

TRACY RURAL COUNTY FIRE

PROTECTION DISTRICT

Financial Statements
and
Independent Auditor's Report

For the Fiscal Years Ended June 30, 2022 and 2021

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

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Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Tracy Rural County Fire Protection District
Tracy, CA

Opinions

We have audited the accompanying financial statements of the and for the years ended June 30, 2022, and 2021 and the related notes to the financial statements, which collectively comprise the Tracy Rural County Fire Protection District, 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 Tracy Rural County Fire Protection District, as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 District. 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 the Tracy 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 the Tracy 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 opinions. 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:

- 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 the Tracy 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tracy 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and schedule of required supplementary information- Pension Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The Tracy Rural County Fire Protection District has not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Tracy Rural County Fire Protection District's, basic financial statements. The budgetary comparison and pension plan required disclosure have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Blomberg & Griffin A.C.
Blomberg & Griffin A.C.
Stockton, CA

November 18, 2022

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Statement of Net Position

June 30, 2022 and 2021

	2022	2021
	Governmental	Governmental
	Activities	Activities
ASSETS		
Cash in Bank and in County Treasury-Note 3	\$ 7,122,953	\$ 6,822,915
Accounts Receivable	51,259	129,723
Interest Receivable	6,717	6,167
Land-Note 4	177,107	177,107
Capital Assets, Net of Accumulated Depreciation-Note 4	3,739,782	2,807,918
Deferred Outflows of Resources- Note 10	2,123,732	1,076,468
	<hr/>	<hr/>
Total Assets	13,221,550	11,020,298
	<hr/>	<hr/>
LIABILITIES		
Current Liabilities		
Accounts Payable	15,625	14,572
Accrued Interest	5,151	4,615
Current Portion of Long-Term Debt-Note 5	143,789	93,979
	<hr/>	<hr/>
Total Current Liabilities	164,565	113,166
	<hr/>	<hr/>
Long-Term Liabilities		
Capital Lease - Note 5	1,466,087	514,432
Net Pension Liability- Note 10	5,140,715	4,987,483
Deferred Inflows of Resources- Note 10	3,284,489	352,118
	<hr/>	<hr/>
Total-Long Term Liabilities	9,891,291	5,854,033
	<hr/>	<hr/>
Total Liabilities	10,055,856	5,967,199
	<hr/>	<hr/>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	2,307,013	2,376,614
Unrestricted	858,681	2,676,485
	<hr/>	<hr/>
Total Net Position	\$ 3,165,694	\$ 5,053,099
	<hr/>	<hr/>

The accompanying notes are an integral part of the financial statements.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Statement of Activities

For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
EXPENDITURES/EXPENSES		
Fire Protection		
Operations	\$ 12,665,838	\$ 7,148,024
Depreciation	222,405	150,834
	<hr/>	<hr/>
Total Expenditures/Expenses	12,888,243	7,298,858
	<hr/>	<hr/>
PROGRAM REVENUES		
Grant Income	560,270	-
Charges for Services	18,378	4,396
	<hr/>	<hr/>
Total Program Revenues	578,648	4,396
	<hr/>	<hr/>
Net Program Expenses	12,309,595	7,294,462
	<hr/>	<hr/>
GENERAL REVENUES		
Property Taxes-Note 6	9,693,110	8,877,130
Homeowner Tax	52,671	50,597
Investment Earnings	12,700	25,150
Interest Expense	(18,993)	(27,782)
Rental Income	22,208	24,625
Sale of Assets	632,909	-
Miscellaneous Income	27,585	80,497
	<hr/>	<hr/>
Total General Revenues	10,422,190	9,030,217
	<hr/>	<hr/>
Changes in Net Position	(1,887,405)	1,735,755
Net Position - Beginning of Year	5,053,099	3,317,344
	<hr/>	<hr/>
Net Position - End of Year	<u>\$ 3,165,694</u>	<u>\$ 5,053,099</u>

The accompanying notes are an integral part of the financial statements.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Balance Sheet
 Governmental Funds
 June 30, 2022

ASSETS	General Fund	Capital Outlay Fund	Nonmajor Governmental Funds	2022 Total Governmental Funds
Cash in Hand and in Cash Treasury-Note 3	\$ 4,730,278	\$ 1,920,458	\$ 472,218	\$ 7,122,954
Accounts Receivable	51,259	-	-	51,259
Interest Receivable	3,432	2,680	605	6,717
Total Assets	<u>\$ 4,784,969</u>	<u>\$ 1,923,138</u>	<u>\$ 472,823</u>	<u>\$ 7,180,930</u>
 LIABILITIES and FUND BALANCES				
Liabilities				
Accounts Payable	\$ 15,625	\$ -	\$ -	\$ 15,625
Accrued Interest	-	5,151	-	5,151
Total Liabilities	<u>15,625</u>	<u>5,151</u>	<u>-</u>	<u>20,776</u>
 FUND BALANCES				
Assigned to:				
Acquisition of Capital Assets-Note 2	-	1,917,987	-	1,917,987
Other Purposes-Note 2	-	-	472,823	472,823
Unassigned-Note 2	4,769,344	-	-	4,769,344
Total Fund Balances	<u>4,769,344</u>	<u>1,917,987</u>	<u>472,823</u>	<u>7,160,154</u>
Total Liabilities and Fund Balances	<u>\$ 4,784,969</u>	<u>\$ 1,923,138</u>	<u>\$ 472,823</u>	<u>\$ 7,180,930</u>

The accompanying notes are an integral part of the financial statements.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Balance Sheet
 Governmental Funds
 June 30, 2021

	<u>General Fund</u>	<u>Capital Outlay Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>2021 Total Governmental Funds</u>
ASSETS				
Cash on Hand and in Cash Treasury-Note 3	\$ 4,199,964	\$ 1,970,557	\$ 652,394	\$ 6,822,915
Accounts Receivable	129,723	-	-	129,723
Interest Receivable	3,609	2,168	390	6,167
 Total Assets	 <u>\$ 4,333,296</u>	 <u>\$ 1,972,725</u>	 <u>\$ 652,784</u>	 <u>\$ 6,958,805</u>
 LIABILITIES and FUND BALANCES				
Liabilities				
Accounts Payable	\$ 14,572	\$ -	\$ -	\$ 14,572
Accrued Interest		4,615		4,615
 Total Liabilities	 <u>14,572</u>	 <u>4,615</u>	 <u>-</u>	 <u>19,187</u>
 FUND BALANCES				
Assigned to:				
Acquisition of Capital Assets-Note 2	-	1,968,110	-	1,968,110
Other Purposes-Note 2	-	-	652,784	652,784
Unassigned-Note 2	4,318,724	-	-	4,318,724
 Total Fund Balances	 <u>4,318,724</u>	 <u>1,968,110</u>	 <u>652,784</u>	 <u>6,939,618</u>
 Total Liabilities and Fund Balances	 <u>\$ 4,333,296</u>	 <u>\$ 1,972,725</u>	 <u>\$ 652,784</u>	 <u>\$ 6,958,805</u>

The accompanying notes are an integral part of the financial statements.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the

Statement of Net Position

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Total Fund Balances-Governmental Funds	\$ 7,160,154	\$ 6,939,618
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets: In governmental funds, only current assets are reported In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.		
Capital Assets at Historical Cost:	6,315,088	5,592,748
Accumulated Depreciation	(2,398,199)	(2,607,723)
Pension Deferred Charges	2,123,732	1,076,468
Net Pension Liability	(5,140,715)	(4,987,483)
Pension Deferred Credits	(3,284,489)	(352,118)
In governmental funds, the capital lease payable amounts are not reported as liability. However, capital lease payable amounts are reported as liability in the statement of net position.		
Capital Lease Payable	<u>(1,609,877)</u>	<u>(608,411)</u>
Net Position of Governmental Activities	<u>\$ 3,165,694</u>	<u>\$ 5,053,099</u>

The accompanying notes are an integral part of the financial statements.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

REVENUES	General Fund	Capital Outlay Fund	Nonmajor Governmental Funds	Total Governmental Funds
Property Taxes-Note 6	\$ 8,112,842	\$ -	\$ -	\$ 8,112,842
Property Assessments-Note 6	1,580,268	-	-	1,580,268
State Property Taxes-Note 6	52,671	-	-	52,671
Program Revenues	560,270	-	18,378	578,648
Rent Income	4,480	17,728	-	22,208
Miscellaneous Income	27,585	-	-	27,585
Interest	5,753	5,286	1,661	12,700
Total Revenues	<u>10,343,869</u>	<u>23,014</u>	<u>20,039</u>	<u>10,386,922</u>
EXPENDITURES				
Fire Protection				
Fire Services-Note 13	9,527,364	-	-	9,527,364
Insurance	32,667	-	-	32,667
Tax Administration Service Charge	148,775	-	-	148,775
Miscellaneous	296,761	99,678	-	396,439
Employee Benefits (PERS)	522,252	-	-	522,252
Capital Outlay-Note 4	-	1,162,591	-	1,162,591
Debt Service:				
Principal-Note 5	-	93,979	-	93,979
Interest	-	18,993	-	18,993
Total Expenditures	<u>10,527,819</u>	<u>1,375,241</u>	<u>-</u>	<u>11,903,060</u>
Excess of Revenues Over (under) Expenditures	<u>(183,950)</u>	<u>(1,352,227)</u>	<u>20,039</u>	<u>(1,516,138)</u>
OTHER FINANCIAL SOURCES (USES)				
Proceeds from Sale of Assets	-	641,231	-	641,231
Proceeds from Capital Lease	-	1,095,443	-	1,095,443
Operating Transfers In-Note 8	634,570	-	-	634,570
Operating Transfers Out-Note 8	-	(434,570)	(200,000)	(634,570)
Total Other Financing Sources (Uses)	<u>634,570</u>	<u>1,302,104</u>	<u>(200,000)</u>	<u>1,736,674</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	450,620	(50,123)	(179,961)	220,536
Fund Balances, July 01, 2021	<u>4,318,724</u>	<u>1,968,110</u>	<u>652,784</u>	<u>6,939,618</u>
Fund Balance, June 30, 2022	<u>\$ 4,769,344</u>	<u>\$ 1,917,987</u>	<u>\$ 472,823</u>	<u>\$ 7,160,154</u>

The accompanying notes are an integral part of the financial statements.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

REVENUES	General Fund	Capital Outlay Fund	Nonmajor Governmental Funds	Total Governmental Funds
Property Taxes-Note 6	\$ 7,390,656	\$ -	\$ -	\$ 7,390,656
Property Assessments-Note 6	1,486,473	-	-	1,486,473
State Property Taxes-Note 6	50,597	-	-	50,597
Program Revenues	-	-	4,396	4,396
Rent Income	-	24,625	-	24,625
Miscellaneous Income	80,498	-	-	80,498
Interest	9,556	13,378	2,216	25,150
Total Revenues	9,017,780	38,003	6,612	9,062,395
EXPENDITURES				
Fire Protection				
Fire Services-Note 13	5,881,815	-	-	5,881,815
Insurance	22,326	-	-	22,326
Tax Administration Service Charge	125,069	-	-	125,069
Miscellaneous	317,716	81,525	-	399,241
Employee Benefits (PERS)	507,293	-	127,332	634,625
Capital Outlay-Note 4	33,116	697,682	-	730,798
Debt Service:				
Principal-Note 5	-	89,271	-	89,271
Interest	-	27,782	-	27,782
Total Expenditures	6,887,335	896,260	127,332	7,910,927
Excess of Revenues Over (under) Expenditures	2,130,445	(858,257)	(120,720)	1,151,468
OTHER FINANCIAL SOURCES (USES)				
Loan Proceeds	-	697,682	-	697,682
Operating Transfers In-Note 8	309,825	-	200,000	509,825
Operating Transfers Out-Note 8	-	(509,825)	-	(509,825)
Total Other Financing Sources (Uses)	309,825	187,857	200,000	697,682
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	2,440,270	(670,400)	79,280	1,849,150
Fund Balances, July 1, 2020	1,878,454	2,638,510	573,504	5,090,468
Fund Balance, June 30, 2021	<u>\$ 4,318,724</u>	<u>\$ 1,968,110</u>	<u>\$ 652,784</u>	<u>\$ 6,939,618</u>

The accompanying notes are an integral part of the financial statements.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
 And Changes in Fund Balances to the Statement of Activities
 For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	\$ 220,536	\$ 1,849,150
<p>Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:</p> <p>Capital Outlay: In governmental funds, the costs of capital outlay are reported as expenditures in the period when the assets are acquired. In the statement of activities costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:</p>		
Expenditures for Capital Outlay	1,162,591	730,798
Depreciation Expense	(222,405)	(150,834)
Difference in Asset Book value	(8,322)	-
<p>Debt Service: In governmental funds, proceeds from long-term debt are reported as other sources and repayments are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities.</p>		
Proceeds from Long-Term Debt	(1,095,444)	(697,682)
Principle Payment of Long-Term Debt	93,979	89,271
Changes in Employee Benefits expense did not require the use of current financial resources or meet revenue recognition criteria in the Governmental Funds Financial Statements and therefore are not reported in governmental funds.	(2,038,340)	(84,948)
Changes in Net Position-Governmental Activities	\$ (1,887,405)	\$ 1,735,755

The accompanying notes are an integral part of the financial statements.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Financial Reporting Entity

The Tracy Rural County Fire Protection District was established in 1945 to protect the greater Tracy Region that encompassed over 200 square miles. The rural fire department was comprised of volunteers who manned four fire stations.

During 1999 the Tracy Rural County Fire Protection District ("District") and City of Tracy ("City") agreed to consolidate fire protection services into one Fire Department. On September 7, 1999, the District and the City entered into a joint exercise of powers agreement ("JPA Agreement") that created the South County Fire Authority ("Authority"), a public entity separate and apart from the District and the City. The operational date of this agreement is September 16, 1999.

Effective July 1, 2018 the authority (old JPA) was dissolved, and a new joint powers agreement formed the South San Joaquin County Fire Authority (new JPA). See Note 7 for additional details.

The District's governing authority consists of five elected officials who, together, constitute the Board of Directors. The Government Accounting Standards Board established criteria for determining which organizations should be included in a governmental reporting entity. The focal point for preparing financial statements of a financial reporting entity is the *primary government*. The identification of a financial reporting entity is built around the concept of financial accountability. That is, if a primary government is financially accountable for another entity, that entity's financial statements must be included in the financial statements of the reporting entity. Thus, the *financial reporting entity* consists of the *primary government* and its *component units*. *Primary government* is defined as a state, general purpose local or special purpose local government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. *Component units* are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on these criteria and definitions, the District is the primary government and there are no material potential component units which should be included with the accompanying financial statements of the District. The District's basic financial statements do not include operations of the associated governmental agencies involved in the JPA Agreement, namely the Authority or the City.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

B. Accounting Policies

The District accounts for its financial transactions in accordance with policies and procedures of the California State Controller's Minimum Audit Requirements and Reporting Guidelines for Special Districts. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Basis of Presentation:

Government – Wide Financial Statements:

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District does not have business-type or fiduciary funds.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of the category or type.
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Major Governmental Funds:

General Fund: is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another funds.

Capital Outlay Fund: accounts for all resources for the acquisition of capital assets and facilities by the District. Recorded income sources include resources received from developer impact fees assessed under provisions of the California Environmental Quality Activity (CEQA), sublease rental income, and interest income.

Nonmajor Governmental Funds:

Special Reserve Fund: is funded upon the direction of the District's governing board. It was established to pay for benefits accrued to former District employees.

Fire Facility Fund: Mitigate effects of new development.

B. Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus:

On the statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the governmental fund balance sheet and the statement of governmental fund revenues, expenditures, and changes in fund balances, the "current financial resources" measurement focusses or the "economic resources" measurement focus is used as appropriate.

- a. The "current financial resources" measurement focus is used when accounting for all governmental funds. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

- a. The accounting objectives of the “economic resources” measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and all liabilities (whether current or noncurrent) associated with the operation of these funds are reported.

Basis of Accounting:

In the statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place.

In the governmental funds balance sheet and the statement of governmental fund revenues, expenditures, and changes in fund balances, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

C. Budgetary Data:

Under GASB 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The District is not legally required to adopt a budget for special revenue funds; therefore, budget comparison information is not included for major special revenue funds.

Annual budgets are adopted for the general fund on a basis consistent with generally accepted accounting principles. In accordance with the by-laws established by the JPA Agreement, the District’s governing board must adopt a final budget within the first 90 days of the fiscal year. The District’s governing board satisfied this requirement. The Board of Directors is not required to revise the budget for amounts exceeding the original budgetary amounts. There were no budget revisions for the District during the year ended June 30, 2022.

D. Assets, Liabilities, and Equity/Net Position:

Cash:

The District’s cash consists of cash on hand and cash in the San Joaquin County Treasury. The County pools these funds with those of other Districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value and are displayed on the financial statements as cash in county treasury.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

E. Assets, Liabilities, and Equity/Net Position (Continued):

Capital Assets and Depreciation:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are reported at historical cost or estimated historical cost, including net interest cost during the construction period of capital assets. Donated assets are reported at their estimated fair value as of the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized but are expensed as incurred.

Depreciation on all capital assets is computed using straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Assets</u>	<u>Estimated Useful Life in Years</u>
Land		N/A
Buildings	Fire Station, Garage, Tower	50
Equipment	Pumpers, Firefighting Equipment Automobiles, Pickups Defibrillator System, Gas Monitors	3-10

Long-Term Obligations:

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

Net Position:

Net position represents the difference between assets and liabilities and are displayed in the three components: 1) Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. 2) Restricted net position constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation. 3) Unrestricted net position consists of all other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 **FUND BALANCES:**

The governmental fund financial present fund balances based on classification that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Governing Board, the highest level of decision-making authority for the District. These amounts cannot be used for any other purpose unless the District Governing Board removes or changes the specific use by taking the type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Governing Board or through the Governing Board delegating this responsibility to the Clerk through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 2 **FUND BALANCES (Continued):**

Unassigned: This classification includes the residual fund balance for the general fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, assigned, and then unassigned.

NOTE 3 **CASH AND INVESTMENTS:**

The District maintains its cash in the San Joaquin County Treasury as part of the common investment pool, which total \$4,594,909 and \$6,630,692 as of June 30, 2022 and 2021, respectively, in accordance with GASB Statement No. 31. The fair market value of the investment pool as of June 30, 2022 and 2021 was \$4,594,909 and \$6,630,692, respectively. In addition, the District also has outside bank account with Bank of Stockton. The book value of the outside bank account is \$2,528,044 on June 30, 2022.

The District is considered to be an involuntary participant in the external investment pool. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The County is restricted by Government Code Section 53635 et seq. pursuant to Section 53601 et seq. to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The investment policy for the San Joaquin County Treasury prohibits reverse repurchase securities and foreign investments. Due to constraint and standards imposed by GASB and the top rating agencies, the target weighted average maturity of the portfolio will be approximately one and one-half years. As per the Government Code Section 53601, investments cannot exceed a five-year maturity.

Investments by the District in investment pools are considered unclassified as to credit risk, because they are not evidenced by securities that exist in physical or book entry form. Investment in external investment pools and other pooled investments are excluded from the concentration of credit risk disclosure under GASB Statement No. 40.

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 rate.

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools. The County of San Joaquin issues a financial report that includes custodial credit risk disclosures for the Cash in County Treasury. The report may be obtained by writing to the San Joaquin County Treasurer, 44 North San Joaquin Street, Stockton, CA 95202.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 4 CAPITAL ASSETS:

The following table provides a summary of changes in capital assets.

<u>June 30, 2022</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2022</u>
Capital Assets, Not Depreciated:				
Land - Durham Ferry Rd	\$ 177,107	\$ -	\$ -	\$ 177,107
Equipment & Engine - In progress	-	1,162,591	-	1,162,591
Total Capital Assets, Not Depreciated	177,107	1,162,591	-	1,339,698
Capital Assets Depreciated:				
Buildings and Improvements:				
Station - 7th St.	82,128	-	-	82,128
Station - Linne Rd.	97,437	-	97,437	-
Station - Schulte Rd	918,771	-	-	918,771
Station - Durham Ferry Rd.	1,437,707	-	-	1,437,707
Equipment	2,679,598	-	-	2,679,598
Tower	200,000	-	-	200,000
Total Capital Assets Depreciated, Net	5,415,641	-	97,437	5,318,204
Less Accumulated Depreciation for:				
Buildings and Improvements	1,072,316	47,129	89,115	1,030,330
Equipment	1,535,407	175,276	-	1,710,683
Total Accumulated Depreciation	2,607,723	222,405	89,115	2,741,013
Governmental Activities Capital Assets, Net	\$ 2,985,025	\$ 940,186	\$ 8,322	\$ 3,916,889

<u>June 30, 2021</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2021</u>
Capital Assets, Not Depreciated:				
Land - Durham Ferry Rd	\$ 177,107	\$ -	\$ -	\$ 177,107
Total Capital Assets, Not Depreciated	177,107	-	-	177,107
Capital Assets Depreciated:				
Buildings and Improvements:				
Station - 7th St.	82,128	-	-	82,128
Station - Linne Rd.	97,437	-	-	97,437
Station - Schulte Rd	918,771	-	-	918,771
Station - Durham Ferry Rd.	1,437,707	-	-	1,437,707
Equipment	1,948,800	730,798	-	2,679,598
Tower	200,000	-	-	200,000
Total Capital Assets Depreciated, Net	4,684,843	730,798	-	5,415,641
Less Accumulated Depreciation for:				
Buildings and Improvements	1,024,782	47,534	-	1,072,316
Equipment	1,432,107	103,300	-	1,535,407
Total Accumulated Depreciation	2,456,889	150,834	-	2,607,723
Governmental Activities Capital Assets, Net	\$ 2,405,061	\$ 579,964	\$ -	\$ 2,985,025

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 5 LONG-TERM DEBTS:

Changes in Long-Term Debt:

The following summarized long-term debt activity for the years ended June 30, 2022 and 2021:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Capital Equipment - Community FNB - June 30, 2022	\$ 608,411	\$ 1,095,443	\$ 93,979	\$ 1,609,875	\$ 143,789
Capital Equipment - Community FNB - June 30, 2021	\$ -	\$ 697,682	\$ 89,271	\$ 608,411	\$ 93,979

Loans Payable:

In February 2020, the District has entered into an equipment lease purchase agreement with Community First National bank. The finance amount is \$697,681.75 and average maturity is 7 years with an interest of 3.03 percent per annum. The District yearly required payment amount is \$112,437.72.

In February 2022, the District has entered into an equipment lease purchase agreement with Community First National bank. The finance amount is \$326,042.55 and average maturity is 7 years with an interest of 2.52 percent per annum. The District yearly required payment amount is \$50,408.23.

In February 2022, the District has entered into an GPM Pumper lease purchase agreement with Community First National bank. The finance amount is \$769,400.67 and average maturity is 7 years with an interest of 2.52 percent per annum. The District yearly required payment amount is \$122,648.07.

Below is a schedule of payments summary:

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 143,789	\$ 19,357	\$ 163,146
2024	\$ 237,814	\$ 47,980	\$ 285,794
2025	\$ 253,172	\$ 32,622	\$ 285,794
thereafter,	\$ 975,100	\$ 65,847	\$ 1,040,947

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 6 **PROPERTY TAX REVENUE:**

The District's assessed property records are maintained by the San Joaquin County Auditor/Controller's office. The County has entered into an agreement with the special Districts within its borders, commonly known as the Teeter Plan. Under this plan, the District is apportioned and paid the total property taxes to which it is entitled each year. Any delinquent taxes are the responsibility of the County. The County collects and retains all delinquencies, including penalties and interest. Substantially all taxes are paid to the Districts in the year to which they accrue, therefore no receivables accrual or provision for uncollectible are being made. Property taxes are levied on both real and personal property. The property tax levy to support general operations of the District is limited to 1% of full cash value and is distributed in accordance with statutory formulas.

Amounts needed to finance the annual requirements of voter-approved debt are excluded from this limitation and are separately calculated and levied each fiscal year. District special assessments are collected and paid by the County under the Teeter Plan as explained above.

The rates adopted by the approval of the governing board of the District for the current fiscal year were as follows:

Residential dwellings, commercial residential, agricultural, commercial industrial, and the San Joaquin County River Club	\$	0.03	Per sq. ft.
Vacant residential lots, vacant commercial lots, and mobile home lots	\$	12.00	Per parcel
Waste lands, berms and SBE property	\$	10.00	Per parcel
Gas wells, hay barns, and loafing barns	\$	25.00	Per parcel
Vacant industrial lots	\$	250.00	Per parcel
Poultry containment buildings	\$	0.01	Per parcel
Tire storage facilities and/or wood chip storage	\$	1,500.00	Per parcel

NOTE 7 **JPA AGREEMENT SUMMARY:**

Under the terms of the new JPA Agreement, the South County Fire Authority ("Authority") is empowered to manage the fire prevention services for the City and District, also known as the Fire Department. The Authority is presently contracting for such services with the City of Tracy. Under the contract, the City is to administer the Fire Department under the direction of the JPA's Fire Chief and provide the necessary administrative support for its programs and operations. This includes providing personnel, fiscal, procurement, maintenance, and clerical support for all department activities on behalf of the Authority. The JPA Agreement contemplates that the JPA will eventually assume responsibility for all administration and employment of personnel.

Among other items, the Authority leases real and personal property belonging to the City and District. The Authority is responsible for operation and maintenance of this property, while the City and District are responsible for replacing or purchasing new property. The

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 7 JPA AGREEMENT SUMMARY (Continued):

City and District are also responsible for providing whatever insurance they deem appropriate for the property owned by each or jointly.

The dissolution agreement of the old JPA also provided for other terms, including:

- a) All existing contracts for goods, services and for equipment entered into by the old JPA are assigned to the new JPA.
- b) Balances owed by District to the City of Tracy are reduced as of June 30, 2018.
- c) City is entitled to full ownership of Station 92.
- d) If the District ceases to operate any Fire Station currently located in an overlapping jurisdiction area, the station will revert to the City.
- e) City will collect and dispense to District certain impact fees.

NOTE 8 INTERFUND TRANSACTIONS:

Interfund transactions are reported as loans, services provided reimbursements, or transfers. Loans are reported as Interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other Interfund transactions are treated as transfers.

Transfers among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Interfund Transfers:

Interfund transfers for the 2021/2022 fiscal year were as follows:

<u>Tranfers In</u>	<u>Amount</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	\$ 634,570	General Fund	\$ -
Capital Reserve Fund	-	Capital Reserve Fund	(434,570)
Special Revenue Fund	-	Special Revenue Fund	(200,000)
	<u>\$ 634,570</u>		<u>\$ (634,570)</u>

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 8 **INTERFUND TRANSACTIONS (Continued):**

Interfund transfers for the 2020/2021 fiscal year were as follows:

<u>Tranfers In</u>	<u>Amount</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	\$ 309,825	General Fund	\$ -
Capital Reserve Fund	-	Capital Reserve Fund	(509,825)
Special Revenue Fund	200,000	Special Revenue Fund	-
	<u>\$ 509,825</u>		<u>\$ (509,825)</u>

The above transfers were to establish the Special Revenue and Contingency Funds.

NOTE 9 **CONTINGENCIES:**

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; and natural disasters. The District purchases commercial insurance for general liability and management liability with coverage up to a maximum of \$3,000,000, subject to various policy limited generally ranging from \$5,000 to \$1,000,000 per occurrence.

NOTE 10: **DEFINED BENEFITS PENSION PLANS:**

The District is still responsible for retirement benefit cost for retirement benefits earned by the District's employees who became employees of the State of California during their employment period with the District; however, the State of California is responsible for the retirement benefit cost for any subsequent retirement benefits earned by those employees. As of June 30, 2022, the District did not have any active employees.

Plan Description, Benefits Provided and Employees Covered

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2020 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2020 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 10: DEFINED BENEFITS PENSION PLANS (Continued):

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process.

For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2021 measurement period was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. The collective total pension liability was based on the following assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds Contract COLA up to 2.50% until Purchasing Power
Post Retirement Benefit	Protection Allowance Floor on Purchasing Power applies

Discount Rate

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

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 10: DEFINED BENEFITS PENSION PLANS (Continued):

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

<u>Asset Class</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1 - 10</u>	<u>Real Return Years 11 +</u>
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0	1	2.62
Inflation Sensitive	0.0	0.77	1.81
Private Equity	8.0	6.3	7.23
Real Estate	13.0	3.75	4.93
Liquidity	1.0	-	(0.92)

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

	<u>Plan Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Plan Net Pension Liability/(Asset) (c) = (a) - (b)</u>
Balance at : 6/30/2021 (MD)	\$ 15,388,505	\$ 10,401,022	\$ 4,987,483
Balance at : 6/30/2022 (MD)	\$ 15,552,320	\$ 10,411,605	\$ 5,140,715
Net Changes during 2020-21	\$ (163,815)	\$ (10,583)	\$ (153,232)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	<u>Discount Rate - 1% (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>Discount Rate + 1% (8.15%)</u>
Plan's Net Pension Liability/(Asset) - 2022	\$ 7,234,065	\$ 5,140,715	\$ 3,421,252
Plan's Net Pension Liability/(Asset) - 2021	\$ 7,077,174	\$ 4,987,483	\$ 3,272,659

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 10: DEFINED BENEFITS PENSION PLANS (Continued):

PENSION EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS

For the fiscal years ended June 30, 2022 and 2021, Pension Expense recognized is as follows:

	<u>2022</u>	<u>2021</u>
Service Cost	\$ 732,569	\$ 359,443
Interest Cost	2,599,706	1,255,830
Changes of Benefits Terms	601	-
Recognized Difference Between Projected and Actual Earnings on Plan Investment	(1,916,052)	98,887
Employee Contributions		
Net Plan to Plan Resource Movement	(440,625)	(111,066)
Administrative Expense	27,277	18,113
Projected and Actual Earnings on Plan Investment	(937,750)	(90,234)
Other Miscellaneous Expenses	-	-
Difference between Expected & Actual Experience	532,632	199,751
Recognized Changes of Assumptions	<u>(32,494)</u>	<u>170,782</u>
Pension Expense	<u>\$ 565,864</u>	<u>\$ 1,901,506</u>

As of June 30, 2022, and 2021, the Tracy Rural Fire Protection District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources 2022</u>	<u>Deferred Inflows of Resources 2022</u>	<u>Deferred Outflows/ (Inflows) of Resources 2021</u>
Changes of Assumptions	\$ -	\$ -	\$ (16,616)
Difference Between Expected and Actual Experience	878,163	-	386,733
Difference Between Projected and Actual Earnings on Investments	-	3,060,298	108,405
Changes in Employer's Proportion	-	101,518	(129,089)
Differences Between Employer's Contribution and Proportionate Share of Contributions	725,971	122,673	(129,868)
Contributions Made Subsequent to the Measurement Date	<u>519,598</u>	<u>-</u>	<u>504,785</u>
Total	<u>\$ 2,123,732</u>	<u>\$ 3,284,489</u>	<u>\$ 724,350</u>

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 10: DEFINED BENEFITS PENSION PLANS (Continued):

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

<u>Measurement Period</u> <u>Ended June 30,</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources - 2022</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources - 2021</u>
2022	-	-
2023	(35,294)	111,463
2024	(152,831)	210,358
2025	(338,317)	146,298
2026	(738,233)	155,274
2027	103,918	100,957
Thereafter	-	-

NOTE 11 POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS:

In addition to the pension benefits described in note 10, the District's pay --as-you-go policy with PERS provides post-retirement health care benefits to all employees who retire from the District on or after attaining age 55 with at least 20 years of service. The District pays medical premiums for this eligible retiree.

NOTE 12 BOARD OF DIRECTORS:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Pete Reese	Chairman	December 2022
Jeff Ramsey	Vice Chair	December 2024
John Vierra	Director	December 2022
Matt Kopinski	Director	December 2024
Craig Miller	Director	December 2024

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

NOTE 13 **RELATED PARTY TRANSACTIONS:**

Under the JPA Agreement the District share of costs for services totaled \$9,527,364 and \$5,833,333 for the fiscal years ended June 30, 2022 and 2021, respectively.

Below is the summary of business consulting expenses for years ended June 30, 2022 and 2021:

<u>Business Name:</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Special District Financial Service	\$ 54,400	\$ 38,166
Natalie C. Brown	-	6,249
Raychel S. Jackson	-	4,166
	<hr/>	<hr/>
Total	<u>\$ 54,400</u>	<u>\$ 48,581</u>

NOTE 14 **SUBSEQUENT EVENTS:**

The District has evaluated subsequent to June 30, 2022, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through November 30, 2022, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that, no subsequent events occurred that require recognition or additional disclosures in the financial statements.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2022

	Original & Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 7,714,851	\$ 8,112,842	\$ 397,991
Property Assessments	1,581,850	1,580,268	(1,582)
State Property Taxes	53,633	52,671	(962)
Programs Revenues	192,223	560,270	368,047
Rent Income	36,400	4,480	(31,920)
Miscellaneous Income	-	27,585	27,585
Interest	15,902	5,753	(10,149)
	<hr/>	<hr/>	<hr/>
Total Revenues	9,594,859	10,343,869	749,010
EXPENDITURES			
Fire Services	8,820,000	9,527,364	(707,364)
Attorney	295,000	122,429	172,571
Auditor	7,000	6,725	275
County Tax Administration Charges	120,000	133,019	(13,019)
County Direct Assessment and AP Charges	15,000	15,756	(756)
Business Services	52,500	54,400	(1,900)
Miscellaneous	476,800	95,907	380,893
Director's Fees	20,000	17,300	2,700
Insurance - General Liability	40,000	32,667	7,333
Retirement (PERS)	586,839	522,252	64,587
	<hr/>	<hr/>	<hr/>
Total Expenditures	10,433,139	10,527,819	(94,680)
Excess (Deficiency) of Revenues over (under) Expenditures	(838,280)	(183,950)	654,330
OTHER FINANCIAL SOURCES (USES)			
Operating transfers in		634,570	
Fund Balance - July 1, 2021		<hr/>	4,318,724
Fund Balance - June 30, 2022		<hr/>	\$ 4,769,344

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2021

	<u>Original & Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Property Taxes	\$ 6,703,132	\$ 7,390,656	\$ 687,524
Property Assessments	1,445,817	1,486,473	40,656
State Property Taxes	42,000	50,597	8,597
Programs Revenues	4,000	-	(4,000)
Fee for Service	-	-	-
Miscellaneous Income	-	80,498	80,498
Interest	20,000	9,556	(10,444)
	<u>8,214,949</u>	<u>9,017,780</u>	<u>802,831</u>
Total Revenues			
EXPENDITURES			
Fire Services	6,168,618	5,881,816	286,802
Special Services	8,000	7,981	19
Attorney	288,000	203,802	84,198
Auditor	7,800	6,725	1,075
County Tax Administration Charges	120,600	110,187	10,413
County Direct Assessment and AP Charges	15,000	14,882	118
Business Services	50,000	48,581	1,419
Miscellaneous	74,000	33,682	40,318
Director's Fees	30,000	16,945	13,055
Insurance - General Liability	25,000	22,326	2,674
Retirement (PERS)	1,289,055	507,293	781,762
Election	5,000	-	5,000
Capital Outlay (Transfer)	300,000	33,116	266,884
Debt Service (Transfer)	112,438	-	112,438
	<u>8,493,511</u>	<u>6,887,336</u>	<u>1,606,175</u>
Total Expenditures			
Excess (Deficiency) of Revenues over (under) Expenditures	(278,562)	2,130,444	2,409,006
Operating transfers in		309,825	
Fund Balance - July 1, 2020		<u>1,878,455</u>	
Fund Balance - June 30, 2021		<u><u>\$ 4,318,724</u></u>	

TRACY RURAL FIRE PROTECTION DISTRICT
Schedules of Required Supplementary Information - Pension Plan
June 30,

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

	2022	2021	2020	2019	2018	2017	2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.02837%	0.02197%	0.02888%	0.02773%	0.02958%	0.02658%	0.02212%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 5,140,715	\$ 4,987,483	\$ 4,489,159	\$ 4,489,159	\$ 4,486,478	\$ 3,662,717	\$ 3,099,059
Plan's Covered-Employee Payroll							
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule of Plan Contributions

	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 519,781	\$ 522,154	\$ 472,117	\$ 428,584	\$ 302,887	\$ 218,980	\$ 204,694
Contributions in Relation to the Actuarially Determined Contribution	(519,781)	(522,154)	(472,117)	(428,584)	(302,887)	(218,980)	(204,694)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Covered-Employee Payroll
Contributions as a Percentage of Covered-Employee Payroll

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2020 as they have minimal cost impact.

Change in Assumptions: None

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Combining Balance Sheet
 NonMajor Special Revenue Funds
 June 30,

ASSETS	2022		
	Special Reserve Fund	Fire Facility Fund	Total
Cash in Treasury	\$ 18,894	\$ 453,324	\$ 472,218
Interest Receivable	-	605	605
Total Assets	18,894	453,929	472,823
LIABILITIES AND FUND BALANCES			
Liabilities	-	-	-
Total Liabilities	-	-	-
FUND BALANCES			
Assigned	18,894	453,929	472,823
Total Liabilities and Fund Balances	\$ 18,894	\$ 453,929	\$ 472,823

ASSETS	2021		
	Special Reserve Fund	Fire Facility Fund	Total
Cash in Treasury	\$ 218,894	\$ 433,500	\$ 652,394
Interest Receivable	-	390	390
Total Assets	218,894	433,890	652,784
LIABILITIES AND FUND BALANCES			
Liabilities	-	-	-
Total Liabilities	-	-	-
FUND BALANCES			
Assigned	218,894	433,890	652,784
Total Liabilities and Fund Balances	\$ 218,894	\$ 433,890	\$ 652,784

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Years Ended June 30,

	2022		
	Special Reserve Fund	Fire Facility Fund	Total
REVENUES			
Program Revenues	\$ -	\$ 18,378	\$ 18,378
Interest	-	1,661	1,661
Total Revenues	-	20,039	20,039
EXPENDITURES			
Employee Benefits	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	-	20,039	20,039
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (Out)	(200,000)	-	(200,000)
Total Other Financing Sources (Uses)	(200,000)	-	(200,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(200,000)	20,039	(179,961)
Fund Balances, July 1, 2021	218,894	433,890	652,784
Fund Balances, June 30, 2022	\$ 18,894	\$ 453,929	\$ 472,823

	2021		
	Special Reserve Fund	Fire Facility Fund	Total
REVENUES			
Program Revenues	\$ -	\$ 4,396	\$ 4,396
Interest	-	2,216	2,216
Total Revenues	-	6,612	6,612
EXPENDITURES			
Employee Benefits	127,332	-	127,332
Excess (Deficiency) of Revenues over (under) Expenditures	(127,332)	6,612	(120,720)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	200,000	-	200,000
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	200,000	-	200,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	72,668	6,612	79,280
Fund Balances, July 1, 2020	146,226	427,278	573,504
Fund Balances, June 30, 2021	\$ 218,894	\$ 433,890	\$ 652,784