

**LINDEN-PETERS RURAL COUNTY
FIRE PROTECTION DISTRICT**

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2020



CROCE, SANGUINETTI, & VANDER VEEN

CERTIFIED PUBLIC ACCOUNTANTS

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CROCE, SANGUINETTI, & VANDER VEEN^{INC.}

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors
Linden-Peters Rural County
Fire Protection District
Linden, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Linden-Peters Rural County Fire Protection District** (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of **Linden-Peters Rural County Fire Protection District**, as of June 30, 2020, and the respective changes in financial position 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 and other required supplementary information as listed in the table of contents 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.

Croce, Sanguinetti, & Vander Veen, Inc.

CROCE, SANGUINETTI, & VANDER VEEN, INC.
Certified Public Accountants
Stockton, California
December 14, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2020

As the management of the Linden-Peters Rural County Fire Protection District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial statements of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here and in our basic financial statements, which begin on page 7.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The District also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the *Statement of Net Position (Deficit)*. This is the District-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as *net position (deficit)*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

The second government-wide statement is the *Statement of Activities* which reports how the District's net position (deficit) changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term.

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2020

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Financial Highlights

- Total liabilities and deferred inflow of resources of the District exceeded total assets and deferred outflow of resources at the close of the fiscal year by \$978,759.
- The District's revenues exceeded its expenditures by \$60,591 during the current fiscal year.
- Property taxes increased by \$192,492 (\$2,565,761 vs. \$2,373,269).
- Strike team revenues earned by the District decreased \$186,960 in comparison to the prior year.
- Operating expenses increased by \$167,769 due to an increase in pension expense due to an increase in the unfunded liability.

Financial Condition

Net position (deficit) is a measure of an entity's financial position and, over time, a trend of increasing or decreasing net assets is an indication of financial health of the organization. The District's net position (deficit) at June 30, 2020 is a deficit of \$978,759. The District's net investment in capital assets at June 30, 2020 represents the largest portion of net position (deficit). The District's net position (deficit) increased by \$60,591 during the fiscal year, (see Table 1 on Page 5).

Total revenue of \$2,879,955 increased by \$147,166 for the current year and operating expenses of \$2,819,364 increased by \$167,769. The fluctuation from the prior year was primarily due to an increase in property tax revenue and charges for services as well as an increase in general operating costs.

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

**Management's Discussion and Analysis
(Unaudited)**

June 30, 2020

Table 1

| | Net Position (Deficit) | | | |
|----------------------------------|-------------------------------|-----------------------|------------------------|----------|
| | <u>June 30, 2020</u> | <u>June 30, 2019</u> | Increase (Decrease) | <u>%</u> |
| Assets | | | | |
| Current assets | \$ 2,293,411 | \$ 1,964,530 | \$ 328,881 | 16.74% |
| Capital assets | <u>1,715,637</u> | <u>1,632,261</u> | <u>83,376</u> | 5.11 |
| Total assets | <u>4,009,048</u> | <u>3,596,791</u> | <u>412,257</u> | 11.46 |
| Deferred outflows | <u>975,413</u> | <u>939,612</u> | <u>35,801</u> | 3.81 |
| Liabilities | | | | |
| Current Liabilities | 33,516 | 27,204 | 6,312 | 23.20 |
| Long-term liabilities | <u>5,486,444</u> | <u>5,015,331</u> | <u>471,113</u> | 9.39 |
| Total liabilities | <u>5,519,960</u> | <u>5,042,535</u> | <u>477,425</u> | 9.47 |
| Deferred inflows | <u>443,260</u> | <u>533,218</u> | <u>(89,958)</u> | (16.87) |
| Net position (deficit) | | | | |
| Net investment in capital assets | 1,715,637 | 1,632,261 | 83,376 | 5.11 |
| Unrestricted | <u>(2,694,396)</u> | <u>(2,671,611)</u> | <u>(22,785)</u> | (0.85) |
| Total net position (deficit) | <u>\$ (978,759)</u> | <u>\$ (1,039,350)</u> | <u>\$ 60,591</u> | 5.83% |

Table 2

| | Statement of Activities | | | |
|------------------------------------------------------|--------------------------------|-----------------------|------------------------|----------|
| | <u>Fiscal 2020</u> | <u>Fiscal 2019</u> | Increase (Decrease) | <u>%</u> |
| Revenues | | | | |
| Property taxes | \$ 2,565,761 | \$ 2,373,269 | \$ 192,492 | 8.11% |
| Other income | 306,109 | 351,727 | (45,618) | (12.97) |
| Investment income | <u>8,085</u> | <u>7,793</u> | <u>292</u> | 3.75 |
| Total revenues | 2,879,955 | 2,732,789 | 147,166 | 5.39 |
| Operating expenses | <u>2,819,364</u> | <u>2,651,595</u> | <u>167,769</u> | 6.33 |
| Change in net position (deficit) | 60,591 | 81,194 | (20,603) | (25.38) |
| Net position (deficit), beginning of year | <u>(1,039,350)</u> | <u>(1,120,544)</u> | <u>81,194</u> | 7.25 |
| Net position (deficit), end of year | <u>\$ (978,759)</u> | <u>\$ (1,039,350)</u> | <u>\$ 60,591</u> | 5.83% |

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Unaudited)

June 30, 2020

Capital Assets

The District's investment in capital assets net of accumulated depreciation as of June 30, 2020 was \$1,715,637

Long-Term Liabilities

At the end of the fiscal year, the District has accrued a liability of \$2,652,956 for post-employment benefits other than pensions. The increase in the accrual for the current fiscal year was \$228,436.

At the end of the fiscal year, the District has accrued a net pension liability of \$2,664,125 for retirement benefits to current and former employees. The increase in the accrual for the current fiscal year was \$236,258.

Budgetary Highlights

The General Fund budget for fiscal year 2020 was approximately \$2,309,550. This was an increase of \$93,346 over the prior year budget of \$2,216,204. There were no major amendments to the 2020 General Fund budget.

As in previous years, the General Fund budget included a partial appropriation of prior year accumulated fund balance in support of the district's capital plan for equipment, computers and facility maintenance and repair.

Request for Information

This financial report is to provide interested parties with a general overview of the District's finances. If you have any questions about this report or need additional information, you may submit a request in writing to District Manager, Linden Peters Fire District, 17725 East Highway 26, Linden, CA 95236, or telephone (209) 887-3710.

BASIC FINANCIAL STATEMENTS

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Statement of Net Position (Deficit)

June 30, 2020

| | Governmental <u>activities</u> |
|------------------------------------------------------------------------------|-----------------------------------|
| Assets and Deferred Outflows of Resources | |
| Assets | |
| Cash and investments | \$ 2,265,117 |
| Accounts receivable, net of allowance for doubtful accounts | 14,273 |
| Prepaid insurance | 14,021 |
| Capital assets, net of accumulated depreciation | <u>1,715,637</u> |
| Total assets | <u>4,009,048</u> |
| Deferred outflows of resources | |
| Pension related | 789,053 |
| OPEB related | <u>186,360</u> |
| Total deferred outflows of resources | <u>975,413</u> |
| Liabilities, Deferred Inflows of Resources and Net Position (Deficit) | |
| Liabilities | |
| Accounts payable | \$ 1,725 |
| Accrued expenses | 31,791 |
| Compensated absences | 169,363 |
| Other post-employment benefits liability | 2,652,956 |
| Net pension liability | <u>2,664,125</u> |
| Total liabilities | <u>5,519,960</u> |
| Deferred inflows of resources | |
| Pension related | 317,947 |
| OPEB related | <u>125,313</u> |
| Total deferred inflows of resources | <u>443,260</u> |
| Net Position (Deficit) | |
| Net investment in capital assets | 1,715,637 |
| Unrestricted | <u>(2,694,396)</u> |
| Total net position (deficit) | <u>\$ (978,759)</u> |

The accompanying notes are an integral part of this financial statement.

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Statement of Activities

For the year ended June 30, 2020

| | | Program revenues | | | Net (expenses) revenues and changes in net position (deficit) |
|--------------------------------------------------|-----------------|---------------------------------|---------------------------------------------------|--|------------------------------------------------------------------------------|
| | <u>Expenses</u> | <u>Charges for services</u> | <u>Operating grants and contributions</u> | | |
| Governmental activities | | | | | |
| Public safety-fire protection | \$ 2,819,364 | \$ 134,666 | \$ 100,627 | | <u>\$ (2,584,071)</u> |
| Net program (expenses) revenues | | | | | <u>(2,584,071)</u> |
| General revenues | | | | | |
| Property taxes | | | | | 2,565,761 |
| Other | | | | | 45,340 |
| Property tax relief | | | | | 19,328 |
| Interest | | | | | 8,085 |
| Reimbursements | | | | | <u>6,148</u> |
| Total general revenues | | | | | <u>2,644,662</u> |
| Change in net position (deficit) | | | | | 60,591 |
| Net position (deficit), beginning of year | | | | | <u>(1,039,350)</u> |
| Net position (deficit), end of year | | | | | <u>\$ (978,759)</u> |

The accompanying notes are an integral part of this financial statement.

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Balance Sheet - Governmental Funds

June 30, 2020

| | <u>General fund</u> |
|-------------------------------------------------------------|---------------------|
| Assets | |
| Cash and investments | \$ 2,265,117 |
| Accounts receivable, net of allowance for doubtful accounts | 2,427 |
| Prepaid insurance | <u>14,021</u> |
| Total assets | <u>\$ 2,281,565</u> |
| Liabilities and Fund Balances | |
| Liabilities | |
| Accounts payable | \$ 1,725 |
| Accrued expenses | <u>31,791</u> |
| Total liabilities | <u>33,516</u> |
| Fund balances | |
| Nonspendable | |
| Prepaid insurance | 14,021 |
| Assigned to: | |
| Capital outlay reserve | 2,010,524 |
| Benefits reserve | 30,026 |
| Zone No. 1 | 153,381 |
| Unassigned | <u>40,097</u> |
| Total fund balances | <u>2,248,049</u> |
| Total liabilities and fund balances | <u>\$ 2,281,565</u> |

The accompanying notes are an integral part of this financial statement.

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position (Deficit)**

June 30, 2020

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Total fund balances - governmental funds | \$ 2,248,049 |
| Amounts reported for governmental activities in the statement of net position (deficit) are different from those reported in the governmental funds because of the following: | |
| Accounts receivable are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds balance sheet. | 11,846 |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. | 1,715,637 |
| Deferred outflows are not current financial resources and, therefore, are not reported in the funds. | 975,413 |
| Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds. | (169,363) |
| Accrued post-employment healthcare costs are not due and payable in the current period and, therefore, are not reported in the funds. | (2,652,956) |
| Net pension liability costs are not due and payable in the current period and, therefore, are not reported in the funds. | (2,664,125) |
| Deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds. | <u>(443,260)</u> |
| Net position (deficit) of governmental activities | \$ <u>(978,759)</u> |

The accompanying notes are an integral part of this financial statement.

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

**Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds**

For the year ended June 30, 2020

| | <u>General fund</u> |
|-------------------------------------------|---------------------|
| Revenues | |
| Property taxes | \$ 2,565,761 |
| Federal assistance | 100,627 |
| State assistance | 91,489 |
| Service fees and fire prevention services | 31,331 |
| Other | 20,462 |
| Property tax relief | 19,328 |
| Interest | 8,085 |
| Reimbursements | <u>6,148</u> |
| Total revenues | <u>2,843,231</u> |
| Expenditures | |
| Salaries and wages | 1,335,217 |
| Retirement | 371,679 |
| Employee benefits | 364,156 |
| Repairs and maintenance | 60,552 |
| Professional fees | 55,950 |
| Utilities | 28,153 |
| Contract services | 22,134 |
| Supplies | 21,060 |
| Insurance | 19,926 |
| Payroll taxes | 19,063 |
| Fuel | 18,030 |
| Office | 13,743 |
| Training | 9,411 |
| Small tools and equipment | 9,283 |
| Dues and subscriptions | 6,072 |
| Safety equipment | 4,989 |
| Director fees | 4,175 |
| Capital outlay | <u>168,915</u> |
| Total expenditures | <u>2,532,508</u> |
| Net change in fund balances | 310,723 |
| Fund balances, beginning of year | <u>1,937,326</u> |
| Fund balances, end of year | <u>\$ 2,248,049</u> |

The accompanying notes are an integral part of this financial statement.

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

**Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
to the Statement of Activities**

For the year ended June 30, 2020

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Net change in fund balances - governmental funds | \$ 310,723 |
| Amounts reported for governmental activities in the statements of activities are different because: | |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund. | 36,724 |
| Changes in compensated absences are recorded as an expense in the statement of activities, but are not reported in the funds. | (31,297) |
| Changes in accrued post-employment healthcare liabilities and deferred inflows and outflows associated with accrued post-employment healthcare liabilities are recorded as an expense in the statement of activities, but are not reported in the funds. | (153,073) |
| Changes in net pension liability and deferred inflows and outflows associated with pensions are recognized in the statement of activities, but are not reported in the funds. | (185,862) |
| Governmental funds report capital outlay as expenditures while government activities record depreciation expense to allocate those expenditures over the life of the assets. | 168,915 |
| Depreciation expense related to capital assets is recognized in the statement of activities, but is not reported in the funds. | <u>(85,539)</u> |
| Change in net position (deficit) of governmental activities | <u>\$ 60,591</u> |

The accompanying notes are an integral part of this financial statement.

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies

This summary of significant accounting policies of Linden-Peters Rural County Fire Protection District (the District) is presented to assist in understanding the District's financial statements.

Description of the reporting entity

The District was organized for the purpose of offering fire protection and emergency medical response to residents and landowners in the Linden-Peters area of San Joaquin County and operates under the authority of Division 12, Part 2, Section 13801 of the California Health and Safety Code.

District management considered all potential component units for inclusion in the reporting entity by applying the criteria set forth in accounting principles generally accepted in the United States of America. The District concluded that there are no potential component units which should be included in the reporting entity.

Government-wide financial statements

The government-wide financial statements (i.e., the Statement of Net Position (Deficit) and the Statement of Activities) report information on all of the activities of the primary government.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenues not classified as program revenues are presented as general revenues.

Fund financial statements

The fund financial statements provide information about the District's funds. The District has one type of fund (governmental), which is comprised of one major fund as follows:

General fund - This fund is established to account for resources devoted to financing the general services that the District performs. Property taxes, special taxes and other sources of revenue used to finance the fundamental operations of the District are included in this fund. This fund is charged with all costs of operating the District for which a separate fund has not been established.

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

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 related cash flows. Property taxes, special taxes and property tax relief are recognized as revenues in the year for which they are intended to finance.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period and apply to the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and long-term liabilities are recorded only when payment is due.

Property taxes, special taxes, strike teams, interest, property tax relief, rent, other state revenues and reimbursements associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Budget procedures

Annual budget requests are submitted by the Board of Directors of the District to the San Joaquin County Auditor Controller in accordance with California Government Code Section 53901. The budget is prepared on the modified accrual basis of accounting.

Cash and investments

For the purpose of financial reporting “cash and investments” includes all demand and savings accounts and short-term investments with an original maturity of three months or less and the District’s investment in the County of San Joaquin’s pooled cash and investments.

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

Fair value measurements

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included within Level 1 - that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

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

Accounts receivable

The District uses the allowance method to account for uncollectible accounts receivable. Accounts receivable are presented net of allowance for doubtful accounts of \$87,788 at June 30, 2020.

Capital assets

All capital assets are valued at historical cost. The District's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

Depreciation has been provided on capital assets and is charged as an expense against operations each year. The total amount of depreciation taken over the years is reported on the statement of net position as a reduction in the book value of capital assets.

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the following useful lives listed below to capital assets.

| | |
|----------------------------|-------------|
| Buildings and improvements | 10-45 years |
| Apparatus and vehicles | 5-20 years |
| Small tools and equipment | 5-10 years |

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Long-lived assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Deferred outflow/inflows of resources

In addition to assets, liabilities and net position, the statement of net position (deficit) reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resource (revenue) until that time.

Contributions made to the District's pension and OPEB plan(s) after the measurement date but before the fiscal year end are recorded as a deferred outflow of resources and will reduce the net pension and OPEB liability in the next fiscal year.

Additional factors involved in the calculation of the District's pension and OPEB expense and net pension and OPEB liabilities include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the District's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods.

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

Other post-employment benefits other than pensions (OPEB)

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

| | |
|--------------------|---------------------------------|
| Valuation Date | June 30, 2018 |
| Measurement Date | June 30, 2019 |
| Measurement Period | June 30, 2018 and June 30, 2019 |

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's portion of the California Public Employees' Retirement System (CalPERS) Safety-Tier 1, Safety-Tier 2, Safety-PEPRA, and Miscellaneous plan (the Plan's) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net position

Equity in the financial statements is classified as net position and displayed in three components as follows:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to these assets.
- c. Unrestricted - Amounts not required to be reported in other components of net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

Fund balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted - Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the District's highest level of decision-making authority.

Assigned - Amounts constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Directors, District manager or their designee.

Unassigned - Amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the District's policy to use committed resources first, then assigned, and then unassigned as they are needed.

Property taxes

Property taxes were levied January 1, 2019 and were payable in two installments on December 10, 2019 and April 10, 2020. The County of San Joaquin bills and collects property taxes on behalf of the District.

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note A - Summary of Significant Accounting Policies (Continued)

Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

New accounting pronouncements

Standards adopted

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The District implemented the provisions of this Statement for the year ended June 30, 2020. The adoption of this Statement had no impact on the District's financial statements.

Standards not yet adopted

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The District will be required to implement the provisions of this Statement for the year ended June 30, 2022. The District has not determined the effect on the financial statements.

In January 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The District will be required to implement the provisions of this Statement for the year ended June 30, 2021. The District has not determined the effect on the financial statements.

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note B - Cash and Investments

Cash and investments of the District as of June 30, 2020, consist of the following:

| | <u>Carrying amount</u> | <u>Bank balance</u> | <u>Fair value</u> |
|-----------------------------------------------|----------------------------|-------------------------|-------------------|
| Cash and cash equivalents | | | |
| <u>Deposits in commercial accounts</u> | | | |
| Public checking | \$ 31,708 | \$ 8,301 | |
| Money market | <u>2,067,873</u> | <u>2,088,548</u> | |
| | <u>2,099,581</u> | <u>\$ 2,096,849</u> | |
| <u>Petty cash</u> | <u>139</u> | | |
| <u>Investment in external investment pool</u> | | | |
| San Joaquin County Treasurer | <u>63,718</u> | | <u>\$ 63,718</u> |
| Total cash and cash equivalents | <u>\$ 2,163,438</u> | | |
| Investments | | | |
| <u>Certificates of Deposit</u> | <u>\$ 101,679</u> | <u>\$ 101,679</u> | |
| Total investments | <u>\$ 101,679</u> | <u>\$ 101,679</u> | |

Deposit and Investment Policy

California statutes authorize special districts to invest idle, surplus, or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600.

As specified in Government Code 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing the District's funds, the primary objectives, in priority order, of the District's investment activities and of the District's investment policy shall be (1) safety, (2) liquidity, and (3) yield. It is the policy of the District to invest public funds in a manner to obtain the highest return obtainable with the maximum security while meeting the daily cash flow demands of the District as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of District funds.

The District is provided a broad spectrum of eligible investments under California Government Code Sections 53600-53609 (authorized investments), 53630-53686 (deposits and collateral), and 16429.1 (Local Agency Investment Fund). The District may choose to restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity.

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note B - Cash and Investments (Continued)

The table below identifies the investment types that are authorized for the District by the California Government Code, Section 53600 (or District's investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk.

| <u>Authorized Investment Type</u> | <u>Maximum Maturity</u> | <u>Maximum Percentage of Portfolio</u> | <u>Maximum Investment in One Issuer</u> |
|-------------------------------------------|-------------------------|----------------------------------------|-----------------------------------------|
| U.S. Treasury Bills, Notes, and Bonds | 5 years | None | None |
| U.S. Government Agency Obligations | 5 years | None | None |
| Repurchase Agreements | 1 year | None | None |
| State Registered Warrants, Notes or Bonds | 5 years | None | None |
| Bankers Acceptances | 180 days | 40% | 30% |
| Commercial Paper | 270 days | 30% | 10% |
| Negotiable Certificates of Deposit | 1 year | 30% | None |
| Medium Term Corporate Notes | 3 years | 30% | None |
| Mutual Funds | N/A | 20% | 10% |
| Bank Deposits | N/A | 10% | 10% |
| Local Agency Investment Fund (LAIF) | N/A | None | None |
| Local government investment pools | N/A | None | None |

The District complied with the provisions of California Government Code (or the District's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statuses pertaining to public deposits and investments. The District does not maintain a formal investment policy.

Disclosures Relating to 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. One of the ways that the District 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 matures or comes close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note B - Cash and Investments (Continued)

Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity:

| <u>Investment type</u> | <u>Total</u> | <u>Remaining maturity (in months)</u> | | | | | |
|-------------------------|-------------------|---------------------------------------|-----------------------|-----------------------|---------------------|---------------------|----------------------------|
| | | <u>12 months or less</u> | <u>13 - 24 months</u> | <u>25 - 36 months</u> | <u>37-48 months</u> | <u>49-60 months</u> | <u>More than 60 months</u> |
| San Joaquin County | | | | | | | |
| Treasurer | \$ 63,718 | \$ 63,718 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Certificates of Deposit | <u>101,679</u> | <u>101,679</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 165,397</u> | <u>\$ 165,397</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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. Presented below is the minimum rating required by (where applicable) the California Government Code or the District’s investment policy, and the actual rating as of fiscal year end for each investment type.

| <u>Investment Type</u> | <u>Amount</u> | <u>Minimum Legal Rating</u> | <u>Exempt From Disclosure</u> | <u>Rating as of Fiscal Year End</u> | | | |
|-------------------------|-------------------|-----------------------------|-------------------------------|-------------------------------------|-------------|-------------|-------------------|
| | | | | <u>AAA</u> | <u>AA</u> | <u>A</u> | <u>Not Rated</u> |
| San Joaquin County | | | | | | | |
| Treasurer | \$ 63,718 | N/A | \$ - | \$ - | \$ - | \$ - | \$ 63,718 |
| Certificates of Deposit | <u>101,679</u> | <u>N/A</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>101,679</u> |
| Total | <u>\$ 165,397</u> | <u>N/A</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 165,397</u> |

Concentration of Credit Risk

The District had no investment policy limiting the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District’s investments are concentrated in external investment pools which are not subject to investment limits.

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 deposit 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 (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note B - Cash and Investments (Continue89d)

collateral securities that are in the possession of another party. The California Government Code and the District'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. 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 a depository regulated under state law (unless so waived by the government unit). 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. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2020, the District's bank balance was \$2,096,849 and \$250,000 of that amount was insured by the Federal Deposit Insurance Corporation and collateralized as required by state law and the remaining amount of \$1,846,849 was secured by a pledge of securities by the financial institution.

Investment in External Investment Pool

The District's investment in the San Joaquin County investment pool is managed by the San Joaquin County Treasurer and is stated at fair value or amortized cost, which approximates fair value. Cash held by the San Joaquin County Treasury is pooled with other County deposits for investment purposes by the County Treasurer in accordance with the investment policy of the County Treasurer (see County Treasurer's investment policy at <http://www.sjgov.org/treasurer/>). The Pool has established a treasury oversight committee to monitor and review the management of public funds maintained by the Pool. Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed investment income. Investment income is prorated to individual funds based on their average daily cash balances. In accordance with applicable State laws, the San Joaquin County Treasurer may invest in derivative securities. However, at June 30, 2020, the San Joaquin County Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Fair value hierarchy

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

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note B - Cash and Investments (Continued)

The District's investment in the County of San Joaquin Treasury Pool is classified as Level 2 and its value is based on the fair value factor provided by the Treasurer of the County of San Joaquin, which is calculated as the fair value divided by the amortized cost of the investment pool.

Note C - Capital Assets

Capital asset activity for the year ended June 30, 2020 is as follows:

| | <u>Balance</u> <u>June 30, 2019</u> | <u>Additions</u> | <u>Disposals</u> | <u>Transfers</u> | <u>Balance</u> <u>June 30, 2020</u> |
|---------------------------------------|----------------------------------------|------------------|------------------|------------------|----------------------------------------|
| Nondepreciable capital assets | | | | | |
| Land | \$ 138,000 | \$ - | \$ - | \$ - | \$ 138,000 |
| Construction in progress | <u>624,374</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>624,374</u> |
| Total nondepreciable capital assets | <u>762,374</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>762,374</u> |
| Depreciable capital assets | | | | | |
| Buildings and improvements | 482,125 | - | - | 4,997 | 487,122 |
| Small tools and equipment | 88,862 | 168,915 | - | - | 257,777 |
| Apparatus and vehicles | <u>1,400,473</u> | <u>-</u> | <u>-</u> | <u>(4,997)</u> | <u>1,395,476</u> |
| Total depreciable capital assets | 1,971,460 | 173,912 | - | - | 2,140,375 |
| Less accumulated depreciation | <u>(1,101,573)</u> | <u>(85,539)</u> | <u>-</u> | <u>-</u> | <u>(1,187,112)</u> |
| Total depreciable capital assets, net | <u>869,887</u> | <u>88,373</u> | <u>-</u> | <u>-</u> | <u>953,263</u> |
| Total capital assets, net | <u>\$ 1,632,261</u> | <u>\$ 88,373</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,715,637</u> |

Note D - Compensated Absences

Employees accrue vacation and sick leave benefits based on bargaining unit, length of service and current compensation. Accumulated vacation leave is subject to maximum accruals. As of June 30, 2020, the District's accrued liability for accumulated unused vacation leave and compensatory time-off is \$169,363. Employees are paid for their accumulated unused vacation leave upon separation from service. The liability is expected to be liquidated with future resources and not with expendable available financial resources.

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note E - Long-Term Liabilities

Long-term liabilities outstanding as of June 30, 2020 consist of the following:

| | <u>Interest</u> <u>rate</u> | <u>Maturity date</u> | <u>Amounts</u> <u>authorized</u> <u>and issued</u> | <u>Outstanding</u> | <u>Due within</u> <u>one year</u> |
|------------------------------|--------------------------------|----------------------|----------------------------------------------------------|--------------------|--------------------------------------|
| State Loan - Chapter 1168/85 | - | Not assigned | <u>\$ 24,878</u> | <u>\$ -</u> | <u>\$ -</u> |

The following is a summary of long-term liability issuances and transactions during the year ended June 30, 2020:

| | <u>Balance</u> <u>June 30, 2019</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>June 30, 2020</u> |
|------------------------------|----------------------------------------|------------------|-------------------|----------------------------------------|
| State Loan - Chapter 1168/85 | <u>\$ 24,878</u> | <u>\$ -</u> | <u>\$ 24,878</u> | <u>\$ -</u> |

The District applied for and received a state loan in the amount of the shortfall in funding received through supplemental roll tax revenue during the 1984-85 fiscal year. The loan is interest free and was to be repaid from the 1984-85 fiscal year supplemental roll tax revenue received by the District after January 15, 1986. No due date has been assigned to the loan.

Note F - Pension Plans

General Information about the Pension Plans

Plan Descriptions - All qualified permanent and probationary employees are eligible to participate in the District's separate Safety (fire) and Miscellaneous (all other) Employee Pension Plans (the Plans), cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note F - Pension Plans (Continued)

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

| | <u>Safety</u> | | |
|------------------------------------------------------|--------------------------|----------------------------------------------------------------|--------------------------------|
| | <u>Tier 1</u> | <u>Tier 2</u> | <u>PEPRA</u> |
| | Prior to July 4, 2011 | On or after July 4, 2011 and prior to January 1, 2013 | On or after January 1, 2013 |
| Hire date | | | |
| Benefit formula | 3.0% @ 50 | 3.0% @ 55 | 2.7% @ 57 |
| Benefit vesting schedule | 5 years of service | 5 years of service | 5 years of service |
| Benefit payments | Monthly for life | Monthly for life | Monthly for life |
| Retirement age | 50 | 50-55 | 50-57 |
| Monthly benefits, as a % of eligible compensation | 3.0% | 3.0% | 2.7% |
| Required employee contribution rates | 9.0% | 9.0% | 12% |
| Required employer contribution rates | 20.707% | 18.928% | 13.034% |
| | | <u>Miscellaneous</u> | |
| | | <u>Tier 1</u> | <u>PEPRA</u> |
| | | Prior to January 1, 2013 | On or after January 1, 2013 |
| Hire date | | | |
| Benefit formula | | 2.0% @ 60 | 2.0% @ 62 |
| Benefit vesting schedule | | 5 years of service | 5 years of service |
| Benefit payments | | Monthly for life | Monthly for life |
| Retirement age | | 50-60 | 50-62 |
| Monthly benefits, as a % of eligible compensation | | 2.0% | 2.0% |
| Required employee contribution rates | | 7.0% | 6.25% |
| Required employer contribution rates | | N/A | N/A |

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note F - Pension Plans (Continued)

For the year ended June 30, 2020, the contributions recognized as part of pension expense for each Plan were as follows:

| | |
|--------------------------|-------------------|
| | <u>Safety</u> |
| Contributions - employer | \$ 366,876 |
| | <u>\$ 366,876</u> |

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

| | |
|-----------------------------|-------------------------------------------------------------|
| | <u>Proportionate share of net pension liability</u> |
| Safety | \$ 2,648,901 |
| Miscellaneous | <u>15,224</u> |
| Total Net Pension Liability | <u>\$ 2,664,125</u> |

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2019, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for each Plan as of June 30, 2020 and 2019 was as follows:

| | | |
|------------------------------|-----------------|----------------------|
| | <u>Safety</u> | <u>Miscellaneous</u> |
| Proportion - June 30, 2019 | 0.04112% | 0.00040% |
| Proportion - June 30, 2020 | <u>0.04243</u> | <u>0.00038</u> |
| Change - increase (decrease) | <u>0.00131%</u> | <u>(0.00002)%</u> |

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note F - Pension Plans (Continued)

For the year ended June 30, 2020, the District recognized pension expense of \$552,738. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred outflows of resources</u> | <u>Deferred inflows of resources</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Pension contributions subsequent to measurement date | \$ 366,876 | \$ - |
| Differences between actual and expected experience | 174,007 | 82 |
| Changes in assumptions | 109,300 | 21,445 |
| Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions | 138,870 | 259,714 |
| Net differences between projected and actual earnings on plan investments | <u>-</u> | <u>36,706</u> |
| Total | <u>\$ 789,053</u> | <u>\$ 317,947</u> |

\$366,876 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year ended June 30,</u> | |
|----------------------------|-------------------|
| 2021 | \$ 73,598 |
| 2022 | (7,026) |
| 2023 | 30,514 |
| 2024 | <u>7,144</u> |
| Total | <u>\$ 104,230</u> |

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note F - Pension Plans (Continued)

Actuarial Assumptions - The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

| | <u>Safety</u> | <u>Miscellaneous</u> |
|---------------------------|--------------------------------|--------------------------------|
| Valuation Date | June 30, 2018 | June 30, 2018 |
| Measurement Date | June 30, 2019 | June 30, 2019 |
| Actuarial Cost Method | Entry age normal cost level | Entry age normal cost level |
| Actuarial Assumptions: | | |
| Discount Rate | 7.15% | 7.15% |
| Inflation | 2.50% | 2.50% |
| Projected Salary Increase | 3.3% to 14.2% (1) | 3.2% to 12.2% (1) |
| Investment Rate of Return | 7.15% (2) | 7.15% (2) |
| Mortality | (3) | (3) |

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expense, including inflation
- (3) Derived using CalPERS' membership data for all funds.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for the Plans. 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 result 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% 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% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 Section.

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note F - Pension Plans (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. 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 and forecasted information for all the funds' asset classes, expected compound 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 equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The tables below reflect the long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate. These rates of return are net of administrative expenses.

| <u>Asset Class</u> | <u>New Strategic Allocation</u> | <u>Real Return Years 1 - 10 (a)</u> | <u>Real Return Years 11+(b)</u> |
|--------------------|-------------------------------------|-----------------------------------------|-------------------------------------|
| Global Equity | 50.00% | 4.80% | 5.98% |
| Fixed Income | 28.00 | 1.00 | 2.62 |
| Inflation Assets | 0.00 | 0.77 | 1.81 |
| Private Equity | 8.00 | 6.30 | 7.23 |
| Real Assets | 13.00 | 3.75 | 4.93 |
| Liquidity | 1.00 | 0.00 | (0.92) |
| Total | <u>100%</u> | | |

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note F - Pension Plans (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | <u>Safety</u> | <u>Miscellaneous</u> |
|-----------------------|---------------|----------------------|
| 1% Decrease | 6.15% | 6.15% |
| Net pension liability | \$ 4,012,109 | \$ 24,421 |
| Current discount rate | 7.15% | 7.15% |
| Net pension liability | \$ 2,648,901 | \$ 15,224 |
| 1% Increase | 8.15% | 8.15% |
| Net pension liability | \$ 1,531,284 | \$ 7,633 |

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

Payable to the Pension Plan

At June 30, 2020, the District reported no payable for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

Note G - Deferred Compensation Plan

Employees of the District may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all full-time employees of the District. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency. Total employee contributions to the plan during the year ended June 30, 2020 were \$121,580.

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note H - Other Post-Employment Benefits Other Than Pensions

Plan description

The District administers an Other Post-Employment Benefit (OPEB) plan, and participates in a single-employer defined benefit healthcare plan. The Plan provides medical insurance and supplemental Medicare insurance for eligible retirees and spouses through the District's group health insurance, which covers both active and retired members. Benefit provisions are established through negotiations between the District and the union representing District employees and are renegotiated periodically. The Retiree Health Plan does not issue a publicly available report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided

Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (age 52, if a miscellaneous employee new to PERS on or after January 1, 2013) with 5 years of State or public agency service or (b) an approved disability retirement.

As a PEMHCA employer, the District is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued and for the lifetime of a surviving spouse, if the spouse also receives survivor pension benefits. The District executed a PEMHCA resolution with CalPERS which provides for the District to contribute the statutory minimum employer contribution. Employees who retire with 5 or more years of District service receive a higher benefit for a fixed number of years, based on their years of District service. During this period, the District will pay 100% of the retiree only premium (no dependents) up to \$1,400 per month.

The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

Employees covered by benefit terms

As of the June 30, 2019 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

| | |
|------------------------------------------------------------------|------------------|
| Active employees | 12 |
| Inactive employees or beneficiaries currently receiving benefits | 7 |
| Active employees entitled to, but not yet receiving benefits | <u>1</u> |
| Total | <u><u>20</u></u> |

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note H - Other Post-Employment Benefits Other Than Pensions (Continued)

Total OPEB liability

The District's total OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation dated June 30, 2018 that was rolled forward to determine the June 30, 2019 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

| | |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Discount Rate | 2.79% |
| Inflation | 2.75% per year |
| Salary Increases | 3.25% per year |
| Mortality Rate ⁽¹⁾ | Derived using MacLeod Watts Scale 2017 applied generationally |
| Healthcare Cost Trend Rates: | 7.50% for 2019, 7.00% for 2020, 6.50% for 2021, 6.00% for 2022, 5.50% for 2023, and 5.00% for 2024 and later years. |

Notes:

- (1) The mortality information was based on the 2014 experience study of the California Public Employees' Retirement System using data from 1997 to 2011, except for a different basis used to project future mortality improvements. The Experience Study Reports may be accessed on the CalPERS Website, www.calpers.ca.gov under Forms and Publications.

The MacLeod Watts Scale 2017 was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2016 Report, published in October 2016 and (2) the demographic assumptions used in the 2016 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published June 2016.

Discount rate

The discount rate used to measure the total OPEB liability was 2.79 percent based on the published change in return for the applicable municipal bond index.

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note H - Other Post-Employment Benefits Other Than Pensions (Continued)

Changes in the Total OPEB liability

The changes in the total OPEB liability for the Plan are as follows:

| | <u>Total OPEB Liability</u> |
|--------------------------------------------------------------|-------------------------------------|
| Balance at June 30, 2019 (Valuation Date June 30, 2018) | <u>\$ 2,424,520</u> |
| Changes recognized for the measurement period: | |
| Service cost | 151,962 |
| Interest | 75,574 |
| Contributions - employer | - |
| Net investment income | - |
| Benefit payments | (80,875) |
| Changes of assumptions | <u>81,775</u> |
| Net changes | <u>228,436</u> |
| Balance at June 30, 2020 (Measurement Date June 30, 2019) | <u>\$ 2,652,956</u> |

Sensitivity of the Total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.79 percent) or one percentage point higher (3.79 percent) than the current discount rate:

| | 1% Decrease <u>(1.79%)</u> | Current Discount Rate <u>(2.79%)</u> | 1% Increase <u>(3.79%)</u> |
|----------------------|-------------------------------|--------------------------------------------|-------------------------------|
| Total OPEB liability | \$ 3,149,992 | \$ 2,652,956 | \$ 2,260,472 |

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note H - Other Post-Employment Benefits Other Than Pensions (Continued)

Sensitivity of the Total OPEB liability to changes in the health care cost trend rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower (6.0 percent decreasing to 4.0 percent) or one percentage point higher (8.0 percent increasing to 6.0 percent) than the current healthcare cost trend rates:

| | 1% Decrease (6.00% decreasing to <u>4.00%</u>) | Current Healthcare Cost Trend Rates (7.00% decreasing to <u>5.00%</u>) | 1% Increase (8.00% decreasing to <u>6.00%</u>) |
|----------------------|----------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------|
| Total OPEB liability | \$ 2,206,169 | \$ 2,652,956 | \$ 3,413,495 |

OPEB expense and deferred outflows/inflows of resources related to OPEB

For the year ended June 30, 2020, the District recognized OPEB expense of \$224,065. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of <u>Resources</u> | Deferred Inflows of <u>Resources</u> |
|------------------------------------------------------|---------------------------------------------|--------------------------------------------|
| OPEB contributions subsequent to measurement date | \$ 70,992 | \$ - |
| Changes of assumptions | <u>115,368</u> | <u>125,313</u> |
| Total | <u>\$ 186,360</u> | <u>\$ 125,313</u> |

(Continued)

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note H - Other Post-Employment Benefits Other Than Pensions (Continued)

The \$70,992 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Fiscal year ended June 30,</u> | <u>Deferred Outflows/(Inflows) of Resources</u> |
|-----------------------------------|---------------------------------------------------------|
| 2021 | \$ (3,471) |
| 2022 | (3,471) |
| 2023 | (3,471) |
| 2024 | (3,471) |
| 2025 | (3,471) |
| Thereafter | 7,410 |

Note I - Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to insure for risks of loss, the District purchases insurance through commercial insurance carriers and through Joint Power Authorities. The District's insurance coverage included liability insurance limits of \$1,000,000 per occurrence and an umbrella of \$10,000,000. The District also has an excess liability policy with additional limits of \$4,000,000 per occurrence and \$4,000,000 in the aggregate.

Note J - Governing Board

As of June 30, 2020, the five members of the District's Board of Directors were as follows:

| <u>Director</u> | <u>Term expires</u> |
|-----------------------------------|---------------------|
| John E. Plotz, President | December 2023 |
| Thomas G. Watkins, Vice President | December 2023 |
| David Frison, Secretary | December 2023 |
| Kenneth Watkins | December 2021 |
| Paul Castillou, Jr. | December 2021 |

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2020

Note K - Net Position (Deficit)

The governmental activities has a net position (deficit) of \$978,759 as of June 30, 2020. The deficit is due to the District incurring expenses in excess of revenue and is expected to be offset in the future from the receipt of general revenues.

Note L - Contingencies

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. Subsequent to the declaration of a pandemic, a variety of federal, state, and local governments have taken actions in response to the pandemic, which have ranged in jurisdiction, but are generally expected to result in a variety of negative economic consequences, the scope of which are not currently known or quantifiable. The duration and intensity of the impact of the coronavirus and resulting impact to the District is unknown.

REQUIRED SUPPLEMENTAL INFORMATION

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

**Required Supplementary Information
For the Year Ended June 30, 2020**

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

Last 10 years*

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|-------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Proportion of the net pension liability | 0.0428133% | 0.0415193% | 0.039848% | 0.039569% | 0.038077% | 0.02069% |
| Proportionate share of the net pension liability | \$ 2,664,125 | \$ 2,427,867 | \$ 2,372,516 | \$ 2,041,634 | \$ 1,564,105 | \$ 1,287,642 |
| Covered - employee payroll | \$ 1,035,570 | \$ 896,130 | \$ 946,321 | \$ 917,012 | \$ 774,684 | \$ 1,036,628 |
| Proportionate share of the net pension liability as percentage of covered - employee payroll | 257.3% | 270.9% | 250.7% | 222.60% | 201.90% | 124.21% |
| Plan's fiduciary net position | \$ 7,293,030 | \$ 6,811,080 | \$ 6,389,686 | \$ 5,912,696 | \$ 5,960,944 | \$ 6,186,277 |
| Plan fiduciary net position as a percentage of the total pension liability | 273.75% | 280.54% | 269.32% | 289.61% | 381.11% | 480.44% |

Notes to schedule:

Benefit changes: There have been no changes in benefits since the prior valuation.

* Fiscal year 2015 was the 1st year of implementation; therefore, only six years are shown.

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

**Required Supplementary Information
For the Year Ended June 30, 2020**

Schedule of Contributions - Pension Plan

Last 10 years*

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--------------------------------------------------------------------------|--------------------|--------------------|-------------------|--------------------|------------------|------------------|
| Contractually required contribution (actuarially determined) | \$ 343,683 | \$ 296,293 | \$ 244,560 | \$ 214,563 | \$ 214,878 | \$ 168,604 |
| Contributions in relation to the actuarially determined contributions | <u>(366,876)</u> | <u>(311,227)</u> | <u>(130,986)</u> | <u>(244,168)</u> | <u>(214,878)</u> | <u>(168,604)</u> |
| Contribution deficiency (excess) | <u>\$ (23,193)</u> | <u>\$ (14,934)</u> | <u>\$ 113,574</u> | <u>\$ (29,605)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered-employee payroll | \$ 1,035,570 | \$ 896,130 | \$ 946,321 | \$ 917,012 | \$ 774,684 | \$ 1,036,628 |
| Contributions as a percentage of covered - employee payroll | 35.43% | 34.73 % | 13.84% | 26.63 % | 27.73% | 16.26% |

Notes to schedule:

*Methods and assumptions used to determine contribution rates:

| | |
|----------------------------|---------------------------------|
| Valuation date | June 30, 2018 |
| Actuarial cost method | Entry age normal cost method |
| Amortization method | Level percentage of payroll |
| Asset valuation method | Market value |
| Actuarial assumptions: | |
| Discount rate | 7.15% |
| Projected salary increases | Varies by entry age and service |
| Inflation | 2.50% |
| Payroll growth | 3.00% |

*Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to that date

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

**Required Supplementary Information
For the Year Ended June 30, 2020**

Schedule of Changes in the Total OPEB Liability and Related Ratios

Last 10 years*

**For the Measurement Period Ended
June 30,**

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|-------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | |
| Service cost | \$ 151,962 | \$ 142,430 | \$ 154,348 |
| Interest | 75,574 | 73,146 | 63,363 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | - | - | - |
| Changes of assumptions | 81,775 | 49,610 | (170,607) |
| Benefit payments | <u>(80,875)</u> | <u>(70,312)</u> | <u>(54,778)</u> |
| Net change in total OPEB liability | 228,436 | 194,874 | (7,674) |
| Total OPEB liability - beginning | <u>2,424,520</u> | <u>2,229,646</u> | <u>2,237,320</u> |
| Total OPEB liability - ending | <u>\$ 2,652,956</u> | <u>\$ 2,424,520</u> | <u>\$ 2,229,646</u> |
| Covered - employee payroll | \$ 1,079,132 | \$ 1,187,584 | \$ 1,097,419 |
| Total OPEB liability as a percentage of covered - employee payroll | 245.84% | 204.16% | 203.17% |

Notes to Schedule:

* Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Changes in assumptions: Changes of assumptions reflect a change in the discount rate from 2.98% to 2.79% for the measurement period ended June 30, 2019.

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual -
Governmental Funds

Year ended June 30, 2020

| | General fund | | |
|---------------------------------------------|---------------------|-----------------------|----------------------------|
| | Actual | Budgeted | Variance with |
| | <u>amounts</u> | <u>amounts</u> | final budget |
| | | <u>original/final</u> | <u>positive/(negative)</u> |
| Revenues | | | |
| Property taxes | \$ 2,565,761 | \$ 2,266,980 | \$ 298,781 |
| Federal assistance | 100,627 | - | 100,627 |
| State assistance | 91,489 | - | 91,489 |
| Service fees and fire prevention services | 31,331 | 11,000 | 20,331 |
| Other | 20,462 | 5,000 | 15,462 |
| Property tax relief | 19,328 | 20,130 | (802) |
| Interest | 8,085 | 3,305 | 4,780 |
| Reimbursements | <u>6,148</u> | <u>5,500</u> | <u>648</u> |
| Total revenues | <u>2,843,231</u> | <u>2,311,915</u> | <u>531,316</u> |
| Expenditures | | | |
| Salaries and wages | 1,335,217 | 1,270,000 | (65,217) |
| Retirement | 371,679 | 365,000 | (6,679) |
| Employee benefits | 364,156 | 363,350 | (806) |
| Repairs and maintenance | 60,552 | 39,500 | (21,052) |
| Professional fees | 55,950 | 61,300 | 5,350 |
| Utilities | 28,153 | 29,900 | 1,747 |
| Contract services | 22,134 | 21,500 | (634) |
| Supplies | 21,060 | 17,800 | (3,260) |
| Insurance | 19,926 | 25,000 | 5,074 |
| Payroll taxes | 19,063 | 19,400 | 337 |
| Fuel | 18,030 | 22,000 | 3,970 |
| Office | 13,743 | 14,500 | 757 |
| Training | 9,411 | 16,300 | 6,889 |
| Small tools and equipment | 9,283 | 19,300 | 10,017 |
| Dues and subscriptions | 6,072 | 7,200 | 1,128 |
| Safety equipment | 4,989 | 11,500 | 6,511 |
| Director fees | 4,175 | 6,000 | 1,825 |
| Capital outlay | <u>168,915</u> | <u>-</u> | <u>(168,915)</u> |
| Total expenditures | <u>2,532,508</u> | <u>2,309,550</u> | <u>(222,958)</u> |
| Excess of revenues over expenditures | 310,723 | 2,365 | 308,358 |
| Fund balance, beginning of year | <u>1,937,326</u> | <u>1,937,326</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 2,248,049</u> | <u>\$ 1,939,691</u> | <u>\$ 308,358</u> |

See note on page 42

LINDEN-PETERS RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Required Supplemental Information

June 30, 2020

The chief of the District prepares an expenditure budget annually which is approved by the Board of Directors setting forth the contemplated fiscal requirements. San Joaquin County provides a revenue budget for property taxes and property tax relief based upon estimated allocations and receipts of the related revenues. The District's budgets are maintained on the modified accrual basis of accounting. The results of operations are presented in the budget to actual schedule in accordance with the budgetary basis.

Reported budget amounts reflect the annual budget as originally adopted and the final adopted amounts. There were amendments to the budget during the year ended June 30, 2020; all were approved by the District's Board. The budget amounts are based on estimates of the District's expenditures and the proposed means of financing them. Actual expenditures for equipment and contingencies may vary significantly from budget due to timing of such expenditures.