

**FORESTVILLE FIRE  
PROTECTION DISTRICT**

Financial Statements  
and  
Independent Auditor's Report

JUNE 30, 2021 and 2020



## FORESTVILLE FIRE PROTECTION DISTRICT

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Forestville Fire Protection District  
Forestville, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Forestville Fire Protection District as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Forestville Fire Protection District, as of June 30, 2021 and 2020 and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of a Matters**

Forestville Fire Protection District has been dissolved as of July 01, 2021. Effective July 01, 2021, the District has consolidated with Sonoma County Fire Protection District and the District assets, liabilities, net position, and statement of activities balances have been transferred to Sonoma County Fire Protection District. This matter does not modify opinion on the audit.

**Other Matters****Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7, combine statement of revenue, expenditures, and changes in fund balance on page 30-31, schedule of CalPERS on pages 32, and notes to required supplementary information on page 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Blomberg & Griffin A.C.  
Stockton, CA  
February 04, 2022

## FORESTVILLE FIRE PROTECTION DISTRICT

### Management Discussion and Analysis

June 30, 2021 and 2020

As management of the Forestville Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2021, and 2020. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements and the accompanying notes to the financial statements.

#### Financial Highlights

- The assets of the District exceeded its liabilities at the close of fiscal years June 30, 2021, and 2020, by \$2,309,527 and \$2,190,800 (net position), respectively. Of the June 30, 2021, and 2020 net position amounts of \$815,118 and \$914,886, respectively, are unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- At fiscal years ended June 30, 2021, and 2020, the District's total net position increased by \$118,727 and \$139,690, respectively. The increase is due to increase in tax revenue and increase in charges for services.
- At fiscal years ended June 30, 2021, and 2020, the District's general fund reported an ending fund balance of \$2,158,105 and \$2,166,955, respectively. The change in the fund balance of (\$8,850) and \$325,719 at fiscal years ended June 30, 2021, and 2020, respectively. The entire fund balance is available for spending at the District's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,158,105, or 76.88% of the total general fund expenditure of \$2,806,961. At the fiscal year ended June 30, 2020, the unassigned fund balance for the general fund was \$2,166,955, or 124% of the total general fund expenditure of \$1,753,014.
- At the end of fiscal year June 30, 2021, the District's long-term liability increased by \$62,165, or 4.52%, primarily due increase in net pension liability. At the end of fiscal year June 30, 2020, the District's long-term liability increased by \$175,852, or 14.65%, primarily due increase in net pension liability.

#### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

**FORESTVILLE FIRE PROTECTION DISTRICT**

Management Discussion and Analysis

June 30, 2021 and 2020

**Overview of the Financial Statements (Continued)**

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are governmental funds.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District uses governmental funds to account for its activities, which include fire protection services in the district boundaries. The District adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**Notes to the Basic Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## FORESTVILLE FIRE PROTECTION DISTRICT

### Management Discussion and Analysis

June 30, 2021 and 2020

#### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$2,309,527 and \$2,190,800 at the close of the most recent fiscal years ended June 30, 2021, and 2020, respectively.

At the end of fiscal years June 30, 2021, and 2020, the net position category labeled "Net investment in Capital Assets" reflects the District's investment in capital assets (net of depreciation) of \$1,494,409 and \$1,275,914, respectively, (land, construction in progress, buildings and improvements, and equipment). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. At the end of the fiscal years ended June 30, 2021, and 2020, the District's net investment in capital assets were \$1,494,409 and \$1,275,914, or 65% and 58% of total net position, respectively.

#### Net Position

For the Fiscal Year's ended June 30, 2021 and 2020

	2021	2020	Increase (Decrease)	Percentage Change
Current assets & Outflows	\$ 2,765,133	\$ 2,607,139	\$ 157,994	5.71%
Capital assets, net depreciation	1,494,409	1,275,914	218,495	14.62%
<b>Total Assets &amp; Outflows</b>	<b>4,259,542</b>	<b>3,883,053</b>	<b>376,489</b>	<b>9.70%</b>
Current Liabilities	217,059	32,368	184,691	570.60%
Non-Current Liabilities	1,438,226	1,376,061	62,165	4.52%
Deferred Inflows	294,730	283,824	10,906	3.84%
<b>Total Liabilities &amp; Inflows</b>	<b>1,950,015</b>	<b>1,692,253</b>	<b>257,762</b>	<b>15.23%</b>
<b>Net Position</b>				
Net Investment in Capital Assets	1,494,409	1,275,914	218,495	17.12%
Unrestricted	815,118	914,886	(99,768)	-10.90%
<b>Total Net Position</b>	<b>\$ 2,309,527</b>	<b>\$ 2,190,800</b>	<b>\$ 118,727</b>	<b>5.42%</b>

The balance at fiscal years ended June 30, 2021, and 2020, of unrestricted net position \$815,118 and \$914,886, respectively, may be used to meet the District's ongoing obligations to citizens and vendors.

At the end of the current fiscal year, the District is able to report positive balances in net investment in capital assets and in unrestricted balance of net position.

**Governmental Activities:** At fiscal years ended June 30, 2021, and 2020, the governmental activities increased the District's net position by \$118,727 and \$139,690, respectively. This increase is the result of revenues exceeding expenses in the governmental activities.

**FORESTVILLE FIRE PROTECTION DISTRICT**  
**Management Discussion and Analysis**  
**June 30, 2021 and 2020**

**Changes in Net Position**

For the Fiscal Year's Ended June 30, 2021 and 2020

	2021	2020	Increase (Decrease)	Percentage % Change
Revenues:				
Program Revenue:				
Public Safety - Fire Protection	\$ 902,736	\$ 266,473	\$ 636,263	238.77%
General Revenues:				
Property Taxes	1,824,185	1,764,779	59,406	3.37%
Rent	11,134	11,134	-	0.00%
Investment Earnings and Other	71,190	47,481	23,709	49.93%
Total Revenues	<u>2,809,245</u>	<u>2,089,867</u>	<u>719,378</u>	<u>34.42%</u>
Expenses:				
Program Expenses:				
Public Safety - Fire Protection	<u>2,690,518</u>	<u>1,950,177</u>	<u>740,341</u>	<u>27.52%</u>
Change in Net Position	118,727	139,690	(20,963)	-17.66%
Net Position - Beginning of The Year	<u>2,190,800</u>	<u>2,051,110</u>	<u>139,690</u>	<u>6.38%</u>
Net Position - End of The Year	<u>\$ 2,309,527</u>	<u>\$ 2,190,800</u>	<u>\$ 118,727</u>	<u>5.42%</u>

**Financial Analysis of the Government's Funds**

The District uses fund accounting to ensure and demonstrate compliance with legal and governmental accounting requirements.

**Governmental Funds:** The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year. The District uses and reports one governmental fund, the General Fund.

The general fund is the chief operating fund of the District. As of June 30, 2021, and 2020, the District's general fund reported ending fund balance of \$2,158,105 and \$2,166,955, respectively. The fund balance had a change of (\$8,850) and \$325,719 at fiscal years ended June 30, 2021, and 2020, respectively. This entire amount constitutes unassigned fund balance, which is available for spending at the government's discretion.

As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 77% and 124% of total general fund expenditures at fiscal years ended June 30, 2021, and 2020, respectively.

**FORESTVILLE FIRE PROTECTION DISTRICT**

Management Discussion and Analysis

June 30, 2021 and 2020

**Capital Asset and Debt Administration**

**Capital Assets:** The District's investment in capital assets, as of June 30, 2021, and 2020, amounts to \$1,494,409 and \$1,275,914 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings and improvements, and equipment. The total change in the District's investment in capital assets for the fiscal years ended June 30, 2021 and 2020 was \$218,495 and (\$59,311) respectively, and is explained by the following events:

	<u>2021</u>	<u>2020</u>
Depreciation of the capital assets	\$ (124,866)	\$ (117,212)
Capital expenditures for equipment	\$ 90,096	\$ 57,871
Capital expenditures for Building & Improvements	\$ 253,266	\$ -

Additional information on the District's capital assets can be found in note III. B

**Debt Administration Fiscal year 2020-2021:** The District total long-term obligations outstanding, including the deferred inflows of resources was \$1,732,959. The long-term obligations include \$80,656 in compensated absences, net pension liability of \$1,357,570, deferred rent of \$244,938 and deferred inflows of pension by \$49,792.

**Debt Administration Fiscal year 2019-2020:** The District total long-term obligations outstanding, including deferred inflows of resources of \$1,659,885. The long-term obligation includes \$100,408 in compensated absences, net pension liability of \$1,275,653, deferred rent of \$256,072 and deferred inflows of pension of \$27,752.

**Request for Additional Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District, P.O. Box 530, Windsor, CA, 95492.

**FORESTVILLE FIRE PROTECTION DISTRICT**  
**STATEMENT OF NET POSITION**  
 JUNE 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and investments	\$ 2,274,124	\$ 2,125,510
Accounts receivable	101,040	73,813
Capital assets (net of accumulated depreciation)		
Non-depreciable	6,000	6,000
Depreciable, net	<u>1,488,409</u>	<u>1,269,914</u>
<b>Total Assets</b>	<u>3,869,573</u>	<u>3,475,237</u>
Deferred Outflows of Resources- GASB 68 (Note V)	389,969	407,816
<b>Liabilities</b>		
Current liabilities		
Accounts payable	<u>217,059</u>	<u>32,368</u>
Total Current liabilities	<u>217,059</u>	<u>32,368</u>
Non-current liabilities		
Compensated absences	80,656	100,408
Net Pension Liability (Note V)	<u>1,357,570</u>	<u>1,275,653</u>
Total Non-current liabilities	<u>1,438,226</u>	<u>1,376,061</u>
<b>Total Liabilities</b>	<u>1,655,285</u>	<u>1,408,429</u>
<b>Deferred Inflows of Resources</b>		
Deferred Inflows of Resources - Rent (Note III)	244,938	256,072
Deferred Inflows of Resources - GASB 68 (Note V)	<u>49,792</u>	<u>27,752</u>
<b>Total Deferred Inflows of Resources</b>	<u>294,730</u>	<u>283,824</u>
<b>Net Position</b>		
Net investment in capital assets	1,494,409	1,275,914
Unrestricted	<u>815,118</u>	<u>914,886</u>
<b>Total Net Position</b>	<u>\$ 2,309,527</u>	<u>\$ 2,190,800</u>

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

**FORESTVILLE FIRE PROTECTION DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2021 and 2020**

<b>Governmental Activities</b>	<u>2021</u>	<u>2020</u>
<b>Program Expenses</b>		
Public safety - fire protection		
Salaries and employee benefits	\$ 2,131,482	\$ 1,527,565
Services and supplies	434,170	305,400
Depreciation	124,866	117,212
	<u>2,690,518</u>	<u>1,950,177</u>
<b>Total Program Expenses</b>		
	<u>2,690,518</u>	<u>1,950,177</u>
<b>Program Revenues</b>		
Charges for services	902,736	266,473
	<u>902,736</u>	<u>266,473</u>
<b>Total Program Revenues</b>		
	<u>902,736</u>	<u>266,473</u>
<b>Net Program Revenues (Expenses)</b>	<u>(1,787,782)</u>	<u>(1,683,704)</u>
<b>General Revenues</b>		
Property taxes	1,824,185	1,764,779
Intergovernmental Revenue	8,079	17,718
Investment earnings	826	3,047
Rent	11,134	11,134
Miscellaneous income	19,961	10,370
Donations and reimbursements	42,324	11,346
Sale of Assets	-	5,000
	<u>1,906,509</u>	<u>1,823,394</u>
<b>Total General Revenues</b>		
	<u>1,906,509</u>	<u>1,823,394</u>
Change in net position	118,727	139,690
<b>Net Position - Beginning of Year</b>	<u>2,190,800</u>	<u>2,051,110</u>
<b>Net Position - End of Year</b>	<u>\$ 2,309,527</u>	<u>\$ 2,190,800</u>

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

**FORESTVILLE FIRE PROTECTION DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
**JUNE 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and investments	\$ 2,274,124	\$ 2,125,510
Accounts receivable	101,040	73,813
<b>Total Assets</b>	<u>\$ 2,375,164</u>	<u>\$ 2,199,323</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 217,059	\$ 32,368
Total liabilities	<u>217,059</u>	<u>32,368</u>
Fund balance:		
Unassigned	<u>2,158,105</u>	<u>2,166,955</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 2,375,164</u>	<u>\$ 2,199,323</u>
<b>Reconciliation of Balance Sheet to the Statement of Net Position</b>		
Fund balances - total government funds	\$ 2,158,105	\$ 2,166,955
Amount reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	1,494,409	1,275,914
Deferred Outflows of Resources	389,969	407,816
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Compensated absences	(80,656)	(100,408)
Net Pension Liability	(1,357,570)	(1,275,653)
Deferred Income - Rent	(244,938)	(256,072)
Deferred Inflows of Resources	<u>(49,792)</u>	<u>(27,752)</u>
<b>Net Position of Governmental Activities</b>	<u>\$ 2,309,527</u>	<u>\$ 2,190,800</u>

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

**FORESTVILLE FIRE PROTECTION DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Revenues</b>		
Property taxes	\$ 1,824,185	\$ 1,764,779
Charges for Services	902,736	266,473
Investment earnings	826	3,047
Sale of Assets	-	5,000
Intergovernmental revenue	8,079	17,718
Miscellaneous income	19,961	10,370
Donations and reimbursements	42,324	11,346
	<u>2,798,111</u>	<u>2,078,733</u>
<b>Total Revenues</b>		
	<u>2,798,111</u>	<u>2,078,733</u>
<b>Expenditures</b>		
Current:		
Salaries and employee benefits	2,029,431	1,389,744
Services and supplies	434,170	305,400
Capital outlay	343,360	57,870
	<u>2,806,961</u>	<u>1,753,014</u>
<b>Total Expenditures</b>		
	<u>2,806,961</u>	<u>1,753,014</u>
Excess of revenues over expenditures	<u>(8,850)</u>	<u>325,719</u>
Net change in fund balance	(8,850)	325,719
<b>Fund Balance - Beginning of Year</b>	<u>2,166,955</u>	<u>1,841,236</u>
<b>Fund Balance - End of Year</b>	<u>\$ 2,158,105</u>	<u>\$ 2,166,955</u>

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

**FORESTVILLE FIRE PROTECTION DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND**  
**TO THE STATEMENT OF ACTIVITIES**

June 30, 2021 and 2020

Amount reported for governmental activities in the statement of activities (page 8) is different because :	2021	2020
Net change in fund balance - governmental funds	\$ (8,850)	\$ 325,719
<p>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</p>		
Current year depreciation	(124,866)	(117,212)
Capital outlay	343,361	57,871
<p>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</p>		
Pension expense adjustment	(121,804)	(139,042)
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Deferred Income - Rent	11,134	11,133
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 118,727</b>	<b>\$ 139,690</b>

**FORESTVILLE FIRE PROTECTION DISTRICT**

Notes to the Basic Financial Statements

June 30, 2021 and 2020

**I. Summary of Significant Accounting Policies****A. Reporting Entity**

Forestville Fire Protection District (the District) was formed under Health and Safety Code Section 13816 and 13822 to provide fire protection services to taxpayers and residents in a specific unincorporated area of the County of Sonoma. The District's governmental powers are exercised through a five members Board of Directors. The District has been dissolved as of July 01, 2021. The District is consolidated with Sonoma County Fire Protection District.

**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 segments are 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.

**FORESTVILLE FIRE PRECTION DISTRICT**

## Notes to the Basic Financial Statements

June 30, 2021 and 2020

**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. Reimbursements, interest, and charges for services are accrued when all eligibility requirements are met and or receipt is expected to occur 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 claims 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 restricted to acquire or construct capital assets. Internally dedicated resources are reported as general revenues rather than program revenues. 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.

**FORESTVILLE FIRE PRECTION DISTRICT**

## Notes to the Basic Financial Statements

June 30, 2021 and 2020

**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 years 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 \$340,714 and \$339,195 for the fiscal year ended June 30, 2021, and 2020, respectively, in Special Taxes, Fees, or Assessments collected. Special Taxes, Fees, or Assessments are types of flat charges applied to each parcel of property within the District, exclusive of the property value.

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 five (5) years. 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. 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.

**FORESTVILLE FIRE PRECTION DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2021 and 2020

**I. Summary of Significant Accounting Policies (Continued)**

**3. Capital Assets (continued)**

Buildings and improvements and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	5-50
Equipment	5-20

**4. Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pays and 25% of sick pay is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

**5. Net Position**

Net position is classified into three components — net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- Net investment in capital assets — This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation, and net of related debt.
- Restricted net position – This component of net position consists of net position with limits on its use that are imposed by outside parties.
- Unrestricted net position – This component of net position consists of net position that does not meet the definition of “restricted net position” or “net investment in capital assets.”

**FORESTVILLE FIRE PRECTION DISTRICT**

## Notes to the Basic Financial Statements

June 30, 2021 and 2020

**I. Summary of Significant Accounting Policies (Continued)****6. Fund Balance**

In the fund financial statements, governmental funds report fund balance using the classifications listed in *GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions*. Initial distinction is made in reporting fund balance information identifying amounts that are considered non-spendable, such as fund balance associated with inventories. Spendable fund balance for the governmental fund consists of the following classifications:

- a. *Restricted Fund Balance* - the portion of fund balance that can only be spent for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- b. *Committed Fund Balance* - the portion of fund balance whose use is subject to formal action of the government's highest-level decision-making authority. These commitments remain binding unless changed or removed by formal action of the Board as the formal authority that imposed the constraint. The underlying action that imposed, modified, or removed the limitation would need to occur no later than the close of the reporting period.
- c. *Assigned* - the portion of fund balance that is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.
- d. *Unassigned* - the residual amount of all general fund spendable resources not contained in the other classifications.

**7. Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the report's amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**FORESTVILLE FIRE PRECTION DISTRICT**

Notes to the Basic Financial Statements

June 30, 2021 and 2020

**II. Stewardship, Compliance, and Accountability**

**A. 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 non-GAAP basis.

**III. Detailed Notes**

**A. Cash and Investments**

The District follows the County's practice of pooling cash and investments of all funds with the County Treasurer, except for funds held by Bank of the West (for the purpose of payroll remittances), and cash on hand used as a petty cash fund. Deposits with Bank of the West are FDIC insured up to \$250,000.

The amount of cash at June 30, 2021 and 2020, is as follows:

	<u>2021</u>	<u>2020</u>
Cash in Fiscal Agent	\$ 2,168,570	\$ 2,019,966
FV Designated Reserves	105,554	105,544
Total	<u>\$ 2,274,124</u>	<u>\$ 2,125,510</u>

**Investment in the Sonoma County Treasurer's Investment Pool**

As authorized by Health and Safety Code 13854 (a) the District's cash is pooled with the Sonoma County Treasurer, who acts as a disbursing agent for the District. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Interest earned on investments pooled with the County is allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter. The Treasury Oversight Committee has regulatory oversight for all monies deposited into the Treasury Pool.

**FORESTVILLE FIRE PRECTION DISTRICT**

Notes to the Basic Financial Statements

June 30, 2021 and 2020

**III. Detailed Notes (Continued)**Investment Guidelines

The District's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity, and maximum rate of return. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

A copy of the Treasury Pool investment policy is available upon request from the Sonoma County Treasurer at 585 Fiscal Drive, Suite 100, Santa Rosa, California, 95403-2871.

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 is 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.

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. The Treasury Pool does not have a rating provided by a nationally recognized statistical rating organization.

**FORESTVILLE FIRE PRECTION DISTRICT**

## Notes to the Basic Financial Statements

June 30, 2021 and 2020

**III. Detailed Notes (Continued)**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.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Treasury Pool).

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 Annual Comprehensive Financial Report.

**FORESTVILLE FIRE PRECTION DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2021 and 2020

**III. Detailed Notes (Continued)**

**B. Capital Assets**

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

	Beginning Balance 7/1/2020	Additions	Retirements	Ending Balance 6/30/2021
Capital assets, not being depreciated:				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Total capital assets, not being depreciated	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
Capital assets, being depreciated:				
Buildings and improvements	459,344	253,265	-	712,609
Equipment	2,054,386	90,096	-	2,144,482
Total capital assets, being depreciated	<u>2,513,730</u>	<u>343,361</u>	<u>-</u>	<u>2,857,091</u>
Less accumulated depreciation for:				
Buildings and improvements	(212,799)	(14,888)	-	(227,687)
Equipment	(1,031,017)	(109,978)	-	(1,140,995)
Total accumulated depreciation	<u>(1,243,816)</u>	<u>(124,866)</u>	<u>-</u>	<u>(1,368,682)</u>
Total capital assets, being depreciated, net	<u>1,269,914</u>	<u>218,495</u>	<u>-</u>	<u>1,488,409</u>
Capital assets, net	<u>\$ 1,275,914</u>	<u>\$ 218,495</u>	<u>\$ -</u>	<u>\$ 1,494,409</u>

For the fiscal year ending June 30, 2021, the depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
Public safety - fire protection	<u>\$124,866</u>

**FORESTVILLE FIRE PRECTION DISTRICT**

Notes to the Basic Financial Statements

June 30, 2021 and 2020

**III. Detailed Notes (Continued)**

**B. Capital Assets**

Capital asset activity for the years ended June 30, 2020 was as follows:

	Beginning Balance 7/1/2019	Additions	Retirements	Ending Balance 6/30/2020
Capital assets, not being depreciated:				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Total capital assets, not being depreciated	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
Capital assets, being depreciated:				
Buildings and improvements	401,474	57,870	-	459,344
Equipment	<u>2,054,386</u>	<u>-</u>	<u>-</u>	<u>2,054,386</u>
Total capital assets, being depreciated	<u>2,455,860</u>	<u>57,870</u>	<u>-</u>	<u>2,513,730</u>
Less accumulated depreciation for:				
Buildings and improvements	(202,036)	(10,763)	-	(212,799)
Equipment	<u>(924,568)</u>	<u>(106,449)</u>	<u>-</u>	<u>(1,031,017)</u>
Total accumulated depreciation	<u>(1,126,604)</u>	<u>(117,212)</u>	<u>-</u>	<u>(1,243,816)</u>
Total capital assets, being depreciated, net	<u>1,329,256</u>	<u>(59,342)</u>	<u>-</u>	<u>1,269,914</u>
Capital assets, net	<u>\$ 1,335,256</u>	<u>\$ (59,342)</u>	<u>\$ -</u>	<u>\$ 1,275,914</u>

For the fiscal year ending June 30, 2020, the depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
Public safety - fire protection	<u>\$117,212</u>

**FORESTVILLE FIRE PRECTION DISTRICT**

Notes to the Basic Financial Statements

June 30, 2021 and 2020

**III. Detailed Notes (Continued)**

**C. Long-term Debt**

Changes in long-term debt

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Long-Term Liabilities:					
Compensated absences	\$ 100,408	\$ -	\$ 19,753	\$ 80,655	\$ -
Total long-term liabilities	<u>\$ 100,408</u>	<u>\$ -</u>	<u>\$ 19,753</u>	<u>\$ 80,655</u>	<u>\$ -</u>

Long-term liability activity for the year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Long-Term Liabilities:					
Compensated absences	\$ 101,629	\$ -	\$ 1,221	\$ 100,408	\$ -
Total long-term liabilities	<u>\$ 101,629</u>	<u>\$ -</u>	<u>\$ 1,221</u>	<u>\$ 100,408</u>	<u>\$ -</u>

**D. Deferred Inflows of Resources – Deferred Rent**

The District signed an agreement for the communication site on January 31, 2018 and lease will end on December 31, 2042. The District received \$280,000 for 25 years lease of communication site. As of June 30, 2021, and 2020, the deferred rent balance is \$244,938 and \$256,072, respectively.

**FORESTVILLE FIRE PRECTION DISTRICT**

## Notes to the Basic Financial Statements

June 30, 2021 and 2020

**IV. Other Information****A. Risk Management**

The District receives automobile and general liability coverage as a member of the Fire Agencies Insurance Risk Authority (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.

**B. Implementation of Governmental Accounting Standards Board (GASB) Statements:**

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, introduced and defined in GASB Concepts Statement No. 4. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. This statement has determined this pronouncement has no impact on the financial statements beyond changing the name of the statement of net assets to the statement on net position and changing invested in capital assets net of related debt to net investment in capital assets.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. The objective of this statement is to improve accounting and financial reporting by state and local governmental pensions. The requirements of this statement are effective for the District's fiscal year ending June 30, 2016. See Note V for additional information.

**C. Fire District Association of California Employment Benefit Authority (FDACEBA)**

The District has changed to Fire District Association of California Employment Benefit Authority (FDACEBA) on August 11, 2014 for employee health insurance. The District does not provide any health benefits to retirees.

**FORESTVILLE FIRE PRECTION DISTRICT**

Notes to the Basic Financial Statements

June 30, 2021 and 2020

**V. District Employees Retirement Plan (Defined Benefit Pension Plan)**

**Defined Benefit Pension Plan - (Safety Plan)**

The District provides eligible employee's pension plans benefits through the Cloverdale Fire Protection District – Safety Plan.

**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 Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2020 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and assets information within certain defined timeframes. The timeframe for this reporting is:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

**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 CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. The contribution rate and unfunded liability information are as follows:

	<u>Employer Contribution Rate</u>	<u>Unfunded Contribution</u>	<u>Employee Contribution Rate</u>
Safety Plan	20.585%	\$90,170	8.99%
PEPRA Safety Plan	13.044%	\$31	13.00%

## FORESTVILLE FIRE PRECTION DISTRICT

Notes to the Basic Financial Statements

June 30, 2021 and 2020

### V. Defined Benefit Pension Plan - Safety Plan (Continued)

#### *Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

The June 30, 2019 valuation was rolled forward to determine the June 30, 2020 total pension liability based on the following actuarial methods of assumptions.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
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 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

#### *Discount Rate*

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### Long-term Expected Rate of Return

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 of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

**FORESTVILLE FIRE PRECTION DISTRICT**

Notes to the Basic Financial Statements

June 30, 2021 and 2020

**V. Defined Benefit Pension Plan - Safety Plan (Continued)**

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>	<u>Real Return Years 11 +</u>
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.00	1.00	2.62
Inflation Sensitive	0.00	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Estate	13.00	3.75	4.93
Liquidity	1.00	0.00	-0.92

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:

	<u>Discount Rate - 1% (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>Discount Rate + 1% (8.15%)</u>
Plan's Net Pension Liability/(Asset) at June 30, 2021	\$ 2,094,672	\$ 1,357,570	\$ 752,708
Plan's Net Pension Liability/(Asset) at June 30, 2020	\$ 1,901,157	\$ 1,275,653	\$ 762,838

**FORESTVILLE FIRE PRECTION DISTRICT**

Notes to the Basic Financial Statements

June 30, 2021 and 2020

**V. Defined Benefit Pension Plan - Safety Plan (Continued)**

**Pension Expense, Deferred Outflows and Deferred Inflows**

For the fiscal years ended June 30, 2021 and 2020, pension expense recognized is as follows:

	<u>2021</u>	<u>2020</u>
Service Costs	\$ 97,832	\$ 93,921
Interest on TPL	341,820	324,098
Changes of Benefits Terms	-	-
Changes of Assumptions	46,485	59,690
Difference between Expected & Actual Experience	54,374	35,119
Net Plan to Plan Resource Movement	(30,234)	(28,417)
Contributions- Employer	(197,793)	(153,798)
Contributions- Employee	(9,940)	(65,692)
Net Investment Income	26,915	42,739
Administrative Expenses	4,930	2,383
Other Miscellaneous Income	-	8
Projected Earnings on PPI	<u>(24,514)</u>	<u>(235,775)</u>
 Total Pension Expense (Income)	 <u>\$ 309,875</u>	 <u>\$ 74,276</u>

For the measurement period ended June 30, 2020 (the measurement date), the Forestville Fire Protection District incurred a pension expense/ (income) of \$309,875 for the Plan (the pension expense for risk pool for the measurement period is \$2,356,131,760.

As of June 30, 2021, and 2020, the Forestville Fire Protection District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources - FY21</u>	<u>Deferred Inflows of Resources - FY21</u>	<u>Deferred Outflows/(Inflows) of Resources - FY20 Net</u>
Difference between Expected and Actual Experience	\$ 105,273	\$ -	\$ 83,289
Changes of Assumptions	-	4,522	42,083
Net Difference between Projected and Actual Earnings on Pension Plan Investments	29,506	-	(17,548)
Difference between Employer's Contribution and Proportionate Share of Contribution	9,116	41,908	17,616
Pension Contributions made Subsequent to Measurement Date	195,577	-	153,798
Changes in Employees Proportion	<u>50,497</u>	<u>3,362</u>	<u>100,826</u>
 Total	 <u>\$ 389,969</u>	 <u>\$ 49,792</u>	 <u>\$ 380,064</u>

**FORESTVILLE FIRE PRECTION DISTRICT**

Notes to the Basic Financial Statements

June 30, 2021 and 2020

**V. Defined Benefit Pension Plan - Safety Plan (Continued)**

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

<u>Measurement Period Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources - FY21</u>	<u>Deferred Outflows/(Inflows) of Resources - FY20</u>
2021	0	195,871
2022	92,094	78,139
2023	94,572	80,668
2024	60,495	25,383
2025	53,899	0
2026	39,115	0
Thereafter	0	0

**VI. Subsequent Events**

Management has evaluated subsequent events through February 08, 2022, the date these financial statements were available for release.

COUNTY OF SONOMA  
**FORESTVILLE FIRE PROTECTION DISTRICT**  
 STATEMENT OF REVENUES, EXPENDITURES - COMPARED TO BUDGET  
 For the Year Ended June 30, 2021

	<u>Budget Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property Taxes - Current Secured	\$ 1,393,098	\$ 1,426,926	\$ 33,828
Current Year Direct Charges	352,205	340,714	(11,491)
SB2557 Prop Tax Admin	(16,000)	(15,357)	643
Property Taxes - Current Supplemental	21,000	20,999	(1)
Property Taxes - Current Unsecured	42,000	42,954	954
Cost Reimbursement	(600)	-	600
Property Taxes - Prior Secured	(400)	(44)	356
Prior Year Direct Charges	4,200	7,269	3,069
Property Taxes - Prior Supplemental	(100)	(19)	81
Property Taxes - Prior Unsecured	800	743	(57)
Interest on Pooled Cash	300	826	526
ST - HOPTR	7,500	8,079	579
ST - Other	1,130,250	902,736	(227,514)
Charges for Services	1,060	30	(1,030)
Miscellaneous Revne	5,850	19,931	14,081
Donations/Reimbursements	22,100	42,324	20,224
<b>Total Revenues</b>	<u>2,963,263</u>	<u>2,798,111</u>	<u>(165,152)</u>
<b>EXPENDITURES</b>			
Permanent Positions	760,000	764,390	(4,390)
Extra Help	77,000	78,661	(1,661)
Overtime	690,000	699,088	(9,088)
FICA Retirement	100,000	97,805	2,195
Retirement Contribution	202,171	195,577	6,594
Health Insurance	92,658	97,336	(4,678)
Dental Insurance	11,500	11,867	(367)
Vision Insurance	1,200	1,136	64
Unemployment Insurance	4,500	4,328	172
Workers' Compensation	105,480	79,243	26,237
Clothing/Personal	12,000	16,978	(4,978)
Safety Clothing	27,536	27,119	417
Communications	6,000	6,415	(415)
Food	24,000	26,702	(2,702)
Household Expense	4,000	6,362	(2,362)
Insurance	11,295	11,631	(336)
Maintenance - Equipment	43,830	70,730	(26,900)
Maintenance - Buildings/Improvements	61,000	61,023	(23)
Medical Supplies	9,000	10,330	(1,330)
Memberships	1,500	908	592
Office Expense	6,170	5,185	985
Books/Periodicals	680	519	161
Computer Charges	1,500	19,977	(18,477)
Supplies/Expenses	7,100	2,974	4,126
Professional/Special Services	55,500	32,068	23,432
LAFCO Charges	3,233	3,233	-
Audit/Accounting/Legal Services	6,500	6,325	175
Bank Fees	1,000	1,605	(605)
Medical Exams	5,170	4,512	658
Public/Legal Notices	500	98	402
Rents/Leases-Hydrants	2,550	2,544	6
Small Tools/Instruments	11,145	19,348	(8,203)
Training - In - Service	16,195	19,387	(3,192)
Gas/Oil	24,300	22,348	1,952
Transportation/Travel	7,000	5,422	1,578
Utilities	20,000	18,029	1,971
Sanitation	9,000	8,977	23
Improvements & Contingency	10,000	23,421	(13,421)
Capital Assets	410,000	343,360	66,640
<b>Total Expenditures</b>	<u>2,842,213</u>	<u>2,806,961</u>	<u>35,252</u>
Net change in fund balance		(8,850)	
<b>Fund Balance - Beginning of Year</b>		<u>2,166,955</u>	
<b>Fund Balance - End of Year</b>		<u>\$ 2,158,105</u>	

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

COUNTY OF SONOMA  
**FORESTVILLE FIRE PROTECTION DISTRICT**  
 STATEMENT OF REVENUES, EXPENDITURES - COMPARED TO BUDGET  
 For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property Taxes - Current Secured	\$ 1,272,960	\$ 1,323,260	\$ 1,365,782	\$ 42,522
Current Year Direct Charges	351,875	338,550	338,167	(383)
SB2557 Prop Tax Admin	(16,000)	(16,000)	(16,176)	(176)
Property Taxes - Current Supplemental	26,000	13,500	25,453	11,953
Property Taxes - Current Unsecured	39,000	41,600	42,922	1,322
Cost Reimbursement	(600)	(600)	-	600
Property Taxes - Prior Secured	(400)	(400)	(22)	378
Prior Year Direct Charges	7,000	4,800	7,385	2,585
Property Taxes - Prior Supplemental	(100)	(100)	(24)	76
Property Taxes - Prior Unsecured	800	800	688	(112)
2017 Wildlife Tax Loss	-	604	604	(0)
Interest on Pooled Cash	2,150	450	3,048	2,598
ST - HOPTR	8,400	8,400	8,218	(182)
ST - Other	144,500	285,500	266,382	(19,118)
Other Grant	152,901	-	9,501	9,501
Other Charges for Services	1,000	1,000	-	(1,000)
Copy/Transcribe Fees	60	60	90	30
Miscellaneous Revenue	1,000	5,100	15,370	10,270
Donations/Reimbursements	104,835	8,200	11,346	3,146
<b>Total Revenues</b>	<b>2,095,381</b>	<b>2,014,724</b>	<b>2,078,734</b>	<b>64,010</b>
<b>EXPENDITURES</b>				
Permanent Positions	622,800	592,500	568,540	23,960
Extra Help	68,860	68,860	69,398	(538)
Overtime	207,000	343,000	341,213	1,787
FICA Retirement	67,000	67,000	56,918	10,082
Retirement Contribution	174,400	174,400	153,798	20,602
Health Insurance	109,910	99,510	87,779	11,731
Dental Insurance	11,500	11,500	8,855	2,645
Vision Insurance	1,200	1,200	915	285
Unemployment Insurance	6,750	4,000	3,131	869
Workers' Compensation	95,280	99,500	99,198	302
Clothing/Personal	15,000	15,000	13,353	1,647
Safety Clothing	26,101	26,101	30,761	(4,660)
Communications	19,670	16,000	16,078	(78)
Food	10,750	8,000	8,728	(728)
Household Expense	3,500	3,500	3,523	(23)
Insurance	11,295	11,295	11,295	-
Maintenance - Equipment	34,580	55,000	62,124	(7,124)
Maintenance - Buildings/Improvements	28,500	28,500	28,856	(356)
Medical Supplies	9,000	7,000	8,462	(1,462)
Memberships	1,500	1,500	763	737
Office Expense	5,170	5,170	4,758	412
Books/Periodicals	680	680	1,036	(356)
Supplies/Expenses	7,100	5,100	3,208	1,892
Professional/Special Services	21,850	24,000	25,867	(1,867)
Contract Services	500	500	3,285	(2,785)
LAFCO Charges	3,285	3,285	-	3,285
Audit/Accounting/Legal Services	6,325	6,325	6,325	-
Bank Fees	600	600	330	270
Medical Exams	5,345	5,345	1,431	3,914
Public/Legal Notices	500	500	520	(20)
Rents/Leases-Hydrants	2,550	2,550	2,544	6
Small Tools/Instruments	16,150	16,150	18,451	(2,301)
Training - In - Service	18,695	6,000	3,732	2,268
Gas/Oil	22,300	22,300	22,344	(44)
Transportation/Travel	5,000	2,500	1,495	1,005
Utilities	21,700	17,900	19,343	(1,443)
Sanitation	4,600	6,000	6,788	(788)
Buildings/Improvements	148,000	54,000	57,870	(3,870)
Appropriations for Contingencies	10,000	10,000	-	10,000
<b>Total Expenditures</b>	<b>1,824,946</b>	<b>1,822,271</b>	<b>1,753,015</b>	<b>69,256</b>
Net change in fund balance			325,719	
<b>Fund Balance - Beginning of Year</b>			<b>1,841,236</b>	
<b>Fund Balance - End of Year</b>			<b>\$ 2,166,955</b>	

**FORESTVILLE FIRE PROTECTION DISTRICT  
SCHEDULE OF CALPERS SAFETY PLAN  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30,**

**Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERF C**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Plan's Proportion of the Net Pension Liability/(Asset)	0.0203767%	0.0193457%	0.0187230%	0.0181651%	0.0158960%	0.0161195%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 1,357,570	\$ 1,275,653	\$ 1,098,580	\$ 1,085,402	\$ 823,290	\$ 664,194
Plan's Covered-Employee Payroll	\$ 907,107	\$ 502,387	\$ 655,272	\$ 611,455	\$ 599,667	\$ 581,160
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	149.66%	253.92%	167.65%	177.51%	137.29%	114.29%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	74.99%	74.94%	74.94%	72.64%	77.50%	80.40%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Schedule of Plan Contributions**

	<u>Fiscal Year 2020-21</u>	<u>Fiscal Year 2019-20</u>	<u>Fiscal Year 2018-19</u>	<u>Fiscal Year 2017-18</u>	<u>Fiscal Year 2016-17</u>	<u>Fiscal Year 2015-16</u>
Actuarially Determined Contribution	\$ 164,902	\$ 112,185	\$ 117,688	\$ 110,361	\$ 105,771	\$ 93,864
Contributions in Relation to the Actuarially Determined Contribution	(164,902)	(112,185)	(117,688)	(110,361)	(105,771)	(93,864)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 907,107	\$ 502,387	\$ 655,272	\$ 611,455	\$ 599,667	\$ 581,160
Contributions as a Percentage of Covered-Employee Payroll	18.18%	22.33%	17.96%	18.05%	17.64%	16.15%

**Notes to Schedule**

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2019 as they have minimal cost impact.

Change in Assumptions: None

**FORESTVILLE FIRE PROTECTION DISTRICT**  
Notes to Required Supplementary Information  
June 30, 2021 and 2020

**NOTE 1 - BUDGETARY INFORMATION**

Annual budgets are adopted on a non-GAAP basis for all governmental funds. All annual appropriations lapse at fiscal year-end.

Before May 31, the proposed budget is presented to the board of directors for review. The board holds public hearings and final budget must be prepared and adopted no later than September 30.

The appropriated budget is prepared by character and subject. Transfers of appropriations between characters require the approval of the board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the character level. The board made several supplemental budgetary appropriations throughout the year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be appropriated and honored during the subsequent year. The District had no encumbrances outstanding at June 30.