

**WOODBIDGE RURAL COUNTY FIRE
PROTECTION DISTRICT**

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2022



CROCE, SANGUINETTI, & VANDER VEEN

INC.

CERTIFIED PUBLIC ACCOUNTANTS

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

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors
**Woodbridge Rural County Fire
Protection District**
Woodbridge, California

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Woodbridge Rural County Fire Protection District** (the District) as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 **Woodbridge Rural County Fire Protection District**, as of June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Woodbridge Rural County Fire Protection District**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

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 is the responsibility of management and, 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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

March 24, 2023

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (UNAUDITED)

June 30, 2022

As the management of the Woodbridge 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, 2022. We encourage readers to consider the information presented here and in our basic financial statements, which begin on page 8.

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*. 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*. 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 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.

(Continued)

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Continued) (UNAUDITED)

June 30, 2022

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.

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 of the District exceeded total assets at the close of the fiscal year by \$(4,450,789), net position (deficit).
- Net position of the District increased by \$1,845,107 during the current fiscal year, mainly due to the decrease in pension expense and the increase in assessments.
- Property taxes increased by \$233,356 (\$3,834,333 vs. \$3,600,977) and investment earnings decreased by \$1,891 (\$4,320 vs. \$2,429) in comparison to the prior year.
- Charges for services increased by \$110,036, due to an increase in revenues received from the District's participation on strike teams during the year.
- Operating expenses decreased by \$656,756, primarily due to a decrease in costs associated with pension benefits and a decrease in professional fees.

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 the financial health of the organization. The District's liabilities exceeded net assets by \$4,450,789 at June 30, 2022. The District's net position increased by \$1,845,107 during the fiscal year (see Table 1 on Page 6).

(Continued)

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Continued)
(UNAUDITED)

June 30, 2022

Table 1

Net Position (Deficit)

	June 30, 2022	June 30, 2021	Increase (Decrease)	%
Assets				
Current assets	\$ 2,662,501	\$ 1,623,420	\$ 1,039,081	64.0%
Capital assets	<u>2,446,028</u>	<u>1,791,018</u>	<u>655,010</u>	36.6
Total assets	<u>5,108,529</u>	<u>3,414,438</u>	<u>1,694,091</u>	49.6
Deferred outflows of resources	<u>4,771,802</u>	<u>2,225,802</u>	<u>2,546,000</u>	114.4
Liabilities				
Current liabilities	329,581	122,395	207,186	169.3
Long-term liabilities	<u>10,557,929</u>	<u>10,531,829</u>	<u>26,100</u>	1.0
Total liabilities	<u>10,887,510</u>	<u>10,654,224</u>	<u>233,286</u>	2.2
Deferred inflows of resources	<u>3,443,610</u>	<u>1,281,912</u>	<u>2,161,698</u>	168.6
Net position (deficit)				
Net investment in capital assets	1,399,221	1,198,921	200,300	16.7
Restricted	131,444	119,674	11,770	9.8
Unrestricted	<u>(5,981,454)</u>	<u>(7,614,491)</u>	<u>1,633,037</u>	21.4
Total net position (deficit)	<u>\$ (4,450,789)</u>	<u>\$ (6,295,896)</u>	<u>\$ 1,845,107</u>	29.3%

Table 2

Statement of Revenues, Expenditures and Changes in Net Position (Deficit)

	Fiscal 2022	Fiscal 2021	Increase (Decrease)	%
Revenues				
Property taxes	\$ 3,834,333	\$ 3,600,977	\$ 233,356	6.5%
Assessments	1,698,791	300,353	1,398,438	465.6
Other income	766,942	534,015	232,927	43.6
Investment income	<u>4,320</u>	<u>2,429</u>	<u>1,891</u>	77.8
Total revenues	6,304,386	4,437,774	1,866,612	42.1
Expenditures				
Operating expenses	4,428,625	5,085,381	(656,756)	(12.9)
Interest on long-term debt	<u>30,654</u>	<u>-</u>	<u>30,654</u>	100.0
Total expenditures	<u>4,459,279</u>	<u>5,085,381</u>	<u>(626,102)</u>	(12.3)
Increase (decrease) in net position (deficit)	1,845,107	(647,607)	2,492,714	384.9
Net position (deficit), beginning of year	<u>(6,295,896)</u>	<u>(5,648,289)</u>	<u>(647,607)</u>	(11.5)
Net position (deficit), end of year	<u>\$ (4,450,789)</u>	<u>\$ (6,295,896)</u>	<u>\$ 1,845,107</u>	29.3%

(Continued)

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Continued) (UNAUDITED)

June 30, 2022

Total revenue of \$6,304,386 increased by \$1,866,612 for the current year and operating expenses of \$4,428,625 decreased by \$656,756 when compared to the prior year. For 2022, the District ended the year with an increase in net position of \$1,845,107 compared to a decrease in net position for 2021 of \$647,607.

Capital Assets

The District's investment in capital assets net of accumulated depreciation as of June 30, 2022 was \$2,446,028.

Accrued Post-Employment Healthcare

The District pays a portion of retiree's healthcare and has recorded a liability in accordance with GASB Statement No. 75 of \$5,793,328 as of June 30, 2022.

Net Pension Liability

The District sponsors various defined benefit retirement plans for the District's employees. In accordance with GASB Statement No. 68, the District has recorded a liability of \$3,613,150 as of June 30, 2022.

Budgetary Highlights

The General Fund expenditure budget for fiscal year 2022 was \$5,059,864. This was an increase of \$1,193,814 over the prior year budget of \$3,866,050. There were no amendments to the 2022 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 designed 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, Woodbridge Rural County Fire Protection District, 400 E. Augusta Street, Woodbridge, CA 95258, or telephone (209) 369-1945.

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Statement of Net Position (Deficit)

June 30, 2022

	<u>Governmental activities</u>
Assets	
Cash and investments - unrestricted	\$ 2,531,057
Cash and investments - restricted	131,444
Capital assets, net of accumulated depreciation	<u>2,446,028</u>
Total assets	<u>5,108,529</u>
Deferred outflows of resources	
Deferred outflows - pension	1,479,472
Deferred outflows - OPEB	<u>3,292,330</u>
Total deferred outflows of resources	<u>4,771,802</u>
Liabilities	
Accounts payable	51,245
Accrued expenses	114,392
Long-term liabilities	
Due within one year	
Finance leases payable	163,944
Due in more than one year	
Finance leases payable	882,863
Compensated absences	268,588
Net OPEB liability	5,793,328
Net pension liability	<u>3,613,150</u>
Total liabilities	<u>10,887,510</u>
Deferred inflows of resources	
Deferred inflows - pension	2,252,280
Deferred inflows - OPEB	<u>1,191,330</u>
Total deferred inflows of resources	<u>3,443,610</u>
Net position (deficit)	
Net investment in capital assets	1,399,221
Restricted for capital outlay	131,444
Unrestricted	<u>(5,981,454)</u>
Total net position (deficit)	<u>\$ (4,450,789)</u>

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

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Statement of Activities

For the year ended June 30, 2022

		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>	<u>Capital grants and contributions</u>		
Governmental activities						
Operating	\$ 4,428,625	\$ 445,889	\$ 87,548	\$ 157,019		\$ (3,738,169)
Interest on long-term debt	30,654	-	-	-		<u>(30,654)</u>
Net program (expenses) revenues						<u>(3,768,823)</u>
General revenues						
Property taxes						3,810,308
Assessments						1,698,791
Other						76,486
Property tax relief						24,025
Interest						<u>4,320</u>
Total general revenues						<u>5,613,930</u>
Changes in net position						1,845,107
Net position (deficit), beginning of year						<u>(6,295,896)</u>
Net position (deficit), end of year						<u>\$ (4,450,789)</u>

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

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Balance Sheet - Governmental Funds

June 30, 2022

	<u>General fund</u>
Assets	
Assets	
Cash and investments - unrestricted	\$ 2,531,057
Cash and investments - restricted	<u>131,444</u>
Total assets	<u>\$ 2,662,501</u>
Liabilities and Fund Balances	
Liabilities	
Accounts payable	\$ 51,245
Accrued expenses	<u>114,392</u>
Total liabilities	<u>165,637</u>
Fund balances	
Restricted for capital outlay	131,444
Assigned to capital outlay reserve	1,022,025
Unassigned	<u>1,343,395</u>
Total fund balance	<u>2,496,864</u>
Total liabilities and fund balances	<u>\$ 2,662,501</u>

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

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

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

June 30, 2022

Total fund balances - governmental funds \$ 2,496,864

Amounts reported for governmental activities in the statement of net position (deficit) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 2,446,028

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.

Compensated absences (268,588)

Net OPEB liability (5,793,328)

Net pension liability (3,613,150)

Finance leases payable (1,046,807)

Deferred inflows and outflows of resources related to pensions and other post-employment benefits (OPEB) have not been included in the governmental funds balance sheet.

Deferred outflows related to pension 1,479,472

Deferred inflows related to pension (2,252,280)

Deferred outflows related to OPEB 3,292,330

Deferred inflows related to OPEB (1,191,330)

Net position (deficit) of governmental activities \$ (4,450,789)

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

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

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

For the year ended June 30, 2022

	<u>General fund</u>
Revenues	
Property taxes	\$ 3,810,308
Special assessments	1,698,791
Service fees and fire prevention services	604,460
Grants	244,567
Other	76,486
Property tax relief	24,025
Interest	<u>4,320</u>
Total revenues	<u>6,462,957</u>
Expenditures	
Salaries and wages	2,795,591
Retirement	865,314
Employee benefits	312,352
Insurance	240,937
Fire suppression supplies and services	128,220
Repairs and maintenance	117,739
Professional fees	116,120
Utilities	70,685
Fuel	70,375
Dispatching	56,178
Payroll taxes	53,385
Training	25,194
Dues and memberships	18,510
Office	5,877
Travel	3,962
Capital outlay	852,166
Debt service	
Principal	159,216
Interest and financing costs	<u>30,654</u>
Total expenditures	<u>5,922,475</u>
Excess (deficiency) of revenues over expenditures prior to other financing sources (uses)	<u>540,482</u>
Other financing sources (uses)	
Proceeds from issuance of finance leases	<u>613,927</u>
Total other financing sources (uses)	<u>613,927</u>
Net change in fund balances	1,154,409
Fund balance, beginning of year	<u>1,342,455</u>
Fund balance, end of year	<u>\$ 2,496,864</u>

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

WOODBRIIDGE 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, 2022

Net change in fund balances - governmental funds	\$ 1,154,409
Amounts reported for governmental activities in the statement of activities are different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(158,570)
Governmental funds report capital outlay as expenditures while government activities record depreciation expense to allocate those expenditures over the life of the assets.	852,166
Changes in net OPEB liability and deferred inflows and outflows associated with net OPEB liability are recorded as an expense in the statement of activities, but are not reported in the funds.	(455,662)
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.	1,037,886
Depreciation expense related to capital assets is recognized in the statement of activities, but is not reported in the funds.	(197,156)
Changes in compensated absences are recorded as an expense in the statement of activities, but are not reported in the funds.	66,745
The repayment of principal related to long-term liabilities is recognized as an expenditure in the governmental funds, and reduces long-term liabilities in the statement of net position (deficit).	159,216
The issuance of debt is recorded as other financing sources in the governmental funds, and increases long-term debt in the statement of net position (deficit).	<u>(613,927)</u>
Change in net position (deficit) of governmental activities	<u>\$ 1,845,107</u>

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

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note A - Summary of Significant Accounting Policies

This summary of significant accounting policies of Woodbridge 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 Woodbridge 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 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 is 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)

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

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.

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.

(Continued)

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note A - Summary of Significant Accounting Policies (Continued)

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.

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.

GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. 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 balance sheet as a reduction in the book value of capital assets.

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	15-40 years
Trucks and apparatus	5-20 years
Small tools and equipment	5-10 years
Furniture 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.

(Continued)

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note A - Summary of Significant Accounting Policies (Continued)

Compensated absences

Compensated absences are accrued as earned by employees, and consist of accruals for vacation and sick time. The District's liability for compensated absences is reported in the Statement of Net Position for governmental activities in the government-wide financial statements.

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.

Other post-employment benefits other than pensions (OPEB)

The fiduciary net position of the District's retiree health and welfare plan has been determined by actuarial computation. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities, and additions to/deductions from the Plan's fiduciary net position. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

(Continued)

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note A - Summary of Significant Accounting Policies (Continued)

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

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	June 30, 2020 and June 30, 2021

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, Safety - PEPRA, Miscellaneous, and Miscellaneous - PEPRA plan (the Plans) 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 due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net position

Equity in the government-wide 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 net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to these assets.
- c. Unrestricted net position - 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)

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

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: non-spendable, restricted, committed, assigned and unassigned.

Non-spendable - 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, 2021 and were payable in two installments on December 10, 2021 and April 10, 2022. The County of San Joaquin bills and collects property taxes on behalf of the District.

(Continued)

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

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 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. This statement is effective for fiscal years beginning after June 15, 2021. The District implemented the provisions of this Statement for the year ended June 30, 2022. There was no effect on net position as a result of implementation of this Statement.

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 implemented the provisions of this Statement for the year ended June 30, 2022. There was no effect on net position as a result of implementation of this Statement.

In June 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Service Code Section 457 Deferred Compensation Plans*. The objective of this Statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans,

(Continued)

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note A - Summary of Significant Accounting Policies (Continued)

and employment benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. This Statement is effective for fiscal years beginning after June 15, 2021. The District implemented the provisions of this Statement for the year ended June 30, 2022. There was no effect on net position as a result of implementation of this Statement.

Standards not yet adopted

In June 2022, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for fiscal years beginning after December 15, 2023. The District will be required to implement the provisions of this Statement for the year ended June 30, 2025. The District has not determined the effect on the financial statements.

Note B - Cash and Investments

Cash and investments of the District as of June 30, 2022, consist of the following:

	<u>Carrying amount</u>	<u>Bank balance</u>	<u>Fair value</u>
Unrestricted			
<u>Deposits in commercial accounts</u>			
Public checking	\$ 420,423	\$ 476,915	\$ -
<u>Investment in external investment pool</u>			
San Joaquin County Treasurer	<u>2,110,634</u>	<u>-</u>	<u>2,110,634</u>
	<u>\$ 2,531,057</u>	<u>\$ 476,915</u>	<u>\$ 2,110,634</u>
Restricted			
<u>Investment in external investment pool</u>			
San Joaquin County Treasurer	<u>\$ 131,444</u>	<u>\$ -</u>	<u>\$ 131,444</u>
	<u>\$ 131,444</u>	<u>\$ -</u>	<u>\$ 131,444</u>

(Continued)

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note B - Cash and Investments (Continued)

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. 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%
Time 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
Capital Asset Management Program	N/A	10%	None

(Continued)

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note B - Cash and Investments (Continued)

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.

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	\$ 2,242,078	\$ 2,242,078	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 2,242,078</u>	<u>\$ 2,242,078</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	\$ 2,242,078	N/A	\$ -	\$ -	\$ -	\$ -	\$ 2,242,078
	<u>\$ 2,242,078</u>	<u>N/A</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,242,078</u>

(Continued)

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note B - Cash and Investments (Continued)

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 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, 2022, the District's bank balance was \$476,915 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 \$226,915 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

(Continued)

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note B - Cash and Investments (Continued)

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, 2022, 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.

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, 2022 is as follows:

	Balance June 30, 2021	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	Balance June 30, 2022
Non-depreciable capital assets					
Land	\$ 141,011	\$ -	\$ -	\$ -	\$ 141,011
Construction in progress	<u>592,096</u>	<u>613,927</u>	<u>-</u>	<u>(592,096)</u>	<u>613,927</u>
Total non-depreciable capital assets	<u>733,107</u>	<u>613,927</u>	<u>-</u>	<u>(592,096)</u>	<u>754,938</u>
Depreciable capital assets					
Buildings and improvements	1,242,140	-	-	-	1,242,140
Small tools and equipment	760,730	17,200	(104,934)	-	672,996
Furniture and equipment	146,269	-	-	-	146,269
Trucks and apparatus	<u>1,825,171</u>	<u>221,039</u>	<u>(135,784)</u>	<u>592,096</u>	<u>2,502,522</u>
Total depreciable capital assets	3,974,310	238,239	(240,718)	592,096	4,563,927
Less accumulated depreciation	<u>(2,916,399)</u>	<u>(197,156)</u>	<u>240,718</u>	<u>-</u>	<u>(2,872,837)</u>
Total depreciable capital assets, net	<u>1,057,911</u>	<u>41,083</u>	<u>-</u>	<u>592,096</u>	<u>1,691,090</u>
Total capital assets, net	<u>\$1,791,018</u>	<u>\$ 655,010</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,446,028</u>

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note D - Compensated Absences

Employees accrue vacation and sick leave benefits based on bargaining unit, length of service and current compensation. Accumulated vacation and sick leave is subject to maximum accruals. As of June 30, 2022, the District's accrued liability for accumulated unused vacation, overtime and sick leave is \$268,588. Employees are paid for their accumulated unused vacation leave upon separation from service, and a portion of unused sick time if an employee retires from the District. The liability is expected to be liquidated with future resources and not with expendable available financial resources.

Note E - Long-Term Liabilities

Long-term liabilities outstanding as of June 30, 2022 consist of the following:

	Interest rate	Maturity date	Amounts authorized and issued	Outstanding	Due within one year
Finance lease - Community First National Bank	2.60%	January 17, 2028	\$ 592,096	\$514,980	\$ 80,410
Finance lease - Santander Bank	2.35%	June 15, 2028	<u>613,927</u>	<u>531,827</u>	<u>83,584</u>
			<u>\$1,206,023</u>	<u>\$1,046,807</u>	<u>\$ 163,994</u>

The following is a summary of long-term liability issuances and transactions during the year ended June 30, 2022:

	Balance <u>June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2022</u>
Finance lease - Community First National Bank	\$ 592,096	\$ -	\$ (77,116)	\$ 514,980
Finance lease - Santander Bank	<u>-</u>	<u>613,927</u>	<u>(82,100)</u>	<u>531,827</u>
	<u>\$ 592,096</u>	<u>\$ 613,927</u>	<u>\$ (159,216)</u>	<u>\$ 1,046,807</u>

Finance lease - Community First National Bank

The District has entered into a lease agreement with Community First National Bank to finance the purchase of a fire engine. Interest and principal payments are due each January 17. Final payment is due January 17, 2028. The capitalized cost of the fire engine, included in trucks and apparatus, is \$592,096. Accumulated depreciation recorded relative to the fire truck is \$69,078 as of June 30, 2022. The lease is collateralized by the fire engine.

(Continued)

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note E - Long-Term Liabilities (Continued)

The following is a schedule by years of future lease payments under the finance lease as of June 30, 2022.

<u>Year ending June 30,</u>	
2023	\$ 93,820
2024	93,820
2025	93,820
2026	93,820
2027	93,820
2028	<u>93,820</u>
Total lease payments	562,920
Less interest	<u>(47,940)</u>
Principal balance	<u>\$ 514,980</u>
Current finance lease obligation	\$ 80,410
Noncurrent finance lease obligation	<u>434,570</u>
	<u>\$ 514,980</u>

Finance lease - Santander Bank

The District has entered into a lease agreement with Santander Bank to finance the purchase of a fire engine. Interest and principal payments are due each June 15. Final payment is due June 15, 2028. The capitalized cost of the fire engine, included in construction in progress, is \$613,927. Accumulated depreciation recorded relative to the fire truck is \$0 as of June 30, 2022. The lease is collateralized by the fire engine.

The following is a schedule by years of future lease payments under the finance lease as of June 30, 2022.

<u>Year ending June 30,</u>	
2023	\$ 96,050
2024	96,050
2025	96,050
2026	96,050
2027	96,050
2028	<u>96,050</u>
Total lease payments	576,300
Less interest	<u>(44,473)</u>
Principal balance	<u>\$ 531,827</u>
Current finance lease obligation	\$ 83,584
Noncurrent finance lease obligation	<u>448,243</u>
	<u>\$ 531,827</u>

(Continued)

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note E - Long-Term Liabilities (Continued)

Summary of long-term liabilities service requirements

Long-term liabilities service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 163,994	\$ 25,876	\$ 189,870
2024	168,047	21,823	189,870
2025	172,201	17,669	189,870
2026	176,457	13,413	189,870
2027	180,819	9,051	189,870
2028	<u>185,289</u>	<u>4,581</u>	<u>189,870</u>
Total requirements	<u>\$ 1,046,807</u>	<u>\$ 92,413</u>	<u>\$ 1,139,220</u>

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, cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). CalPERS acts as a common investment and administrative agent for its participating member employers. 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, www.calpers.ca.gov.

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 1959 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)

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note F - Pension Plans (Continued)

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	<u>Safety</u>	
	Prior to	On or after
	<u>January 1, 2013</u>	<u>January 1, 2013</u>
Hire date		
Benefit formula	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-55	50-57
Monthly benefits, as a % of eligible compensation	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9%	13%
Required employer contribution rates	21.79%	13.13%
	<u>Miscellaneous</u>	
	Prior to	On or after
	<u>January 1, 2013</u>	<u>January 1, 2013</u>
Hire date		
Benefit formula	3.0% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-60	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.0% to 2.5%
Required employee contribution rates	8%	6.75%
Required employer contribution rates	15.25%	7.59%

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)

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note F - Pension Plans (Continued)

For the year ended June 30, 2022, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Safety</u>	<u>Miscellaneous</u>
Contributions - employer	\$ 823,420	\$ 53,280
Contributions - employee (paid by employer)	237,776	3,699

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

As of June 30, 2022, 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>
Miscellaneous	\$ 247,506
Safety	<u>3,365,643</u>
Total Net Pension Liability	<u><u>\$ 3,613,149</u></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, 2021, 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, 2020 rolled forward to June 30, 2021 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, 2022 and 2021 was as follows:

	<u>Safety</u>	<u>Miscellaneous</u>
Proportion - June 30, 2021	0.09010%	0.00926%
Proportion - June 30, 2022	<u>0.09590%</u>	<u>0.01303%</u>
Change - increase (decrease)	<u>0.00580%</u>	<u>0.00377%</u>

(Continued)

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note F - Pension Plans (Continued)

For the year ended June 30, 2022, the District recognized pension (revenue) expense of \$161,186. At June 30, 2022, 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	\$ 876,700	\$ -
Differences between actual and expected experience	602,772	-
Changes in assumptions	-	-
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	33,015
Net differences between projected and actual earnings on plan investments	<u>-</u>	<u>2,219,265</u>
Total	<u>\$ 1,479,472</u>	<u>\$ 2,252,280</u>

\$876,700 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, 2022. 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>	
2023	\$ (274,299)
2024	(315,920)
2025	(448,327)
2026	<u>(610,962)</u>
Total	<u>\$ (1,649,508)</u>

(Continued)

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note F - Pension Plans (Continued)

Actuarial Assumptions - The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

	<u>Safety</u>	<u>Miscellaneous</u>
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry age normal cost level	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Salary Increase	(1)	(1)
Investment Rate of Return (2)	7.15%	7.15%
Mortality	Derived using CalPER's Membership data for all funds	

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment and administrative expenses, including inflation.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Change of assumption - There were no changes in assumptions during the measurement period ended June 30, 2021.

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

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

(Continued)

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note F - Pension Plans (Continued)

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 and forecasted information for all the Public Employees Retirement 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 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 and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class (1)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (2)</u>	<u>Real Return Years 11+(3)</u>
Public Equity	50.0%	4.80%	5.98%
Fixed Income	28.0	1.00	2.62
Inflation Assets	0.0	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Assets	13.0	3.75	4.93
Liquidity	<u>1.0</u>	0.00	(0.92)
Total	<u>100.0%</u>		

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in short-term Investments; Inflation assets are included in both Global Equity Securities and Global Debt Securities.

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

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

(Continued)

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

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	\$ 6,749,175	\$ 591,098
Current discount rate	7.15%	7.15%
Net pension liability	\$ 3,365,643	\$ 247,506
1% Increase	8.15%	8.15%
Net pension liability	\$ 586,490	\$ (36,536)

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

Payable to the Pension Plan

At June 30, 2021, the District reported a payable of \$28,080 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

Note G - 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 Retiree Health Plan”). The Plan provides a fixed monthly reimbursement for medical insurance and supplemental Medicare insurance for eligible retirees and dependents 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

The District contributes toward post-retirement benefits for employees who retire with service retirement (no specific age or service requirement). The District pays 100% of the medical premium for the covered retiree and dependent spouse, but not more than a fixed monthly amount. Payments are made for the lifetimes of the retiree and spouse.

(Continued)

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

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

The monthly cap is increased each year by an amount not less than 5% of the monthly capped contribution for employees, until such time as the employer contributions for annuitants equals the employer contribution paid for employees. The monthly caps are:

	<u>In 2021</u>	<u>In 2022</u>
One party	\$ 272.57	\$ 293.06
Two party	472.47	451.12
Family	589.57	545.96

Employees covered by benefit terms

As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	31
Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to, but not yet receiving benefits	<u>-</u>
Total	<u><u>36</u></u>

Total OPEB liability

The District's total OPEB liability of \$5,793,328 was measured as of June 30, 2021 and was determined by an actuarial valuation dated June 30, 2021 that was rolled forward using standard up-to-date procedures to determine the June 30, 2021 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Discount Rate	1.92%
Inflation	2.75% per year
Salary Increases	3.00% per year, including inflation
Mortality Rate	Derived using 2017 CalPERS valuation
Healthcare Cost Trend Rates:	CalPERS medical premiums are assumed to increase 5% per year in the future. The monthly benefit caps are assumed to increase 5% per year.

Discount rate

The discount rate used to measure the total OPEB liability was 1.92 percent based on the 20-Year Bond Rate. The District has chosen to use the Fidelity General obligation AA Index as its twenty-year bond rate.

(Continued)

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note G - 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, 2021 (Valuation Date June 30, 2021)	<u>\$ 3,211,155</u>
Changes recognized for the measurement period:	
Service cost	313,857
Interest	78,147
Differences between actual and expected experience	2,834,579
Changes of assumptions	(601,451)
Benefit payments	(42,959)
Benefits changes	-
Net changes	<u>2,582,173</u>
Balance at June 30, 2022 (Measurement Date June 30, 2021)	<u>\$ 5,793,328</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 (0.92 percent) or one percentage point higher (2.92 percent) than the current discount rate:

	1% Decrease <u>(0.92%)</u>	Current Discount Rate <u>(1.92%)</u>	1% Increase <u>(2.92%)</u>
Total OPEB liability	\$ 7,431,615	\$ 5,793,328	\$ 4,594,261

(Continued)

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note G - 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 (4.0 percent) or one percentage point higher (6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (4.00%)	Current Healthcare Cost Trend Rates (5.00%)	1% Increase (6.00%)
Total OPEB liability	\$ 4,549,877	\$ 5,793,328	\$ 7,490,444

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$499,403. At June 30, 2022, 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	\$ 43,741	\$ -
Differences between expected and actual experience	2,657,418	357,668
Changes of assumptions	<u>591,171</u>	<u>833,662</u>
Total	<u>\$ 3,292,330</u>	<u>\$ 1,191,330</u>

(Continued)

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

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

The \$43,741, reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2023. 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>
2023	\$ 135,871
2024	135,871
2025	135,871
2026	135,871
2027	135,871
Thereafter	<u>1,377,904</u>
	<u>\$ 2,057,259</u>

Note H - 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, 2022 were \$12,015.

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

Note I - Insurance/Joint Venture (Joint Powers Agreement)

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 participates in a joint venture under a joint powers agreement with the Fire Districts Association of California Fire Agencies Self Insurance System (FASIS). The relationship between the District and FASIS is such that the FASIS is not a component unit of the District for financial reporting purposes. The FASIS arranges for and provides self-insured programs for workers' compensation for member districts and the District currently participates in the workers' compensation program. The FASIS is governed by an eleven-member board of directors elected by the member districts. The board controls the operations of the FASIS, including selection of management and approval of operating budgets. Each member pays an annual premium based on the number of personnel, an estimated dollar amount of payroll and an experience factor. At fiscal year-end, when actual payroll expenditures are available, an adjustment to the year's annual premium is made. The District's insurance coverage at June 30, 2022 included liability insurance limits of \$7,000,000 per occurrence and an umbrella of \$14,000,000. The FASIS reinsures through the Local Agency Workers' Compensation Excess Authority (LAWCX), a joint powers authority, for claims in excess of \$750,000 for each insured event. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

Note J - Governing Board

As of June 30, 2022, the five members of the District's Board of Directors were as follows:

<u>Director</u>	<u>Term expires</u>
David Duke, President	November 2024
Thomas Alexander, Vice President	November 2022
Richard Gerlack	November 2022
Michael Manna	November 2024
Loren Moore, Jr.	November 2022

Note K - Net Position (Deficit)

The governmental activities has a net position (deficit) of \$(4,450,789) as of June 30, 2022. 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.

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2022

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

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Required Supplementary Information

**Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual -
Governmental Funds**

For the year ended June 30, 2022

	General fund		
	Actual amounts	Budgeted amounts original/final	Variance with final budget positive/ (negative)
Revenues			
Property taxes	\$ 3,810,308	\$ 3,590,970	\$ 219,338
Special assessments	1,698,791	721,444	977,347
Service fees and fire prevention services	604,460	330,000	274,460
Grants	244,567	157,021	87,546
Other	76,486	76,000	486
Property tax relief	24,025	23,250	775
Interest	4,320	-	4,320
Total revenues	6,462,957	4,898,685	1,564,272
Expenditures			
Salaries and wages	2,795,591	2,721,887	(73,704)
Retirement	865,314	918,000	52,686
Employee benefits	312,352	330,500	18,148
Insurance	240,937	244,870	3,933
Fire suppression supplies and services	128,220	273,372	145,152
Repairs and maintenance	117,739	143,500	25,761
Professional fees	116,120	130,000	13,880
Utilities	70,685	75,000	4,315
Fuel	70,375	40,000	(30,375)
Dispatching	56,178	69,000	12,822
Payroll taxes	53,385	65,705	12,320
Training	25,194	10,000	(15,194)
Dues and memberships	18,510	18,500	(10)
Office	5,877	10,530	4,653
Travel	3,962	9,000	5,038
Capital outlay	852,166	-	(852,166)
Debt service			
Principal	159,216	-	(159,216)
Interest and financing costs	30,654	-	(30,654)
Total expenditures	5,922,475	5,059,864	(862,611)

(Continued)

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Required Supplementary Information

**Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual -
Governmental Funds**

For the year ended June 30, 2022

Excess (deficiency) of revenues over expenditures prior to other financing sources (uses)	540,482	(161,179)	701,611
Other financing sources (uses)			
Proceeds from issuance of finance leases	<u>613,927</u>	<u>-</u>	<u>613,927</u>
Total other financing sources (uses)	<u>613,927</u>	<u>-</u>	<u>613,927</u>
Net change in fund balance	1,154,409	(161,179)	1,315,588
Fund balance, beginning of year	<u>1,342,455</u>	<u>1,342,455</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,496,864</u>	<u>\$ 1,181,276</u>	<u>\$ 1,315,588</u>

WOODBRIAGE RURAL COUNTY FIRE PROTECTION DISTRICT

**Required Supplementary Information
For the Year Ended June 30, 2022**

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

Last 10 years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.1089%	0.0994%	0.0985%	0.0987%	0.0978%	0.1000%	0.1007%	0.6038%
Proportionate share of the net pension liability	3,613,150	6,393,245	5,936,544	5,581,448	5,638,063	4,998,495	3,987,944	4,041,568
Covered - employee payroll	2,392,832	2,399,068	1,944,267	1,701,341	1,680,317	1,789,597	1,802,123	1,565,769
Proportionate share of the net pension liability as percentage of covered - employee payroll	151.0%	266.5%	305.3%	328.1%	335.5%	279.3%	221.3%	258.1%
Plan's fiduciary net position	21,543,081	17,193,138	16,589,011	15,924,547	14,870,370	13,478,172	13,607,256	13,380,827
Plan fiduciary net position as a percentage of the total pension liability	596.24%	268.93%	279.44%	285.30%	263.75%	269.65%	341.21%	331.1%

Notes to schedule:

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

Changes in assumptions: In 2017, the discount rate reduced from 7.65 to 7.15 percent.

In 2018, demographic assumptions and inflation rates were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.

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

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

WOODBRIAGE RURAL COUNTY FIRE PROTECTION DISTRICT

**Required Supplementary Information
For the Year Ended June 30, 2022**

Schedule of Contributions - Pension Plan

Last 10 years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 811,569	\$ 878,681	\$ 830,629	\$ 742,633	\$ 641,113	\$ 569,428	\$ 505,061	\$ 412,789
Contributions in relation to the actuarially determined contributions	<u>(876,700)</u>	<u>(929,138)</u>	<u>(768,245)</u>	<u>(649,861)</u>	<u>(579,039)</u>	<u>(557,989)</u>	<u>(491,537)</u>	<u>(356,334)</u>
Contribution deficiency (excess)	<u>\$ (65,131)</u>	<u>\$ (50,457)</u>	<u>\$ 62,384</u>	<u>\$ 92,772</u>	<u>\$ 62,074</u>	<u>\$ 11,439</u>	<u>\$ 13,524</u>	<u>\$ 56,455</u>
Covered-employee payroll	\$ 2,392,832	\$ 2,399,068	\$ 1,944,267	\$ 1,701,341	\$ 1,680,317	\$ 1,789,597	\$ 1,802,123	\$ 1,565,769
Contributions as a percentage of covered-employee payroll	32.02%	38.73%	39.51%	38.20%	34.46%	31.18%	27.28%	22.8%

Notes to schedule:

Valuation date: 6/30/2021

Methods and assumptions used to determine contribution rates

Actuarial cost method:	Entry age normal cost method
Amortization method:	Level dollar amount
Asset valuation method:	Market value
Discount rate:	7.15%
Projected salary increases:	Varies by entry age and service
Inflation:	2.50%
Payroll growth:	3.00%
Retirement age:	55-62 years
Mortality:	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

*Fiscal year 2015 was the first year of implementation, therefore, only eight years are shown.

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

WOODBIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Required Supplementary Information

**Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2022**

Last 10 years*

For the Measurement Period

Ended June 30,	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability					
Service cost	\$ 313,857	\$ 249,760	\$ 140,792	\$ 139,357	\$ 166,752
Interest	78,147	75,338	87,384	79,766	69,740
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	2,834,579	-	(476,891)	-	-
Changes of assumptions	(601,451)	485,596	253,369	(33,628)	(370,392)
Benefit payments	<u>(42,959)</u>	<u>(13,028)</u>	<u>(10,197)</u>	<u>(14,159)</u>	<u>(13,540)</u>
Net change in total OPEB liability	2,582,173	797,666	(5,543)	171,336	(147,440)
Total OPEB liability - beginning	<u>3,211,155</u>	<u>2,413,489</u>	<u>2,419,032</u>	<u>2,247,696</u>	<u>2,395,136</u>
Total OPEB liability - ending	<u>\$ 5,793,328</u>	<u>\$ 3,211,155</u>	<u>\$ 2,413,489</u>	<u>\$ 2,419,032</u>	<u>\$ 2,247,696</u>
Covered - employee payroll	<u>\$ 2,438,195</u>	<u>\$ 2,116,063</u>	<u>\$ 1,766,456</u>	<u>\$ 1,692,633</u>	<u>\$ 972,584</u>
Total OPEB liability as a percentage of covered - employee payroll	237.61%	151.75%	136.63%	142.92%	231.11%

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.

Change of assumptions: Changes of assumptions reflect a change in the discount rate from 3.13% to 2.45% for the measurement period ended June 30, 2020.

Changes of assumptions reflect a change in the discount rate from 3.13% to 1.92% for the measurement period ended June 30, 2021.

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

WOODBRIIDGE RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Required Supplemental Information

June 30, 2022

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 no amendments to the budget during the year ended June 30, 2022. The budget amounts are based on estimates of the District's expenditures and the proposed means of financing them. Actual expenditures for equipment, debt service and contingencies may vary significantly from budget due to timing of such expenditures.