

**SOUTH PLACER
FIRE DISTRICT**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
for the year ended June 30, 2023**

ROBERT W. JOHNSON
Certified Public Accountant

CONTENTS

	<u>Pages</u>
Financial Section:	
Independent Auditor's Report	1-3
Basic Financial Statements:	
Statement of Net Position and Governmental Fund Balance Sheet	4-5
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances	6-7
Statement of Revenues and Expenditures - Compared to Budget	8-10
Notes to Financial Statements	11-35
Required Supplementary Information:	
Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date	37
Schedule of Contributions for Pensions	38
Schedule of Contributions for OPEB	39
Schedule of Changes in Net OPEB Liability and Related Ratios	40
Supplemental Information:	
Principal Officials	42



Robert W. Johnson
an accountancy corporation

6234 Birdcage Street, Citrus Heights, California 95610 | robertwjohncpagroup@gmail.com | 916.723.2555
www.bob-johnson-cpa.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of South Placer Fire District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of South Placer Fire District as of June 30, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's Office and State Regulations governing Special Districts.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about South Placer Fire District's ability to continue as a going concern for twelve months 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Robert W. Johnson, An Accountancy Corporation

Citrus Heights, California

October 31, 2023

SOUTH PLACER FIRE DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
June 30, 2023

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS AND DEFERRED OUTFLOWS			
Cash and investments (Note 3)	\$5,435,545	\$ -	\$ 5,435,545
Accounts receivable (Note 4)	547,937	-	547,937
Prepaid expenses	7,407	-	7,407
Capital assets (Note 5)	-	19,224,034	19,224,034
Less, accumulated depreciation	<u>-</u>	<u>(7,815,442)</u>	<u>(7,815,442)</u>
Total assets	5,990,889	11,408,592	17,399,481
Deferred outflows (Notes 9 and 10):			
Pension related amounts	-	9,824,850	9,824,850
OPEB related amounts	<u>-</u>	<u>1,066,226</u>	<u>1,066,226</u>
Total assets and deferred outflows	<u>\$5,990,889</u>	<u>\$22,299,668</u>	<u>\$28,290,557</u>
 LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
Accounts payable	\$ 295,023	\$ -	\$ 295,023
Accrued salaries and benefits	355,972	-	355,972
Compensated absences	356,100	-	356,100
Long-term debt (Note 6)	-	4,949,062	4,949,062
Net pension liability (Note 9)	-	14,930,980	14,930,980
Net OPEB liability (Note 10)	<u>-</u>	<u>3,924,106</u>	<u>3,924,106</u>
Total liabilities	1,007,095	23,804,148	24,811,243
Deferred inflows (Notes 9 and 10):			
Pension related amounts	-	3,331,198	3,331,198
OPEB related amounts	<u>-</u>	<u>119,913</u>	<u>119,913</u>

(continued)

See notes to financial statements

SOUTH PLACER FIRE DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET,
continued
June 30, 2023

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
FUND BALANCES/NET POSITION			
Fund balances (Note 8):			
Restricted (Note 7)	\$1,242,006	\$(1,242,006)	\$ -
Committed	1,656,525	(1,656,525)	-
Unassigned	<u>2,085,263</u>	<u>(2,085,263)</u>	<u>-</u>
Total fund balances	<u>4,983,794</u>	<u>(4,983,794)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$5,990,889</u>		
Net position (Note 8):			
Net investment in capital assets		\$ 10,984,530	\$ 10,984,530
Restricted		1,242,006	1,242,006
Unrestricted		<u>(12,198,333)</u>	<u>(12,198,333)</u>
Total net position/(deficiency)		<u>\$ 28,203</u>	<u>\$ 28,203</u>

See notes to financial statements

SOUTH PLACER FIRE DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
for the year ended June 30, 2023

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
Public protection	\$13,659,514	\$ 1,374,707	\$15,034,221
Support services	484,224	-	484,224
Debt service	291,682	(291,682)	-
Capital outlay	576,463	(576,463)	-
Depreciation	<u>-</u>	<u>614,566</u>	<u>614,566</u>
Total program expenditures/expenses	<u>15,011,883</u>	<u>1,121,128</u>	<u>16,133,011</u>
Program revenues:			
Ambulance services (Note 4)	2,152,370	-	2,152,370
Other misc. and GEMT	260,654	-	260,654
Fees and cost recovery	303,824	-	303,824
CFAA revenues	181,204	-	181,204
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total program revenues	<u>2,898,052</u>	<u>-</u>	<u>2,898,052</u>
General revenues:			
Tax revenue	10,383,978	-	10,383,978
Special tax	702,157	-	702,157
Loomis assessment	1,099,907	-	1,099,907
Mitigation fees	909,103	-	909,103
Cellular tower lease	92,461	-	92,461
Interest income	69,508	-	69,508
Other	<u>7,555</u>	<u>-</u>	<u>7,555</u>
Total general revenues	<u>13,264,669</u>	<u>-</u>	<u>13,264,669</u>
Excess of revenues (expenditures)/ changes in net position	<u>1,150,838</u>	<u>(1,121,128)</u>	<u>29,710</u>

(continued)

See notes to financial statements

SOUTH PLACER FIRE DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES, continued
for the year ended June 30, 2023

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Fund balances/net position (deficit):			
Beginning of year, as originally stated	\$ 3,832,956	\$(3,813,366)	\$ 19,590
Prior period adjustment	<u> -</u>	<u>(21,097)</u>	<u>(21,097)</u>
Beginning of year, as restated	<u>3,832,956</u>	<u>(3,834,463)</u>	<u>(1,507)</u>
End of year	<u>\$ 4,983,794</u>	<u>\$(4,955,591)</u>	<u>\$ 28,203</u>

See notes to financial statements

SOUTH PLACER FIRE DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
COMPARED TO BUDGET
for the year ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance</u>
Revenues:			
Taxes revenue	\$10,378,169	\$10,383,978	\$ 5,809
Special tax	702,238	702,157	(81)
Ambulance service (Note 4)	1,800,000	2,152,370	352,370
Interest income	29,633	69,508	39,875
Mitigation fees	550,000	909,103	359,103
Grant Revenue	374,000	-	(374,000)
Other misc. and GEMT	217,500	260,654	43,154
Fees and cost recovery	300,000	303,824	3,824
Cellular tower lease	95,000	92,461	(2,539)
Loomis assessment	1,099,907	1,099,907	-
CFAA revenues	180,000	181,204	1,204
Other	<u>9,550</u>	<u>7,555</u>	<u>(1,995)</u>
 Total revenues	 <u>15,735,997</u>	 <u>16,162,721</u>	 <u>426,724</u>
Expenditures:			
Salaries and wages	6,380,500	5,948,988	431,512
Sellback (Admin.)	175,000	156,300	18,700
Callback/overtime	1,120,000	1,372,573	(252,573)
PERS retirement	2,049,991	1,990,575	59,416
Employer 457 Def. Comp Match	30,000	27,604	2,396
Payroll taxes	106,000	113,862	(7,862)
Workers comp.	700,000	751,841	(51,841)
Agency share insurance	1,305,000	1,130,878	174,122
Labor legal	35,000	21,997	13,003
Uniform/cell allowance	77,800	72,965	4,835
Employee assistance program	5,800	5,784	16
CFAA expenditures	180,000	155,785	24,215

(continued)

See notes to financial statements

SOUTH PLACER FIRE DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES, continued
COMPARED TO BUDGET
for the year ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance</u>
Expenditures, continued:			
Audit	\$ 15,150	\$ 15,150	\$ -
Propane	3,100	2,603	497
Employee physicals	15,000	14,559	441
COP bond payments	386,370	386,370	-
Storage	2,600	2,592	8
Paramedic/EMT cert. classes	7,750	6,363	1,387
Ambulance billing service	140,000	177,119	(37,119)
Garbage	12,500	9,074	3,426
Gas & electric	85,000	91,643	(6,643)
Insurance (FAIRA)	122,085	126,300	(4,215)
Memberships & subs.	20,000	19,108	892
News publications	1,500	2,731	(1,231)
Sewer	7,000	1,123	5,877
Telephone	57,750	47,762	9,988
Training supplies	12,500	9,326	3,174
Business & conference	15,000	6,088	8,912
Education & training	22,500	8,740	13,760
Water	15,000	15,385	(385)
Laundry	1,850	1,590	260
Legal & consulting	140,000	155,320	(15,320)
Prevention consulting fees	90,200	91,306	(1,106)
Petty cash fund	250	-	250
Pre-employment testing	10,000	3,948	6,052
Medical waste disposal	5,500	3,560	1,940
County charges	209,130	195,155	13,975
Elections	26,000	25,461	539
Incident supplies	7,500	2,202	5,298
Awards & recognition	7,702	7,217	485
Software subscriptions	111,562	114,687	(3,125)
Cleaning supplies	14,000	6,952	7,048
Computer service	12,000	11,153	847

(continued)

See notes to financial statements

SOUTH PLACER FIRE DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES, continued
COMPARED TO BUDGET
for the year ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance</u>
Expenditures, continued:			
Fire prevention supplies	\$ 13,500	\$ 4,057	\$ 9,443
Fuel & oil	108,000	107,675	325
Medical supplies	105,000	112,483	(7,483)
Miscellaneous	920	429	491
Office supplies	8,000	6,461	1,539
Oxygen	8,500	7,583	917
Postage	2,000	1,635	365
Uniform supplies	14,000	10,786	3,214
Firefighting supplies	25,750	21,965	3,785
Radio/Firecom repairs	12,500	5,044	7,456
Automotive repairs	115,000	168,085	(53,085)
Facilities maintenance	83,324	82,673	651
SCBA & compressor mtce.	7,000	5,714	1,286
Equipment Service Maintenance	30,350	12,592	17,758
Turnout clothing mtce.	5,500	5,344	156
Outside services	1,320	302	1,018
Bad debt provision	50,000	220,009	(170,009)
Mitigation capital expenditures	474,000	440,433	33,567
Fixed assets-minor	80,743	66,494	14,249
Capital expenditures	849,000	422,380	426,620
Contingency	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>15,735,997</u>	<u>15,011,883</u>	<u>724,114</u>
Excess of revenues/ (expenditures)	<u>\$ -</u>	<u>\$ 1,150,838</u>	<u>\$ 1,150,838</u>

See notes to financial statements

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
for the year ended June 30, 2023

1. Organization:

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

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

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

2. Summary of Significant Accounting Policies:

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

Measurement Focus and Basis of Accounting

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

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued):

Measurement Focus and Basis of Accounting, continued

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

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

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued):

Measurement Focus and Basis of Accounting, continued

Fund Financial Statements, continued

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

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

Investments

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

Ambulance Accounts Receivable

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

Capital Assets

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

Compensated Absences

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

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued):

Budgets

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

Revenue Recognition

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

Property Taxes

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued):

Pensions

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

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

Other Postemployment Benefits (OPEB)

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

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

Deferred Outflows of Resources

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

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued):

Deferred Inflows of Resources

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

Net Position

Net position is classified in the following categories:

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

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

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

Fund Balance

Fund balance is classified in the following categories:

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

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

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

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

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2023

2. Summary of Significant Accounting Policies (continued):

GASB Statement No. 87, Leases

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

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

District concluded that such leases do not meet the criteria as to specificity of lease terms to require the implementation of GASB No. 87. Had it been applicable, the implementation of the leasing standard would have required the District to recognize leases receivable and deferred inflows of resources on the June 30, 2023 financial statements.

3. Cash and Investments:

Cash and investments as of June 30, 2023 consisted of the following:

	Balance June 30 <u>2023</u>
Imprest cash	\$ 250
Checking – general	168,740
Cash with County -- general	4,024,549
– mitigation	<u>1,242,006</u>
	<u>\$5,435,545</u>

Cash and investments are classified as follows:

Unrestricted	\$4,193,539
Restricted	<u>1,242,006</u>
	<u>\$5,435,545</u>

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

3. Cash and Investments, continued:

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

At June 30, 2023, the carrying amount of the District's deposits with a bank was \$168,740 and the balance in financial institutions was \$260,726. The deposits are secured by federal depository insurance or are collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the District's name.

4. Accounts Receivable:

The District is under contract with a private EMS Billing Service to provide patient care reporting and ambulance billing. Accounts receivable at June 30, 2023 consist of:

Ambulance receivables	\$ 766,504
Deduct, allowance for bad debts	<u>229,951</u>
Net ambulance accounts receivable	536,553
Add, interest receivable (County)	<u>11,384</u>
	<u>\$ 547,937</u>

Ambulance revenues are analyzed as follows:

Gross revenues	\$5,659,178
Deduct, contractual and other adjustments	<u>3,506,808</u>
Net revenues	<u>\$2,152,370</u>

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2023

5. Capital Assets:

Changes in capital assets for the year ended June 30, 2023 are as follows:

	<u>Balance, Beginning of year</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance, end of year</u>
Land	\$ 379,248	\$ -	\$ -	\$ 379,248
Buildings	9,266,374	-	-	9,266,374
Equipment	1,791,035	576,463	-	2,367,498
Apparatus	<u>7,232,011</u>	<u>-</u>	<u>21,097</u>	<u>7,210,914</u>
	<u>\$18,668,668</u>	<u>\$ 576,463</u>	<u>\$ 21,097</u>	<u>\$19,224,034</u>

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2023

6. Long-Term Debt:

Long-term debt activities for the year ended June 30, 2023 consist of:

	Balance July 1, <u>2022</u>	<u>Additions</u>	<u>(Reductions)</u>	Balance June 30, <u>2023</u>	Principal Due Within <u>One Year</u>	Interest Due Within <u>One Year</u>
2015 Certificates of Participation	\$4,680,000	\$ -	\$ 155,000	\$4,525,000	\$ 175,000	\$ 225,403
Two Pierce Enforcers	<u>560,744</u>	<u>-</u>	<u>136,682</u>	<u>424,062</u>	<u>138,992</u>	<u>7,167</u>
	<u>\$5,240,744</u>	<u>\$ -</u>	<u>\$ 291,682</u>	<u>\$4,949,062</u>	<u>\$ 313,992</u>	<u>\$ 232,570</u>

Certificates of Participation:

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

Equipment Financing:

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

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2023

6. Long-Term Debt, continued:

The future annual maturities of all long-term borrowings as of June 30, 2023 are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 313,992	\$ 232,569	\$ 546,561
2025	326,341	223,220	549,561
2026	348,729	213,154	561,883
2027	230,000	201,244	431,244
2028	250,000	190,606	440,606
2029-2033	1,670,000	747,781	2,417,781
2034-2038	<u>1,810,000</u>	<u>244,125</u>	<u>2,054,125</u>
	<u>\$4,949,062</u>	<u>\$2,052,699</u>	<u>\$7,001,761</u>

7. Mitigation Fees:

Activities of the mitigation reserve for 2022-23 follows:

Balance, 7/1/22		\$ 787,459
Add, mitigation fees	\$ 909,103	
interest income	<u>14,459</u>	
	923,562	
Deduct, provided for capital items	<u>469,015</u>	
		<u>454,547</u>
Balance, 6/30/23		<u>\$1,242,006</u>
Cash on hand:		
County		<u>\$1,242,006</u>

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2023

8. Equity:

General Fund:

Restricted for:

Mitigation reserve \$ 1,242,006

Committed for:

Imprest cash reserve	\$	250	
Facilities reserve		316,487	
Apparatus reserve		501,705	
Major equipment reserve		123,627	
Contingency reserve		<u>714,456</u>	1,656,525

Unassigned 2,085,263

\$ 4,983,794

Statement of Net Position/Deficiency:

Net investment in capital assets \$ 10,984,530

Restricted:

Mitigation reserve 1,242,006

Unrestricted:

Board designated:

Imprest cash reserve	\$	250	
Facilities reserve		316,487	
Apparatus reserve		501,705	
Major equipment reserve		123,627	
Contingency reserve		<u>714,456</u>	1,656,525

Undesignated (13,854,858)

(12,198,333)

\$ 28,203

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

9. Defined Benefit Retirement Plan:

A. General Information About the Pension Plan

Plan Description

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

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

A menu of benefits provision as well as other requirements is established by State Statutes within the Public Employees Retirement Law. The plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

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

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2023

9. Defined Benefit Retirement Plan, continued:

Benefits Provided, continued

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

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

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Safety</u>	<u>Miscellaneous</u>	<u>PEPRA Safety Plan</u>	<u>PEPRA Miscellaneous</u>
Benefit formula	3% at 55	3% at 60	2.7% at 57	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50 to 55+	50 to 60+	50-57+	52+
Monthly benefits, as a % of eligible compensation	2.4% to 3.0%	2.0% to 3.0%	2-2.7%	1-2.5%
Required employee contribution rates	9%	8%	13%	6.75%
Required employer contribution rates	21.84%	15.250%	12.78%	7.47%

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

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

9. Defined Benefit Retirement Plan, continued:

Contributions, continued –

For the year ended June 30, 2023, District's contributions to the Plan were as follows:

	<u>Safety & Miscellaneous</u>
Contributions – employer	\$ <u>2,020,202</u>

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

As of June 30, 2023, the District reported net pension liability for its proportionate share of the net pension liability as follows:

Net pension liability	\$ <u>14,930,980</u>
-----------------------	----------------------

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 For the year ended June 30, 2023

9. Defined Benefit Retirement Plan, continued:

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

The District's proportionate share of the net pension liability for the Plan as of June 30, 2022 was as follows:

	Miscellaneous Plan
Proportion – June 30, 2021	0.0163%
Proportion – June 30, 2022	<u>0.0214%</u>
Change – Increase/(Decrease)	<u>0.0051%</u>
	Safety Plan
Proportion – June 30, 2021	0.0892%
Proportion – June 30, 2022	<u>0.2027%</u>
Change – Increase/(Decrease)	<u>0.1135%</u>

For the year ended June 30, 2023, the District recognized pension expense of \$3,317,594.

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2023

9. Defined Benefit Retirement Plan, continued:

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

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$1,926,762	\$ -
Diff. between expected and actual experience	517,379	-
Net diff. between projected and actual earnings on pension plan investments	3,220,332	-
Changes in proportion and differences between District contributions and proportionate share of employer contributions	2,140,175	3,331,198
District contributions subsequent to the measurement date	<u>2,020,202</u>	<u>-</u>
	<u>\$9,824,850</u>	<u>\$ 3,331,198</u>

\$2,020,202 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended June 30, 2024. Other following amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>Annual Amortization</u>
2024	\$ 1,019,072
2025	963,273
2026	635,584
2027	1,855,521
Thereafter	-

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2023

9. Defined Benefit Retirement Plan, continued:

Actuarial Assumptions – The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount rate	6.90%
Inflation	2.5%
Payroll Growth	3.0%
Projected Salary Increase	3.3%-14.2%
Investment Rate of Return	6.90%
Mortality	2021 CalPERS mortality table, with adjustments for mortality improvements using Scale MP-2020

Discount Rate – The discount rate used to measure the total pension liability was 6.90% for each Plan. 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.

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2023

9. Defined Benefit Retirement Plan, continued:

Long-Term Expected Rate of Return:

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 ^{1,2}
Global equity -- cap-weighted	30.00%	4.45%
Global equity -- non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

¹An expected inflation of 2.30% used for this period.

²Figures are based on the 2021-22 Asset Liability Management study.

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2023

9. Defined Benefit Retirement Plan, continued:

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

1% Decrease	5.9%
Net Pension Liability	\$25,766,879
Current Discount Rate	6.9%
Net Pension Liability	\$14,930,980
1% Decrease	7.9%
Net Pension Liability	\$ 6,071,507

10. Other Post-Employment Benefits (OPEB):

Plan Description

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

Net OPEB Liability

The District’s net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

10. Other Postemployment Benefits (OPEB), continued:

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation:	2.75%
Salary increases:	3.0%, including inflation
Investment rate of return:	6.15% per year
Healthcare cost trend rates:	CalPERS medical premiums assumed to increase 5.25% each year
Measurement date:	June 30, 2022

Mortality rates were taken from the 2017 CalPERS valuation.

Discount Rate

The discount rate was taken to be equal to the long-term expected rate of return on OPEB plan investments, 6.15%, because a projection of cash flows showed that the invested assets would be sufficient to make all projected benefit payments to current and former employees.

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

10. Other Postemployment Benefits "OPEB", continued:

Change in Net OPEB Liability as of June 30, 2022

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Rollback balance at June 30, 2021	\$5,232,416	\$1,568,755	\$3,663,661
Changes recognized for the measurement period:			
Service cost	102,398	-	102,398
Interest	310,607	-	310,607
Differences between actual and expected experience	-	-	-
Assumption changes	-	-	-
Employer contributions	-	363,787	(363,787)
Net investment income	-	(211,227)	211,227
Benefits payments	<u>(363,787)</u>	<u>(363,787)</u>	<u>-</u>
Net changes during July 1, 2021 to June 30, 2022	<u>49,218</u>	<u>(211,227)</u>	<u>260,445</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$5,281,634</u>	<u>\$1,357,528</u>	<u>\$3,924,106</u>

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

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

	<u>Discount Rate 1% Lower 5.15%</u>	<u>Valuation Discount Rate 6.15%</u>	<u>Discount Rate 1% Higher 7.15%</u>
Net OPEB liability, June 30, 2022	<u>\$4,625,478</u>	<u>\$3,924,106</u>	<u>\$3,348,069</u>

SOUTH PLACER FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2023

10. Other Postemployment Benefits "OPEB", continued:

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

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

	1% Decrease <u>4.25%</u>	Assumed Rate <u>5.25%</u>	1% Increase <u>6.25%</u>
Net OPEB liability, June 30, 2022	<u>\$3,840,099</u>	<u>\$3,924,106</u>	<u>\$3,983,392</u>

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

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$415,504. The values of deferred outflows and inflows of resources related to OPEB as of June 30, 2023 are:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 459,228	\$ -
Changes of assumptions	9,422	-
Net difference between projected and actual earnings on OPEB plan investments	259,387	119,913
District contributions subsequent to the measurement date	<u>338,189</u>	<u>-</u>
	<u>\$1,066,226</u>	<u>\$ 119,913</u>

\$338,189 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2024.

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

10. Other Postemployment Benefits "OPEB", continued:

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

Year Ended <u>June 30</u>	
2024	\$ 98,559
2025	99,324
2026	92,711
2027	132,428
2028	70,887
Thereafter	114,215

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the Board of Directors. In 2023 the District entered into a PARS (Public Agency Retirement Services) combo trust as part of a PARS investment update. As of June 30, 2023, the District had a combined balance of \$1,452,416 in irrevocable trusts with PARS to fund the cost of future benefits.

11. Subsequent Events:

Management has evaluated subsequent events through October 31, 2023, the date these June 30, 2023 financial statements were available to be issued.

SOUTH PLACER FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2023

12. Grand Jury Investigation:

In June of 2023, the South Placer Fire District was the subject of a Placer County Grand jury investigation related to fiscal challenges and station closures. The Grand Jury identified several recommendations and findings to address issues affecting the District, including insufficient revenues, budget shortfalls, community awareness, and possible reorganization. While poignant, the report is retrospective. It does not consider many changes that have already been implemented to address their concerns, including a rigorous evaluation and reduction of expenses, a reduction in staffing, closure of an additional station, and new labor contracts that address long-standing, long-term District obligations through cost sharing and redistribution. The combination of these elements continues to stabilize the District's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

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

As of June 30, 2023

Last 10 years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.1293%	0.0636%	0.1063%	0.0960%
District's proportionate share of the net pension liability	\$14,930,980	\$3,437,844	\$11,566,739	\$9,833,883
District's covered – employee payroll	\$ 7,630,588	\$8,309,669	\$ 5,555,120	\$5,381,980
Proportionate share of the net pension liability as percentage of covered-employee payroll	195.67%	41.37%	208.22%	182.72%
Plan fiduciary net position as a percentage of the total pension liability	80.99%	95.09%	82.07%	83.61%

Changes in assumptions: None

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0888%	0.0787%	0.0717%	0.0506%	0.04557%
\$8,560,939	\$7,809,356	\$6,202,656	\$3,472,072	\$8,506,504
\$5,352,069	\$4,945,831	\$3,930,094	\$3,917,318	\$3,983,515
159.96%	157.90%	157.82%	88.63%	262.31%
84.30%	83.76%	85.06%	91.01%	77.32%

SOUTH PLACER FIRE DISTRICT
SCHEDULE OF CONTRIBUTIONS FOR PENSIONS
As of June 30, 2023
Last 10 years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution (actuarially determined)	\$2,020,202	\$1,785,806	\$ 898,376	\$ 828,340
Contributions in relation to the actuarially determined contributions	<u>2,020,202</u>	<u>1,785,806</u>	<u>898,376</u>	<u>828,340</u>
Contribution deficiency (excess)	\$ <u>-----</u>	\$ <u>-----</u>	\$ <u>-----</u>	\$ <u>-----</u>
Covered – employee payroll	\$7,630,588	\$8,309,669	\$5,555,120	\$5,381,980
Contributions as a percentage of covered employee payroll	26.47%	21.49%	16.17%	15.39%
Notes to Schedule:				
Valuation date:	6/30/22	6/30/21	6/30/20	6/30/19

Methods and assumptions used to determine contribution rates:

Amortization method	Entry Age Normal Cost Method
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report, Section 2
Asset valuation method	Market Value with Direct Rate Smoothing
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Discount rate	6.90% Net of Pension Plan Investment and Admin. Expenses

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 773,241	\$ 699,342	\$ 753,888	\$1,749,040	\$ 916,652
<u>773,241</u>	<u>699,342</u>	<u>753,888</u>	<u>2,148,756</u>	<u>916,652</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(399,716)</u>	\$ <u>-</u>
\$5,352,069	\$4,945,831	\$3,930,094	\$3,917,318	\$3,372,003
14.45%	14.14%	14.05%	20.70%	24.83%
6/30/18	6/30/17	6/30/16	6/30/15	6/30/14

SOUTH PLACER FIRE DISTRICT
 SCHEDULE OF CONTRIBUTIONS FOR OPEB
 As of June 30, 2023
 Last 10 years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution (actuarially determined)	\$ 338,189	\$ 363,787	\$ 294,000	\$ 273,000
Contributions in relation to the actuarially determined contributions	<u>338,189</u>	<u>363,787</u>	<u>294,000</u>	<u>273,000</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered -- employee payroll	\$8,153,705	\$7,976,458	\$7,620,717	\$7,243,269
Contributions as a percentage of covered employee payroll	4.15%	4.56%	3.86%	3.77%
Notes to Schedule:				
Valuation date:	6/30/22	6/30/21	6/30/20	6/30/19

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

<u>2019</u>	<u>2018</u>
\$ 331,718	\$ 303,128
<u>331,718</u>	<u>275,827</u>
\$ <u>-</u>	\$ <u>27,301</u>
\$7,129,638	\$3,930,094
4.65%	7.02%
6/30/18	6/30/17

SOUTH PLACER FIRE DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
As of June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB liability:			
Service cost	\$ 102,398	\$ 73,373	\$ 71,236
Interest	310,607	289,826	284,804
Differences between actual and expected experience	-	306,672	-
Changes of assumptions	-	-	-
Benefit payments	<u>(363,787)</u>	<u>(300,136)</u>	<u>(248,638)</u>
Net change in total OPEB liability	49,218	369,735	107,402
Total OPEB liability, beginning	<u>5,232,416</u>	<u>4,862,681</u>	<u>4,755,279</u>
Total OPEB liability, ending	5,281,634	5,232,416	4,862,681
Plan fiduciary net position			
Contributions – employer	\$ 363,787	\$ 340,136	\$ 288,638
Net investment income	(211,227)	275,643	39,140
Benefit paid to retirees	(363,787)	(300,136)	(248,638)
Administrative expense	-	-	-
Net change in plan fiduciary net position	<u>(211,227)</u>	<u>315,643</u>	<u>79,140</u>
Plan fiduciary net position - beginning	<u>1,568,755</u>	<u>1,253,112</u>	<u>1,173,972</u>
Plan fiduciary net position - ending	1,357,528	1,568,755	1,253,112
Net OPEB Liability - ending	<u>\$3,924,106</u>	<u>\$3,663,661</u>	<u>\$3,609,569</u>
Plan fiduciary net position as a percentage of the total OPEB liability	25.70%	29.98%	25.77%
Covered-employee payroll	\$8,153,705	\$7,976,458	\$7,620,717
Net OPEB liability as a percentage of covered- employee payroll	48.13%	45.93%	47.37%

Notes to Schedule:

Changes in assumptions: none

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

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 60,958	\$ 59,183	\$ 57,459
255,887	249,210	240,931
365,718	-	-
15,918	-	-
(207,928)	(191,718)	(135,827)
490,553	116,675	162,563
<u>4,264,726</u>	<u>4,148,051</u>	<u>3,985,488</u>
4,755,279	4,264,726	4,148,051
\$ 287,928	\$ 331,718	\$ 275,827
66,993	49,415	61,893
(207,928)	(191,718)	(135,827)
-	-	-
<u>146,993</u>	<u>189,415</u>	<u>201,893</u>
<u>1,026,979</u>	<u>837,564</u>	<u>635,671</u>
1,173,972	1,026,979	837,564
<u>\$3,581,307</u>	<u>\$3,237,747</u>	<u>\$3,310,487</u>
24.69%	24.08%	20.19%
\$7,243,269	\$7,129,638	\$3,930,094
49.44%	45.41%	84.23%

SUPPLEMENTAL INFORMATION

SOUTH PLACER FIRE DISTRICT
PRINCIPAL OFFICIALS
As of June 30, 2023

Board of Directors:

Terri Ryland	President
Chris Gibson	Vice President
Ken Musso	Clerk
Mike Johnson	
Tracy Randall	
Dan Bajtos	

Operations:

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

