

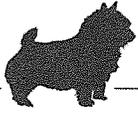
**SOUTH PLACER
FIRE DISTRICT**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
for the year ended June 30, 2022**

ROBERT W. JOHNSON
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
South Placer Fire District
Granite Bay, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of South Placer Fire District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of South Placer Fire District as of June 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's Office and State Regulations governing Special Districts.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South Placer Fire 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 South Placer Fire District's ability to continue as a going concern for twelve months after the date that financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Management has omitted the Management's Discussion and Analysis. Our opinion on the basic financial statements is not affected by this missing information. We have applied certain limited procedures to the other required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise South Placer Fire District 's basic financial statements. The accompanying supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Robert W. Johnson, An Accountancy Corporation

Citrus Heights, California

November 18, 2022

SOUTH PLACER FIRE DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
June 30, 2022

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS AND DEFERRED OUTFLOWS			
Cash and investments (Note 3)	\$4,855,474	\$ -	\$ 4,855,474
Accounts receivable (Note 4)	429,940	-	429,940
Prepaid expenses	8,271	-	8,271
Capital assets (Note 5)	-	18,668,668	18,668,668
Less, accumulated depreciation	<u>-</u>	<u>(7,200,876)</u>	<u>(7,200,876)</u>
Total assets	5,293,685	11,467,792	16,761,477
Deferred outflows (Notes 9 and 10):			
Pension related amounts	-	4,958,002	4,958,002
OPEB related amounts	<u>-</u>	<u>923,578</u>	<u>923,578</u>
Total assets and deferred outflows	<u>\$5,293,685</u>	<u>\$17,349,372</u>	<u>\$22,643,057</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
Accounts payable	\$ 317,078	\$ -	\$ 317,078
Accrued salaries and benefits	659,345	-	659,345
Compensated absences	484,306	-	484,306
Long-term debt (Note 6)	-	5,240,744	5,240,744
Net pension liability (Note 9)	-	3,437,844	3,437,844
Net OPEB liability (Note 10)	<u>-</u>	<u>3,663,661</u>	<u>3,663,661</u>
Total liabilities	1,460,729	12,342,249	13,802,978
Deferred inflows (Notes 9 and 10):			
Pension related amounts	-	8,660,094	8,660,094
OPEB related amounts	<u>-</u>	<u>160,395</u>	<u>160,395</u>

(continued)

See notes to financial statements

SOUTH PLACER FIRE DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET,
continued
June 30, 2022

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
FUND BALANCES/NET POSITION			
Fund balances (Note 8):			
Restricted (Note 7)	\$ 787,459	\$(787,459)	\$ -
Committed	2,917,787	(2,917,787)	-
Unassigned	<u>127,710</u>	<u>(127,710)</u>	<u>-</u>
Total fund balances	<u>3,832,956</u>	<u>(3,832,956)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$5,293,685</u>		
Net position (Note 8):			
Net investment in capital assets		\$ 10,907,048	\$ 10,907,048
Restricted		787,459	787,459
Unrestricted		<u>(11,674,917)</u>	<u>(11,674,917)</u>
Total net position/(deficiency)		\$ <u>19,590</u>	\$ <u>19,590</u>

See notes to financial statements

SOUTH PLACER FIRE DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
for the year ended June 30, 2022

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
Public protection	\$13,819,116	\$(2,929,970)	\$10,889,146
Support services	442,922	-	442,922
Debt service	274,410	(274,410)	-
Capital outlay	244,779	(244,779)	-
Depreciation	<u>-</u>	<u>608,208</u>	<u>608,208</u>
Total program expenditures/expenses	<u>14,781,227</u>	<u>(2,840,951)</u>	<u>11,940,276</u>
Program revenues:			
Ambulance services (Note 4)	1,747,537	-	1,747,537
Other misc. and GEMT	230,222	-	230,222
Fees and cost recovery	322,803	-	322,803
CFAA revenues	435,212	-	435,212
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total program revenues	<u>2,735,774</u>	<u>-</u>	<u>2,735,774</u>
General revenues:			
Tax revenue	9,070,472	-	9,070,472
Special tax	1,205,068	-	1,205,068
Loomis assessment	1,048,996	-	1,048,996
Mitigation fees	525,147	-	525,147
Cellular tower lease	94,353	-	94,353
Interest income	7,601	-	7,601
Other	<u>72</u>	<u>-</u>	<u>72</u>
Total general revenues	<u>11,951,709</u>	<u>-</u>	<u>11,951,709</u>
Excess of revenues (expenditures)/ changes in net position	<u>(93,744)</u>	<u>2,840,951</u>	<u>2,747,207</u>

(continued)

See notes to financial statements

SOUTH PLACER FIRE DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES, continued
for the year ended June 30, 2022

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Fund balances/net position (deficit):			
Beginning of year	\$ <u>3,926,700</u>	\$(<u>6,654,317</u>)	\$(<u>2,727,617</u>)
End of year	\$ <u>3,832,956</u>	\$(<u>3,813,366</u>)	\$ <u>19,590</u>

See notes to financial statements

SOUTH PLACER FIRE DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
COMPARED TO BUDGET
for the year ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance</u>
Revenues:			
Taxes revenue	\$ 8,904,442	\$ 9,070,472	\$ 166,030
Special tax	1,199,045	1,205,068	6,023
Ambulance service (Note 4)	1,700,000	1,747,537	47,537
Interest income	74,339	7,601	(66,738)
Mitigation fees	420,000	525,147	105,147
Homeland Security Grant	39,289	-	(39,289)
Other misc. and GEMT	146,775	230,222	83,447
Fees and cost recovery	180,500	322,803	142,303
Cellular tower lease	95,000	94,353	(647)
Loomis assessment	1,047,827	1,048,996	1,169
CFAA revenues	355,000	435,212	80,212
Other	<u>3,105</u>	<u>72</u>	<u>(3,033)</u>
 Total revenues	 <u>14,165,322</u>	 <u>14,687,483</u>	 <u>522,161</u>
Expenditures:			
Salaries and wages	6,145,041	5,903,339	241,702
Sellback (Admin.)	200,000	243,544	(43,544)
Callback/overtime	1,050,000	1,733,397	(683,397)
PERS retirement	1,796,065	1,785,806	10,259
OPEB funding	40,000	-	40,000
Employer 457 Def. Comp Match	25,000	27,173	(2,173)
Payroll taxes	120,013	123,665	(3,652)
Workers comp.	686,814	709,279	(22,465)
Agency share insurance	1,301,358	1,204,090	97,268
Labor legal	30,000	5,119	24,881
Uniform/cell allowance	66,000	46,849	19,151
Employee assistance program	6,000	5,196	804
CFAA expenditures	355,000	412,656	(57,656)

(continued)

See notes to financial statements

SOUTH PLACER FIRE DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES, continued
COMPARED TO BUDGET
for the year ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance</u>
Expenditures, continued:			
Audit	\$ 14,200	\$ 14,200	\$ -
Propane	3,000	2,279	721
Employee physicals	12,000	6,284	5,716
COP bond payments	371,298	371,298	-
Storage	2,000	-	2,000
Paramedic/EMT cert. classes	6,000	4,867	1,133
Ambulance billing service	115,000	147,639	(32,639)
Garbage	9,500	9,495	5
Gas & electric	80,000	88,177	(8,177)
Insurance (FAIRA)	103,033	113,433	(10,400)
Memberships & subs.	10,000	16,230	(6,230)
News publications	1,000	840	160
Sewer	6,300	6,713	(413)
Telephone	63,000	71,127	(8,127)
Training supplies	7,000	921	6,079
Business & conference	4,000	4,601	(601)
Education & training	20,000	18,627	1,373
Water	14,000	14,578	(578)
Laundry	1,700	1,458	242
Legal & consulting	90,000	124,010	(34,010)
Prevention consulting fees	42,000	45,689	(3,689)
Petty cash fund	250	-	250
Pre-employment testing	14,000	15,669	(1,669)
Medical waste disposal	4,000	3,390	610
Physio control contract	18,000	15,066	2,934
County charges	180,000	186,724	(6,724)
Elections	30,000	-	30,000
Public education	2,000	451	1,549
Incident supplies	10,000	6,763	3,237
Awards & recognition	2,000	2,034	(34)
Telestaff User mtce. fee	18,000	37,871	(19,871)
Cleaning supplies	12,000	9,814	2,186
Copy machine contract	16,000	21,617	(5,617)
Computer service	40,000	46,868	(6,868)

(continued)

See notes to financial statements

SOUTH PLACER FIRE DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES, continued
COMPARED TO BUDGET
for the year ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance</u>
Expenditures, continued:			
Fire prevention supplies	\$ 8,000	\$ 8,210	\$(210)
Fuel & oil	64,000	110,284	(46,284)
Medical supplies	105,000	99,413	5,587
Miscellaneous	885	37	848
Office supplies	8,000	6,751	1,249
Oxygen	5,000	7,775	(2,775)
Postage	2,000	1,861	139
Uniform supplies	13,000	10,008	2,992
Firefighting supplies	22,000	17,800	4,200
Radio/Firecom repairs	8,000	9,231	(1,231)
Automotive repairs	109,000	117,856	(8,856)
Facilities maintenance	80,000	68,217	11,783
SCBA & compressor mtce.	7,260	6,698	562
Turnout clothing mtce.	5,000	3,493	1,507
Extinguisher service	1,200	1,160	40
Outside services	1,200	848	352
Bad debt provision	50,000	173,096	(123,096)
Mitigation capital expenditures	356,451	222,082	134,369
Fixed assets-minor	34,030	15,968	18,062
Capital expenditures	135,660	291,593	(155,933)
Contingency	<u>-</u>	<u>-</u>	<u>-</u>
 Total expenditures	 <u>14,158,258</u>	 <u>14,781,227</u>	 <u>(622,969)</u>
 Excess of revenues/ (expenditures)	 <u>\$ 7,064</u>	 <u>\$(93,744)</u>	 <u>\$(100,808)</u>

See notes to financial statements

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
for the year ended June 30, 2022

1. Organization:

South Placer Fire District (the “District”) was formed in 1952. The District serves Granite Bay, Loomis, Folsom Lake State Recreation Area, and portions of Penryn and Newcastle. The South Placer Fire District is an all-hazard response agency answering residential, commercial, and wildland fire alarms, emergency medical requests, including paramedic ambulance transport services, as well as general and technical rescue. The District also provides outreach, education, and prevention services through the Fire Marshall’s office to actively reduce risk to the community.

The District is a special district funded primarily by property tax, a special tax, and the District’s ability to generate revenue by providing ambulance service and contracting for other services. The District is governed by a seven-member board that provides oversight and direction to an organization of professional, apprentice, and volunteer employees operating out of five staffed stations. These stations are strategically located throughout the unincorporated areas of Southern Placer County and the Town of Loomis.

The mission of the South Placer Fire Protection District is to provide exceptional customer service to our community, and the men and the women of the District are privileged and proud to serve.

2. Summary of Significant Accounting Policies:

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local government organizations. The District’s significant accounting policies are described below.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes and

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

2. Summary of Significant Accounting Policies (continued):

Measurement Focus and Basis of Accounting, continued

assessments, grants, and donations. Under the accrual basis, revenue from property taxes and assessments are recognized in the fiscal year for which they are levied. Revenues from grants, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes and assessments, interest, grants, and charges for services are accrued when their receipt occurs within thirty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

The District has combined the statements of net position and the statement of activities, with the balance sheet and the statement of revenues, expenditures, and changes in fund balances, into two statements, the statement of net position and governmental funds balance sheet and the statement of activities and governmental fund revenues, expenditures, and changes in fund balances, for simplicity.

Government-wide Financial Statements

The statement of net position and statement of activities display information about the primary activities of the District. These statements include the financial activities of the overall District.

The statement of activities present direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program, and are clearly identifiable to a particular function. Program revenues include 1) charges for services and 2) grant and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements, governmental funds balance sheet and governmental fund revenues, expenditures, budgetary comparison, and changes in fund balances, provide information about the District's funds, which include only governmental funds.

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

2. Summary of Significant Accounting Policies (continued):

Measurement Focus and Basis of Accounting, continued

Fund Financial Statements, continued

The District reports a General Fund that is used to account for all financial resources except those required or designated by the Board of Directors to be accounted for in another fund.

The financial transactions of the District are reported in an individual fund in the fund financial statements. The fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures.

Investments

The District maintains cash balances with the Treasurer of Placer County in interest-bearing pooled investment accounts. Investments are reported at fair value.

Ambulance Accounts Receivable

Ambulance accounts receivable is stated at the amount the EMS Billing Service expects to collect from outstanding balances at year end. Balances that are still outstanding after use of reasonable collection efforts are written off through a 30% charge to the valuation allowance and a credit to ambulance accounts receivable.

Capital Assets

Capital assets are recorded at historical cost if purchased or constructed. Structures and equipment are depreciated using the straight-line method over their estimated useful lives.

Compensated Absences

Vested or accumulated vacation time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability. Sick pay is not vested.

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

2. Summary of Significant Accounting Policies (continued):

Budgets

In accordance with the provisions of Sections 13901 through 13906 of the California Health & Safety Code and other statutory provisions, commonly known as the Budget Act, the District prepares and legally adopts a final balanced budget for each fiscal year.

Revenue Recognition

The District receives revenues for performing emergency medical and ambulatory services to District residents. The District's policy for recognizing these revenues is billing and recording revenues as services are performed. Patient service revenues (ambulance revenues) are reported net of provisions for contractual allowances in the government-wide and fund financial statements.

Property Taxes

The District receives property taxes from Placer County. Property taxes receivable are recorded in the fiscal year for which the tax is levied based on the assessed value as of September 1 of the preceding fiscal year. They become a lien on the first day of the year they are levied. Secured property tax is levied on September 1 and due in two installments, on November 1 and March 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are levied on July 1, and become delinquent on August 31. The District elected to receive the property taxes from the County under the Teeter Bill Program. Under this Program, the District receives 100% of the levied property taxes in periodic payments, with the County assuming responsibility for delinquencies.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 expenditures during the reporting period. Actual results may differ from those estimates.

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

2. Summary of Significant Accounting Policies (continued):

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS.

Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows and outflows of resources and amortized as a component of pension expense.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the trustee for the plan. For this purpose, the OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future reporting period and will not be recognized as an outflow of resources (expense) until that future time.

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

2. Summary of Significant Accounting Policies (continued):

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future reporting period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Net Position

Net position is classified in the following categories:

Net Investment in capital assets – groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted – presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted – represents the net position of the District, which are not restricted or invested in capital assets net of related debt.

Fund Balance

Fund balance is classified in the following categories:

Restricted – includes fund balance amounts that are subject to externally enforceable legal restrictions or constrained for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed – includes fund balance amount that can only be used for specific purposes pursuant to constraints imposed by the formal actions of the District’s Board of Directors.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed.

Unassigned – includes fund balance which has not been classified within the above mentioned categories.

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

2. Summary of Significant Accounting Policies (continued):

Implementation of New GASB Pronouncement

GASB Statement No. 87, Leases

In June 2017, GASB issued Statement No. 87, to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

The District is a lessor on various cellular tower leases with annual rental income totaling approximately \$95,000.

District concluded that such leases do not meet the criteria as to specificity of lease terms to require the implementation of GASB No. 87. Had it been applicable, the implementation of the new leasing standard would have required the District to recognize leases receivable and deferred inflows of resources on the June 30, 2022 financial statements.

3. Cash and Investments:

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

	Balance June 30 <u>2022</u>
Imprest cash	\$ 250
Checking – general	168,723
Cash with County – general	3,899,042
– mitigation	<u>787,459</u>
	<u>\$4,855,474</u>

Cash and investments are classified as follows:

Unrestricted	\$4,068,015
Restricted	<u>787,459</u>
	<u>\$4,855,474</u>

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

3. Cash and Investments, continued:

The District maintains most of its funds in the County of Placer Pooled Investment Fund for the purpose of increasing interest earnings through pooled investment activities. Interest earned on the investment pool is allocated monthly. The Placer County Pooled Investment Fund is a pooled investment fund program governed by the County which monitors and reviews the management of public funds maintained in the investment pool in accordance with the County investment policy and California Government Code Section 53648 et. seq. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements.

At June 30, 2022, the carrying amount of the District's deposits with a bank was \$168,723 and the balance in financial institutions was \$174,773. The deposits are secured by federal depository insurance or are collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the District's name.

4. Accounts Receivable:

The District is under contract with a private EMS Billing Service to provide patient care reporting and ambulance billing. Accounts receivable at June 30, 2022 consist of:

Ambulance receivables		\$ 553,605
Deduct, allowance for bad debts		<u>166,082</u>
Net ambulance accounts receivable		387,523
Add, interest receivable (County)	\$ 1,847	
Accounts receivable - other	<u>40,570</u>	
		<u>42,417</u>
		<u>\$ 429,940</u>

Ambulance revenues are analyzed as follows:

Gross revenues		\$4,530,015
Deduct, contractual and other adjustments		<u>2,782,478</u>
Net revenues		<u>\$1,747,537</u>

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

5. Capital Assets:

Changes in capital assets for the year ended June 30, 2022 are as follows:

	<u>Balance, Beginning of year</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance, end of year</u>
Land	\$ 379,248	\$ -	\$ -	\$ 379,248
Buildings	9,080,238	186,136	-	9,266,374
Equipment	1,769,938	21,097	-	1,791,035
Apparatus	<u>7,194,465</u>	<u>37,546</u>	<u>-</u>	<u>7,232,011</u>
	<u>\$18,423,889</u>	<u>\$ 244,779</u>	<u>\$ -</u>	<u>\$18,668,668</u>

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

6. Long-Term Debt:

Long-term debt activities for the year ended June 30, 2022 consist of:

	<u>Balance</u> July 1, 2021	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance</u> June 30, 2022	<u>Principal</u> <u>Due Within</u> <u>One Year</u>	<u>Interest</u> <u>Due Within</u> <u>One Year</u>
2015 Certificates of Participation	\$4,815,000	\$ -	\$ 135,000	\$4,680,000	\$ 155,000	\$ 231,370
Two Pierce Enforcers	<u>700,154</u>	<u>-</u>	<u>139,410</u>	<u>560,744</u>	<u>136,682</u>	<u>9,476</u>
	<u>\$5,515,154</u>	<u>\$ -</u>	<u>\$ 274,410</u>	<u>\$5,240,744</u>	<u>\$ 291,682</u>	<u>\$ 240,846</u>

Certificates of Participation:

In 2015, the District issued \$5,375,000 of Certificates of Participation (Certificates) with an interest rate of 5.25%. These 2015 Certificates were issued to pay the District's outstanding side fund obligation to California Public Employees' Retirement System (CalPERS) with respect to its Safety and Miscellaneous Plans. The Certificates also paid on the District's unfunded actuarial pre-2013 Safety and Miscellaneous Fund liabilities to CalPERS. Annual principal payments ranging from \$70,000 to \$490,000 are due on June 1 through June 1, 2037 and semi-annual interest payments are due on December 1 and June 1 through June 2037.

Equipment Financing:

In 2021, the District purchased two Pierce Enforcer Type 1 Pumpers. The five year purchase agreement with PNC Equipment Financing requires an annual payment of \$146,158 including an interest rate of 1.445% through January 2026. The loan is collateralized by the two Pierce Enforcers.

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

6. Long-Term Debt, continued:

The future annual maturities of all long-term borrowings as of June 30, 2022 are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 291,682	\$ 240,846	\$ 532,528
2024	313,992	232,569	546,561
2025	326,341	223,220	549,561
2026	348,729	213,154	561,883
2027	230,000	201,244	431,244
2028-2032	1,525,000	822,625	2,347,625
2033-2037	<u>2,205,000</u>	<u>359,888</u>	<u>2,564,888</u>
	<u>\$5,240,744</u>	<u>\$2,293,546</u>	<u>\$7,534,290</u>

7. Mitigation Fees:

Activities of the mitigation reserve for 2021-22 follows:

Balance, 7/1/21		\$ 457,584
Add, mitigation fees	\$ 525,147	
interest income	<u>1,717</u>	
	526,864	
Deduct, provided for capital items	<u>196,989</u>	
		<u>329,875</u>
Balance, 6/30/22		<u>\$ 787,459</u>
Cash on hand:		
County		<u>\$ 787,459</u>

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

8. Equity:

General Fund:

Restricted for:

Mitigation reserve \$ 787,459

Committed for:

Imprest cash reserve	\$ 250	
Facilities reserve	316,487	
Apparatus reserve	404,873	
Major equipment reserve	89,598	
Contingency reserve	410,000	
Facilities reserve – Loomis	1,561,261	
Apparatus reserve – Loomis	96,832	
Major equipment reserve – Loomis	34,029	
Contingency reserve - Loomis	<u>4,457</u>	2,917,787

Unassigned 127,710

\$ 3,832,956

Statement of Net Position/Deficiency:

Net investment in capital assets \$ 10,907,048

Restricted:

Mitigation reserve 787,459

Unrestricted:

Board designated:

Imprest cash reserve	\$ 250
Facilities reserve	316,487
Apparatus reserve	404,873
Major equipment reserve	89,598
Contingency reserve	410,000
Facilities reserve – Loomis	1,561,261
Apparatus reserve – Loomis	96,832
Major equipment reserve – Loomis	34,029
Contingency reserve - Loomis	<u>4,457</u>
	2,917,787

Undesignated (14,592,704) (11,674,917)

\$ 19,590

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

9. Defined Benefit Retirement Plan:

A. General Information About the Pension Plan

Plan Description

The District contributes to the California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer defined benefit pension plan. The District participates in the miscellaneous 3% at age 55 risk pool (safety) and 3.0% at age 60 risk pool (miscellaneous). Effective on January 1, 2013, in accordance with Public Employees' Pension Reform Act (PEPRA), new employees who meet the definition of new member of CalPERS will have benefit formulas calculated as (safety) 2.7% at age 57 and (miscellaneous) 2% at age 62.

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public employers within the State of California. CalPERS require agencies with less than 100 active members in the plan to participate in the risk pool. All District permanent employees are eligible to participate in the System. Benefits vest after five years of service. Pre-PEPRA (December 31, 2012 and earlier hires) District employees who retire at age 50 to 55 and with over 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.40 to 3.00 percent of their average salary (safety) during their last highest year of employment and 2.00 to 2.50 percent (miscellaneous). Employees hired on or after January 1, 2013 use last highest three years of employment to determine retirement benefit.

A menu of benefits provision as well as other requirements is established by State Statutes within the Public Employees Retirement Law. The plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through District resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS executive Office, 400 P Street, Sacramento, California, 95814.

Funding Policy

Covered employees are required by statute to contribute 9 to 11.5% percent (safety) and 6.25 to 8 percent (miscellaneous) of their salary to the plan after a formula to coordinate with Social Security. The District is required by the same statute to contribute the remaining amounts necessary to pay benefits when due; however, the employees paid all employees' share. The District is required to contribute at an actuarially determined rate.

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

9. Defined Benefit Retirement Plan, continued:

Funding Policy, continued

The contribution requirements of the plan members and the District are established and may be amended by CalPERS.

In 2015, the District contributed an additional \$5,039,967 to pay the 6/30/15 Side Fund and Share of Pre-2013 Pool UAL. The contribution was funded by the issuance of Certificates of Participation.

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

	<u>Safety</u>	<u>Miscellaneous</u>	PEPRA <u>Safety Plan</u>	PEPRA <u>Miscellaneous</u>
Benefit formula	3% at 55	3% at 60	2.7% at 57	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50 to 55+	50 to 60+	50-57+	52+
Monthly benefits, as a % of eligible compensation	2.4% to 3.0%	2.0% to 3.0%	2-2.7%	1-2.5%
Required employee contribution rates	9%	8%	13%	6.75%
Required employer contribution rates	21.790%	15.250%	13.130%	7.590%

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

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

9. Defined Benefit Retirement Plan, continued:

Contributions, continued –

For the year ended June 30, 2022, District’s contributions to the Plan were as follows:

	<u>Safety & Miscellaneous</u>
Contributions – employer	\$ <u>1,785,806</u>

B. *Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:*

As of June 30, 2022, the District reported net pension liability for the District as follows:

Net pension liability	\$ <u>3,437,844</u>
-----------------------	---------------------

The District’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District’s proportionate share of the net pension liability for the Plan as of June 30, 2021 was as follows:

	<u>Miscellaneous Plan</u>
Proportion – June 30, 2020	0.0190%
Proportion – June 30, 2021	<u>0.0163%</u>
Change – Increase/(Decrease)	<u>-0.0027%</u>
	<u>Safety Plan</u>
Proportion – June 30, 2020	0.1616%
Proportion – June 30, 2021	<u>0.0892%</u>
Change – Increase/(Decrease)	<u>-0.0724%</u>

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 For the year ended June 30, 2022

9. Defined Benefit Retirement Plan, continued:

B. *Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:*

For the year ended June 30, 2022, the District recognized pension expense of \$(995,804). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ -	\$ -
Diff. between expected and actual experience	1,524,998	-
Net diff. between projected and actual earnings on pension plan investments	-	5,611,451
Changes in proportion and differences between District contributions and proportionate share of employer contributions	1,647,198	3,048,643
District contributions subsequent to the measurement date	<u>1,785,806</u>	<u>-</u>
	<u>\$4,958,002</u>	<u>\$ 8,660,094</u>

\$1,785,806 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended June 30, 2023. Other following amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>Annual Amortization</u>
2023	\$(1,298,631)
2024	(1,295,944)
2025	(1,351,743)
2026	(1,541,580)
Thereafter	-

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

9. Defined Benefit Retirement Plan, continued:

Actuarial Assumptions – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial Assumptions:	
Discount rate	7.15%
Inflation	2.50%
Payroll Growth	3.0%
Projected Salary Increase	3.3%-14.2%
Investment Rate of Return	7.15%
Mortality	2021 CalPERS mortality table, with adjustments for mortality improvements using Scale MP-2020

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

9. Defined Benefit Retirement Plan, continued:

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

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

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

9. Defined Benefit Retirement Plan, continued:

The table below reflects the expected real rate of return by asset class.

<u>Asset Class (a)</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1-10(b)</u>	<u>Real Return Years 11+(c)</u>
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	<u>1.0%</u>	0.00%	-0.92%
Total	<u>100%</u>		

- (a) In the System's AFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (b) An expected inflation of 2.00% used for this period.
- (c) An expected inflation of 2.92% used for this period.

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

1% Decrease	6.15%
Net Pension Liability	\$12,860,766
Current Discount Rate	7.15%
Net Pension Liability	\$ 3,437,844
1% Decrease	8.15%
Net Pension Liability	\$(4,305,040)

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

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

10. Other Post-Employment Benefits (OPEB):

Plan Description

The District provides post-employment health care benefits to eligible retirees and their eligible dependents who retire from the District at age 50 with at least five years of service, or become fully disabled while working. The District participates in the CalPERS Medical Program and retirees may enroll in one of the medical plans offered by CalPERS. Benefits continue throughout the lifetime of the retiring employee and his/her spouse, or registered domestic partner. The District will pay the full amount of the CalPERS medical premium for the retiree and spouse, but not to exceed \$858.08 per month.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Discount rate	6.15%
Inflation	2.75%
Payroll Increase	3.0%
Healthcare Trend	5.25%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.15%. The discount rate is based on the expected long-term rate of return on the invested assets.

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

10. Other Postemployment Benefits (OPEB), continued:

Change in Net OPEB Liability as of June 30, 2021

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Rollback balance at June 30, 2020	\$4,862,681	\$1,253,112	\$3,609,569
Changes recognized for the measurement period:			
Service cost	73,373	-	73,373
Interest	289,826	-	289,826
Differences between actual and expected experience	306,672	-	306,672
Assumption changes	-	-	-
Employer contributions	-	340,136	(340,136)
Net investment income	-	275,643	(275,643)
Benefits paid to retirees	<u>(300,136)</u>	<u>(300,136)</u>	<u>-</u>
Net changes during July 1, 2020 to June 30, 2021	<u>369,735</u>	<u>315,643</u>	<u>54,092</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$5,232,416</u>	<u>\$1,568,755</u>	<u>\$3,663,661</u>

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

The following presents the net OPEB liability with a discount rate 1% higher and 1% lower than assumed in the valuation:

	<u>Discount Rate 1% Lower 5.15%</u>	<u>Valuation Discount Rate 6.15%</u>	<u>Discount Rate 1% Higher 7.15%</u>
Net OPEB liability, June 30, 2021	\$4,351,769	\$3,663,661	\$3,098,893

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

10. Other Postemployment Benefits “OPEB”, continued:

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

The following presents the total OPEB liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation:

	1% Decrease <u>4.25% to 4.5%</u>	Trend rates <u>5.25% to 5.5%</u>	1% Increase <u>6.25% to 6.5%</u>
Net OPEB liability, June 30, 2021	<u>\$3,584,697</u>	<u>\$3,663,661</u>	<u>\$3,719,509</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$319,010. The values of deferred outflows and inflows of resources related to OPEB as of June 30, 2022 are:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 528,491	\$ -
Changes of assumptions	11,046	-
Net difference between projected and actual earnings on OPEB plan investments	20,254	160,395
District contributions subsequent to the measurement date	<u>363,787</u>	<u>-</u>
	<u>\$ 923,578</u>	<u>\$ 160,395</u>

\$363,787 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023.

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

10. Other Postemployment Benefits “OPEB”, continued:

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended <u>June 30</u>		
2023		\$ 37,436
2024		37,018
2025		37,783
2026		31,170
2027		70,887
Thereafter		185,102

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the Board of Directors. For the fiscal year ended June 30, 2022, the District did not fund the budgeted \$40,000 contribution. As of June 30, 2022, the District had accumulated \$1,357,528 in an irrevocable trust with PARS (Public Agency Retirement Services) toward the cost of future benefits.

11. Subsequent Events:

Management has evaluated subsequent events through November 18, 2022, the date these June 30, 2022 financial statements were available to be issued.

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

12. COVID-19:

In March 2020, the World Health Organization declared a global health pandemic of the Coronavirus Disease COVID-19. At the time, the District committed itself to maintain emergency service response to the community and other essential services to the South Placer Fire District. The impact of the pandemic was unprecedented with its reach and magnitude affecting all aspects of the District and still continuing into 2022. Our personnel have done an admirable job in mitigating the risk through effective exposure reduction and infection control, but the virus has impacted many members and their families. These impacts can be seen throughout the budget, affecting personnel and material costs. Overtime reached a record high as members were required to quarantine, isolated because of family needs, or were part of the State's unfunded mandate for COVID leave. Additionally, the costs of personal protective equipment, decontamination supplies, and the general inflation resulting from supply chain issues caused an increased financial burden to the District. With all of that said, the District was uninterrupted in its delivery of service to the community, and that is solely attributable to the dedication, perseverance, and hard work of the men and women of the South Placer Fire District.

13. Assessment:

The District put forward a proposed Benefit Assessment to the community that, if successful, would have increased District revenue by approximately \$2.5 million. These funds would bolster the District's operating revenue and provide funding to maintain the existing staffing model and the possibility of reopening station 16, which has been closed for several years. Without the funding, the District would need to make significant changes to operate within its existing budget. These messages were conveyed to the community through two town hall meetings, six open houses, and the ballot and voting material. Voting for the ballot started in late April, with the final day to vote on June 8th. The results of the vote were announced on July 13th, 2022, not passing by a margin of 47% for and 53% against. The lack of support for the assessment will result in operational changes in the next FY, including the reduction of personnel (through attrition), the closure of an additional station, and the relocation of resources to serve the District best.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTH PLACER FIRE DISTRICT
 SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET
 PENSION LIABILITY AND RELATED RATIOS

As of June 30, 2022

Last 10 years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.0636%	0.1063%	0.0960%	0.0888%
District's proportionate share of the net pension liability	\$3,437,844	\$11,566,739	\$9,833,883	\$8,560,939
District's covered – employee payroll	\$8,309,669	\$ 5,555,120	\$5,381,980	\$5,352,069
Proportionate share of the net pension liability as percentage of covered-employee payroll	41.37%	208.22%	182.72%	159.96%
Plan fiduciary net position as a percentage of the total pension liability	95.09%	82.07%	83.61%	84.30%

Changes in assumptions: None

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0787%	0.0717%	0.0506%	0.04557%
\$7,809,356	\$6,202,656	\$3,472,072	\$8,506,504
\$4,945,831	\$3,930,094	\$3,917,318	\$3,983,515
157.90%	157.82%	88.63%	262.31%
83.76%	85.06%	91.01%	77.32%

SOUTH PLACER FIRE DISTRICT
SCHEDULE OF CONTRIBUTIONS FOR PENSIONS
As of June 30, 2022
Last 10 years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution (actuarially determined)	\$1,785,806	\$ 898,376	\$ 828,340	\$ 773,241
Contributions in relation to the actuarially determined contributions	<u>1,785,806</u>	<u>898,376</u>	<u>828,340</u>	<u>773,241</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered – employee payroll	\$8,309,669	\$5,555,120	\$5,381,980	\$5,352,069
Contributions as a percentage of covered employee payroll	21.49%	16.17%	15.39%	14.45%
Notes to Schedule:				
Valuation date:	6/30/21	6/30/20	6/30/19	6/30/18

Methods and assumptions used to determine contribution rates:

Amortization method	Entry Age Normal Cost Method
Remaining amortization period	15 years
Asset valuation method	Market Value
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Discount rate	7.15% Net of Pension Plan Investment and Admin. Expenses

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 699,342	\$ 753,888	\$1,749,040	\$ 916,652
<u>699,342</u>	<u>753,888</u>	<u>2,148,756</u>	<u>916,652</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>(399,716)</u>	\$ <u>-</u>
\$4,945,831	\$3,930,094	\$3,917,318	\$3,372,003
14.14%	14.05%	20.70%	24.83%
6/30/17	6/30/16	6/30/15	6/30/14

SOUTH PLACER FIRE DISTRICT
SCHEDULE OF CONTRIBUTIONS FOR OPEB
As of June 30, 2022
Last 10 years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution (actuarially determined)	\$ 363,787	\$ 294,000	\$ 273,000	\$ 331,718
Contributions in relation to the actuarially determined contributions	<u>363,787</u>	<u>294,000</u>	<u>273,000</u>	<u>331,718</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered – employee payroll	\$7,976,458	\$7,620,717	\$7,243,269	\$7,129,638
Contributions as a percentage of covered employee payroll	4.56%	3.86%	3.77%	4.65%
Notes to Schedule:				
Valuation date:	6/30/21	6/30/20	6/30/19	6/30/18

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

2018

\$ 303,128

275,827

\$ 27,301

\$3,930,094

7.02%

6/30/17

SOUTH PLACER FIRE DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
As of June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability:			
Service cost	\$ 73,373	\$ 71,236	\$ 60,958
Interest	289,826	284,804	255,887
Differences between actual and expected experience	306,672	-	365,718
Changes of assumptions	-	-	15,918
Benefit payments to retirees	<u>(300,136)</u>	<u>(248,638)</u>	<u>(207,928)</u>
Net change in total OPEB liability	369,735	107,402	490,553
Total OPEB liability, beginning	<u>4,862,681</u>	<u>4,755,279</u>	<u>4,264,726</u>
Total OPEB liability, ending	5,232,416	4,862,681	4,755,279
Plan fiduciary net position			
Contributions – employer	\$ 340,136	\$ 288,638	\$ 287,928
Net investment income	275,643	39,140	66,993
Benefit paid to retirees	<u>(300,136)</u>	<u>(248,638)</u>	<u>(207,928)</u>
Administrative expense	<u>-</u>	<u>-</u>	<u>(0)</u>
Net change in plan fiduciary net position	315,643	79,140	146,993
Plan fiduciary net position - beginning	<u>1,253,112</u>	<u>1,173,972</u>	<u>1,026,979</u>
Plan fiduciary net position – ending	1,568,755	1,253,112	1,173,972
Net OPEB Liability - ending	<u>\$3,663,661</u>	<u>\$3,609,569</u>	<u>\$3,581,307</u>
Plan fiduciary net position as a percentage of the total OPEB liability	29.98%	25.77%	24.69%
Covered-employee payroll	\$7,976,458	\$7,620,717	\$7,243,269
Net OPEB liability as a percentage of covered- employee payroll	45.93%	47.37%	49.44%

Notes to Schedule:

Changes in assumptions: none

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

<u>2019</u>	<u>2018</u>
\$ 59,183	\$ 57,459
249,210	240,931
-	-
-	-
<u>(191,718)</u>	<u>(135,827)</u>
116,675	162,563
<u>4,148,051</u>	<u>3,985,488</u>
4,264,726	4,148,051
\$ 331,718	\$ 275,827
49,415	61,893
(191,718)	(135,827)
<u>(0)</u>	<u>(0)</u>
189,415	201,893
<u>837,564</u>	<u>635,671</u>
1,026,979	837,564
<u>\$3,237,747</u>	<u>\$3,310,487</u>
24.08%	20.19%
\$7,129,638	\$3,930,094
45.41%	84.23%

SUPPLEMENTAL INFORMATION

SOUTH PLACER FIRE DISTRICT
PRINCIPAL OFFICIALS
As of June 30, 2022

Board of Directors:

Gary Grenfell	President
Dan Bajtos	Vice President
Sean Mullin	Clerk
Mike Johnson	
Ken Musso	
Chris Gibson	
Terri Ryland	

Operations:

Mark Duerr	Fire Chief
Matt Feeley	Deputy Fire Chief
Katherine Medeiros	Business Manager
Katrina Hoop	Fire Inspector/Admin. Asst.
Barbara Leak	District Secretary
James Magnuson	Division Chief/EMS & Safety
Jeff Ingolia	Fire Marshal
Kelly Moretti	Battalion Chief
Brian Midtlyng	Battalion Chief
Matt VanVoltinburg	Battalion Chief

