

**BODEGA BAY FIRE
PROTECTION DISTRICT**

**Financial Statements and
Independent Auditor's Report
For the Fiscal Year Ended June 30, 2022**
(With Comparative Amounts for fiscal Year 2021)

BODEGA BAY FIRE PROTECTION DISTRICT

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Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Bodega Bay Fire Protection District
Bodega Bay, California

Opinions

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special 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 Bodega Bay 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 Bodega Bay Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bodega Bay 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 Bodega Bay 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.

Emphasis of a Matter

Bodega Bay Fire Protection District has been dissolved as of June 30, 2022. Effective July 01, 2022, the District has consolidated with Sonoma County Fire Protection District and the District assets, liabilities, net position, and statement of activities balances have been transferred to Sonoma County Fire District. This matter does not modify opinion on the audit.

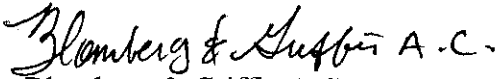
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison, pension contribution schedule for pension and OPEB, information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required 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.

Report on Summarized Comparative Information

Other auditors have previously audited Bodega Bay Fire Protection District June 30, 2021, financial statements, and their report dated December 31, 2021, express an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of for the year ended June 30, 2021, is consistent in all material respects, with the audited financial statements from which it has been derived.


Blomberg & Griffin A.C.
Stockton, CA

February 21, 2023

BODEGA BAY FIRE PROTECTION DISTRICT
Management Discussion and Analysis
June 30, 2022 and 2021

As management of the Bodega Bay 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, 2022 and 2021. 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

Fiscal Year 2022

- The assets of the District exceeded their liabilities at fiscal year ended June 30, 2022 by \$114,481 (net position). This amount includes unrestricted net position of negative \$977,894 at fiscal year ended June 30, 2022.
- The District's net position decreased by 69.22% or \$257,496. The decrease is the result of expenditures exceeding revenues. The total revenues were \$3,711,775 and total expenses were \$3,969,271.
- The District reported a fund balance of \$1,439,613, an increase of \$514,129 or 55.55%.
- For the fiscal year ended June 30, 2022, the District's total assets including deferred outflows were \$4,532,378. The total assets included current assets of \$1,513,251 and non-current capital assets of \$1,795,375. The total liabilities including deferred inflows were \$4,417,897. The total liabilities included current liabilities of \$236,725 and non-current liabilities of \$3,002,036.

Fiscal Year 2021

- The assets of the District exceeded their liabilities at fiscal year ended June 30, 2021 by \$371,977 (net position). This amount includes unrestricted net position of negative \$765,118 at fiscal year ended June 30, 2021.
- The District's net position decreased by 32.23% or \$176,937. The decrease is the result of expenses exceeding revenues. The total revenues were \$3,016,269 and total expenses were \$3,193,206.
- The District reported a fund balance of \$925,484, an increase of \$22,984 or 2.55%.
- For the fiscal year ended June 30, 2021, the District's total assets including deferred outflows were \$3,383,639. The total assets included current assets of \$949,277 and non-current capital assets of \$1,905,095. The total liabilities including deferred inflows were \$3,011,662. The total liabilities included current liabilities of \$143,417 and non-current liabilities of \$2,768,684.

BODEGA BAY FIRE PROTECTION DISTRICT

Management Discussion and Analysis

June 30, 2022 and 2021

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.

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.

BODEGA BAY FIRE PROTECTION DISTRICT
Management Discussion and Analysis
June 30, 2022 and 2021

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 \$114,481 and \$371,977 at fiscal years ended June 30, 2022 and 2021, 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.

	Statement of Net Position			
	<u>June 30,</u>		Increase (Decrease)	Percentage Change
	<u>2022</u>	<u>2021</u>		
Current Assets	\$ 1,513,251	\$ 949,277	\$ 563,974	37.27%
Capital Assets	1,795,375	1,905,095	(109,720)	-6.11%
Deferred Outflows	1,223,752	529,267	694,485	131.22%
Total Assets	<u>4,532,378</u>	<u>3,383,639</u>	<u>1,148,739</u>	<u>33.95%</u>
Current Liabilities	236,725	143,417	93,308	65.06%
Long-Term Liabilities	3,002,036	2,768,684	233,352	8.43%
Deferred Inflows	1,179,136	99,561	1,079,575	1084.34%
Total Liabilities	<u>4,417,897</u>	<u>3,011,662</u>	<u>1,406,235</u>	<u>46.69%</u>
Net Position				
Net Investment in Capital Assets	1,092,375	1,137,095	(44,720)	-3.93%
Unrestricted	(977,894)	(765,118)	(212,776)	-27.81%
Total Net Position	<u>\$ 114,481</u>	<u>\$ 371,977</u>	<u>\$ (257,496)</u>	<u>-69.22%</u>

The District's net position decreased by \$257,496 and \$176,937 during the fiscal years ended June 30, 2022 and 2021, respectively as reported on the statement of activities on page 10.

General funds for fiscal years ended June 30, 2022, and 2021 increased the District's general fund by \$514,129 and \$22,984, respectively, due to the result of revenues exceeding expenditures. The change in general funds is reported on page 13.

BODEGA BAY FIRE PROTECTION DISTRICT
Management Discussion and Analysis
June 30, 2022 and 2021

Overview of the Financial Statements (Continued)

	Change in Net Position		Increase (Decrease)	Percentage Change
	Year ended June 30,			
	<u>2022</u>	<u>2021</u>		
Revenues:				
Program Revenues:	\$ 2,194,685	\$ 1,507,668	\$ 687,017	31.30%
General Revenues:				
Property Taxes	373,141	351,226	21,915	6.24%
Other Revenue	<u>1,143,949</u>	<u>1,157,375</u>	<u>(13,426)</u>	<u>-1.16%</u>
Total Revenues	<u>3,711,775</u>	<u>3,016,269</u>	<u>695,506</u>	<u>23.06%</u>
Expenses:				
Program Expenses:				
Salaries and Benefits	3,303,343	2,377,608	925,735	38.94%
Services and Supplies	506,349	668,246	(161,897)	-24.23%
Depreciation Expense	<u>159,579</u>	<u>147,352</u>	<u>12,227</u>	<u>8.30%</u>
Total Expenses	<u>3,969,271</u>	<u>3,193,206</u>	<u>776,065</u>	<u>24.30%</u>
Change in Net Position	(257,496)	(176,937)	(80,559)	45.53%
Net Position - Beginning of the Year	<u>371,977</u>	<u>548,914</u>	<u>(176,937)</u>	<u>-32.23%</u>
Net Position - End of the Year	<u>\$ 114,481</u>	<u>\$ 371,977</u>	<u>\$ (257,496)</u>	<u>-69.22%</u>

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.

As of the fiscal year ended June 30, 2022, the District's governmental fund reported a fund balance of \$1,439,613 an increase of \$514,129 in comparison with fiscal year ended June 30, 2021. For the fiscal year ended June 30, 2021, the District's governmental fund balance was of \$925,484, an increase of \$22,984 compared to the fiscal year ended June 30, 2020. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 37.78% and 30.92% of the total general fund expenditures on June 30, 2022, and 2021, respectively.

BODEGA BAY FIRE PROTECTION DISTRICT
Management Discussion and Analysis
June 30, 2022 and 2021

General Fund Budgetary Highlights

June 30, 2022: The budgetary highlights for fiscal year ended June 30, 2022 are as follows:

- Property taxes revenue were higher by \$19,055.
- Charges for services were more than budget by \$19,017.
- County of Sonoma grant revenue was more than budget by \$1,000,000.
- Salaries and wages expenses were less than budget by \$58,036
- Employee benefits were less than budget by \$277,548
- Services and supplies expenses were less than budget by \$63,995.

June 30, 2021: The budgetary highlights for fiscal year ended June 30, 2021 are as follows:

- Property and homeowner taxes revenue were higher by \$18,913.
- Charges for services were less than budget by \$144,111.
- Other operating and capital grant revenue more than budget by \$202,681.
- Salaries and wages expenses were less than budget by \$189,043
- Services and supplies expenses were less than budget by \$55,473.

Capital Asset and Debt Administration

Capital Assets: The District's investment in capital assets, as of June 30, 2022 and 2021, amounts to \$1,795,375 and \$1,905,095 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings and improvements and equipment.

Additional information on the District's capital assets can be found in note 4 of the notes to basic financial statements.

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, 8200 Old Redwood Hwy, Windsor CA 95492 or phone (707)-838-1170.

BODEGA BAY FIRE PROTECTION DISTRICT

Statement of Net Position

June 30, 2022 and 2021

	2022	2021
Assets		
Current Assets:		
Cash and cash equivalents (Note 2)	\$ 1,351,750	\$ 865,386
Accounts receivable - ambulance billing, net (Note 3)	70,540	70,540
Property and parcel taxes receivable	90,961	13,351
Total Current Assets	1,513,251	949,277
Non-current Assets:		
Capital assets - not being depreciated (Note 4)	176,668	176,668
Capital assets - being depreciated, net (Note 4)	1,618,707	1,728,427
Total Non-Current Assets	1,795,375	1,905,095
Total Assets	3,308,626	2,854,372
Deferred Outflows of Resources		
Pension related deferred outflows (Note 7)	1,204,816	510,331
OPEB related deferred outflows (Note 8)	18,936	18,936
Total Deferred Outflows of Resources	1,223,752	529,267
Total Assets and Deferred Overflows	4,532,378	3,383,639
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	\$ 73,638	\$ 23,793
Accrued interest payable	6,500	7,440
Long-term liabilities - due in one year		
Compensated absences (Note 5)	92,587	47,184
Loan payable (Note 6)	64,000	65,000
Long-term liabilities - due in more than one year		
Compensated absences (Note 5)	138,880	70,777
Loan payable (Note 6)	639,000	703,000
Net pension liability (Note 7)	1,794,646	1,565,397
Net other post-employment benefits obligation (Note 8)	429,510	429,510
Total Liabilities	3,238,761	2,912,101
Deferred Inflows of Resources		
Pension related deferred inflows (Note 7)	1,179,136	99,561
Net Position		
Net Investment in Capital Assets	1,092,375	1,137,095
Unrestricted	(977,894)	(765,118)
Total Net Position	114,481	371,977
Total Liabilities, Net Position and Deferred Inflows	\$ 4,532,378	\$ 3,383,639

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

BODEGA BAY FIRE PROTECTION DISTRICT

Statement of Activities

For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Program Expenses		
Public Safety - Fire Prevention		
Salaries and wages	\$ 1,918,019	\$ 1,597,665
Employee benefits	1,385,324	779,943
Services and supplies	478,788	637,870
Depreciation expense	159,579	147,352
Interest expense	<u>27,561</u>	<u>30,376</u>
Total Program Expenses	<u>3,969,271</u>	<u>3,193,206</u>
Program Revenues		
Charges for services	545,106	587,889
Other reimbursement and miscellaneous revenue	128,507	212,098
County of Sonoma grant	1,500,000	500,000
Other operating and capital grant funding	<u>21,072</u>	<u>207,681</u>
Total Program Revenues	<u>2,194,685</u>	<u>1,507,668</u>
Net Program Revenues (Expenses)	(1,774,586)	(1,685,538)
General Revenues		
Property and homeowner taxes	373,141	351,226
Parcel taxes	1,142,899	1,153,926
Investment earnings	<u>1,050</u>	<u>3,449</u>
Total General Revenues	<u>1,517,090</u>	<u>1,508,601</u>
Change in Net Position	(257,496)	(176,937)
Net Position, Beginning of Year	<u>371,977</u>	<u>548,914</u>
Net Position, End of Year	<u>\$ 114,481</u>	<u>\$ 371,977</u>

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

BODEGA BAY FIRE PROTECTION DISTRICT

Balance Sheet

Governmental Fund

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents (Note 2)	\$ 1,351,750	\$ 865,386
Accounts receivable - ambulance billing, net (Note 3)	70,540	70,540
Parcel taxes receivable	<u>90,961</u>	<u>13,351</u>
 Total Assets	 <u>\$ 1,513,251</u>	 <u>\$ 949,277</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable & accrued expenses	<u>\$ 73,638</u>	<u>\$ 23,793</u>
 Total Liabilities	 <u>73,638</u>	 <u>23,793</u>
 Fund balance:		
Nonspendable	-	-
Assigned	231,467	117,961
Unassigned	<u>1,208,146</u>	<u>807,523</u>
 Total Fund Balance	 <u>1,439,613</u>	 <u>925,484</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,513,251</u>	 <u>\$ 949,277</u>

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

BODEGA BAY FIRE PROTECTION DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2022 and 2021

	2022	2021
Total Fund Balances - Governmental Funds	\$ 1,439,613	\$ 925,484
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities not financial resources and, therefore are not reported in the governmental funds	1,795,375	1,905,095
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that is incurred	(6,500)	(7,440)
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
Compensated absences	(231,467)	(117,961)
Loan payable	(703,000)	(768,000)
Net pension liability	(1,794,646)	(1,565,397)
Net other post-employment benefits obligations	(429,510)	(429,510)
In governmental funds, deferred outflows and inflows of resources relating to pension and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pension and OPEB are reported as follows:		
Deferred outflows of Resources	1,223,752	529,267
Deferred inflows of Resources	(1,179,136)	(99,561)
Net Position of Governmental Activities	\$ 114,481	\$ 371,977

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

BODEGA BAY FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
Revenues		
Property and homeowner taxes	\$ 373,141	\$ 351,226
Parcel taxes	1,142,899	1,153,926
Charges for services	545,106	587,889
Other reimbursement and miscellaneous revenue	128,507	212,098
County of Sonoma grant	1,500,000	500,000
Other operating and capital grant funding	21,072	207,681
Investment earnings	1,050	3,449
Total Revenues	3,711,775	3,016,269
Expenditures		
Current:		
Salaries and wages	1,804,513	1,596,131
Employee benefits	770,985	606,209
Services and supplies	478,788	637,870
Debt Service:		
Principal	65,000	61,000
Interest	28,501	30,942
Capital Expenditures	49,859	61,133
Total Expenditures	3,197,646	2,993,285
Excess (Deficiency) of Revenues Over (Under) Expenditures	514,129	22,984
Net Change in Fund Balance	514,129	22,984
Fund Balance, Beginning of Year	925,484	902,500
Fund Balance, End of Year	\$ 1,439,613	\$ 925,484

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

BODEGA BAY 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, 2022 and 2021

Amounts reported for governmental activities in the statement of activities are different because:	2022	2021
Net change in fund - total governmental fund	\$ 514,129	\$ 22,984
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.		
Capital asset addition	49,859	61,133
Current year depreciation	(159,579)	(147,352)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenses in the governmental funds as follows:		
Net change in accrued interest payable	940	566
Net change in compensated absences	(113,506)	(1,534)
Net change in pension liability and related deferred resources	(614,339)	(146,171)
Net change in OPEB obligation and related deferred resources	-	(27,563)
Principal repayment of long-term debt is reported as an expenditure in governmental funds. However, principal repayments reduce liabilities in the statement of net position and do not results in expenses in the statement of activities.		
	65,000	61,000
Change in Net Position of Governmental Activities	\$ (257,496)	\$ (176,937)

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

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies

A. Description of Organization

The Bodega Bay Fire Protection District (the District) provides fire and ambulance services to the taxpayer and residents in a specific unincorporated area of the County of Sonoma, the boundaries of which are set by resolution of the Board of Supervisors. After a consolidated general election held on November 6, 1984, the Sonoma County Board of Supervisors confirmed the formation of the District by Resolution No. 85-0065 dated January 8, 1985. The District's governmental powers are exercised through a five-member board of directors. As of July 01, 2022, the Bodega Bay Fire Protection District has been dissolved and consolidated with Sonoma County Fire District. The District assets, liabilities and net position balance will be transferred to Sonoma County Fire District.

B. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separated from the District.

Components units are legally separate organizations for which the District is financially accountable. Components units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, components units are other legally separate organization for which the District is not financially accountable but the nature and significant of the Organization's relationship which the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Statement No. 61, The Financial Reporting Entity. The District is the primary governmental unit based on the foundation of a separately elected government board that is elected by the citizens in a general popular election. Components units are legally separate organization for which the accountable if it appoints a voting majority of the organization's governing body and: 1) its s able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The Bodega Bay Fire Protection District Public Financing Corporation (Corporation) was established to provide financing for the District new fire station. The financing corporation provides financing for the District exclusively. For this reason, the Corporation is blended with the District for financial reporting purposes. During the fiscal year ended June 30, 2013, the District refunded the original debt issuance into a private-placement loan with a bank for the District's new fire station. As of the refinance date, the activities and transactions of the Corporation have terminated.

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

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 and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and b) 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.

Fund Financial Statements

The fund financial statements provide information about the District's funds. The District reports only the following governmental fund:

- a. **General Fund:** This fund is used to account for all financial resources of the District.

2. Measurement Focus, Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary fund financial statements. 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 grantor have been met.

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for its governmental funds.

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies (Continued)

An accompanying schedule is presented to reconcile and explain the difference in Net Position as presented in these statements to the Net Position presented in the Government-wide financial statements. The District's General Fund is its only major governmental funds.

The new model as defined in GASB Statement No. 34 establishes criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

Governmental funds are accounted for on a spending, or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

3. Revenues – Exchange and Non-Exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenues from property taxes is recognized in the fiscal year which the taxes are received. Revenues from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis. Revenue from, non-exchange transactions must also be available before it can be recognized.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

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

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies (Continued)

2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the input used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active market for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2- Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and is based on the best information available in the circumstances.

3. Accounts Receivable and Allowance for Doubtful Accounts

Ambulance billings consist of amounts owed by individuals for services rendered for ambulance transport. Uncollectable accounts are based on prior experience and management's assessments of the collectability of existing accounts. As of June 30, 2022, an allowance for doubtful accounts has been recorded for those uncollectable accounts (see Note 3).

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies (Continued)

4. Capital Assets

Capital assets, which include land, buildings and improvements, and equipment's, are reported in the applicable governmental activities' columns in the government-wide financial statements. Capital assets are defined by the government 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 or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Structure and improvements and equipment of the primary government, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets Descriptions</u>	<u>Years</u>
Structure and Improvements	20-40
Fire Equipment	10-20
Other Equipment	5 to 15

5. Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and vacation leaves balances. The liability has been calculated using the vesting methods, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

6. 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 and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date June 30, 2020

Measurement Date June 30, 2021

Measurement Period July 01, 2020 to June 30, 2021

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies (Continued)

7. Other Post-Employment Benefits (OPEB)

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

The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2020

Measurement Date June 30, 2021

Measurement Period July 01, 2020 to June 30, 2021

8. Net Position

In the government-wide financial statements, net position is classified into two components – invested in capital assets and unrestricted. These classifications are defined as follows:

- **Net Investment in capital assets** – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investments in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Unrestricted net position** – This component of net position consists of net position that do not meet the definition of “net invested in capital assets”.

9. Fund Balances

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54), which has been adopted by the District in fiscal year 2011. This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories lists below:

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies (Continued)

- Non-spendable: Non-spendable fund balance consists of inventories, prepaid expenses, long-term loans, notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- Assigned: Assigned fund balance is classified for specific purpose but cannot be name restricted or committed.
- Unassigned: Unassigned fund balance is the residual classification for the general fund and all spendable amounts not contained in the other classifications.

E. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results differ from those estimates.

F. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1 and are payable in two installments, On December 10 and April 10. The Sonoma County Assessor's Offices assesses all real and personal property within the County each year. Property taxes in California is levied in accordance with Article 13A of the State Constitution at one (1%) of countywide assessed valuations. The Sonoma County Auditor-Controller's Office remits an undisclosed portion of the one (1%) current and delinquent property tax collections to the District throughout the year.

G. Voter-Approved Tax Revenue

By special election on November 4, 2003, voters approved "Measure E" to have imposed a voter-approved tax to assist the District in meeting its' increasing cost for operations. The District is not assessing at a rate of \$130 per unit of risk as of the current year.

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 2 Cash and Investments

Cash and investments on June 30, 2022, are reported at fair value and consisted of the following:

<u>Description</u>	<u>Balances</u>
Demand deposits held with financial institutions	\$ 1,351,750
Total Cash and cash equivalents	<u>\$ 1,351,750</u>

Demand Deposits

On June 30, 2022, the carrying amount of the District's demand deposits was \$1,351,750, and the financial institution balance was \$1,407,780. The \$56,030 net different represents outstanding checks, deposits-in-transit and/or other reconciling items.

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 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. California law also allows financial institutions to secure the District's deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC.

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.

Note 3 Accounts Receivable

Accounts receivable – ambulance billing, net of June 30, 2022, consisted of the following:

<u>Description</u>	<u>Balance</u>
Accounts receivable - ambulance billings	200,540
Allowance for doubtful accounts	<u>(130,000)</u>
Accounts receivable - ambulance billings, net	<u>\$ 70,540</u>

BODEGA BAY FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2022 and 2021

Note 4 Capital Assets

Capital assets summary for the year ended June 30, 2022 is as follows:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>
Capital assets, not being depreciated				
Land	176,668	-	-	176,668
Total capital assets, not being depreciated	<u>176,668</u>	<u>-</u>	<u>-</u>	<u>176,668</u>
Capital assets, being depreciated				
Structure and Improvements	2,065,658	-	-	2,065,658
Fire equipment	1,535,630	45,441	-	1,581,071
Other equipment	6,000	4,418	-	10,418
Total capital assets being depreciated	<u>3,607,288</u>	<u>49,859</u>	<u>-</u>	<u>3,657,147</u>
Less Accumulated Depreciation	(1,878,861)	(159,579)	-	(2,038,440)
Total capital assets, being depreciated, net	<u>1,728,427</u>	<u>(109,720)</u>	<u>-</u>	<u>1,618,707</u>
Total Capital Assets-Net	<u>\$ 1,905,095</u>	<u>\$ (109,720)</u>	<u>\$ -</u>	<u>\$ 1,795,375</u>

Depreciation expense is charged to function/programs of the Bodega Bay Fire Protection District:

	<u>2022</u>	<u>2021</u>
Governmental activities:		
Public Safety - Fire Protection	<u>\$ 159,579</u>	<u>\$ 147,352</u>

Note 5 Compensated Absences

Compensated absences comprise unpaid vacation leave, sick leave, and holiday time off, which is accrued as earned. The District's liability for compensated absences is determined annually.

<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
<u>\$ 119,961</u>	<u>\$ 111,506</u>		<u>\$ 231,467</u>	<u>\$ 92,587</u>	<u>\$ 138,880</u>

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 6 Loan Payable

Changes in loans payable amounts for the year ended June 30, 2022, were as follows:

<u>Long-Term Debt</u>	<u>Balance July 01, 2021</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2022</u>	<u>Current Portion</u>
Loan Payable - fire station	\$ 768,000	\$ -	\$ (65,000)	\$ 703,000	\$ 64,000

Loan payable – Fire Station

During the year ended June 30, 1997, the District formed the Bodega Bay Fire Protection District Public Facilities Financing Corporation (Corporation) in order to provide financing for the construction of a new fire station. The District executed an installment sale agreement with the Corporation for \$1,500,000. The District refinanced its bond with Municipal Finance with a new loan from City National Bank in the year ended June 30, 2013. The new loan is for \$1,196,000 with interest not to exceed 3.88%. Principal payments are \$47,000 to \$90,000 annually with semi-annual interest payments on October 1 and April 1. The loan is payable until October 2030. Future remaining payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 64,000	\$ 26,001	\$ 90,001
2024	68,000	23,444	91,444
2025	72,000	20,731	92,731
2026-2030	409,000	58,299	467,299
2031	90,000	1,744	91,744
Total	<u>\$ 703,000</u>	<u>\$ 130,219</u>	<u>\$ 833,219</u>

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 7 Net Pension Liability and Defined Benefits Pension Plan

Summary

The following balances on the statement of net position will be addressed in this footnote as follows:

Pension related deferred outflows	\$1,204,816
Net Pension Liability	\$1,794,646
Pension related deferred inflows	\$1,179,136

A. General Information about the Pension Plans

	Miscellaneous Plans	
	Classic Tier I	Tier 2
	Prior to December 31, 2012	On or after January 01, 2013
Hire date		
Benefit formula	2.0% @ 60 5-years or service	2.0% @ 62 5-years or service
Benefit vesting schedule		
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-67 & up	52-67 & up
Monthly benefits, as % of eligible compensation	1.092% to 2.0%	1.0% to 2.5%

	Safety Plans	
	Classic Tier I	Tier 2
	Prior to December 31, 2012	On or after January 01, 2013
Hire date		
Benefit formula	2.0% @ 50 5-years or service	2.0% @ 57 5-years or service
Benefit vesting schedule		
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-67 & up	50-67 & up
Monthly benefits, as % of eligible compensation	2.0% to 2.7%	1.426% to 2.0%

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 7 Net Pension Liability and Defined Benefits Pension Plan (continued)

Plan Description, Benefits Provided and Employees Covered

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2020 Annual Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2021 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

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

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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 Tier	18.190%	\$108,946	8.95%
PEPRA Safety Plan	13.130%	\$3,497	13.00%
Miscellaneous Plan	8.650%	\$4,054	6.92%
PEPRA Misc Plan	7.590%	\$175	6.75%

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2020 valuation was rolled forward to determine the June 30, 2021 total pension liability based on the following actuarial methods of assumptions.

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 7 Net Pension Liability and Defined Benefits Pension Plan (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member 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 followed:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>	<u>Real Return Years 11 +</u>
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.00	1.00	2.62
Inflation Sensitive	0.00	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Estate	13.00	3.75	4.93
Liquidity	1.00	0.00	-0.92

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 7 Net Pension Liability and Defined Benefits Pension 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 : 6/30/2020 (MD)	\$ 7,815,506	\$ 6,250,109	\$ 1,565,397
Balance at : 6/30/2021 (MD)	\$ 8,645,062	\$ 6,850,417	\$ 1,794,645
Net Changes during 2020-21	\$ (829,556)	\$ (600,308)	\$ (229,248)

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

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability/(Asset) - Misc	\$ 95,085	\$ 59,125	\$ 29,398
Plan's Net Pension Liability/(Asset) - Safety	\$ 2,862,558	\$ 1,735,520	\$ 809,797

Deferred Outflows and Deferred Inflows

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

	FY21-22 Deferred Outflows of Resources	FY21-22 Deferred Inflows of Resources
Difference between Expected and Actual Experience Changes of Assumptions	\$ 303,142	\$ -
Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,084,581
Difference between Employer's Contribution and Proportionate Share of Contribution	-	94,555
Changes in Employees Proportion Pension Contributions made Subsequent to Measurement Date	715,353	-
	<u>186,322</u>	<u>-</u>
Total	<u>\$ 1,204,817</u>	<u>\$ 1,179,136</u>

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 7 Defined Benefit Pension Plan - Safety Plan (Continued)

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

<u>Measurement Period Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources - Misc</u>	<u>Deferred Outflows/(Inflows) of Resources - Safety</u>
2023	\$ (7,209)	\$ 159,854
2024	(6,912)	118,995
2025	(7,993)	(7,063)
2026	(14,263)	(246,994)
2027	-	37,265
Thereafter	-	-

Note 8 Net Other Post-Employment Benefits (OPEB) Obligation

The following balances on the statement of net position will be addressed in this footnote as follows:

OPEB related deferred outflows	\$18,936
Net other post-employment benefits obligation	\$429,510

A. General information about the OPEB Plan

Plan description

The District provides other postemployment benefits (OPEB) to two (2) retired employees. The contribution requirements of the single-employer plan members and the District are established and may be amended by the Board of directors. No assets are accumulated in a trust that meets the criteria in paragraph 4 of statement 75.

Benefits provided

Following is a description of the current retiree benefit plan:

	<u>Participants</u>
Benefit types provided	Medical only
Duration of benefits	Lifetime
Required services	CalPERS Retirement
Minimum age	CalPERS Retirement
Dependent coverage	None
District contribution	100% of individual coverage
District cap on coverage	None

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 8 Net Other Post-Employment Benefits (OPEB) Obligation (continued)

B. Total OPEB Liability

The District's total OPEB liability of \$429,510 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.45%
Inflation	2.75%
Salary Increases	2.75% per annum, in aggregate
Investment Rate of Return	2.45%
Mortality Rate	CalPERS Membership Data
Pre-Retirement Turnover	CalPERS Membership Data
Healthcare Trend Rate	5.9% to 5.0%

Discount Rate

The discount rate used to measure the total OPEB liability was 2.45 percent. The project of cash flows used to determine rate assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The Bond Buyer 20 Bond index was used.

C. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance on July 1, 2019	\$399,972
Changes for the year:	
Interest	12,232
Assumption changes	35,788
Benefit payments	<u>(18,482)</u>
Net changes	<u>\$29,538</u>
Balance on June 30, 2020	<u>\$429,510</u>

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 8 Net Other Post-Employment Benefits (OPEB) Obligation (continued)

	<u>Discount Rate - 1%</u> <u>(1.45%)</u>	<u>Current Discount</u> <u>Rate (2.45%)</u>	<u>Discount Rate + 1%</u> <u>(3.45%)</u>
2022	\$ 492,935	\$ 429,510	\$ 378,584
2021	\$ 492,935	\$ 429,510	\$ 378,584

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

For the year ended June 30, 2021, the District recognized OPEB expense/(credit) of \$46,499. On June 30, 2021, the District reported \$18,936 of deferred outflows of resources for employer contribution made subsequent to the measurement date which will be used to reduce the net OPEB liability balance in the coming year.

District contribution subsequent to the measurement	
Date of the net OPEB liability	\$18,936

Note 9 Net Investment in Capital Assets

On June 30, 2022, the net investment in capital assets was calculated as follows:

<u>Description</u>	<u>Balance</u>
Capital assets – not being depreciated	\$ 176,668
Capital assets – being depreciated, net	\$1,618,707
Loans payable – current portion	(\$ 64,000)
Loans payable – noncurrent portion	(\$ 639,000)
Total net investment in capital assets	<u>\$1,092,375</u>

Note 10 Fund Balance

As of June 30, 2022, the fund balance of the District’s governmental fund was classified as follows:

<u>Description</u>	<u>Balance</u>
Assigned	
Compensated Absences	\$ 231,467
Unassigned	<u>\$1,208,146</u>
Total fund balance	<u>\$1,439,613</u>

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 11 Risk Management

The District receives automobile and general liability coverage as a member of the Fire Agencies Risk Authority (FAIRA). The District is also a member of the Fire Districts Association of California – Fire Associated 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 issuer of the system. The system is responsible for providing insurance coverage as agreed upon, assisting the District with implementation, providing claims and adjusting and defense of any civil action brought against an office of the system.

Settlements claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ended June 30, 2022, 2021, and 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2022, 2021, and 2020.

Note 12 Deferred Compensation Savings Plan

For the benefits of its employees, the District participates in a 457 Deferred Compensation Program. The purpose of this program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefits of the participants. Accordingly, the District follows this legislation. Therefore, these assets are not the legal property of the District and are not subject to claims of the District's general creditors.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

BODEGA BAY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 13 Commitment and Contingencies

Litigation

The District is involved in routine litigation incidental to its business and may be subject to claims and litigation from outside parties. After consultation with legal counsel, management believes the ultimate outcome for such matters, if any, will not materially affect its financial conditions.

Note 14 Subsequent Events

Subsequent events are those events or transactions that occur subsequent to the effective date of the financial statements, but prior to the issuance of the financial reports, which may have a material effect on the financial statements or disclosure therein. As of July 01, 2022, the Bodega Bay Fire Protection District has been dissolved. The District has consolidated with Sonoma County Fire Protection District. The District assets, liabilities and statement of net position balances have been transferred to Sonoma County Fire District.

BODEGA BAY 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>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and homeowner taxes	\$ 354,086	\$ 354,086	\$ 373,141	\$ 19,055
Parcel taxes	1,134,237	1,134,237	1,142,899	8,662
Charges for services	526,089	526,089	545,106	19,017
Other reimbursement and miscellaneous revenue	8,590	8,590	128,507	119,917
County of Sonoma grant	500,000	500,000	1,500,000	1,000,000
Other operating and capital grant funding	16,495	16,495	21,072	4,577
Investment earnings	200	200	1,050	850
	<u>2,539,697</u>	<u>2,539,697</u>	<u>3,711,775</u>	<u>1,172,078</u>
Expenditures				
Current:				
Salaries and wages	1,862,549	1,862,549	1,804,513	58,036
Employee benefits	1,048,533	1,048,533	770,985	277,548
Services and supplies	542,783	542,783	478,788	63,995
Debt Service:				
Principal	65,000	65,000	65,000	-
Interest	29,760	29,760	28,501	1,259
Capital expenditures	24,500	24,500	49,859	(25,359)
	<u>3,573,125</u>	<u>3,573,125</u>	<u>3,197,646</u>	<u>375,479</u>
Excess (Deficiency of Revenues Over (Under) Expenditures	<u>(1,033,428)</u>	<u>(1,033,428)</u>	<u>514,129</u>	<u>1,547,557</u>
Net Change in Fund Balance			514,129	
Fund Balance, Beginning of Year			<u>925,484</u>	
Fund Balance, End of Year			<u>\$ 1,439,613</u>	

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

BODEGA BAY FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgets and Actual
General Fund
For the Fiscal Year Ended June 30, 2021

	<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 and homeowner taxes	\$ 339,084	\$ 332,313	\$ 351,226	\$ 18,913
Parcel taxes	1,117,000	1,136,310	1,153,926	17,616
Charges for services	610,000	732,000	587,889	(144,111)
Other reimbursement and miscellaneous revenue	18,000	5,598	212,098	206,500
County of Sonoma grant	500,000	500,000	500,000	-
Other operating and capital grant funding	5,000	5,000	207,681	202,681
Investment earnings	-	-	3,449	3,449
	<u>2,589,084</u>	<u>2,711,221</u>	<u>3,016,269</u>	<u>305,048</u>
Expenditures				
Current:				
Salaries and wages	1,567,820	1,785,174	1,596,131	189,043
Employee benefits	574,630	596,705	606,209	(9,504)
Services and supplies	689,145	693,343	637,870	55,473
Debt Service:				
Principal	123,000	61,000	61,000	-
Interest	2,000	30,942	30,942	-
Capital expenditures	<u>2,000</u>	<u>3,500</u>	<u>61,133</u>	<u>(57,633)</u>
	<u>2,958,595</u>	<u>3,170,664</u>	<u>2,993,285</u>	<u>177,379</u>
Excess (Deficiency of Revenues Over (Under) Expenditures	<u>(369,511)</u>	<u>(459,443)</u>	<u>22,984</u>	<u>482,427</u>
Net Change in Fund Balance			22,984	
Fund Balance, Beginning of Year			<u>902,500</u>	
Fund Balance, End of Year			<u>\$ 925,484</u>	

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

BODEGA BAY FIRE PROTECTION DISTRICT
Schedule of Proportionate Share of the Net Pension Liability
For Fiscal Year Ended June 30, 2022

<u>Measurement Date</u>	<u>District Proportionate of the Net Pension Liability</u>	<u>District's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability</u>
June 30, 2014	0.01290000%	\$ 1,101,450	\$ 787,703	139.83%	73.50%
June 30, 2015	0.0156690%	1,075,482	774,885	138.79%	76.33%
June 30, 2016	0.0148020%	1,280,858	705,545	181.54%	73.49%
June 30, 2017	0.0142500%	1,413,241	722,281	195.66%	74.87%
June 30, 2018	0.0137240%	1,322,509	780,263	169.50%	78.96%
June 30, 2019	0.0133760%	1,370,673	990,571	138.37%	80.18%
June 30, 2020	0.0143870%	1,565,397	1,174,888	133.24%	80.39%
June 30, 2021	0.0331832%	1,794,645	1,067,298	168.15%	79.24%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

*Fiscal year 2014 was the first implementation date year; therefore, only seven years are shown.

BODEGA BAY FIRE PROTECTION DISTRICT

Schedule of Pension Contributions For Fiscal Year Ended June 30, 2022

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$ 112,770	\$ (112,770)	\$ -	\$ 774,885	14.55%
June 30, 2016	203,300	(203,300)	-	705,545	28.81%
June 30, 2017	223,466	(223,466)	-	722,281	30.94%
June 30, 2018	248,790	(248,790)	-	780,263	31.89%
June 30, 2019	194,766	(194,766)	-	990,574	19.66%
June 30, 2020	257,332	(257,332)	-	1,174,888	21.90%
June 30, 2021	284,434	(284,434)	-	1,165,243	24.41%
June 30, 2022	295,623	(295,623)	-	1,074,565	27.51%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation	Inflation	Investment Rate of Return
June 30, 2015	June 30, 2013	Entry Age	Market Value	2.75%	7.65%
June 30, 2016	June 30, 2014	Entry Age	Market Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Market Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Market Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Market Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Market Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Market Value	2.50%	7.15%
June 30, 2022	June 30, 2020	Entry Age	Market Value	2.50%	7.15%

Amortization Method

Level percentage of payroll, closed

Salary Increases

Depending on age, service, and type of employment

Investment Rate of Return

Net of pension plan investment expense

Retirement Age

Miscellaneous - 2.0%@60 and 2.0%@62

Safety - 2.0%@50 and 2.7%@57

Mortality

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

*Fiscal year 2015 was the first implementation year; therefore, only seven years are shown.

BODEGA BAY FIRE PROTECTION DISTRICT
Schedule of Changes in the District's Total OPEB Liability and Related Ratio
For Fiscal Year Ended June 30, 2022

Fiscal Year Ended Measurement Date	June 30, 2022 <u>June 30, 2021</u>	June 30, 2021 <u>June 30, 2020</u>	June 30, 2020 <u>June 30, 2019</u>	June 30, 2019 <u>June 30, 2018</u>	June 30, 2018 <u>June 30, 2017</u>
Total OPEB Liability:					
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	12,232	18,718	15,607	13,975
Changes in assumptions	-	35,788	(92,731)	(17,552)	(51,535)
Differences between expected and actual experience	-	-	67,949	-	-
Benefit payments	<u>-</u>	<u>(18,482)</u>	<u>(19,206)</u>	<u>(17,499)</u>	<u>(16,247)</u>
Net change in total OPEB Liability	-	29,538	(25,270)	(19,444)	(53,807)
Total OPEB liability - beginning	<u>429,510</u>	<u>399,972</u>	<u>425,242</u>	<u>446,686</u>	<u>498,493</u>
District's net OPEB liability	429,510	429,510	399,972	427,242	444,686
Covered-employee payroll	\$ 1,074,565	\$ 1,017,815	\$ 990,574	\$ 780,263	\$ 722,281
District's net OPEB Liability as a percentage of covered- employee payroll	<u>39.97%</u>	<u>42.20%</u>	<u>40.38%</u>	<u>54.76%</u>	<u>61.57%</u>

Notes to Schedule:

Benefits Changes:

Measurement Date June 30, 2017 - There were no changes of benefits terms

Measurement Date June 30, 2018 - There were no changes of benefits terms

Measurement Date June 30, 2019 - There were no changes of benefits terms

Measurement Date June 30, 2020 - There were no changes of benefits terms

Measurement Date June 30, 2021 - There were no changes of benefits terms

Changes in Assumptions:

Measurement Date June 30, 2017 - There were no changes in assumptions

Measurement Date June 30, 2018 - There were no changes in assumptions except in discount rate

Measurement Date June 30, 2019 - There were no changes in assumptions except in discount rate

Measurement Date June 30, 2020 - There were no changes in assumptions except in discount rate

Measurement Date June 30, 2021 - There were no changes in assumptions except in discount rate

*Fiscal year 2018 was the first year of implementation; therefore, only four years are shown.