

**GOLD RIDGE 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)

GOLD RIDGE FIRE PROTECTION DISTRICT

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Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Gold Ridge Fire Protection District
Sebastopol, 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 Gold Ridge 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 Gold Ridge 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 Gold Ridge 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 Gold Ridge 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 Gold Ridge 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 Gold Ridge 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8, budgetary comparison on pages 29-30 and schedule of CalPERS on pages 31-32 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 Gold Ridge Fire Protection District June 30, 2021, financial statements, and their report dated December 01, 2021, express an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information present herein as of and for the year ended June 30, 2021, is consistent in all material respect, with the audited financial statements from which it has been derived.

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

October 25, 2022

GOLD RIDGE FIRE PROTECTION DISTRICT

Management Discussion and Analysis

June 30, 2022 and 2021

As management of the Gold Ridge 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 \$5,577,544 (net position). This amount includes unrestricted net position of \$3,228,409 at fiscal year ended June 30, 2022.
- The District's net position increased by 7.83% or \$405,024. The increase is the result of revenues exceeding expenses. The total revenues were \$5,523,159 and total expenses were \$5,118,135.
- The District reported a fund balance of \$4,627,907, an increase of \$661,524 or 16.68%.
- For the fiscal year ended June 30, 2022, the District's total assets were \$8,949,448. The total assets included current assets of \$4,712,846, capital assets of \$2,804,206, and deferred outflows of resources of \$1,432,396. The total liabilities were \$3,371,904. The total liabilities included current liabilities of \$129,771 and non-current liabilities of \$2,207,894. The non-current liabilities included compensated absences of \$136,480, lease payable of \$410,239, and net pension liability of \$1,661,175. The total liabilities also included deferred inflows of resources of \$1,034,239.

Fiscal Year 2021

- The assets of the District exceeded their liabilities at fiscal year ended June 30, 2021 by \$5,172,520 (net position). This amount includes unrestricted net position of \$3,027,595 at fiscal year ended June 30, 2021.
- The District's net position increased by 23.19% or \$973,596. The increase is the result of revenues exceeding expenses. The total revenues were \$6,026,875 and total expenses were \$5,053,279.
- The District reported a fund balance of \$3,966,383, an increase of \$1,238,252 or 45.39%.
- For the fiscal year ended June 30, 2021, the District's total assets were \$6,939,711. The total assets included current assets of \$4,084,278, capital assets of \$2,144,925, and deferred outflows of resources of \$710,508. The total liabilities were \$1,767,191. The total liabilities included current liabilities of \$117,895 and non-current liabilities of \$1,623,897. The non-current liabilities included compensated absences of \$136,696 and net pension liability of \$1,487,201. The total liabilities also included deferred inflows of resources of \$25,399.

GOLD RIDGE 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.

GOLD RIDGE 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 \$5,577,544 and \$5,172,520 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		Increase (Decrease)	Percentage Change
	June 30,			
	2022	2021		
Current Assets	\$ 4,712,846	\$ 4,084,278	\$ 628,568	13.34%
Capital Assets	2,804,206	2,144,925	659,281	23.51%
Deferred Outflows	1,432,396	710,508	721,888	50.40%
Total Assets	8,949,448	6,939,711	2,009,737	28.96%
Current Liabilities	129,771	117,895	11,876	10.07%
Long-Term Liabilities	2,207,894	1,623,397	584,497	36.00%
Deferred Inflows	1,034,239	25,399	1,008,840	3971.97%
Total Liabilities	3,371,904	1,766,691	1,605,213	90.86%
Net Position				
Net Investment in Capital Assets	2,349,135	2,149,925	199,210	9.27%
Unrestricted	3,228,409	3,023,095	205,314	6.79%
Total Net Position	\$ 5,577,544	\$ 5,173,020	\$ 404,524	7.82%

Governmental Activities: Governmental activities for fiscal years ended June 30, 2022, and 2021 increased the District's general fund by \$661,524 and \$1,238,252, respectively, due to the result of revenues exceeding expenditures. In addition, the District's net position increased by \$405,024 and \$973,596 during the fiscal years ended June 30, 2022 and 2021, respectively as reported on the statement of activities on page 10.

GOLD RIDGE FIRE PROTECTION DISTRICT

Management Discussion and Analysis

June 30, 2022 and 2021

Overview of the Financial Statements (Continued)

	<u>Change in Net Position</u>		Increase (Decrease)	Percentage Change
	Year ended June 30,			
	<u>2022</u>	<u>2021</u>		
Revenues:				
Program Revenues:				
Intergovernmental & Fees	\$ 2,103,554	\$ 2,656,539	\$ (552,985)	-26.29%
General Revenues:				
Property Taxes	3,378,231	3,311,411	66,820	2.02%
Other Revenue (expense)	<u>21,758</u>	<u>451</u>	<u>21,307</u>	<u>4724.39%</u>
Total Revenues	<u>5,503,543</u>	<u>5,968,401</u>	<u>(464,858)</u>	<u>-7.79%</u>
Expenses:				
Program Expenses:				
Salaries and Wages	4,196,231	4,313,024	(116,793)	-2.71%
Services and Supplies	763,250	542,743	220,507	40.63%
Depreciation Expense	<u>139,038</u>	<u>139,038</u>	<u>-</u>	<u>0.00%</u>
Total Expenses	<u>5,098,519</u>	<u>4,994,805</u>	<u>103,714</u>	<u>2.08%</u>
Change in Net Position	405,024	973,596	(568,572)	-58.40%
Net Position - Beginning of the Year	<u>5,172,520</u>	<u>4,198,924</u>	<u>973,596</u>	<u>23.19%</u>
Net Position - End of the Year	<u>\$ 5,577,544</u>	<u>\$ 5,172,520</u>	<u>\$ 405,024</u>	<u>7.83%</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 \$4,627,907 an increase of \$661,524 in comparison with fiscal year ended June 30, 2021. The District's governmental fund balance was of \$3,966,383, an increase of \$1,238,252 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 81.91% and 82.83% of the total general fund expenditures on June 30, 2022, and 2021, respectively.

GOLD RIDGE 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 \$148,969.
- Intergovernmental revenues were higher by \$703,070.
- Salaries and benefits expenses were more than budget by \$602,767.
- Services and supplies expenses were higher by \$70,202.
- Capital expenditures were more than budget by \$543,320.

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

- Property taxes revenue were higher by \$130,456
- Intergovernmental revenues were higher by \$1,313,054
- Salaries and benefits expenses were higher by \$745,775.
- Services and supplies expenses were lower by \$61,794.

All of these factors above were considered in preparing the District's budget for the fiscal year ending June 30, 2023.

Capital Asset and Debt Administration

Capital Assets: The District's capital assets, as of June 30, 2022, and 2021, amounts to \$2,804,206 and \$2,144,925 (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 5 of the notes to basic financial statements.

Lease Payable: The District lease payable as of June 30, 2022, amounts to \$455,071. The lease purchased agreement dated February 03, 2022, in the amount of \$505,143 with an interest rate of 2.979%. The additional information can be found in note 6 of the notes to basic financial statements.

Net Pension Liability: As of June 30, 2022, and 2021, the District net pension liability is \$1,661,175 and \$1,487,201, respectively.

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 Gold Ridge Fire Protection District, 4500 Hessel Road, Sebastopol, California.

GOLD RIDGE FIRE PROTECTION DISTRICT

Statement of Net Position

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u> <u>(Restated)</u>
Assets		
Current Assets:		
Cash and Investments	\$ 4,712,846	\$ 3,920,478
Accounts Receivable, government agency	-	163,800
Total Current Assets	<u>4,712,846</u>	<u>4,084,278</u>
Non-current Assets:		
Capital Assets		
Non-Depreciable	40,066	40,066
Building and Improvements	1,449,078	1,412,459
Equipment and Vehicles	3,623,063	2,861,363
Accumulated Depreciation	<u>(2,308,001)</u>	<u>(2,168,963)</u>
Total Non-Current Assets	<u>2,804,206</u>	<u>2,144,925</u>
Deferred Outflows of Resources	<u>1,432,396</u>	<u>710,508</u>
Total Assets	<u><u>\$ 8,949,448</u></u>	<u><u>\$ 6,939,711</u></u>
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 73,642	\$ 117,895
Accrued Interest	11,297	-
Loan Payable - Current Portion	<u>44,832</u>	<u>-</u>
Total Current Liability	<u>129,771</u>	<u>117,895</u>
Non-Current Liabilities		
Compensated Absences	136,480	136,696
Loan Payable - Noncurrent portion	410,239	-
Net Pension Liability	<u>1,661,175</u>	<u>1,487,201</u>
Total Non-Current Liability	<u>2,207,894</u>	<u>1,623,897</u>
Deferred Inflows of Resources	<u>1,034,239</u>	<u>25,399</u>
Total Liabilities	<u>3,371,904</u>	<u>1,767,191</u>
Net Position		
Net Investment in Capital Assets	2,349,135	2,144,925
Unrestricted	<u>3,228,409</u>	<u>3,027,595</u>
Total Net Position	<u>5,577,544</u>	<u>5,172,520</u>
Total Liabilities and Net Position	<u><u>\$ 8,949,448</u></u>	<u><u>\$ 6,939,711</u></u>

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

GOLD RIDGE FIRE PROTECTION DISTRICT

Statement of Activities

For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u> <u>(Restated)</u>
Program Expenses		
Public Safety - Fire Prevention		
Salaries and Employee Benefits	\$ 4,196,231	\$ 4,313,024
Services and Supplies	763,250	542,743
Depreciation	139,038	139,038
	<hr/>	<hr/>
Total Program Expenses	5,098,519	4,994,805
	<hr/>	<hr/>
Program Revenues		
Charges for Services		
Intergovernmental Revenue	2,003,170	2,603,534
Donations	59,456	11,210
Rent Revenue	39,840	39,840
Charges for Services	1,088	1,955
	<hr/>	<hr/>
Total Program Revenues	2,103,554	2,656,539
	<hr/>	<hr/>
Net Program Revenues (Expenses)	(2,994,965)	(2,338,266)
	<hr/>	<hr/>
General Revenues		
Property Taxes	3,378,231	3,311,411
Investment earnings	9,076	6,125
Interest Expense	(19,616)	(58,474)
Miscellaneous income	32,298	52,800
	<hr/>	<hr/>
Total General Revenues	3,399,989	3,311,862
	<hr/>	<hr/>
Change in Net Position	405,024	973,596
Net Position, Beginning of Year	5,172,520	4,198,924
	<hr/>	<hr/>
Net Position, End of Year	<u>\$ 5,577,544</u>	<u>\$ 5,172,520</u>

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

GOLD RIDGE FIRE PROTECTION DISTRICT

Enterprise Funds, Statement of Cash Flows

For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021 (Restated)</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from program revenues	\$ 1,545,466	\$ 7,910,198
Cash paid to vendors and employees	<u>(3,809,839)</u>	<u>(9,265,063)</u>
Net Cash Provided (Used) by Operating Activities	<u>(2,264,373)</u>	<u>(1,354,865)</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED		
Property Taxes Received	3,378,231	3,311,411
Miscellaneous	<u>32,298</u>	<u>52,800</u>
Net Cash Provided (Used) from Non-Capital Activities	<u>3,410,529</u>	<u>3,364,211</u>
CASH FLOWS FROM CAPITAL AND RELATED		
FINANCING ACTIVITIES:		
Proceeds from Note	505,143	-
Principal Payment on Note	(50,071)	(365,996)
Interest Paid	(19,616)	(58,474)
Payment for Capital Purchase	<u>(798,320)</u>	<u>(216,797)</u>
Net Cash Provided (Used) from Capital and Related Financing Activities	<u>(362,864)</u>	<u>(641,267)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Income	<u>9,076</u>	<u>6,125</u>
Net Cash Provided (Used) from Investing Activities	<u>9,076</u>	<u>6,125</u>
Net Increase (Decrease) in Cash	792,368	1,374,204
Cash-Beginning of Year	<u>3,920,478</u>	<u>2,546,274</u>
Cash-End of Year	<u>\$ 4,712,846</u>	<u>\$ 3,920,478</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Net Operating Income (Loss)	\$ (2,994,965)	\$ (2,338,266)
Depreciation	139,038	139,038
(Increase) Decrease in:		
Accounts Receivables	163,800	82,327
Deferred Outflows of Resources	(721,888)	5,171,332
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(33,172)	66,086
Net Pension Liability	173,974	(4,500,781)
Deferred Inflows of Resources	<u>1,008,840</u>	<u>25,399</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,264,373)</u>	<u>\$ (1,354,865)</u>

The accompanying notes are an integral part of the financial statements

GOLD RIDGE FIRE PROTECTION DISTRICT

Balance Sheet

Governmental Fund

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and Investments	\$ 4,712,846	\$ 3,920,478
Accounts Receivable	-	163,800
Total Assets	<u>\$ 4,712,846</u>	<u>\$ 4,084,278</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable & Accrued Expenses	<u>\$ 84,939</u>	<u>\$ 117,895</u>
Total Liabilities	<u>84,939</u>	<u>117,895</u>
Fund balance:		
Committed	231,826	231,826
Unassigned	<u>4,396,081</u>	<u>3,734,557</u>
Total Fund Balance	<u>4,627,907</u>	<u>3,966,383</u>
Total Liabilities and Fund Balance	<u>\$ 4,712,846</u>	<u>\$ 4,084,278</u>

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

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

	2022	2021 (Restated)
Total Fund Balances - Governmental Funds	\$ 4,627,907	\$ 3,966,383
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred Outflows of Resources	1,432,396	710,508
Capital assets used in governmental activities not financial recourses and, therefore are not reported in the governmental funds	2,804,206	2,144,925
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Loan Payable	(455,071)	-
Compensated Absences	(136,480)	(136,696)
Deferred Inflows of Resources	(1,034,239)	(25,399)
Net Pension liability	(1,661,175)	(1,487,201)
Net Position of Governmental Activities	\$ 5,577,544	\$ 5,172,520

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

GOLD RIDGE 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 Taxes	\$ 3,378,231	\$ 3,311,411
Investment Earnings	9,076	6,125
Intergovernmental revenue	2,003,170	2,603,534
Donations	59,456	11,210
Rental Income	39,840	39,840
Charges for Services	1,088	1,955
Miscellaneous Income	32,298	52,799
	5,523,159	6,026,874
Expenditures		
Current:		
Salaries and Employee Benefits	3,735,521	3,814,911
Services and Supplies	763,250	542,744
Non-Current		
Capital Expenditures	798,320	-
Debt Service:		
Principal Payment	50,071	372,493
Interest Expense	19,616	58,474
	5,366,778	4,788,622
Excess (Deficiency) of Revenues Over (Under) Expenditures	156,381	1,238,252
Other Financing Sources (Uses)		
Proceeds from Long-term Note	505,143	-
	505,143	-
Net Change in Fund Balance	661,524	1,238,252
Fund Balance, Beginning of Year	3,966,383	2,728,131
Fund Balance, End of Year	\$ 4,627,907	\$ 3,966,383

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

GOLD RIDGE 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:	<u>2022</u>	<u>2021 (Restated)</u>
Net change in fund - total governmental fund	\$ 661,524	\$ 1,238,252
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	798,320	223,627
Current year depreciation	(139,038)	(139,038)
Proceeds from the note's is a source in the governmental funds, but, the loan increases long-term liabilities in the statement of net position	(505,143)	-
Repayment of the note's principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	50,071	372,493
Some expense reported in the statements of activities do not require use of current financial resources, and therefore, are not reported as expenditures in governmental funds		
Change in compensated absences	216	(25,788)
Change in deferred outflows of resources	721,888	(5,171,332)
Change in deferred inflows of resources	(1,008,840)	(25,399)
Change in net pension liability	(173,974)	4,500,781
Change in Net Position of Governmental Activities	<u>\$ 405,024</u>	<u>\$ 973,596</u>

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

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies

Reporting Entity

The District was formed in 1993 when the fire District's of Hessel and Twin Hills merged, serving the communities of Hessel, Twin Hills, and Freestone. They provide all-risk fire protection and emergency medical response across 75 square miles of rural Sebastopol and mutual aid to all surrounding fire districts. The June 29, 1993 resolution approved by the Board of Supervisors of Sonoma County created the reorganization under Resolution No. 93-0888. Under resolution No. 92- 93-05, the Gold Ridge Fire District name was created. The District operates under Health and Safety Code Sections, 13816 through 13822. The District's governmental powers are exercised through the seven-member Board of Directors.

Introduction

The District's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

Government-wide 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 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 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment 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.

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

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies (Continued)

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts recorded as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental Fund Financial Statement

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for its governmental funds. 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 are 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. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies (Continued)

sources, which have been treated as susceptible to accrual by the District, are property taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred. Reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the difference created by the integrated approach.

The District uses the following fund types:

Governmental Funds

General Fund – The General Fund is the general operating fund of the system. It is used to account for all financial resources except those required to be accounted for in other fund.

1. Assets, Liabilities, and Net Assets or Equity

Cash and Investments – 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.

2. 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.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	30-50
Equipment and Vehicles	5 to 20

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies (Continued)

3. 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.

4. 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:

- Invested in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and net of related debt.
- Unrestricted net position – This component of net position consists of net position that do not meet the definition of “restricted” or “invested” in capital assets, net of related debt.

5. Fund Equity

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:

- 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).
- Restricted: Restricted fund balance consists of amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed: Committed fund balance consists of amounts designated by the Board of Directors for a certain purpose.
- Assigned: Assigned fund balance is classified for specific purpose but cannot be name restricted or committed.

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 1 Summary of Significant Accounting Policies (Continued)

- Unassigned: Unassigned fund balance is the residual classification for the general fund and all spendable amounts not contained in the other classifications.

Note 2 Cash and Investments

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

Cash on Hand and In Banks

Cash and investments on June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Cash held with financial institutions	\$ 4,712,534	\$ 3,920,046
Petty Cash	<u>312</u>	<u>432</u>
Total Cash and Investments	<u>\$ 4,712,846</u>	<u>\$ 3,920,478</u>

Bank accounts are subject to FDIC insurance for amounts up to \$250,000.

Note 3 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 on January 1 for the ensuing fiscal year. The property tax is levied as of July 1 on all taxable property located in 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 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.

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 3 Property Taxes (Continued)

On June 29, 1993, the Board of Supervisors adopted the "Teeter" Alternate 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 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 cash used for the advances.

Note 4 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 receivable on June 30, 2022 and 2021 will be fully collected. Accordingly, no allowance for doubtful receivable is recorded. The balance of accounts receivable on June 30, is as follows:

	<u>2022</u>	<u>2021</u>
Property taxes receivable	<u>\$ -</u>	<u>\$ 163,800</u>

Note 5 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	\$ 40,066	\$ -	\$ -	\$ 40,066
Total capital assets, not being depreciated	<u>40,066</u>	<u>-</u>	<u>-</u>	<u>40,066</u>
Capital assets, being depreciated				
Building and Improvements	1,412,459	36,619	-	1,449,078
Equipment and vehicles	<u>2,861,363</u>	<u>761,700</u>	<u>-</u>	<u>3,623,063</u>
Total capital assets being depreciated	<u>4,273,822</u>	<u>798,319</u>	<u>-</u>	<u>5,072,141</u>
Less Accumulated Depreciation for:	(2,168,963)	(139,038)	-	(2,308,001)
Total capital assets, being depreciated, net	<u>2,104,859</u>	<u>659,281</u>	<u>-</u>	<u>2,764,140</u>
Total Capital Assets-Net	<u>\$ 2,144,925</u>	<u>\$ 659,281</u>	<u>\$ -</u>	<u>\$ 2,804,206</u>

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 5 Capital Assets (Continued)

Capital assets summary for the year ended June 30, 2021 is as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
Capital assets, not being depreciated				
Land	\$ 40,066	\$ -	\$ -	\$ 40,066
Total capital assets, not being depreciated	<u>40,066</u>	<u>-</u>	<u>-</u>	<u>40,066</u>
Capital assets, being depreciated				
Building and Improvements	1,239,932	172,527	-	1,412,459
Equipment and vehicles	<u>2,817,096</u>	<u>44,267</u>	<u>-</u>	<u>2,861,363</u>
Total capital assets being depreciated	<u>4,057,028</u>	<u>216,794</u>	<u>-</u>	<u>4,273,822</u>
Less Accumulated Depreciation for:	(2,029,925)	(139,038)	-	(2,168,963)
Total capital assets, being depreciated, net	<u>2,027,103</u>	<u>77,756</u>	<u>-</u>	<u>2,104,859</u>
Total Capital Assets-Net	<u>\$ 2,067,169</u>	<u>\$ 77,756</u>	<u>\$ -</u>	<u>\$ 2,144,925</u>

Depreciation expense is charged to function/programs of the Gold Ridge Fire Protection District:

	<u>2022</u>	<u>2021</u>
Governmental activities:		
Public Safety - Fire Protection	<u>\$ 139,038</u>	<u>\$ 139,038</u>

Note 6 Long-term Liabilities

Long term liability activity for the years ended June 30, was as follows:

	2022				Due Within One Year
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	
Lease payable	\$ -	\$ 505,143	\$ 50,071	\$ 455,072	\$ 44,833
Net Pension Liability	1,487,201	173,974	-	1,661,175	-
Compensated Absences	<u>136,696</u>		<u>216</u>	<u>136,480</u>	<u>-</u>
Total Long-term Liabilities	<u>\$ 1,623,897</u>	<u>\$ 679,117</u>	<u>\$ 50,287</u>	<u>\$ 2,252,727</u>	<u>\$ 44,833</u>

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 6 Long-term Liabilities (Continued)

	2021 (Restated)				Due Within One Year
	Beginning Balance	Additions	Reductions	Ending Balance	
Note payable	\$ 310,984	\$ -	\$ 310,984	\$ -	\$ -
Net Pension Liability	1,382,148	105,053	-	1,487,201	-
Compensated Absences	110,908	25,788	-	136,696	-
Total Long-term Liabilities	\$ 1,804,040	\$130,841	\$ 310,984	\$ 1,623,897	\$ -

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred 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 resignation and for retirement. As of June 30, 2022, and 2021, the compensated absences payable balance is \$136,480 and \$136,696, respectively.

Lease Payable

The District has a lease payable dated February 2021. The lease is for the amount \$505,143, has an interest rate of 2.979 percent and matures August 2030. As of June 30, 2022, the remaining lease payable balance is \$455,071.

Below is the lease payable schedule:

FY	Installment Payment	Principal	Interest
2023	\$ 58,389	\$ 44,833	\$ 13,556
2024	58,389	46,168	12,221
2025	58,389	47,544	10,845
2026	58,389	48,960	9,429
2027-2030	300,266	267,566	32,700
Total	\$ 533,822	\$455,071	\$78,751

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 7 District Employees Retirement Plan (Defined Benefit Pension Plan)

Defined Benefit Pension Plan

The District provides eligible employee's pension plans benefits through the Gold Ridge Fire Protection District – Safety Plan and Miscellaneous 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, 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 I	0.000%	\$80,648	0.00%
Safety Plan Tier II	26.120%	\$29,490	8.99%
PEPRA Safety Plan	13.980%	\$3,479	13.75%
Miscellaneous Plan	16.780%	\$5,945	7.80%
PEPRA Misc Plan	7.590%	\$290	6.75%

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 7 Defined Benefit Pension Plan (Continued)

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.

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:

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

Note 7 Defined Benefit Pension Plan (Continued)

<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

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

	<u>Plan Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Plan Net Pension Liability/(Asset) (c) = (a) - (b)</u>
Balance at : 6/30/2020 (MD)	\$ 6,478,390	\$ 4,991,189	\$ 1,487,201
Balance at : 6/30/2021 (MD)	\$ 7,301,192	\$ 5,640,017	\$ 1,661,175
Net Changes during 2020-21	\$ (822,802)	\$ (648,828)	\$ (173,974)

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

	<u>Discount Rate - 1% (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>Discount Rate + 1% (8.15%)</u>
Plan's Net Pension Liability/(Asset) - 2022	\$ 2,642,894	\$ 1,661,175	\$ 854,519
Plan's Net Pension Liability/(Asset) - 2021	\$ 2,365,841	\$ 1,487,201	\$ 765,875

GOLD RIDGE FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2022 and 2021

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

Deferred Outflows and Deferred Inflows

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

	<u>2022</u>	<u>2021</u>
Total Service Costs	\$ 245,557	\$ 109,733
Interest on TPL	859,611	378,733
Recognize Changes of Assumptions	(11,400)	51,102
Changes of Benefit Terms	232	18
Plans Share of Employee Contribution	(98,233)	(42,705)
Net Plan to Plan Resource Movement	(136,869)	(32,052)
Projected Earnings on PPI	(636,387)	(45,240)
Recognized Difference Between Projected and Actual Plan Earnings	(311,124)	29,915
Recognized Difference Between Expected & Actual Experience	171,030	58,523
Administrative Expenses	9,067	5,488
Other Miscellaneous Income	-	-
Total Pension Expense Recognized	<u>\$ 91,484</u>	<u>\$ 513,515</u>

For the measurement period ended June 30, 2021 (the measurement date), Gold Ridge Fire Protection District incurred a pension expense of \$91,484 for the Plan (the pension expense for risk pool for the measurement period is \$188,401,318).

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

	<u>FY21-22 Deferred Outflows of Resources</u>	<u>FY21-22 Deferred Inflows of Resources</u>	<u>FY20-21 Deferred Inflows/(Outflows) of Resources</u>
Difference between Expected and Actual Experience	\$ 278,286	\$ -	\$ 113,139
Changes of Assumptions	-	-	(5,273)
Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,014,852	32,993
Difference between Employer's Contribution and Proportionate Share of Contribution	129,955	19,387	68,530
Changes in Employees Proportion	578,858	-	85,383
Pension Contributions made Subsequent to Measurement Date	445,297	-	390,337
Total	<u>\$ 1,432,396</u>	<u>\$ 1,034,239</u>	<u>\$ 685,109</u>

GOLD RIDGE 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</u> <u>Ended June 30,</u>	<u>FY21-22 Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>	<u>FY20-21 Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2022	\$ -	\$ 191,860
2023	262,947	186,411
2024	192,455	134,224
2025	44,004	94,545
2026	(190,310)	78,067
2027	89,057	-
Thereafter	-	-

Note 8 Prior Year Restated Financial Statements

Other auditors have audited fiscal year ended June 30, 2021 financial statements. However, we have restated prior year financial statements to reflect the correct pension plan amounts under GASB Statement 68.

Note 9 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. There are no subsequent events that have occurred through October 31, 2022 that meet the above definition.

GOLD RIDGE 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 Taxes	\$ 3,229,262	\$ 3,229,262	\$ 3,378,231	\$ 148,969
Investment earnings	6,506	6,506	9,076	2,570
Intergovernmental Revenue	1,300,100	1,300,100	2,003,170	703,070
Donations	1,000	1,000	59,456	58,456
Miscellaneous/Other Income	41,400	41,400	73,226	31,826
	<u>4,578,268</u>	<u>4,578,268</u>	<u>5,523,159</u>	<u>944,891</u>
Expenditures				
Current:				
Salaries and Employee Benefits	3,132,754	3,132,754	3,735,521	(602,767)
Services and Supplies	693,048	693,048	763,250	(70,202)
Capital expenditures	255,000	255,000	798,320	(543,320)
Debt Service:				
Principal	58,389	58,389	50,071	8,318
Interest	8,318	8,318	19,616	(11,298)
Appropriations for contingency	930,759	930,759	-	930,759
	<u>5,078,268</u>	<u>5,078,268</u>	<u>5,366,778</u>	<u>(288,510)</u>
Excess (Deficiency of Revenues Over (Under) Expenditures	<u>(500,000)</u>	<u>(500,000)</u>	156,381	656,381
Other Financing Sources (Uses)				
Proceeds from Long-term Note			<u>505,143</u>	
Total Other Financing Sources (Uses)			<u>505,143</u>	
Net Change in Fund Balance			661,524	
Fund Balance, Beginning of Year			<u>3,966,383</u>	
Fund Balance, End of Year			<u>\$ 4,627,907</u>	

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

GOLD RIDGE 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>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 3,022,813	\$ 3,180,955	\$ 3,311,411	\$ 130,456
Investment earnings	4,178	4,178	6,125	1,947
Intergovernmental Revenue	1,290,480	1,290,480	2,603,534	1,313,054
Donations	2,000	2,000	11,210	9,210
Miscellaneous/Other Income	39,840	39,840	94,594	54,754
	<u>4,359,311</u>	<u>4,517,453</u>	<u>6,026,874</u>	<u>1,509,421</u>
Expenditures				
Current:				
Salaries and Employee Benefits	2,970,804	3,069,136	3,814,911	(745,775)
Services and Supplies	462,450	480,950	542,744	(61,794)
Debt Service:				
Principal	50,994	50,994	372,493	(321,499)
Interest	15,297	15,297	58,474	(43,177)
Appropriations for contingency	857,612	898,922	-	898,922
	<u>4,357,157</u>	<u>4,515,299</u>	<u>4,788,622</u>	<u>(273,323)</u>
Excess (Deficiency of Revenues Over (Under) Expenditures	<u>2,154</u>	<u>2,154</u>	<u>1,238,252</u>	<u>1,236,098</u>
Net Change in Fund Balance			1,238,252	
Fund Balance, Beginning of Year			<u>2,728,131</u>	
Fund Balance, End of Year			<u>\$ 3,966,383</u>	

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

GOLD RIDGE FIRE PROTECTION DISTRICT
Schedules of Required Supplementary Information - Safety Plan
As of June 30,
Last 10 Years*

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

	2022	2021	2020	2019	2018	2017	2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.00690%	0.00774%	0.00758%	0.00673%	0.00729%	0.00562%	0.00424%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 1,567,087	\$ 1,403,157	\$ 1,304,509	\$ 1,089,312	\$ 1,105,506	\$ 774,037	\$ 594,148
Plan's Covered-Employee Payroll	\$ 1,219,827	\$ 794,478	\$ 648,049	\$ 694,338	\$ 660,460	\$ 694,251	\$ 580,002
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	128.5%	176.6%	201.3%	156.9%	167.4%	111.5%	102.4%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	77.2%	76.8%	76.6%	78.3%	75.4%	80.2%	82.5%

Schedule of Plan Contributions

	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 117,527	\$ 98,753	\$ 86,572	\$ 58,320	\$ 42,750	\$ 33,635	\$ 33,635
Contributions in Relation to the Actuarially Determined Contribution	(117,527)	(98,753)	(86,572)	(58,320)	(42,750)	(33,635)	(33,635)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 1,437,664	\$ 1,219,827	\$ 794,478	\$ 648,049	\$ 694,338	\$ 660,460	\$ 694,251
Contributions as a Percentage of Covered-Employee Payroll	8.17%	8.10%	10.90%	9.00%	6.16%	5.09%	4.84%

Notes to Schedule

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

Change in Assumptions: None

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GOLD RIDGE FIRE PROTECTION DISTRICT
Schedules of Required Supplementary Information
Miscellaneous Plan PEPRA Miscellaneous

As of June 30,
 Last 10 Years*

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

	2022	2021	2020	2019	2018	2017	2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.00052%	0.00057%	0.00048%	0.00048%	0.00053%	0.00039%	0.00029%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 94,088	\$ 84,047	\$ 67,639	\$ 62,629	\$ 64,380	\$ 42,114	\$ 31,719
Plan's Covered-Employee Payroll	\$ 161,674	\$ 68,076	\$ 67,430	\$ 65,250	\$ 134,484	\$ 78,445	\$ 71,248
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	58.20%	123.46%	100.31%	95.98%	47.87%	53.69%	21.84%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	77.64%	80.05%	80.94%	83.57%	79.47%	85.31%	86.80%

Schedule of Plan Contributions

	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 6,450	\$ 6,591	\$ 5,231	\$ 3,243	\$ 2,373	\$ 1,875	\$ 1,875
Contributions in Relation to the Actuarially Determined Contribution	(6,450)	(6,591)	(5,231)	(3,243)	(2,373)	(1,875)	(1,875)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 182,054	\$ 161,674	\$ 68,076	\$ 67,430	\$ 65,250	\$ 134,484	\$ 78,445
Contributions as a Percentage of Covered-Employee Payroll	3.54%	4.08%	7.68%	4.81%	3.64%	1.39%	2.39%

Notes to Schedule

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

Change in Assumptions: None

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GOLD RIDGE FIRE PROTECTION DISTRICT
Notes to Required Supplementary Information
June 30, 2022 and 2021

Budget: The District operates under the general laws of the State of California and annually adopts a budget to be effective July 1 of the ensuing fiscal year. Formal budgetary integration is employed as a management control device during the year for all governmental fund types. Unused appropriations for the budgeted funds lapse at the end of the fiscal year. Budgets are adopted on a modified accrual basis. Expenditures in excess of budgeted amounts are approved individually by the Board.

Change in Benefit Terms: The figure above does not include any liability impact that may have resulted from plan changes which occurred after June 30, 2022 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statements as CalPERS considered such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Changes in Assumptions: None

GOLD RIDGE FIRE PROTECTION DISTRICT
Roster of Board Members

Directors:

Robert Gloeckner	Chairman	December 2026
Domenic Carinalli	Secretary	December 2026
Joe Peterson		December 2024
Christopher Tachouet		December 2024
David Warburg		December 2026
Charles Lachman		December 2024
Steve Petrucci		December 2026

Clerk of the Board:

Shepley Schroth-Cary	Chief	Continuous
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Regular Meetings:

The regular meeting of the Board of Directors is held at 7:00 P.M. on the first Wednesday of each month. The schedule of location can be found on the District website.