | President | December 2024 |
| Arnie Tognozzi | Vice-President | December 2022 |
| Jason Weaver | Sec./Treas. | December 2024 |
| Bob Briare | Director | December 2022 |
| John Hamann | Director | December 2024 |
| Frank Treanor | Director | December 2024 |
| Gary So | Director | December 2022 |

Clerk of the Board:

| | |
|---|---|
| Kathy Washington | Executive Assistant |

Regular Meetings:

The regular meeting of the Board of Directors is held at 5:00 P.M. on the third Tuesday of each month. For the meeting location, you can contact the District office at (707) 838-1170.

Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

# INDEPENDENT AUDITOR'S REPORT

Board of Directors
**Sonoma County Fire District**
Windsor, California

## Report on the Financial Statements

We have audited the accompanying financial statements of Sonoma County Fire District as of and for the Fiscal year ended June 30, 2021, 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



1013 North California Street, Stockton, California 95202 • (209) 466-3894 • Fax (209) 466-5545

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Sonoma County Fire District, as of June 30, 2021 and the respective changes in financial position, and, where applicable, cash flows thereof for the year 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 (omitted), changes in fund balance – Budget to Actual (page 29), and Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Contributions to the Pension Plan (omitted), Schedule of Changes in OPEB and Related Ratios and Schedule of OPEB Contributions (30) 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. The District has omitted management discussion and analysis and Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Contributions to the Pension Plan that accounting principles generally accepted in the United States has determined to supplement, although, not required to be part of, the basic financial statements. In addition, for the changes in fund balance and pension related schedule presentation, 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.

Blomberg & Griffin A.C.
Stockton, CA
January 31, 2022

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# SONOMA COUNTY FIRE DISTRICT

## STATEMENT OF NET POSITION
## AS OF JUNE 30, 2021

| | 2021 |
|---|---|
| **Assets** | |
| Current Assets: | |
| Cash in bank - Operating (Note IIIA) | $ 557,629 |
| Cash in bank - Payroll (Note IIIA) | 93,622 |
| Investments - Certificates of Deposit (Note IIIA) | 11,503,061 |
| Accounts Receivable, government agency | 1,534,077 |
| Total Current Assets | 13,688,389 |
| Capital Assets (Net of Accumulated Depreciation): (Note IIIB) | |
| Land | 1,569,838 |
| Building and Improvements | 8,516,358 |
| Equipment | 5,227,178 |
| Total Capital Asset | 15,313,374 |
| Total Assets | 29,001,763 |
| Deferred Outflows of Resources | |
| Pension | 5,653,814 |
| OPEB | 623,573 |
| Total Assets and Deferred Outflows | 35,279,150 |
| **Liabilities** | |
| Current Liabilities: | |
| Accounts payable and accrued expenses | 446,044 |
| Interest Payable | 14,810 |
| Deferred Revenue | 69,500 |
| Loan Payable - Current Portion (Note IIIC) | 191,441 |
| Total Current Liabilities | 721,795 |
| Non-Current Liabilities: | |
| Compensated Absences (Note I4) | 1,662,595 |
| Loan Payable - Non-current (Note IIIC) | 1,330,307 |
| Net OPEB (Note VI) | 1,966,302 |
| Net Pension Liability (Note V) | 13,109,763 |
| Total Non-Current Liabilities | 18,068,967 |
| Deferred Inflows of Resources | |
| Pension | 509,860 |
| OPEB | 609,963 |
| Total Liabilities and Deferred Inflows | 19,910,585 |
| **Net Position** | |
| Net Investment in Capital Assets | 13,791,626 |
| Restricted - Capital Funds | 344,023 |
| Unrestricted | 1,232,916 |
| Total Net Position | $ 15,368,565 |

The notes to the financial statements are an integral part of this statement.

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# SONOMA COUNTY FIRE DISTRICT

## STATEMENT OF ACTIVITIES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| | 2021 |
|---|---|
| **Program Expenses** | |
| Public Safety - Fire Prevention | |
| Salaries and Employee Benefits | $ 16,877,518 |
| Services and Supplies | 3,256,473 |
| Depreciation | 924,287 |
| Total Program Expenses | 21,058,278 |
| **Program Revenues** | |
| Intergovernmental Revenue | 5,731,779 |
| Rent Income | 49,621 |
| Other Charges for Services | 1,664,452 |
| Total Program Revenues | 7,445,852 |
| Net Program Revenues (Expenses) | (13,612,426) |
| **General Revenues** | |
| Property Taxes | 15,077,532 |
| Interest Income | 24,965 |
| Interest Expense | (35,111) |
| Donations and Reimbursements | 297,887 |
| Total General Revenues | 15,365,273 |
| Change in Net Position | 1,752,847 |
| Net Position, Beginning of the Year | 12,026,900 |
| Change in Net Position from Consolidation - Note I | 1,588,818 |
| Net Position, End of of the Year | $ 15,368,565 |

The notes to the financial statements are an integral part of this statement.

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# SONOMA COUNTY FIRE DISTRICT

## STATEMENT OF CASH FLOW
## FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| | 2021 |
|---|---|
| **Cash Flows From Operating Activities** | |
| Cash received from government, grants, program revenue | $ 6,369,252 |
| Cash paid to vendors and employees | (18,604,731) |
| Net Cash Provided By (Used) for Operations | (12,235,479) |
| **Cash Flows From Non-Capital Financing Activities** | |
| Cash Received from Property Taxes | 15,077,532 |
| Miscellaneous, Non Operating Income | 258,737 |
| Disposition of Capital Assets | 39,150 |
| Net Cash Provided (Used) by Non-Capital Financing Activities | 15,375,419 |
| **Cash Flows from Financing Activities** | |
| Purchase of plant, property and equipment | (3,168,840) |
| Interest Expense on Long-Term Loans | (28,183) |
| Principal paid on Long-Term Debt | (180,263) |
| Proceeds from Long-Term Debt | 1,325,913 |
| Net Cash (used) Provided by Investing Activities | (2,051,373) |
| **Cash Flows From Investing Activities** | |
| Interest Income | 24,965 |
| Net Cash Provided (Used) from Investing Activities | 24,965 |
| Net Increase (Decrease) In Cash | 1,113,532 |
| Cash and Investments - June 30, 2020 | 11,040,780 |
| **Cash and Investments - June 30, 2021** | $ 12,154,312 |
| **Reconciliation of Net Program Revenues Cash Provided by Operating Activities** | |
| Net Program Revenues (Expenses) | $ (13,612,426) |
| **Adjustments to Reconcile Change in Net Asset to Cash from Operations:** | |
| Depreciation and amortization | 924,287 |
| (Increase) decrease in: | |
| Accounts Receivable | (1,076,600) |
| Increase (decrease) in: | |
| Accounts Payable and Accrued Expenses | 50,902 |
| Compensated Absences | 443,395 |
| Deferred Revenue | 69,500 |
| Net Pension, OPEB and related deferred items | 965,463 |
| Net Cash Provided by (used for) Operating Activities | $ (12,235,479) |

The accompanying notes are an integral part of these financial statements

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# SONOMA COUNTY FIRE DISTRICT

## BALANCE SHEET
## GOVERNMENTAL FUND
## AS OF JUNE 30, 2021

| Assets | General | Total Governmental Funds |
|---|---|---|
| Cash in Bank - Operating | $ 557,629 | $ 557,629 |
| Cash in Bank - Payroll | 93,622 | 93,622 |
| Investments - Certificates of Deposit | 11,503,061 | 11,503,061 |
| Accounts Receivable | 1,534,077 | 1,534,077 |
| Total Assets | $ 13,688,389 | $ 13,688,389 |
| **Liabilities and Fund Balance** | | |
| Liabilities: | | |
| Accounts Payable and Accrued Expenses | $ 446,044 | $ 446,044 |
| Interest Payable | 14,810 | 14,810 |
| Deferred Revenue | 69,500 | 69,500 |
| Total Liabilities | 530,354 | 530,354 |
| Fund balance: | | |
| Assigned for Capital Improvements | 4,966,838 | 4,966,838 |
| Restricted for Unemployment | 68,030 | 68,030 |
| Mitigation Fund - Restricted | 275,993 | 275,993 |
| Unassigned Fund Balance | 7,847,174 | 7,847,174 |
| Total Fund Balance | 13,158,035 | 13,158,035 |
| Total Liabilities and Fund Balance | $ 13,688,389 | $ 13,688,389 |

The notes to the financial statements are an integral part of this statement.

# SONOMA COUNTY FIRE DISTRICT

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AS OF JUNE 30, 2021

| **Reconciliation of Balance Sheet to Statement of Net Position** | **2021** |
|---|---|
| Fund balance - total government funds | $ 13,158,035 |
| Amount reported for governmental activities in the statement of net position is different because: | |
| Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | 15,313,374 |
| Deferred charges not reported in funds balance sheet | |
| Pension | 5,653,814 |
| OPEB | 623,573 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. | |
| Compensated Absences | (1,662,595) |
| Notes Payable | (1,521,748) |
| Net OPEB Obligation | (1,966,302) |
| Net Pension Liability | (13,109,763) |
| Deferred credits not reported in funds balance sheet | |
| Pension | (509,860) |
| OPEB | (609,963) |
| Net Position of Governmental Activities | $ 15,368,565 |

The notes to the financial statements are an integral part of this statement.

# SONOMA COUNTY FIRE DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| | 2021 |
|---|---|
| **Revenues** | |
| Property Taxes | $ 15,077,532 |
| Investment Earnings | 24,965 |
| Intergovernmental Revenue | 5,731,779 |
| Rent Income | 49,621 |
| Donations and Reimbursements | 297,887 |
| Charges for Service and Miscellaneous | 1,664,452 |
| Total Revenues | 22,846,236 |
| **Expenditures** | |
| Current: | |
| Salaries and Employee Benefits | 17,848,969 |
| Services and Supplies | 2,459,403 |
| Interest Expense | 29,797 |
| Debt Principal payment | 180,263 |
| Purchase of Capital Assets | 1,842,927 |
| Total Expenditures | 22,361,359 |
| Net Change in Fund Balance | 484,877 |
| Fund Balance, June 30, 2020 | 11,095,233 |
| Net Change in Fund Balance from Consolidation - Note I | 1,577,925 |
| Fund Balance, June 30, 2021 | $ 13,158,035 |

The notes to the financial statements are an integral part of this statement.

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# SONOMA COUNTY FIRE DISTRICT

## RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO STATEMENT OF ACTIVITIES

## FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| **Amounts reported for governmental activities in the statement of activities are different because:** | | **2021** |
|---|---|---|
| Net change in fund balance - total governmental fund | $ | 484,877 |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Current year depreciation | | (924,287) |
| Current period Capital Additions | | 1,842,927 |
| Pension expense adjustment for deferred items | | 617,777 |
| Debt Principal Payment | | 180,263 |
| Interest Expense adjustment | | (5,314) |
| Change in compensated absences reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. | | (443,396) |
| Change in Net Position of Governmental Activities | $ | 1,752,847 |

The notes to the financial statements are an integral part of this statement.

## NOTE I SUMMARY OF SIGNIFICANT ACCOUNT ING POLICIES

### A. Reporting Entity

Effective April 05, 2019, the Rincon Valley Fire Protection District, the Bennett Valley Fire Protection District, and the IRP areas of CSA 40 was consolidated with the Windsor Fire Protection District to form the Sonoma County Fire District. The Sonoma County Fire District (the District) is a California special district governed by a seven-member board of directors. The District serves 75,000 taxpayers and residents in the Town of Windsor, Larkfield, Wikiup, Mark West, Mountain, Middle Rincon, Bennett Valley, Bellevue, Graton Casino, Fulton, Russian River, and the surrounding unincorporated areas. The Russian River Fire Protection District was consolidated with the Sonoma County effective July 01, 2020.

### B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or section and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide 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 the 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.

## NOTE I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. Taxes, interest, and charges for services are considered to be available when receipt occurs within 365 days of the end of the accounting period so as to be both measurable and available. Licenses, permits, fines, forfeitures, and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Property taxes are considered to be available when their receipt occurs within sixty days of the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claim judgments are recorded only when payment is due.

Amounts recorded as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

### D. Assets, Liabilities, and Net Position or Fund Balance

#### 1. Cash and Investments

The District reports certain investments at fair value on the balance sheet and recognizes the corresponding change in the fair value of investments in the year in which the change occurred.

#### 2. Receivables and Payables

##### a. Flat Charges Receivable

Flat charges collected are apportioned to the District to supplement property taxes collected for operating costs. Not all of the assessments are collected as of June 30, 2021; therefore, the remainder of the uncollected assessments is considered flat charges receivable.

**NOTE I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Receivables and Payables (Continued)**

b. **Property Taxes**

The County of Sonoma is responsible for assessing, collecting and distributing property taxes in accordance with state law. Liens on real property are established January 1 for the ensuing fiscal year. The property tax is levied as of July 1 on all taxable property located in the County of Sonoma. Secured property taxes are due in two installments, on November 1 and February 1, and are delinquent after December 10, and April 10, respectively. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

Since the passage of California's Proposition 13, beginning with the fiscal year 1978/1979, general property taxes are based either on a flat 1% rate applied to the 1975/1976 full value, or on 1% of the sales price of the property on sales transactions and construction after the 1975/1976 valuation. Taxable values on properties (exclusive of increases related to sales and construction) can rise at a maximum of 2% per year.

Included within the property tax revenue is $6,117,539 in Benefit Assessments collected. Benefit Assessments are types of flat charges applied to each parcel of property within the District for a specific dollar amount and for a specific purpose.

On June 30, 1993, the Board of Supervisors adopted the "Teeter" Method of property tax allocation. This method allocates property taxes based on the total property tax billed. At year-end the County advances cash to each taxing jurisdiction equal to its current year delinquent property taxes. In exchange, the County receives the penalties and interest on delinquent taxes when collected. The penalties and interest are used to pay the interest cost of borrowing the cash used for the advances.

**3. Capital Assets**

Capital assets, which include land, buildings and improvements, and equipment, are reported in the applicable governmental activity's columns in the government-wide 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 if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

## NOTE I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3. Capital Asset (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Buildings and improvements and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|---|---|
| Building and Improvements | 10-30 |
| Equipment | 10-20 |

### 4. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Only twenty five percent of unused sick leave for administrative personnel and thirty percent for safety personnel is included in the accrual calculation. All vacation pay is accrued when incurred in the government-wide financial statements. A liability of these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and for retirement.

### 5. Net Position

Net position are classified into three components – invested in capital assets and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt – This component of net position consists of capital assets, net accumulated depreciation and net of related debt if any.

- Unrestricted net position — This component of net position consists of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt"

- Restricted for capital fund – This component of net position consists of restricted funds that can only be spent for specific capital related purposes stipulated by external funder.

## NOTE I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 6. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

## NOTE II STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### Budgetary Information

Budgetary revenue estimates represent original estimates modified for any authorized adjustment which was contingent upon new or additional revenue sources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. All budgets are adopted on a GAAP basis. The District's budgetary information was amended during the year.

## NOTE III DETAILED NOTES

### A. Cash and Investments

The District has operating, payroll and certificates of deposit accounts at Summit State Bank. Investments consist of certificates of deposit in various banks. All accounts are fully insured by the FDIC.

The amount of cash in bank at June 30, is as follows:

| | 2021 |
|---|---|
| Cash in Bank - Operating | $ 557,629 |
| Cash in Bank - Payroll | 93,622 |
| Investments - Certificates of Deposit | 11,503,061 |
| Total | $ 12,154,312 |

**NOTE III DETAILED NOTES (Continued)**

Investments Policy

Authorized investment shall match the general categories established by the California Government Code section 53601 et. Seq. and 53635, et. Seq., as applicable. In accordance with Government Code sections 53684 and 16429.1, authorized investments shall also include the Sonoma County Pooled investment fund and the Local Agency Investment Fund (LAIF), subject to the respective rules and regulations of each. No investment shall be made in any security with a maturity greater than five years, unless the Board has granted express authority to make that investment. As the California Government Code is amended, this policy shall likewise become amended without necessity of specific Board action.

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. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways that the Treasury Pool manages its' exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**NOTE III DETAILED NOTES (Continued)**

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer 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.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty 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 and the Treasury Pool's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions:

- The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

- The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio.

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. For a listing of investments in any one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represent 5% or more of total County investments, refer to the 2021 Sonoma County CAFR.

## NOTE III DETAILED NOTES (Continued)

### B. Capital Assets

Capital asset activity for the period ended June 30, 2021, was as follows:

| | Beginning Balance | Additions | Retirements/ Reclassification | Ending Balance |
|---|---|---|---|---|
| Capital Assets, not Being Depreciated: | | | | |
| Land | $ 1,547,778 | $ - | $ 22,060 | $ 1,569,838 |
| Capital assets, Being Depreciated: | | | | |
| Buildings and Improvements | 19,433,219 | 1,613,311 | 913,673 | 21,960,203 |
| Equipment | 7,707,576 | 1,555,529 | 2,259,966 | 11,523,071 |
| Total Capital Assets, Being Depreciated | 27,140,795 | 3,168,840 | 3,173,639 | 33,483,274 |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Improvements | (12,881,621) | (130,076) | (432,148) | (13,443,845) |
| Equipment | (4,448,494) | (794,211) | (1,053,188) | (6,295,893) |
| Total Accumulated Depreciation | (17,330,115) | (924,287) | (1,485,336) | (19,739,738) |
| Total Capital Assets, Being Depreciation, Net | 9,810,680 | 2,244,553 | 1,688,303 | 13,743,536 |
| Capital Assets, Net | $ 11,358,458 | $ 2,244,553 | $ 1,710,363 | $ 15,313,374 |

Depreciation expense is charged to functions/programs of the Sonoma County Fire District government as follows:

| | |
|---|---|
| Governmental activities: | |
| Public safety - fire protection | $924,287 |

### C. Long-term Debt

<u>Changes in long-term debt</u>

Long-term liability activity for the period ended June 30, 2021, was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Long-Term Liabilities: | | | | | |
| Note Payable - BV | $ 261,337 | $ - | $ 23,775 | $ 237,562 | $ 30,045 |
| Note Payable - RR | - | 109,448 | 22,312 | 87,136 | 23,461 |
| Note Payable - BA | - | 1,325,913 | 128,863 | 1,197,050 | 137,935 |
| Compensated absences | 1,219,200 | 443,395 | - | 1,662,595 | - |
| Total long-term liabilities | $ 1,480,537 | $ 1,878,756 | $ 174,950 | $ 3,184,343 | $ 191,441 |

## NOTE IV RISK MANAGEMENT

The District receives automobile and general liability coverage from FAIRA. The District is also a member of the Fire Districts Association of California-Fire Association Self Insurance System (FDAC-FASIS) through which it receives workers' compensation coverage.

As a member of a public entity risk pool, the District is responsible for appointing an employee as a liaison between the District and the system, implementing all policies of the system, promptly paying all contributions, and cooperating with the system and any insurer of the system. The system is responsible for providing insurance coverage as agreed upon, assisting the District with implementation, providing claims adjusting and defense of any civil action brought against an officer of the system.

## NOTE V DISTRICT EMPLOYEE RETIREMENT PLAN

Employee Retirement Plan

The District enrolled in the California Public Employees Retirement System (PERS) cost-sharing multiple-employer Defined Benefit Pension Plan. In cost-sharing multiple-employer plans the benefit obligations are pooled. A single actuarial valuation is performed covering all participants, all employers contribute at the same rate, and all plan assets are available to pay plan benefits pertaining to the employee and retirees of any employer.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

| | |
|---|---|
| Valuation Date (VD) | June 30, 2019 |
| Measurement Date (MD) | June 30, 2020 |
| Measurement Period (MP) | July 1, 2019 to June 30, 2020 |

## NOTE V DISTRICT EMPLOYEE RETIREMENT PLAN (Continued)

Plan Description, Benefits Provided and Employees Covered

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, 2019 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2019 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are 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. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and contribution rate of employees.

| | Employer Contribution | Employee Contribution |
|---|---|---|
| Miscellaneous Plan - Russian River | 11.03% | 6.91% |
| PEPRA Misc. Plan - Russian River | 7.73% | 6.75% |
| PEPRA Safety Plan - Russian River | 13.04% | 13.00% |
| Safety Plan - Russian River | 19.21% | 8.94% |
| Miscellaneous Plan - Sonoma | 13.52% | 7.96% |
| PEPRA Misc. Plan - Sonoma | 7.73% | 6.75% |
| PEPRA Safety Plan - Sonoma | 13.04% | 13.00% |
| Safety Plan - Sonoma | 21.75% | 8.90% |

**NOTE V DISTRICT EMPLOYEE RETIREMENT PLAN (Continued)**

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019, total pension liability. Both the June 30, 2019, total pension liability and the June 30, 2020 total pension liability were based on the following actuarial methods and assumptions.

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal in accordance with the requirements of GASB Statement No. 68 |
| Acturial Assumptions | |
| Discount Rate | 7.15% |
| Inflation | 2.75% |
| Salary Increases | Varies by Entry Age and Service |
| Mortality Rate Table | Delivered using CalPERS' Membership Data for all Funds |
| Post Retirement Benefit Increase | Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies |

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

In determining the long-term expected rate of return, CalPERS considered 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 return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely results in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

## NOTE V DISTRICT EMPLOYEE RETIREMENT PLAN (Continued)

Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. The difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. However, employers may determine the impact at the plan level for their own financial reporting purposes.

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, staff considered both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. 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, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the 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 equivalent to the single equivalent rate calculated above and rounded down the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

| Asset Class | New Stragetic Allocation | Real Return Years 1 - 10 | Real Return Years 11 + |
|---|---|---|---|
| Global Equity | 50.00% | 4.80% | 5.98% |
| Global Fixed Income | 28.00 | 1.00 | 2.62 |
| Inflation Sensitive | - | 0.77 | 1.81 |
| Private Equity | 8.00 | 6.30 | 7.23 |
| Real Estate | 13.00 | 3.75 | 4.93 |
| Liquidity | 1.00 | - | (0.92) |

## NOTE V DISTRICT EMPLOYEE RETIREMENT PLAN (Continued)

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

| | Plan Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Plan Net Pension Liability/(Asset) (c) = (a) - (b) |
|---|---|---|---|
| Balance at : 6/30/2019 (MD) | $ 40,740,458 | $ 30,726,748 | $ 10,013,710 |
| Balance at : 6/30/2020 (MD) | $ 53,772,485 | $ 40,662,722 | $ 13,109,763 |
| Net Changes during 2019-20 | $ (13,032,027) | $ (9,935,974) | $ (3,096,053) |

The following presents the net pension liability/(assets) of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

| | Discount Rate - 1% (6.15%) | Current Discount Rate (7.15%) | Discount Rate + 1% (8.15%) |
|---|---|---|---|
| Plan's Net Pension Liability/(Asset) - Safety | $ 19,748,805 | $ 12,729,521 | $ 6,969,531 |
| Plan's Net Pension Liability/(Asset) - Miscellaneous | $ 657,771 | $ 380,242 | $ 150,929 |

### Pension Expense, Deferred Outflows and Deferred Inflows

For the period ended June 30, 2021, pension expense recognized is as follows:

| | Safety Plan | Miscellaneous Plan | Total |
|---|---|---|---|
| Service Cost | $ 917,343 | $ 38,980 | $ 956,323 |
| Changes of Benefits Terms | - | 81 | 81 |
| Interest Cost | 3,205,145 | 115,072 | 3,320,217 |
| Projected Earnings on PPI | (229,862) | (90,048) | (319,910) |
| Employee Contributions | (351,686) | (17,824) | (369,510) |
| Movement | (283,498) | (3,629) | (287,127) |
| Administrative Expense | 46,228 | 1,773 | 48,001 |
| Other Miscellaneous Income | - | (2) | (2) |
| Earnings on Plan Investment | 252,378 | 9,482 | 261,860 |
| Recognized Changes of Assumptions | 435,880 | 13,824 | 449,704 |
| Recognized Difference between Expected and Actual Experience | 509,849 | 10,511 | 520,360 |
| Pension Expense | $ 4,501,777 | $ 78,220 | $ 4,579,997 |

## NOTE V DISTRICT EMPLOYEE RETIREMENT PLAN (Continued)

Of the amounts reported as deferred outflows or resources, the amount resulting from contributions made to the trust subsequent to the measurement date will be recognized as a reduction of the net pension liability in the period ended June 30, 2021. Other amounts reported as deferred outflows and inflows of resources will be recognized in future periods as shown below.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Changes of Assumptions | $ - | $ 45,114 |
| Difference Between Expected and Actual Experience | 1,006,705 | - |
| Difference Between Projected and Actual Earnings on Investments | 287,962 | - |
| Changes in Employer's Proportion | 17,547 | 464,746 |
| Differences Between Employer's Contribution and Proportionate Share of Contributions | 2,044,702 | - |
| Contributions Made Subsequent to the Measurement Date | 2,296,898 | - |
| Total | $ 5,653,814 | $ 509,860 |

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

| Measurement Period Ended June 30, | Deferred Outflows/(Inflows) of Resources |
|---|---|
| 2022 | 1,468,401 |
| 2023 | 1,485,204 |
| 2024 | 1,127,548 |
| 2025 | 603,423 |
| 2026 | 459,380 |
| Thereafter | - |

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in your GASB 68 accounting valuation report may differ from the plan assets reported in your funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included fiduciary net position. These amounts are excluded for rate setting purposes in your funding actuarial valuation. In addition, differences may result from early CAFR closing and final reconciled reserves.

## NOTE VI OTHER POSTEMPLOYMENT HEALTH BENEFITS (OPEB)

The District implemented GASB Statement No. 75, Financial Reporting for Postemployment Benefits Plan (OPEB) other than Pension Account and Financial Reporting by Employers for Postemployment Benefits other than Pension Plan for the fiscal year ending June 30, 2021. The District provides certain health care benefits which are recognized as an expenditure of health care premiums paid.

OPEB Obligations of the District

The District provides continuation of medical coverage to a closed group of retiring employees. This coverage may create one or more of the following types of OPEB liabilities:

Explicit Subsidy Liabilities: An "explicit subsidy" exists when the employer contributes directly toward the cost of retiree healthcare. In this program, the District pays a portion of the medical premium for a qualifying closed group of members.

Implicit Subsidy Liabilities: An "implicit subsidy" exists when the premiums charged for retiree coverage are lower than the expected retiree claims for that coverage. In the District's program, the claims experience of active employees are pre-Medicare retirees is co-mingled in setting premiums rates for the plans in which District employees and retirees participate.

OPEB Funding Policy

The District's OPEB funding policy affects the calculation of liabilities by impacting the discount rate that is used to develop the plan liability and expense. "Prefunding" is the term used when an agency consistently contributes an amount based on an actuarially determined contribution (ADC) each year. GASB 75 allows prefunded plans to use a discount rate that reflects the expected earnings on trust assets. Pay-as-you-go, or "PAYGO", is the term used when an agency only contributes the required retiree benefits when due. When an agency finances retiree benefits on a pay-as-you-go basis, GASB requires the use of a discount rate equal to a 20-year high grade municipal rate.

The District has been and continues to prefund its OPEB liability, contributing 100% or more of the Actuarially Determined Contribution each year. With the District's approval, the assumed annual trust returns and discount rate applied for accounting purposes in this report is 6.85%, reflecting the District's expectation as of the measurement date.

### Important Dates for GASB 75

GASB 75 allows reporting liabilities as of any fiscal year end based on (1) a valuation date no more than 30 months plus 1 day prior to the close of the fiscal year end; and (2) a measurement date up to one year prior to the close of the fiscal year. The following dates were used for this report:

| | |
|---|---|
| Fiscal Year End | June 30, 2021 |
| Measurement Date | June 30, 2020 |
| Measurement Period | June 30, 2019 to June 30, 2020 |
| Valuation Date | June 30, 2020 |

## NOTE VI OTHER POSTEMPLOYMENT HEALTH BENEFITS (OPEB) (continued)

### Impact on Statement of Net Position and OPEB Expense for Fiscal Year Ending 2021

The plan's impact to Net Position will be the sum of difference between assets and liabilities as of the measurement date plus the unrecognized net outflows and inflows of resources. Different recognition periods apply to deferred resources depending on their origin. The plan's impact on Net Position on the measurement date can be summarized as follows:

| | For Reporting at Fiscal Year Ending June 30, 2021 |
|---|---|
| Total OPEB Liability | $ 4,724,841 |
| Fiduciary Net Position | 2,758,539 |
| Net OPEB Liability (Assets) | 1,966,302 |
| | |
| Deferred (Outflows) Inflows of Resources Due to: | |
| Assumption Changes | 244,588 |
| Plan Experience | 365,375 |
| Investment Experience | (87,073) |
| Deferred Contributions | (536,500) |
| Net Deferred (Outflows) inflows of Resources | $ (13,610) |
| | |
| Impact on Statement of Net Position, FYE 6/30/2021 | $ 1,952,692 |

| | |
|---|---|
| Items Impacting OPEB Expense: | |
| Service Cost | $ 85,398 |
| Cost of Plan Changes | - |
| Interest Cost | 308,551 |
| Expected Earnings on Assets | (171,462) |
| Administrative Expenses | 1,137 |
| Recognized Deferred Resource items: | |
| Assumption Changes | (75,027) |
| Plan Experience | (112,079) |
| Investment Experience | 23,029 |
| **OPEB Expense, FYE 06/30/2021** | **$ 59,547** |

## NOTE VI OTHER POSTEMPLOYMENT HEALTH BENEFITS (OPEB) (continued)

### Expected Long-term Return on Trust Assets

The expected long-term return on trust assets was derived from information published by CalPERS for CERBT Strategy 1. CalPERS determined its returns using a building-block method and best-estimate ranges of expected future real rates of return for each major assets class (expected returns, net of OPEB plan investment expense and inflation). The target allocation and best estimates of geometric real rates of return published by CalPERS for each major class and summarized in the following table:

| CERBT Strategy 1 | | Years 1-10 | | | Years 11+ | | |
|---|---|---|---|---|---|---|---|
| Major Asset Classification | Target Allocation | General Inflation Rate Assumption | 1-10 Year ExpectedReal Rate of Return | Counpound Return Yrs 1-10 | General Inflation Rate Assumption | 11+ Years Expected Real Rate of Return | Counpound Return Yrs 1-10 |
| Global Equity | 59% | 2.00% | 4.80% | 6.80% | 2.92% | 5.98% | 8.90% |
| Fixed Income | 25% | 2.00% | 1.10% | 3.10% | 2.92% | 2.62% | 5.54% |
| Global Real Estate (REITs) | 8% | 2.00% | 3.20% | 5.50% | 2.92% | 5.00% | 7.92% |
| Treasury Inflation Protected Securities | 5% | 2.00% | 25.00% | 2.25% | 2.92% | 1.46% | 4.38% |
| Commodities | 3% | 2.00% | 1.50% | 3.50% | 2.92% | 2.87% | 5.97% |
| Volatility | 12% | | weighted | 5.85% | weighted | | 8.07% |

CalPERS' expected returns are split for years 1-10 and years 11 and thereafter. To derive the expected return specifically for the District, we projected plan benefits in each future year. Then applying the plan specific benefits payments to CalPERS' bifurcated return expectations, we determined the single equivalent long-term rate of return to be 6.85%. The District approved 6.85%. The District approved 6.85% as the assumed assets return and discount rate for GASB 75 purpose and 6.75% (the rate above reduced by 10 basis points to reflect expected trust administrative fees) to develop the Actuarially Determined Contributions.

### Recognition Period of Deferred Resources

Liability changes due to plan experience which differs from what was assumed in the prior measurement period and/or from assumption changes during the period are recognized over the plan's Expected Average Remaining Service Life ("EARSL"). The EARSL of 5.26 years is the period used to recognize such changes in the OPEB liability arising during the current measurement period.

Changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate are always recognized over five years.

Liability changes attributable to benefit changes occurring during the period are recognized immediately.

## NOTE VI OTHER POSTEMPLOYMENT HEALTH BENEFITS (OPEB) (continued)

Deferred Resources as of Fiscal Year End and Expected Future Recognition

The exhibit below shows deferred resources as of the fiscal year end June 30, 2021.

| Sonoma County Fire District | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Changes of Assumptions | $ - | $ 244,588 |
| Difference Between Expected and Actual Experience | - | 365,375 |
| Net Difference Between Projected and Actual Earnings on Investments | 87,073 | - |
| Deferred Contributions | 536,500 | - |
| Total | $ 623,573 | $ 609,963 |

The District will recognize the Deferred Contributions in the next fiscal year. In addition, future recognition of these deferred resources in shown below:

| For the Fiscal Year Ending June 30, | Deferred Outflows/(Inflows) of Resources |
|---|---|
| 2022 | (56,777) |
| 2023 | (56,777) |
| 2024 | (56,882) |
| 2025 | 76,746 |
| 2026 | 107,300 |
| Thereafter | - |

### Sensitivity of Liabilities to Changes in the Discount Rate

The discount rate used for the fiscal year end 2021 is 6.85%. The impact of a 1% increase or decrease in these assumptions is shown in the chart below.

| Changes in Discount Rate | Current - 1% 5.85% | Current 5.85% | Current + 1% 7.85% |
|---|---|---|---|
| Net OPEB Liability (Assets) | $ 2,565,165 | $ 1,966,302 | $ 1,463,726 |

## NOTE VII RECONCILIATION TO THE SPECIAL DISTRICT'S REPORT OF FINANCIAL TRANSACTION

| | June 30, 2021 |
|---|---|
| Net Position - Special District's Financial Transaction Report | $ 16,552,620 |
| Amounts reported for Governmental Activities in the Statement of Net Position are different because: | |
| A portion of capital assets were reported on the Financial Transaction Report, but not reported on the Statement of Net Position. | (924,287) |
| A portion of Pension Plan deferred charge are not included on the Speical District FTR. | 917,739 |
| Liabilities not reported on the Special District's Financial Transaction Report | (1,177,507) |
| Net Position - Statement of Net Position | $ 15,368,565 |

## NOTE VIII SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 31, 2022, the date the financial statements were available to be issued.

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# SONOMA COUNTY FIRE DISTRICT

## STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE
## BUDGET TO ACTUAL
## GENERAL FUND (Included Restricted Funds)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| | Budgeted Amounts (1) | | Actual | Variance with Final Budget - Positive |
|---|---|---|---|---|
| **Revenues** | **Original** | **Final** | **Amounts** | **(Negative)** |
| Property Taxes | $ 14,313,200 | $ 14,313,200 | $ 15,077,532 | $ 764,332 |
| Investment Earnings | 17,500 | 17,500 | 24,965 | 7,465 |
| Intergovernmental Revenue | 2,430,800 | 2,669,629 | 5,731,779 | 3,062,150 |
| Donations & Reimbursements | - | - | 297,887 | 297,887 |
| Rent Income | 36,000 | 36,000 | 49,621 | 13,621 |
| Charges for Service and Miscellaneous | 1,854,820 | 1,912,420 | 1,664,452 | (247,968) |
| Transfers in from reserves | 266,881 | 1,502,146 | - | (666,000) |
| Total Revenues | 18,919,201 | 20,450,895 | 22,846,236 | 2,395,341 |
| **Expenditures** | | | | |
| Current: | | | | |
| Salaries and Employee Benefits | 15,591,314 | 15,591,314 | 17,848,969 | (2,257,655) |
| Services and Supplies | 2,422,050 | 2,559,607 | 2,459,403 | 100,204 |
| Long-term Debt - Principal | 270,317 | 179,375 | 180,263 | (888) |
| Long-term Debt - Interest | 48,120 | 23,873 | 29,797 | (5,924) |
| Capital Outlay | 645,000 | 2,096,726 | 1,842,927 | 253,799 |
| Total Expenditures | 18,976,801 | 20,450,895 | 22,361,359 | (1,910,464) |
| Transfers out to CIP fund | - | - | - | - |
| Excess (Deficiency of Revenues Over (Under) Expenditures | - | - | 484,877 | 484,877 |
| Fund Balance, June 30, 2020 | | | 11,095,233 | |
| Net Change in Fund Balance from Consolidation - Note I | | | 1,577,925 | |
| Fund Balance, June 30, 2021 | | | $ 13,158,035 | |

The notes to the financial statements are an integral part of this statement.

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# SONOMA COUNTY FIRE DISTRICT

## SCHEDULE OF CHANGES IN OPEB AND RELATED RATIOS SCHEDULE OF OPEB CONTRIBUTIONS

## June 30, 2021

**Schedule of Changes in the District's Net OPEB Liability and Related Rations**

GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Only results for years since GASB 75 was implemented (short fiscal year 2019 through 2021) are shows in the table.

| Fiscal Year Ending | 2021 | 2020 | 2019 |
|---|---|---|---|
| Measurement Date | 6/30/2020 | 6/30/2019 | 6/30/2018 |
| Discount Rate on Measurement Date | 6.85% | 6.85% | 6.75% |
| **Total OPEB liability** | | | |
| Service Cost | $ 85,398 | $ 110,237 | $ 27,324 |
| Interest | 308,551 | 353,045 | 86,852 |
| Changes of benefit terms | - | - | - |
| Difference between expected and actual experience | - | (589,533) | - |
| Changes of assumptions | - | (394,642) | - |
| Benefit payments | (176,219) | (184,123) | (42,982) |
| Net change in total OPEB liability | 217,730 | (705,016) | 71,194 |
| Total OPEB liability - beginning | 4,507,111 | 5,212,127 | 5,140,933 |
| Total OPEB liability - ending (a) | $ 4,724,841 | $ 4,507,111 | $ 5,212,127 |
| Plan fiduciary net position | | | |
| Contributions - employer | $ 526,219 | $ 534,123 | $ 130,482 |
| Net investment income | 81,011 | 115,045 | 28,128 |
| Benefits payments | (176,219) | (184,123) | (42,982) |
| Administrative expense | (1,137) | (399) | (188) |
| Other expense | - | - | (465) |
| Net change in plan fiduciary net position | 429,874 | 464,646 | 114,975 |
| Plan fiduciary net position - beginning | 2,328,665 | 1,864,019 | 1,749,044 |
| Plan Fiduciary net position - ending | $ 2,758,539 | $ 2,328,665 | $ 1,864,019 |
| Net OPEB liability - ending (a) - (b) | $ 1,966,302 | $ 2,178,446 | $ 3,348,108 |
| Covered-employee payroll | $ 2,599,706 | $ 1,768,599 | $ 433,099 |
| Net OPEB liability as % of covered-employee payroll | 75.64% | 123.17% | 773.06% |

**Schedule of Contributioins**

Since establishing the OPEB trust, the District has made regular contributions toward funding the Actuarially Determined Contribution (ADC) and confired its intention to continue doing so. This chart shows the contributions for the years since GASB 75 was implemented.

| Fiscal Year Ending | 2021 | 2020 | 2019 |
|---|---|---|---|
| Actuarially Determined Contribution | $ 289,395 | $ 305,936 | $ 108,596 |
| Contributions in relation to the actuarially determined contribution | 536,500 | 526,219 | 133,531 |
| Contribution deficiency (excess) | $ (247,105) | $ (220,283) | $ (24,935) |
| Covered-employee payroll | $ 2,891,583 | $ 2,599,706 | $ 442,150 |
| Net OPEB liability as % of covered employee payroll | 18.55% | 20.24% | 30.20% |

# SONOMA COUNTY FIRE DISTRICT

## Note to the Required Supplementary Information
## June 30, 2021

Budget and Budgetary Accounting

Formal budgetary accounting is employed by the District as a management control for the General Fund. The governing board adopts an annual budget each fiscal year. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budgetary control is exercised at the fund level. All amendments to the budget are reflected in the financial statements and require the approval of the government board. All unencumbered annual appropriations lapse at the end of each fiscal year; there are no encumbrances outstanding at year-end.