

CLOVERDALE FIRE PROTECTION DISTRICT

Financial Statements

For the Fiscal Years Ended

June 30, 2023 and 2022



CLOVERDALE FIRE PROTECTION DISTRICT

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Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cloverdale Fire Protection District
Cloverdale, California

Opinions

We have audited the accompanying financial statements of the and for the years ended June 30, 2023, and 2022 and the related notes to the financial statements, which collectively comprise the Cloverdale Fire Protection District, basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Cloverdale Fire Protection District, as of June 30, 2023, and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special District. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cloverdale Fire Protection District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

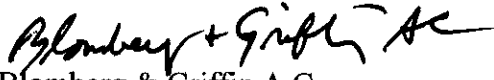
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on (pages 4 through 9) and changes in fund balance (pages 30-31) and Schedule of CalPERS (omitted) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management

about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Blomberg & Griffin A.C.
Stockton, CA

March 01, 2024

CLOVERDALE FIRE PROTECTION DISTRICT

Management Discussion and Analysis

June 30, 2023 and 2022

As management of the Cloverdale Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2023 and 2022. We encourage readers to consider the information presented here in conjunction with the District's financial statements and the accompanying notes to the basic financial statements.

Financial Highlights

June 30, 2023:

- The assets of the District exceeded their liabilities by \$8,066,592 (net position). This amount includes the unrestricted net position of \$1,119,324.
- The District's net position decreased by 1.86% or \$152,745. The decrease is the result of expenses exceeding revenue.
- The District reported a fund balance of \$2,095,335, a decrease of \$181,677 from the prior year.
- The District's reported long-term liabilities for \$1,484,629, a decrease of \$558,592. The long-term liabilities decreased due to a decrease in notes payable and pension-related adjustments.

June 30, 2022:

- The assets of the District exceeded their liabilities by \$8,219,337 (net position). This amount includes the unrestricted net position of \$1,315,677.
- The District's net position decreased by 2.08% or \$174,261. The decrease is the result of expenses exceeding revenue. The expenses increased due to pension-related adjustments.
- The District reported fund balance of \$2,277,012, an increase of \$165,434 from prior year.
- The District's reported long-term liabilities of \$2,043,221, an increase of \$277,077. The long-term liabilities increase due to notes payable and pension-related adjustments.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

CLOVERDALE FIRE PROTECTION DISTRICT

Management Discussion and Analysis

June 30, 2023 and 2022

Overview of the Financial Statements (Continued)

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected rental revenue and earned but unused vacation leave).

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are governmental funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District uses governmental funds to account for its activities, which include fire protection services in the district boundaries. The District adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

CLOVERDALE FIRE PROTECTION DISTRICT

Management Discussion and Analysis

June 30, 2023 and 2022

Overview of the Financial Statements (Continued)

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$ 8,066,592 and \$ 8,219,337 for the fiscal years ended June 30, 2023, and 2022, respectively.

The net position category labeled "Net investment in Capital Assets" reflects the District's investment in capital assets (e.g., land, buildings and improvements, and equipment) less accumulated depreciation and outstanding debt used for the acquisition of these assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

TABLE 1: NET POSITION

	June 30, 2023	June 30, 2022	June 30, 2021	2023 vs. 2022		2022 vs. 2021	
				\$	%	\$	%
Assets							
Current Assets and OPEB	\$ 2,303,424	\$ 2,569,142	\$ 2,675,426	\$ (265,718)	-10.34%	\$ (106,284)	-3.97%
Capital Assets - Net	7,561,619	7,653,157	7,209,749	(91,538)	-1.20%	443,408	6.15%
Deferred Outflows	731,560	800,923	391,924	(69,363)	-8.66%	408,999	100.00%
Total Assets	10,596,603	11,023,222	10,277,099	(426,619)	-3.87%	746,123	7.26%
Liabilities							
Current liabilities	158,024	182,076	110,023	(24,052)	-13.21%	72,053	65.49%
Non-current liabilities	1,484,629	2,043,221	1,766,144	(558,592)	-27.34%	277,077	15.69%
Deferred Outflows	887,358	578,588	7,334	308,770	53.37%	571,254	100.00%
Total Liabilities	2,530,011	2,803,885	1,883,501	(273,874)	-9.77%	5,213,434	48.55%
Net Position							
Invested in Capital Assets, net of related debt	6,947,268	6,903,660	6,940,454	43,608	0.63%	(36,794)	-0.53%
Unrestricted (Deficit)	1,119,324	1,315,677	1,453,144	(196,353)	-14.92%	(137,467)	-9.46%
Total Net Position	\$ 8,066,592	\$ 8,219,337	\$ 8,393,598	\$ (152,745)	-1.86%	\$ (174,261)	-2.08%

June 30, 2023, Governmental Activities – The District general fund decreased by \$181,677 to \$2,095,335 due to the result of expenditures exceeding revenues. The District's net position decreased by \$125,745. The reconciliation between the statement of net position and the balance sheet is provided on page 13.

CLOVERDALE FIRE PROTECTION DISTRICT

Management Discussion and Analysis

June 30, 2023 and 2022

Overview of the Financial Statements (Continued)

June 30, 2022 Governmental Activities – The District general fund increased by \$165,434 to \$2,277,012 due to the result of revenues exceeded expenditures. The District net position decreased by \$174,261. The reconciliation between statement of net position and balance sheet is provided on page 13.

TABLE 2: CHANGES IN NET POSITION

	June 30, 2023	June 30, 2022	June 30, 2021	2023 vs. 2022		2022 vs. 2021	
				\$	%	\$	%
Revenues							
Program Revenues	\$ 1,987,964	\$ 2,247,105	\$ 1,864,551	\$ (259,141)	100.00%	\$ 382,554	20.52%
Property Taxes	1,384,311	1,262,756	1,296,922	121,555	9.63%	(34,166)	-2.63%
Investment Earnings (Loss)	1,662	427	503	1,235	289.23%	(76)	-15.11%
Interest Expense	(18,654)	(22,136)	(7,674)	3,482	-15.73%	(14,462)	188.45%
Donations & Reimbursement	86,426	55,947	57,382	30,479	54.48%	(1,435)	-2.50%
Sales of Assets Gain (Loss)	-	(55,675)	(5,113)	55,675	0.00%	(50,562)	988.89%
Total Revenues	3,441,709	3,488,424	3,206,571	(46,715)	-1.34%	281,853	8.79%
Expenses							
Program Expenses:							
Salaries and Wages	2,855,818	2,831,135	2,103,800	24,683	0.87%	727,335	34.57%
Services and Supplies	502,368	587,061	390,933	(84,693)	-14.43%	196,128	50.17%
Depreciation Expense	236,268	244,489	239,775	(8,221)	-3.36%	4,714	1.97%
Total Expenses	3,594,454	3,662,685	2,734,508	(68,231)	-1.86%	928,177	33.94%
Change in Net Position	(152,745)	(174,261)	472,063	21,516	-12.35%	(646,324)	-136.91%
Net Position - Beginning of the Year	8,219,337	8,393,598	7,921,535	(174,261)	-2.08%	472,063	5.96%
Net Position - End of the Year	\$ 8,066,592	\$ 8,219,337	\$ 8,393,598	\$ (152,745)	-1.86%	\$ (174,261)	-2.08%

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with legal and governmental accounting requirements.

Governmental Funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

June 30, 2023 - The District's governmental fund reported an unassigned fund balance of \$2,095,335, a decrease of \$181,677 in comparison with the prior fiscal year. The District's unassigned fund balance represents 57.53% of the total general fund expenditures.

CLOVERDALE FIRE PROTECTION DISTRICT

Management Discussion and Analysis

June 30, 2023 and 2022

Financial Analysis of the Government's Funds (continued)

June 30, 2022 - The District's governmental fund reported an unassigned fund balance of \$2,277,012 an increase of \$165,434 in comparison with the prior fiscal year. The District's unassigned fund balance represents 56.53% of the total general fund expenditures.

General Fund Budgetary Highlights

June 30, 2023: There was a positive variance of \$211,697 between the final budget and actual amounts. The budgetary highlights for the fiscal year ended June 30, 2023, are as follows:

- Property tax revenue was higher by \$121,161.
- Intergovernmental revenues were higher by \$637,647.
- Salaries and benefits expenses were more than budget by \$570,442.
- Services and supplies expenses were less than the budget by \$199,432.

June 30, 2022: There was a positive variance of \$278,176 between the final budget and actual amounts. The budgetary highlights for the fiscal year ended June 30, 2022, are as follows:

- Property tax revenue was higher by \$25,206.
- Intergovernmental revenues were higher by \$871,443.
- Salaries and benefits expenses were more than budget by \$469,333.
- Services and supplies expenses were less than the budget by \$122,844.

All of these factors above were considered in preparing the District's budget for the fiscal year ending June 30, 2024.

Capital Asset and Debt Administration

Capital Assets: The District's investment in capital assets, as of June 30, 2023 and 2022, were as follows:

TABLE 3: CAPITAL ASSETS

	June 30, 2023	June 30, 2022	June 30, 2021	2023 vs. 2022		2022 vs. 2021	
				\$	%	\$	%
Capital Assets							
Land	\$ 270,378	\$ 270,378	\$ 270,378	\$ -	0.00%	\$ -	0.00%
Assets in Progress	611,907	611,907	-	\$ -	0.00%	\$ 611,907	100.00%
Building and Improvements	7,770,078	7,782,996	7,764,830	(12,918)	-0.17%	18,166	0.23%
Equipment and Vehicles	2,437,816	2,280,168	2,280,168	157,648	6.91%	-	0.00%
Accumulated Depreciation	(3,528,560)	(3,292,292)	(3,105,627)	(236,268)	7.18%	(186,665)	6.01%
Total Capital Assets - Net	\$ 7,561,619	\$ 7,653,157	\$ 7,209,749	\$ (91,538)	-1.20%	\$ 443,408	6.15%

Additional information on the District's capital assets can be found in note V.

CLOVERDALE FIRE PROTECTION DISTRICT

Management Discussion and Analysis

June 30, 2023 and 2022

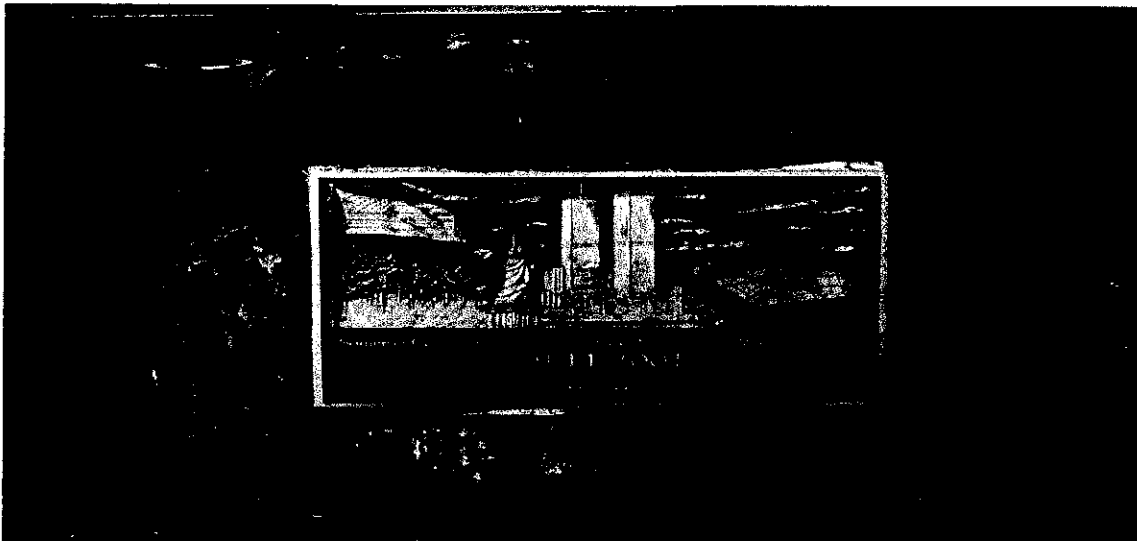
Non-Current Liabilities:

June 30, 2023 - At the end of the fiscal year ended June 30, 2023, the District had total non-current liabilities obligations of \$1,484,629. The non-current liabilities amount is comprised of \$218,004 of compensated absences, \$475,446 in notes payable, \$188,970 in deferred revenue, and \$602,209 in net pension liability.

June 30, 2022 - At the end of the fiscal year ended June 30, 2022, the District had total non-current liabilities obligations of \$2,043,221. The non-current liabilities amount is comprised of \$216,317 of compensated absences, \$616,341 in notes payable, \$243,210 in deferred revenue, and \$967,353 in net pension liability.

Request for Additional Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District, 451 S. Cloverdale Blvd, Cloverdale California 95425.



CLOVERDALE FIRE PROTECTION DISTRICT

Statement of Net Position

June 30, 2023 and 2022

	2023	2022
Assets & Deferred Outflows		
Current Assets:		
Cash and Investments	\$ 2,115,514	\$ 2,269,887
Cash with fiscal agent	5,598	23,687
Accounts Receivable	182,312	192,080
Flat Charges Receivable	-	83,488
Total Current Assets	2,303,424	2,569,142
Non-current Assets:		
Capital Assets (Net of Accumulated Depreciation)		
Land	270,378	270,378
TYPE I Engine - Deposits	611,907	611,907
Building and Improvements	5,641,415	5,797,563
Equipment	1,037,919	973,309
Total Non-Current Assets	7,561,619	7,653,157
Deferred Outflows of Resources:		
Deferred Outflow of Resources - Pension	731,560	800,923
Total Assets & Deferred Outflows	\$ 10,596,603	\$ 11,023,222
Liabilities & Deferred Inflows		
Current Liabilities		
Accounts Payable	\$ 14,385	\$ 42,695
Accrued Payroll	-	-
Accrued Interest Payable	4,734	6,225
Capital Leases Payable - Due within One Year	138,905	133,156
Total Current Liabilities	158,024	182,076
Non-Current Liabilities:		
Compensated Absences	218,004	216,317
Note Payable	475,446	616,341
Deferred Revenue - County Grants	188,970	243,210
Net Pension Liability	602,209	967,353
Total Non-Current Liabilities	1,484,629	2,043,221
Deferred Inflows of Resources:		
Deferred Inflows of Resources - Pension	887,358	578,588
Total Liabilities & Deferred Inflows	2,530,011	2,803,885
Net Position		
Net Investment in Capital Assets	6,947,268	6,903,660
Unrestricted	1,119,324	1,315,677
Total Net Position	\$ 8,066,592	\$ 8,219,337

The notes to the financial statements are an integral part of this statement.

CLOVERDALE FIRE PROTECTION DISTRICT

Statement of Activities

For the Fiscal Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Program Expenses		
Public Safety - Fire Prevention		
Salaries and Employee Benefits	\$ 2,855,818	\$ 2,831,135
Services and Supplies	502,368	587,061
Depreciation	236,268	244,489
Total Program Expenses	<u>3,594,454</u>	<u>3,662,685</u>
Program Revenues		
Charges for Services		
Grant Revenue	54,240	261,490
Intergovernmental Revenue	1,920,297	1,982,943
Licenses and Permits	13,427	2,672
Total Program Revenues	<u>1,987,964</u>	<u>2,247,105</u>
Net Program Revenues (Expenses)	(1,606,490)	(1,415,580)
General Revenues		
Property Taxes	1,384,311	1,262,756
Interest Income	1,662	427
Interest Expense	(18,654)	(22,136)
Sale of Asset Income (Expense)	-	(55,675)
Donation/Reimbursement	86,426	55,947
Total General Revenues	<u>1,453,745</u>	<u>1,241,319</u>
Change in Net Position	(152,745)	(174,261)
Net Position, Beginning of Year	<u>8,219,337</u>	<u>8,393,598</u>
Net Position, End of Year	<u>\$ 8,066,592</u>	<u>\$ 8,219,337</u>

The notes to the financial statements are an integral part of this statement.

CLOVERDALE FIRE PROTECTION DISTRICT

Balance Sheet
Governmental Fund
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and Investments	\$ 2,115,514	\$ 2,269,887
Cash with fiscal agent	5,598	23,687
Flat Charges Receivable	-	83,488
Accounts Receivable	182,312	192,080
	<hr/>	<hr/>
Total Assets	\$ 2,303,424	\$ 2,569,142
	<hr/>	<hr/>
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	\$ 14,385	\$ 42,695
Accrued Payroll	-	-
Accrued Interest	4,734	6,225
Deferred Revenue - County Grants	188,970	243,210
	<hr/>	<hr/>
Total Liabilities	208,089	292,130
	<hr/>	<hr/>
Fund balance:		
Unassigned	2,095,335	2,277,012
	<hr/>	<hr/>
Total Fund Balance	2,095,335	2,277,012
	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ 2,303,424	\$ 2,569,142
	<hr/>	<hr/>
Reconciliation of Balance Sheet to Statement of Net Position		
Fund balance - total government funds	\$ 2,095,335	\$ 2,277,012
Amount reported for governmental activities in the statement of net position is different because:		
Capital assets, net of accumulated depreciation and capital leases, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	7,561,619	7,653,157
Deferred pension charges not reported in funds balance sheet	731,560	800,923
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated Absences	(218,004)	(216,317)
Notes Payable	(614,351)	(749,497)
Deferred pension credits not reported in funds balance sheet	(887,358)	(578,588)
Net Pension liability not reported in funds balance sheet	(602,209)	(967,353)
	<hr/>	<hr/>
Net Position of Governmental Activities	\$ 8,066,592	\$ 8,219,337
	<hr/>	<hr/>

The notes to the financial statements are an integral part of this statement.

CLOVERDALE FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For Fiscal Years Ended June 30, 2023 and 2022

	2023	2022
Revenues		
Property Taxes	\$ 1,384,311	\$ 1,262,756
Licenses and Permits	13,427	2,672
Grant Revenue	54,240	261,490.00
Intergovernmental revenue	1,920,297	1,982,943
Interest Income	1,662	427
Donation/Reimbursement	86,426	55,947
Total Revenues	3,460,363	3,566,235
Expenditures		
Current:		
Salaries and Employee Benefits	2,841,141	2,528,233
Services and Supplies	502,368	587,061
Debt service:		
Principal	135,146	131,705
Interest	18,654	22,136
Capital Expenditures	144,731	758,573
Total Expenditures	3,642,040	4,027,708
Excess (Deficiency) of Revenues Over (Under) Expenditures	(181,677)	(461,473)
Other Financing Sources (Uses)		
Proceeds from Sale of Assets	-	15,000
Proceeds from Loan	-	611,907
Total Other Financing Sources (Uses)	-	626,907
Net Change in Fund Balance	(181,677)	165,434
Fund Balance, Beginning of Year	2,277,012	2,111,578
Fund Balance, End of Year	\$ 2,095,335	\$ 2,277,012

The notes to the financial statements are an integral part of this statement.

CLOVERDALE FIRE PROTECTION DISTRICT
 Reconciliation of the Statements of Revenues, Expenditures and
 Changes in Fund Balance of the Governmental Fund to the
 Statement of Activities

For the Fiscal Years Ended June 30, 2023 and 2022

Amounts reported for governmental activities in the statement of activities are different because:	<u>2023</u>	<u>2022</u>
Net change in fund - total governmental fund	\$ (181,677)	\$ 165,434
<p style="margin-left: 40px;">Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital asset addition	144,731	758,573
Capital asset deletion (net of accumulated depreciation)	-	(70,675)
Current year depreciation	(236,268)	(244,489)
<p style="margin-left: 40px;">Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Activities, While repayment of lease principal is an expenditure in the governmental funds, it reduces long-term liabilities in the Statement of Activities.</p>		
Long-term debt proceeds	-	(611,907)
Principal Payments	135,146	131,705
Pension expense adjustment for deferred items	(12,990)	(248,042)
Change in compensated absences reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	<u>(1,686)</u>	<u>(54,860)</u>
Change in Net Position of Governmental Activities	<u>\$ (152,745)</u>	<u>\$ (174,261)</u>

The notes to the financial statements are an integral part of this statement.

CLOVERDALE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Cloverdale Fire Protection District (the District) was formed in April 1994 under provisions of the California Fire Protection District Law of 1987 (Health and Safety Code Section 13800 et. seq.) to provide the citizens of the District fire protection, rescue, emergency medical, and hazardous material emergency response services. The District's governmental powers are exercised through a five-member Board of Directors.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or section and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CLOVERDALE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

I. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. Taxes, interest, and charges for services are considered to be available when receipt occurs within 365 days of the end of the accounting period so as to be both measurable and available. Licenses, permits, fines, forfeitures, and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Property taxes are considered to be available when their receipt occurs within sixty days of the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claim judgments are recorded only when payment is due.

Amounts recorded as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

D. Assets, Liabilities, and Net Position or Fund Balance

1. Cash and Investments

The District reports certain investments at fair value on the balance sheet and recognizes the corresponding change in the fair value of investments in the year in which the change occurred.

2. Receivables and Payables

a. Flat Charges Receivable

Flat charges collected are apportioned to the District to supplement property taxes collected for operating costs. Not all of the assessments are collected as of June 30, 2023, and 2022; therefore, the remainder of the uncollected assessments are considered flat charges receivable. As of June 30, 2023, and 2022, the flat charges receivable are \$-0- and \$83,488, respectively.

CLOVERDALE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

I. Summary of Significant Accounting Policies (Continued)

2. Receivables and Payables (Continued)

b. Property Taxes

The County of Sonoma is responsible for assessing, collecting, and distributing property taxes in accordance with state law. Liens on real property are established January 1 for the ensuing fiscal year. The property tax is levied as of July 1 on all taxable property located in the County of Sonoma. Secured property taxes are due in two installments, on November 1 and February 1, and are delinquent after December 10, and April 10, respectively. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

Since the passage of California's Proposition 13, beginning with the fiscal year 1978/1979, general property taxes are based either on a flat 1% rate applied to the 1975/1976 full value, or on 1% of the sales price of the property on sales transactions and construction after the 1975/1976 valuation. Taxable values on properties (exclusive of increases related to sales and construction) can rise at a maximum of 2% per year.

Included within the property tax revenue is \$506,108 in 2023 *and* \$892,078 in 2022 in Benefit Assessments collected. Benefit Assessments are types of flat charges applied to each parcel of property within the District, exclusive of the property value.

On June 30, 1993, the Board of Supervisors adopted the "Teeter" Method of property tax allocation. This method allocates property taxes based on the total property tax billed. At year-end, the County advances cash to each taxing jurisdiction equal to its current year's delinquent property taxes. In exchange, the County receives the penalties and interest on delinquent taxes when collected. The penalties and interest are used to pay the interest cost of borrowing the cash used for the advances.

c. Accrued Interest Payable

Accrued interest payable is interest expense that has been incurred but not yet paid. Accrued interest balance for fiscal years ending June 30, 2023, and 2022, is \$4,734 and \$6,225, respectively.

CLOVERDALE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

I. Summary of Significant Accounting Policies (Continued)

3. Capital Assets

Capital assets, which include land, buildings and building improvements, and equipment, are reported in the applicable governmental activity columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized. Buildings and building improvements and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and Improvements	10
Equipment	10-20

4. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation, administrative leave, and sick pay benefits. All vacation and administrative leave and 50% of sick pay are accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

5. Net Position

Net position is classified into three components – 1) net investment in capital assets, 2) restricted, and 3) unrestricted. These classifications are defined as follows:

- Net investment in capital assets – This category 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 the balance of this category.
- Restricted net position - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

CLOVERDALE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

I. Summary of Significant Accounting Policies (Continued)

5. Net Position (Continued)

- Unrestricted net position - This category represents net position of the entity, not restricted for any project or other purpose.
- When both restricted and unrestricted net position is available, restricted resources are used only after the unrestricted resources are depleted.

6. Fund Balance

In the fund financial statements, governmental funds report fund balance using the classifications listed in *GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions*. Initial distinction is made in reporting fund balance information identifying amounts that are considered nonspendable, such as fund balance associated with inventories. Spendable fund balance for the governmental fund consists of the following classifications:

- Restricted Fund Balance* - the portion of fund balance that can only be spent for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed Fund Balance* - the portion of fund balance whose use is subject to formal action of the government's highest-level decision-making authority. These commitments remain binding unless changed or removed by formal action of the Board as the formal authority that imposed the constraint. The underlying action that imposed, modified, or removed the limitation would need to occur no later than the close of the reporting period.
- Assigned* - the portion of fund balance that is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.
- Unassigned* - the residual amount of all general fund spendable resources not contained in the other classifications.

7. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the report's amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

CLOVERDALE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgetary revenue estimates represent original estimates modified for any authorized adjustment that was contingent upon new or additional revenue sources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. All budgets are adopted on a non-GAAP basis. The District's budgetary information was amended during the year by resolution of the Board of Directors.

III. Cash and Investments

A. Cash and Investments

The District follows the County's practice of pooling cash and investments of all funds with the County Treasurer, except for funds held by Summit Bank (for payroll distribution), and cash on hand used as a petty cash fund. Deposits with Summit Bank are FDIC insured up to \$250,000.

The amount of cash at June 30, 2023, and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Cash with County	\$ 151,875	\$ 21,342
Cash and Investment with Summit Bank	1,969,103	2,272,097
Cash on hand (petty cash)	135	135
Cash with Exchange Bank	-	-
Total	<u>\$ 2,121,113</u>	<u>\$2,293,574</u>

Investment in the Sonoma County Treasurer's Investment Pool

As authorized by Health and Safety Code 13854 (a) the District's cash is pooled with the Sonoma County Treasurer, who acts as a disbursing agent for the District. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Interest earned on investments pooled with the County is allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter. The Treasury Oversight Committee has regulatory oversight for all monies deposited into the Treasury Pool.

CLOVERDALE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

III. Cash and Investments (Continued)

Investment Guidelines

The District's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity and maximum rate of return. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

A copy of the Treasury Pool investment policy is available upon request from the Sonoma County Auditor-Controller Treasurer-Tax Collector at 585 Fiscal Drive, Room 100-F, Santa Rosa, California, 95403-2871.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways that the Treasury Pool manages its' exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Treasury Pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Treasury Pool's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions:

CLOVERDALE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

III. Cash and Investments (Continued)

The California Government Code requires that a financial institution secure deposit made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. 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 (such as the Treasury Pool).

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. For a listing of investments in any one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represent 5% or more of total County investments, refer to the 2023 Sonoma County ACFR.

IV. Accounts Receivable

Accounts receivable represents the outstanding balance of flat charges collected that are apportioned to the District to supplement property taxes collected for operating costs and other intergovernmental revenue. Management believes receivables on June 30, 2023, and 2022, will be fully collected. Accordingly, no allowance for doubtful receivables is recorded. The balance of accounts receivable on June 30, is as follows:

	<u>2023</u>	<u>2022</u>
Accounts Receivable	\$ 182,312	\$ 192,080
Flat Charges Receivable	-	83,488
Total	<u>\$ 182,312</u>	<u>\$ 275,568</u>

CLOVERDALE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

V. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Retirements	Transfers and Adjustment	Ending Balance
Capital Assets, not Being Depreciated:					
Land	\$ 270,378	\$ -	\$ -	\$ -	\$ 270,378
Type I Engine - In Progress	611,907	-	-	-	611,907
Capital Assets, Being Depreciated:					
Building and Improvements	7,782,996	-	-	(12,918)	7,770,078
Equipment	2,280,168	144,730	-	12,918	2,437,816
Total Capital Assets, Being Depreciated:	10,063,164	144,730	-	-	10,207,894
Less: Accumulated Depreciation for:					
Building and Improvements	(1,972,515)	(156,148)	-	-	(2,128,663)
Equipment	(1,319,777)	(80,120)	-	-	(1,399,897)
Total Accumulated Depreciation	(3,292,292)	(236,268)	-	-	(3,528,560)
Total Capital Assets, Being Depreciation, Net	6,770,872	(91,538)	-	-	6,679,334
Capital Assets, Net	\$ 7,653,157	\$ (91,538)	\$ -	\$ -	\$ 7,561,619

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Retirements	Transfer & Adjustments	Ending Balance
Capital Assets, not Being Depreciated:					
Land	\$ 270,378	\$ -	\$ -	\$ -	\$ 270,378
Type I Engine - In Progress	-	611,907	-	-	611,907
Capital assets, Being Depreciated:					
Buildings and improvements	7,764,830	146,666	(128,500)	-	7,782,996
Equipment	2,280,168	-	-	-	2,280,168
Total Capital Assets, Being Depreciated	10,044,998	146,666	(128,500)	-	10,063,164
Less Accumulated Depreciation for:					
Buildings and Improvements	(1,816,367)	(156,148)	-	-	(1,972,515)
Equipment	(1,289,260)	(88,341)	(57,824)	-	(1,319,777)
Total Accumulated Depreciation	(3,105,627)	(244,489)	(57,824)	-	(3,292,292)
Total Capital Assets, Being Depreciation, Net	6,939,371	(97,823)	-	-	6,841,548
Capital Assets, Net	\$ 7,209,749	\$ 514,084	\$ (186,324)	\$ -	\$ 7,653,157

Depreciation expense was charged to functions/programs of the District as follows:

 Governmental activities:

Public safety - fire protection FY2022/23	\$236,268
Public safety - fire protection FY2021/22	\$244,489

CLOVERDALE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

VI. Long-term Debt

A. Changes in long-term Payable

Long-term liability activity for the years ended June 30, 2023 and 2022, were as follows:

June 30, 2023	<u>Beginning Balance 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 2023</u>	<u>Due Within One Year</u>
Long-Term Liabilities:					
Compensated Absences	\$ 216,317	\$ 1,687	\$ -	\$ 218,004	\$ -
Deferred Revenue	243,210	-	54,240	188,970	-
Net Pension Liability	967,353	-	365,144	602,209	-
Capital Leases	749,498	-	135,146	614,352	138,905
Total Long-Term Liabilities	<u>\$ 2,176,378</u>	<u>\$ 1,687</u>	<u>\$ 554,530</u>	<u>\$ 1,623,535</u>	<u>\$ 138,905</u>
June 30, 2022					
	<u>Beginning Balance 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 2022</u>	<u>Due Within One Year</u>
Long-Term Liabilities:					
Compensated Absences	\$ 161,458	\$ 54,859	\$ -	\$ 216,317	\$ -
Deferred Revenue	504,700	-	261,490	243,210	-
Net Pension Liability	881,566	85,787	-	967,353	-
Capital Leases	269,296	611,907	131,705	749,498	133,156
Total Long-Term Liabilities	<u>\$ 1,817,020</u>	<u>\$ 752,553</u>	<u>\$ 393,195</u>	<u>\$ 2,176,378</u>	<u>\$ 133,156</u>

B. Note and Leases Payable

The District has entered into an agreement dated as of July 07, 2020 with Municipal Finance Corporation. The agreement is for five years, which requires District to make annual payment of \$58,550.34 including interest.

The District has entered into an agreement dated as of April 2021 with Municipal Finance Corporation. The agreement is for seven years, which requires District to make annual payment of \$96,739.77, including interest. The following is the installment payment schedule:

(Purpose)	<u>Maturity</u>	<u>Interest Rate</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding as of 6/30/2023</u>
Equipment	7/25/2026	2.85%	\$ 58,550	\$ 269,296	\$ 166,095
Type I Engine	4/12/2028	2.60%	\$ 96,740	\$ 611,907	<u>\$ 448,257</u>
Total					<u>\$ 614,352</u>

<u>Payments Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Installment Payments</u>
FY2024	\$ 138,905	\$ 16,386	\$ 155,291
FY2025	142,650	12,640	155,290
FY2026	146,496	8,792	155,288
FY2027	91,899	4,841	96,740
FY2028	94,402	2,452	96,854

CLOVERDALE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

VII. District Employees Retirement Plan (Defined Benefit Pension Plan)

Defined Benefit Pension Plan - (Safety Plan)

The District provides eligible employees pension plan benefits through the Cloverdale Fire Protection District – Safety Plan.

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, 2021, Annual Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2022 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires that the reported results pertain to liability and assets information within certain defined timeframes. The timeframe for this reporting is:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

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 CalPERS' annual actuarial valuation process. 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. The contribution rate and unfunded liability information are as follows:

	<u>Employer Contribution Rate</u>	<u>Unfunded Contribution</u>	<u>Employee Contribution Rate</u>
Safety Plan	23.75%	\$74,165	8.99%
PEPRA Safety Plan	12.78%	\$2,083	13.00%

CLOVERDALE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

VII. Defined Benefit Pension Plan - Safety Plan (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2021 valuation was rolled forward to determine the June 30, 2022; total pension liability based on the following actuarial methods of assumptions.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Delivered using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

CalPERS considered both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of 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. The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>
Global Equity- cap-weighted	30.0%	4.45%
Global Equity- non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	-5.00	-0.59

CLOVERDALE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

VII. Defined Benefit Pension Plan - Safety Plan (Continued)

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

	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at : 6/30/2021 (MD)	\$ 3,774,138	\$ 2,806,785	\$ 967,353
Balance at : 6/30/2022 (MD)	\$ 4,398,011	\$ 3,795,802	\$ 602,209
Net Changes during 2021-22	\$ (623,873)	\$ (989,017)	\$ 365,144

The following presents the net pension liability/(assets) of the Plan as of the measurement date, calculated using the discount rate of 6.90 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 (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Plan's Net Pension Liability/(Asset) - 2023	\$ 1,209,567	\$ 602,209	\$ 105,831

Pension Expense, Deferred Outflows and Deferred Inflows

For the fiscal year ended June 30, 2023, and 2022 pension expenses recognized is as follows:

	2023	2022
Total Service Costs	\$ 47,999	\$ 137,907
Interest on TPL	161,140	489,399
Changes of Benefit Terms	68	113
Recognize Changes of Assumptions	22,489	(6,117)
Recognized Difference Between Expected & Actual Experience	25,201	100,269
Net Plan to Plan Resource Movement	(3)	(82,948)
Plans Share of Contribution	(323,076)	(318,862)
Projected Earnings on PPI	(137,906)	(360,700)
Net Investment Income	11,896	(176,533)
Administrative Expenses	1,253	5,135
Other Miscellaneous Income	-	-
Total Pension Expense Recognized	\$ (190,939)	\$ (212,337)

CLOVERDALE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

VII. Defined Benefit Pension Plan - Safety Plan (Continued)

For the measurement period ending June 30, 2022 (the measurement date), Cloverdale Fire Protection District incurred a pension expense of (\$190,939) for the Plan (the pension expense for the risk pool for the measurement period is \$1,299,786,418.

For the measurement period ended June 30, 2021 (the measurement date), Cloverdale Fire Protection District incurred a pension expense of (\$212,337) for the Plan (the pension expense for the risk pool for the measurement period is \$188,401,318.

As of June 30, 2023, and 2022, Cloverdale Fire Protection District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	FY2022/23 Deferred Outflows of Resources	FY2022/23 Deferred Inflows of Resources	FY2021/22 Deferred Inflows/(Outflows) of Resources
Difference between Expected and Actual Experience	\$ 24,923	\$ 6,600	\$ 165,271
Changes of Assumptions	60,721	-	-
Difference between Projected and Actual Earnings on Pension Plan Investments	95,097	-	575,761
Difference between Employer's Contribution and Proportionate Share of Contribution	64,633	-	75,874
Changes in Employees Proportion Pension Contributions made Subsequent to Measurement Date	163,080	880,758	(268,160)
	<u>323,076</u>	<u>-</u>	<u>288,791</u>
Total	<u>\$ 731,530</u>	<u>\$ 887,358</u>	<u>\$ 837,537</u>

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

Measurement Period Ended June 30,	FY22/23 Deferred Outflows/(Inflows) of Resources	FY21/22 Deferred Outflows/(Inflows) of Resources
2023	\$ -	\$ 143,091
2024	(77,643)	99,847
2025	(130,343)	22,321
2026	(134,996)	(100,683)
2027	122,626	-
2028	64,528	57,757
Thereafter	-	-

CLOVERDALE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2023 and 2022

VIII. Risk Management

The District receives automobile and general liability coverage as a member of the Fire Agencies Insurance Risk Authority (FAIRA). The District is also a member of the Fire Districts Association of California-Fire Association Self Insurance System (FDAC-FASIS) through which it receives workers' compensation coverage.

As a member of a public entity risk pool, the District is responsible for appointing an employee as a liaison between the District and the system, implementing all policies of the system, promptly paying all contributions, and cooperating with the system and any insurer of the system. The system is responsible for providing insurance coverage as agreed upon, assisting the District with implementation, providing claims adjusting, and defending any civil action brought against an officer of the system.

IX. Joint Partnership Agreement with Northern Sonoma County Fire Protection District

For the fiscal year ended June 30, 2023, and 2022, the District received \$1,221,992 and \$940,343, respectively, from the Northern Sonoma County Fire Protection District per the joint partnership agreement. The District was reimbursed by the Northern Sonoma County Fire Protection District for wages and fringe benefits paid.

X. Subsequent Events

The District has evaluated after June 30, 2023, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through March 01, 2024, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that required recognition or additional disclosures in the financial statements.

CLOVERDALE FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgets and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 1,237,550	\$ 1,263,150	\$ 1,384,311	\$ 121,161
Licenses and Permits	15,000	15,000	13,427	(1,573)
Grant Revenue	-	-	54,240	54,240
Intergovernmental Revenue	1,158,700	1,282,650	1,920,297	637,647
Interest Income	250	250	1,662	1,412
Donation/Miscellaneous Revenues	4,075	19,075	86,426	67,351
Total Revenues	<u>2,415,575</u>	<u>2,580,125</u>	<u>3,460,363</u>	<u>880,238</u>
Expenditures				
Current:				
Salaries and Employee Benefits	2,184,400	2,270,699	2,841,141	(570,442)
Services and Supplies	702,300	701,800	502,368	199,432
Debt Service:				
Principal	-	-	135,146	(135,146)
Interest	1,000	1,000	18,654	(17,654)
Capital expenditures	-	-	144,731	(144,731)
Total Expenditures	<u>2,887,700</u>	<u>2,973,499</u>	<u>3,642,040</u>	<u>(668,541)</u>
Excess (Deficiency of Revenues Over (Under) Expenditures	<u>(472,125)</u>	<u>(393,374)</u>	<u>(181,677)</u>	<u>211,697</u>
Net Change in Fund Balance			(181,677)	211,697
Fund Balance, Beginning of Year			<u>2,277,012</u>	
Fund Balance, End of Year			<u>\$ 2,095,335</u>	

The notes to the financial statements are an integral part of this statement.

CLOVERDALE FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgets and Actual
General Fund
For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Property Taxes	\$ 1,176,142	\$ 1,237,500	\$ 1,262,756	\$ 25,256
Licenses and Permits	8,000	15,000	2,672	(12,328)
Grants Revenue	-	-	261,490	261,490
Intergovernmental Revenue	780,500	1,111,500	1,982,943	871,443
Interest Income	250	250	427	177
Donation/Miscellaneous Revenues	27,996	46,075	55,947	9,872
Total Revenues	<u>1,992,888</u>	<u>2,410,325</u>	<u>3,566,235</u>	<u>3,520,160</u>
Expenditures				
Current:				
Salaries and Employee Benefits	1,855,948	2,058,900	2,528,233	(469,333)
Services and Supplies	436,600	464,517	587,061	(122,544)
Debt Service:				
Principal	-	-	131,705	(131,705)
Interest	-	-	22,136	(22,136)
Capital expenditures	-	-	758,573	(758,573)
Total Expenditures	<u>2,292,548</u>	<u>2,523,417</u>	<u>4,027,708</u>	<u>(1,504,291)</u>
Excess (Deficiency of Revenues Over (Under) Expenditures	<u>(299,660)</u>	<u>(113,092)</u>	<u>(461,473)</u>	<u>(348,381)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	-	-	15,000	15,000
Proceeds from the Loan	-	-	611,907	611,907
Total other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>626,907</u>	<u>626,907</u>
Net Change in Fund Balance			165,434	278,526
Fund Balance, Beginning of Year			<u>2,111,578</u>	
Fund Balance, End of Year			<u>\$ 2,277,012</u>	

The notes to the financial statements are an integral part of this statement.

CLOVERDALE FIRE PROTECTION DISTRICT
Roster of Board Members

As of March 01, 2024, the District Board consisted of the following members:

<u>Directors:</u>	<u>Office</u>
Carol Pigoni	President
Melanee Southard	Director
Nancy Avansino	Director
Robert Taylor	Director
Pam Johnson	Director

Regular Meetings:

The regular meeting of the Board of Directors is held at 6:00 P.M. on the second Monday of each month at the Cloverdale Fire Station, located at 451 S. Cloverdale Blvd., Cloverdale, California.