

TRACY RURAL COUNTY FIRE

PROTECTION DISTRICT

Financial Statements
and
Independent Auditor's Report

For the Fiscal Years Ended June 30, 2021 and 2020

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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 24, 2021

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Statement of Net Position

June 30, 2021 and 2020

	2021	2020
	Governmental	Governmental
	Activities	Activities
ASSETS		
Cash on Hand and in County Treasury-Note 2	\$ 6,822,915	\$ 5,091,446
Accounts Receivable	129,723	5,200
Interest Receivable	6,167	18,862
Land-Note 4	177,107	177,107
Capital Assets, Net of Accumulated Depreciation-Note 4	2,807,918	2,227,954
Deferred Outflows of Resources- Note 10	1,076,468	1,104,746
	<hr/>	<hr/>
Total Assets	11,020,297	8,625,315
	<hr/>	<hr/>
LIABILITIES		
Current Liabilities		
Accounts Payable	14,572	25,040
Accrued Interest	4,615	-
Current Portion of Long-Term Debt-Note 5	93,979	-
	<hr/>	<hr/>
Total Current Liabilities	113,166	25,040
	<hr/>	<hr/>
Long-Term Liabilities		
Capital Lease - Note 5	514,432	-
Net Pension Liability- Note 10	4,987,483	4,967,593
Less: Current Portion	-	-
Deferred Inflows of Resources- Note 10	352,118	315,338
	<hr/>	<hr/>
Total-Long Term Liabilities	5,854,033	5,282,931
	<hr/>	<hr/>
Total Liabilities	5,967,199	5,307,971
	<hr/>	<hr/>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	2,470,593	2,405,061
Unrestricted	2,582,506	912,283
	<hr/>	<hr/>
Total Net Position	\$ 5,053,099	\$ 3,317,344
	<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, 2021 and 2020

	2021	2020
	Governmental	Governmental
	Activities	Activities
	<u> </u>	<u> </u>
EXPENDITURES/EXPENSES		
Fire Protection		
Operations	\$ 7,148,024	\$ 6,942,489
Depreciation	150,834	163,173
	<u> </u>	<u> </u>
Total Expenditures/Expenses	7,298,858	7,105,662
	<u> </u>	<u> </u>
PROGRAM REVENUES		
Charges for Services	4,396	270,007
	<u> </u>	<u> </u>
Net Program Expenses	7,294,462	6,835,655
	<u> </u>	<u> </u>
GENERAL REVENUES		
Property Taxes-Note 6	8,877,130	7,742,763
Homeowner Tax	50,597	48,385
Investment Earnings	25,150	72,616
Interest Expense	(27,782)	(9,762)
Rental Income	24,625	18,000
Miscellaneous Income	80,497	23,155
	<u> </u>	<u> </u>
Total General Revenues	9,030,217	7,895,157
	<u> </u>	<u> </u>
Changes in Net Position	1,735,755	1,059,502
Net Position - Beginning of Year	3,317,344	2,257,842
	<u> </u>	<u> </u>
Net Position - End of Year	\$ 5,053,099	\$ 3,317,344
	<u> </u>	<u> </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 2	\$ 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>\$ 6,958,804</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 3	-	1,968,110	-	1,968,110
Other Purposes-Note 3	-	-	652,784	652,784
Unassigned-Note 3	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>\$ 6,958,804</u>

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

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Balance Sheet
Governmental Funds
June 30, 2020

	<u>General Fund</u>	<u>Capital Outlay Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>2020 Total Governmental Funds</u>
ASSETS				
Cash on Hand and in Cash Treasury-Note 2	\$ 1,894,439	\$ 2,624,674	\$ 572,333	\$ 5,091,446
Accounts Receivable	-	5,200	-	5,200
Interest Receivable	9,055	8,636	1,171	18,862
 Total Assets	 <u>\$ 1,903,494</u>	 <u>\$ 2,638,510</u>	 <u>\$ 573,504</u>	 <u>\$ 5,115,508</u>
 LIABILITIES and FUND BALANCES				
Liabilities				
Accounts Payable	\$ 25,040	\$ -	\$ -	\$ 25,040
 Total Liabilities	 <u>25,040</u>	 <u>-</u>	 <u>-</u>	 <u>25,040</u>
 FUND BALANCES				
Assigned to:				
Acquisition of Capital Assets-Note 3	-	2,638,510	-	2,638,510
Other Purposes-Note 3	-	-	573,504	573,504
Unassigned-Note 3	1,878,454	-	-	1,878,454
 Total Fund Balances	 <u>1,878,454</u>	 <u>2,638,510</u>	 <u>573,504</u>	 <u>5,090,468</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,903,494</u>	 <u>\$ 2,638,510</u>	 <u>\$ 573,504</u>	 <u>\$ 5,115,508</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, 2021 and 2020

	2021	2020
Total Fund Balances-Governmental Funds	\$ 6,939,618	\$ 5,090,468
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.		
	2021	2020
Capital Assets at Historical Cost:	5,592,748	4,861,950
Accumulated Depreciation	(2,607,723)	(2,456,889)
Capital Assets - Net of Depreciation	2,985,025	2,405,061
Pension Deferred Charges	1,076,468	1,104,746
Net Pension Liability	(4,987,483)	(4,967,593)
Pension Deferred Credits	(352,118)	(315,338)
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	(608,411)	-
Net Position of Governmental Activities	\$ 5,053,099	\$ 3,317,344

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
Rent Income	-	24,625	-	24,625
Miscellaneous Income	80,498	-	4,396	84,894
Loan proceeds	-	697,682	-	697,682
Interest	9,556	13,378	2,216	25,150
Total Revenues	9,017,781	735,685	6,612	9,760,077
EXPENDITURES				
Fire Protection				
Fire Services-Note 13	5,881,816	-	-	5,881,816
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	6,887,336	896,260	127,332	7,910,928
Excess of Revenues Over (under) Expenditures	2,130,445	(160,575)	(120,720)	1,849,150
OTHER FINANCIAL SOURCES (USES)				
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	(509,825)	200,000	-
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 01, 2020	1,878,454	2,638,510	573,504	5,090,468
Fund Balance, June 30, 2021	\$ 4,318,724	\$ 1,968,110	\$ 652,784	\$ 6,939,618

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, 2020

	General Fund	Capital Outlay Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes-Note 6	\$ 6,357,144	\$ -	\$ -	\$ 6,357,144
Property Assessments-Note 6	1,385,619	-	-	1,385,619
State Property Taxes-Note 6	48,385	-	-	48,385
Licenses, Permits and Franchise Fees	4,813	-	-	4,813
Rent Income	-	18,000	-	18,000
Miscellaneous Income	18,342	-	270,007	288,349
Interest	24,962	44,954	2,700	72,616
Total Revenues	7,839,265	62,954	272,707	8,174,926
EXPENDITURES				
Fire Protection				
Fire Services-Note 13	5,744,807	-	-	5,744,807
Insurance	20,719	-	-	20,719
Tax Administration Service Charge	111,930	-	-	111,930
Miscellaneous	302,561	-	-	302,561
Employee Benefits (PERS)	457,428	-	-	457,428
Capital Outlay-Note 4	-	31,240	-	31,240
Debt Service:				
Principal-Note 5	-	195,192	-	195,192
Interest	-	9,761	-	9,761
Total Expenditures	6,637,445	236,193	-	6,873,638
Excess of Revenues Over (under) Expenditures	1,201,820	(173,239)	272,707	1,301,288
OTHER FINANCIAL SOURCES (USES)				
Operating Transfers In-Note 8	-	250,000	100,000	350,000
Operating Transfers Out-Note 8	(350,000)	-	-	(350,000)
Total Other Financing Sources (Uses)	(350,000)	250,000	100,000	-
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	851,820	76,761	372,707	1,301,288
Fund Balances, July 1, 2019	1,026,634	2,561,749	200,797	3,789,180
Fund Balance, June 30, 2020	\$ 1,878,454	\$ 2,638,510	\$ 573,504	\$ 5,090,468

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, 2021 and 2020

	2021	2020
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	\$ 1,849,150	\$ 1,301,288
<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>		
	2021	2020
Expenditures for Capital Outlay	730,798	-
Depreciation Expense	(150,834)	(163,173)
Net (Decrease) Increase	579,964	(163,173)
<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>		
	2021	2020
Proceeds from Long-Term Debt	(697,682)	-
Principle Payment of Long-Term Debt	89,271	195,192
Net Increase	(608,411)	195,192
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.	(84,947)	(273,805)
Changes in Net Position-Governmental Activities	\$ 1,735,756	\$ 1,059,502

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

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

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 Financial Statements

June 30, 2021 and 2020

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 Financial Statements

June 30, 2021 and 2020

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 focus 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 Financial Statements

June 30, 2021 and 2020

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, 2021.

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 Financial Statements

June 30, 2021 and 2020

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 represent 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 Financial Statements

June 30, 2021 and 2020

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 CASH AND INVESTMENTS:

The District maintains its cash in the San Joaquin County Treasury as part of the common investment pool, which total \$6,630,692 and \$4,892,131 as of June 30, 2021 and 2020, respectively, in accordance with GASB Statement No. 31. The fair market value of the investment pool as of June 30, 2021 and 2020 was \$6,630,692 and \$4,892,131, respectively.

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 Financial Statements

June 30, 2021 and 2020

NOTE 3

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.

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.

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 4 CAPITAL ASSETS:

The following table provides a summary of changes in capital assets for the years ended June 30, 2021 and 2020:

June 30, 2021	Balance July 1, 2020	Additions and Transfers	Disposals and Transfers	Balance June 30, 2021
Capital Assets, Not Depreciated:				
Land - Durham Ferry Rd	\$ 177,107	\$ -	\$ -	\$ 177,107
Total Capital Assets, Not Depreciated	<u>177,107</u>	<u>-</u>	<u>-</u>	<u>177,107</u>
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	<u>4,684,843</u>	<u>730,798</u>	<u>-</u>	<u>5,415,641</u>
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	<u>2,456,889</u>	<u>150,834</u>	<u>-</u>	<u>2,607,723</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,405,061</u>	<u>\$ 579,964</u>	<u>\$ -</u>	<u>\$ 2,985,025</u>
June 30, 2020	Balance July 1, 2019	Additions and Transfers	Disposals and Transfers	Balance June 30, 2020
Capital Assets, Not Depreciated:				
Land - Durham Ferry Rd	\$ 177,107	\$ -	\$ -	\$ 177,107
Total Capital Assets, Not Depreciated	<u>177,107</u>	<u>-</u>	<u>-</u>	<u>177,107</u>
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	-	-	1,948,800
Tower	200,000	-	-	200,000
Total Capital Assets Depreciated, Net	<u>4,484,843</u>	<u>-</u>	<u>-</u>	<u>4,684,843</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	978,248	46,534	-	1,024,782
Equipment	1,315,468	116,639	-	1,432,107
Total Accumulated Depreciation	<u>2,293,716</u>	<u>163,173</u>	<u>-</u>	<u>2,456,889</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,368,234</u>	<u>\$ (163,173)</u>	<u>\$ -</u>	<u>\$ 2,405,061</u>

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 5 LONG-TERM DEBTS:

Changes in Long-Term Debt:

The following summarized long-term debt activity for the years ended June 30, 2021 and 2020:

	<u>Balance July 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30</u>	<u>Due Within One Year</u>
Capital lease-First Memorial Leasing - 2020	\$ 195,193	\$ -	\$ 195,193	\$ -	\$ -
Capital Equipment - Community FNB - 2021	\$ -	\$ 697,682	\$ 89,271	\$ 608,411	\$ 93,979

Loans Payable:

Capital lease payable in favor of America West Bank, to purchase 2014 Hi-Tech/Spartan Metro Star type 1 Pumper in amount of \$459,724, payable in annual installments of \$52,312, including interest at 2.840 percent per annum. As of June 30, 2021, the capital lease is fully paid off.

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. Below is a schedule of payments summary:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 93,979	\$ 18,459	\$ 112,438
2023	\$ 96,830	\$ 15,608	\$ 112,438
2024	\$ 99,768	\$ 12,670	\$ 112,438
thereafter,	\$ 317,835	\$ 19,478	\$ 337,313

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

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 6 **PROPERTY TAX REVENUE (Continued):**

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 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:

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 7 JPA AGREEMENT SUMMARY (Continued):

- 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 2020-2021 fiscal year were as follows:

<u>Transfers 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	<u>200,000</u>	Special Revenue Fund	<u>-</u>
	<u>\$ 509,825</u>		<u>\$ (509,825)</u>

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 8 INTERFUND TRANSACTIONS (Continued):

Interfund transfers for the 2019-2020 fiscal years were as follows:

<u>Tranfers In</u>	<u>Amount</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	\$ -	General Fund	\$ 350,000
Capital Reserve Fund	250,000	Capital Reserve Fund	-
Special Revenue Fund	<u>100,000</u>	Special Revenue Fund	<u>-</u>
	<u>\$ 350,000</u>		<u>\$ 350,000</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.

The District has removed the New Jerusalem station (located at the common address of West Durham Ferry Road and South Koster Road) and the Linne Road station from service and placed them on the market for sale or lease. Proceeds from the property sales will be used to replenish the District's capital fund and will be available for future capital needs. Rent income from the lease of the Linne Road Stations totaled \$26,625 and \$18,000 during the fiscal years ended June 30, 2021 and 2020, respectively. The carrying value of the station as of June 30, 2021 and 2020 is \$0.00.

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, 2021, 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, 2019 Annual

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 10: DEFINED BENEFITS PENSION PLANS (Continued):

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

Contribution Description

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

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2020 measurement period was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. 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 Protection Allowance Floor on Purchasing Power applies
Post Retirement Benefit	

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

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 10: DEFINED BENEFITS PENSION PLANS (Continued):

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.

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>Increase (Decrease) Plan Fiduciary Net Position (b)</u>	<u>Plan Net Pension Liability/(Asset) (c) = (a) - (b)</u>
Balance at : 6/30/2019 (MD)	\$ 15,338,563	\$ 10,370,970	\$ 4,967,593
Balance at : 6/30/2020 (MD)	\$ 15,388,505	\$ 10,401,022	\$ 4,987,483
Net Changes during 2019-20	\$ (49,942)	\$ (30,052)	\$ (19,890)

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) - 2021	\$ 7,077,174	\$ 4,987,483	\$ 3,272,659
Plan's Net Pension Liability/(Asset) - 2020	\$ 7,069,533	\$ 4,967,593	\$ 3,244,300

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 10: DEFINED BENEFITS PENSION PLANS (Continued):

PENSION EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS

For the fiscal year ended June 30, 2021 and 2020, Pension Expense recognized is as follows:

	<u>2021</u>	<u>2020</u>
Service Cost	\$ 359,443	\$ 365,772
Interest Cost	1,255,830	1,262,133
Changes of Benefits Terms	-	-
Recognized Difference Between Projected and Actual		
Earnings on Plan Investment	98,887	(918,191)
Employee Contributions		-
Net Plan to Plan Resource Movement	(111,066)	(110,647)
Administrative Expense	18,113	9,280
Projected and Actual Earnings on Plan Investment	(90,234)	166,438
Other Miscellaneous Expenses	-	(30)
Difference between Expected & Actual Experience	199,751	136,753
Recognized Changes of Assumptions	<u>170,782</u>	<u>232,444</u>
Pension Expense	<u>\$ 1,901,506</u>	<u>\$ 1,143,952</u>

As of June 30, 2021, and 2020, 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 2021</u>	<u>Deferred Inflows of Resources 2021</u>	<u>Deferred Outflows/ (Inflows) of Resources 2020</u>
Changes of Assumptions	\$ -	\$ 16,616	\$ 163,876
Difference Between Expected and Actual Experience	386,733	-	324,338
Difference Between Projected and Actual Earnings on Investments	108,405	-	28,477
Changes in Employer's Proportion	-	129,089	(116,420)
Differences Between Employer's Contribution and Proportionate Share of Contributions	76,544	206,412	(68,341)
Contributions Made Subsequent to the Measurement Date	<u>504,786</u>	<u>-</u>	<u>457,428</u>
Total	<u>\$ 1,076,468</u>	<u>\$ 352,117</u>	<u>\$ 789,358</u>

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

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 Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources - 2021</u>	<u>Deferred Outflows/(Inflows) of Resources - 2020</u>
2021	-	387,732
2022	111,463	112,971
2023	210,358	216,011
2024	146,298	78,643
2025	155,274	-
2026	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. On June 30, 2020 one retiree met these eligibility requirements. The District pays medical premiums for this eligible retiree. During the fiscal years ended June 30, 2021 and 2020, expenditures of \$700 were recognized for post-retirement health care.

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 2022

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 13 **RELATED PARTY TRANSACTIONS:**

Under the JPA Agreement the District share of costs for services totaled \$5,833,333 and \$5,744,807 for the fiscal years ended June 30, 2021 and 2020, respectively.

Below is the summary of business consulting expenses for years ended June 30, 2021 and 2020:

<u>Business Name:</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Data Consulting	\$ -	\$ 9,516
Natalie C. Brown	6,249	21,872
Raychel S. Jackson	<u>42,332</u>	<u>21,872</u>
Total	<u>\$ 48,581</u>	<u>\$ 53,260</u>

NOTE 14 **SUBSEQUENT EVENTS:**

Management has evaluated subsequent events through November 24, 2021, the date these financial statements were available for release.

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
Licenses, Permits and Franchise Fees	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>9,017,781</u>	<u>802,832</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	
Operating transfers (out)		-	
Fund Balance - July 1, 2020		<u>1,878,454</u>	
Fund Balance - June 30, 2021		<u>\$ 4,318,723</u>	

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2020

	<u>Original & Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Property Taxes	\$ 5,613,743	\$ 6,357,144	\$ 743,401
Property Assessments	1,210,000	1,385,619	175,619
State Property Taxes	49,273	48,385	(888)
Licenses, Permits and Franchise Fees	45,000	4,813	(40,187)
Fee for Service	5,000	-	(5,000)
Miscellaneous Income	-	18,342	18,342
Interest	40,000	24,962	(15,038)
	<u>6,963,016</u>	<u>7,839,265</u>	<u>876,249</u>
Total Revenues			
EXPENDITURES			
Fire Services	5,367,543	5,744,807	(377,264)
Special Services	13,728	108,109	(94,381)
Attorney	50,000	76,335	(26,335)
Auditor	5,450	6,725	(1,275)
County Tax Administration Charges	120,000	98,024	21,976
County Direct Assessment and AP Charges	12,100	13,906	(1,806)
Business Services	36,162	53,259	(17,097)
Miscellaneous	10,000	45,538	(35,538)
Director's Fees	12,000	12,595	(595)
Insurance - General Liability	22,000	20,719	1,281
Retirement (PERS)	416,663	457,428	(40,765)
Election	2,500	-	2,500
Capital Outlay (Transfer)	52,312	-	52,312
Debt Service (Transfer)	233,215	-	233,215
	<u>6,353,673</u>	<u>6,637,445</u>	<u>(283,772)</u>
Total Expenditures			
Excess (Deficiency) of Revenues over (under) Expenditures	609,343	1,201,820	592,477
Operating transfers out		(350,000)	
Fund Balance - July 1, 2019		<u>1,026,634</u>	
Fund Balance - June 30, 2020		<u>\$ 1,878,454</u>	

TRACY RURAL FIRE PROTECTION DISTRICT
Schedules of Required Supplementary Information - Pension Plan
June 30, 2021

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

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plan's Proportion of the Net Pension Liability/(Asset)	0.07486%	0.07958%	0.07651%	0.07752%	0.08183%	0.08378%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 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%
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%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule of Plan Contributions

	Fiscal Year 2019-20	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16	Fiscal Year 2014-15
Actuarially Determined Contribution	\$ 522,154	\$ 472,117	\$ 428,584	\$ 302,887	\$ 218,980	\$ 204,694
Contributions in Relation to the Actuarially Determined Contribution	(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%

Notes to Schedule

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

Change in Assumptions: None

TRACY RURAL COUNTY FIRE PROTECTION DISTRICT

Combining Balance Sheet
 NonMajor Special Revenue Funds
 June 30,

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

ASSETS	2020		
	Special Reserve Fund	Fire Facility Fund	Total
Cash in Treasury	\$ 146,226	\$ 426,107	\$ 572,333
Interest Receivable	-	1,171	1,171
Total Assets	146,226	427,278	573,504
LIABILITIES AND FUND BALANCES			
Liabilities	-	-	-
Total Liabilities	-	-	-
FUND BALANCES			
Assigned	146,226	427,278	573,504
Total Liabilities and Fund Balances	\$ 146,226	\$ 427,278	\$ 573,504

