Ross Valley Fire Department

San Anselmo, California

Basic Financial Statements

For the year ended June 30, 2022

Prepared by:
Town of San Anselmo Finance Department

Ross Valley Fire Department
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For the Year Ended June 30, 2022

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BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Ross Valley Fire Department
San Anselmo, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of Ross Valley Fire Department (Department), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the general fund information of the Department 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 (GAAS), issued by the Comptroller General of the United States. 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 Department 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

The Department's 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 Department'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.

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To the Board of Directors
of Ross Valley Fire Department
San Anselmo, California
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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 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment 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 the Department'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 Department'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.

To the Board of Directors
of Ross Valley Fire Department
San Anselmo, California
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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary information, defined benefit pension plan information, and OPEB plan information on pages 5-12 and pages 49-58 to 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.

Badawi & Associates

Badawi & Associates, CPAs
Berkeley, California
October 25, 2022

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The Management Discussion and Analysis (MD&A) provides an overview of the Ross Valley Fire Department (the "Department") activities and financial performance for the fiscal year ended June 30, 2022. To obtain a complete understanding of the Department's financial condition, this document should be read in conjunction with the accompanying Basic Financial Statements and Notes to the Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- The Department's Net Position year-over-year is improving by $2.3M due to its conservative financing objectives with available resources and assistance with out of county agencies. In addition, actuarial decreases in retirement obligations the Department has accrued as per its implementation of GASB 68 & 75.
- The Department's combined unassigned Fund Balance year-over-year increased by $0.2M meaning more available funds for the Department to meet current obligations to its members' residents within the Joint Power's Authority (JPA).
- The Department's out of county services totaled $0.7M. These additional services were earned from both the State of California from its Office of Emergency Services (OES) assistance for the California Wildfires and the federal agency.
- The Department's total expenditures increased $0.6M due to additional personnel and contracted services.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Basic Financial Statements is presented in the following three sections:

- Management's Discussion and Analysis (MD&A)
- The Basic Financial Statements that include all the financial activities of the Department. There are three components: Government-Wide Financial Statements, Fund Financial Statements and Notes to the Basic Financial Statements
- Required and Other Supplemental Information

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Government-Wide Financial Statements provide a long-term view of the Department's activities as a whole. They also provide the overall financial condition of the Department using accounting methods similar to those used by private-sector businesses. They include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all the Department's assets, deferred outflows of resources, liabilities and deferred inflows of resources on a full accrual basis of accounting similar to what is used by private-sector companies. Over time, increases or decreases in the Department's net position may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating.

The Statement of Activities provides information about the Department's revenues and expenses on a full accrual basis, with an emphasis on measuring net revenues or expenses for each of the Department's programs. The Statement of Activities explains in detail the change in net position for the 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.

The amount of the Statement of Net Position and the Statement of Activities are presented into the category called Governmental Activities. The Governmental Activities encompasses all the Department's basic fire services provided to the member Towns within the JPA. These services are primarily supported by the Department's intergovernmental revenues it receives from its members within the JPA.

FUND FINANCIAL STATEMENTS

The Fund Financial Statements provide detailed information about each of the Department's most significant funds, or "major funds", not the Department as a whole. Therefore, each major fund is presented individually, while all non-major funds are combined in a single column on each fund statement. The General Fund is always considered a major fund and serves as the primary fund the Department uses for its operations.

The Department may choose or be required to establish additional funds to facilitate control over proceeds received or comply with either long-term debt covenants or grants.

The Fund Financial Statements display the Department's operations in more detail than the Government-Wide Financial Statements. All the Department's services can be reviewed through how money flows into and out of its funds as well as the balances left at year-end that are available for spending. This is possible due to the Governmental Fund Financial Statements being prepared on the modified accrual basis of accounting, which means they measure only current financial resources and uses. This information may be useful in evaluating the Department's ability to meet its near-term financial requirements as compared to the Government-Wide Financial Statements having a focus on the longer-term. From being able to review from both vantage points, the reader is better able to compare and understand the Department's financing needs and operations. Both the Governmental Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to the Government-Wide Financial Statements to assist the reader with this comparison. The primary differences between the Government-Wide Financial Statements and the Governmental Fund Financial Statements are the capital assets and long-term liabilities being presented only on the Government-Wide Financial Statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The Notes to the Basic Financial Statements provide additional information that is essential to acquire a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements follow the basic financial statements.

REQUIRED AND OTHER SUPPLMENTAL INFORMATION

In addition to the Basic Financial Statements and accompanying notes, the Required Supplemental Information presents required supplemental information, including budgetary comparison schedules and information on the Department's pension and OPEB plans. Required and other supplementary information can be found immediately following the Notes to the Basic Financial Statements.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

This section focuses on the Department's net position and changes in net position of its governmental activities. The net position, for the Department as a whole, increased $2.3M or (20%), from ($11.9M) on June 30, 2021, to ($9.6M) on June 30, 2022. The change in net position year-over-year increased $2.1M or 848% from $0.25M on June 30, 2021, to $2.3M on June 30, 2022. The increase is related to the actuarial decrease in retirement obligations that the Department has accrued for GASB 68 and GASB 75.

Details of the net position are presented in the summary area as follows:

Analysis of Net Position

	Governmental Activities		Total Dollar	Total Percent
	2022	**2021**	**Change**	**Change**
Cash and investments	$ 3,741,618	$ 3,798,263	$ (56,645)	-1%
Capital assets, net	2,565,998	2,840,153	(274,155)	-10%
Other assets	229,006	153,423	75,583	49%
Total Assets	**6,536,622**	**6,791,839**	**(255,216)**	**-4%**
OPEB related	936,792	1,073,158		
Pension related	4,896,077	4,149,480		
Total deferred outflows of resources	**5,832,869**	**5,222,638**	**610,231**	**12%**
Current liabilities	423,175	844,102	(420,927)	-50%
Noncurrent liabilities	13,156,565	21,086,440	(7,929,874)	-38%
Total liabilities	**13,579,740**	**21,930,542**	**(8,350,802)**	**-38%**
OPEB related	1,834,705	1,180,482		
Pension related	6,539,976	881,774		
Total deferred inflows of resources	**8,374,681**	**2,062,256**	**6,312,425**	**306%**
Net investment in capital assets	2,269,961	2,402,533	(132,572)	-6%
Unrestricted	(11,854,891)	(14,380,854)	2,525,963	-18%
Net Position, as restated	**$ (9,584,930)**	**$ (11,978,321)**	**$ 2,393,391**	**-20%**

On June 30, 2022, the Department continues to report an overall negative Net Position balance primarily from the inclusion of the net pension liabilities and net OPEB liabilities. The Department's Net Position is segregated by two categories, the Net Investment in Capital Assets and the Unrestricted. The Department does utilize capital assets to provide services to the residents for the membership municipalities part of the JPA. The balance for its Net Investment in its Capital Assets is its current level of capital assets less any associated borrowings the Department has from purchasing its capital assets. Accordingly, these assets are not available for future spending. Although the Department's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities. The Unrestricted balance is the cumulative remaining funds the Department has from its operations. The overall balance is negative meaning, the Department's Total Liabilities are over and above the stated value of the Department's Total Assets. This is primarily from the impact of the Department fully recognizing its proportionate shares of its net pension and OPEB liabilities the Department guaranteed to its plan members upon hire as per accounting implementation of GASB 68 and 75. The year-over-year trend however is positive relative to the prior year in that the Department is able to maintain the same level of services while also providing additional services to other Fire Districts outside of Marin County, e.g., the California Wildfires.

Information about changes in net position is presented in the summary schedule below:

Analysis of Changes in Net Position

	Activities		Dollar	Percent
	2022	**2021**	**Change**	**Change**
Revenues:				
Program revenues:				
Charges for services	$12,858,857	$12,693,196	$ 165,661	1%
General revenues:				
Investment earnings	2,444	3,550	(1,106)	-31%
Miscellaneous	33,586	84,251	(50,665)	-60%
Total Revenues	**12,894,887**	**12,780,997**	**113,890**	**1%**
Expenses:				
Fire Services	10,501,496	12,529,151	(2,027,159)	-16%
Total Expenses	**10,501,496**	**12,529,151**	**(2,027,159)**	**-16%**
Change	**$ 2,393,391**	**$ 251,846**	**$2,141,545**	**-848%**

Total revenues increased approximately $0.1M or 1%. The increase is attributable to the Department's charges to its JPA members for continual coverage of operations. The offsetting decrease collections from its out of county services for assisting both the State of California with combatting the ongoing wildfires compared to the previous year.

Total expenses decreased approximately $2.0M or (-16%) compared to the prior year. This is primarily due to change in retirement obligations administered by CalPERS as well as its need to replace its equipment for continued services. The Department's actuarially determined and proportionate share of the total Net Pension Liability decreased year-over-year by $2.9M due to the Pool's growing obligations to its members. This effect decreases the Department's Personnel Services cost from the Safety Risk Pool's performance. The related accounting effects on the Department are part of the Department's adherence to implementation of GASB 68 & 75. The remaining balance in the expense is due to the Department's Personnel Services and Services & Supplies expenditures. These purchases are for the Department to continue providing necessary safety services to the residents of the member municipalities within the JPA.

Both impacts netted together are reflected within the Department's total Net Position change.

FINANCIAL ANLYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the Department uses fund accounting to ensure and demonstrate accountability and compliance with any finance-related legal requirements.

The focus of the Department's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Department's immediate financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance not yet limited to use for a particular purpose by either an external party, the Department itself, or an entity that has been delegated authority by the Board of Directors to assign resources for use at the end of the fiscal year.

As of June 30, 2022, the Department's governmental funds reported combined ending fund balances of $3.7M. Approximately $2.5M, or 73%, of the combined ending fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining balance is either nonspendable, restricted, committed or assigned to indicate that it is:

1) Not in spendable form because it has been committed to liquidate prepaid expenses from the prior fiscal period, or advances to other funds;
2) Restricted for particular purposes;
3) Committed for particular purposes; or
4) Assigned for particular purposes.

As also noted above, the General Fund is the primary fund of the Department. As of June 30, 2022, unassigned fund balance of the General Fund was $2.7M; the remaining fund balance, including nonspendable, restricted and committed resources, was $1.0M. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21% of total General Fund expenditures, excluding expenditures related to pension and OPEB unfunded liability pay down.

	2022	2021	Dollar Change	Percent Change
Revenues:				
Intergovernmental:				
Town of San Anselmo (Contract)	$3,739,735	$3,611,715	$ 128,020	3.5%
Town of Fairfax (Contract)	2,149,921	2,076,313	73,608	3.5%
Sleepy Hollow (Contract)	1,181,073	1,140,637	40,436	3.5%
County of Marin (Contract)	235,783	224,012	11,771	5.3%
Town of Ross (Contract)	2,183,012	2,082,551	100,461	4.8%
Ross Apprentice Program				
Prior Authority				
Retiree Health	97,552	182,305	(84,753)	-46.5%
MERA Bond	-	34,243	(34,243)	-100%
Retirement Contribution	1,125,991	942,527	183,464	19.5%
Other Sources	1,671,419	2,015,689	(344,270)	-17.1%
Fire Prevention Fees	474,371	383,204	91,167	23.8%
Investment Earnings	2,444	3,550	(1,106)	-31.2%
Miscellaneous	46,345	57,384	(11,039)	-19.2%
Total Revenue	**12,907,646**	**12,754,130**	**153,516**	**1.2%**
Expenditures:				
Salary and Benefits	10,626,283	10,039,025	587,258	5.8%
Services and Supplies	1,551,044	1,387,847	163,197	11.8%
Debt Service:				
Principal	141,583	137,459	4,124	3.0%
Interest	13,129	17,252	(4,123)	-23.9%
Capital Outlay	126,963	263,712	(136,749)	-51.9%
Total Expenditures	**12,459,002**	**11,845,295**	**613,707**	**5.2%**
Excess of Expenditures Over Revenues	448,644	908,835	(460,191)	-50.6%
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	6,650	30,000		
Proceeds from Note Payable	-	-		
Total Other Financing Sources (Uses)	**6,650**	**30,000**		
Fund Balances, Beginning of Year	3,280,429	2,341,594	938,835	40.1%
Fund Balances, End of Year	$3,735,723	$3,280,429	$ 455,294	13.9%

General Fund revenues increased $0.2M, or 1%, from the prior fiscal year to $12.9M. Of that total, total membership contributions from each municipality within the JPA accounted for $10.6M as of fiscal year-end and increased $0.6M or 6% year-over-year. These contributions represent the Department's main source of funding for its operations from each proportionate member within the JPA. This increase is driven by the increase in obligations the Department budgets for continuing services to the residents within the JPA. As previously noted, the majority of the year-over-year total revenue offset was driven by the decrease in collections from out of county services charged, i.e., the State of California for the wildfires. For these out of county services, the Department has independent contracts with both entities that give way for service charges to be levied and collected.

General Fund expenditures increased $0.6M, or 5.2%, from the prior fiscal year to $12.4M. Of that total, capital outlays for purchases of equipment and vehicles accounted for $0.3M as of fiscal year-end and majority of the decrease from ($1.8M) or (87%) year-over-year. This decrease is primarily due to the prior year purchases of three Fire Trucks. This decrease was offset by the increase in Salaries & Benefit expenditures of $1M from the additional overtime earned by the Firefighters for assisting the State of California for combatting the wildfires. Both cost effects are what yielded a net decrease in year-over-year expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

In comparing the original and final budgets for the current fiscal year, the Department increased its total revenue and expenditures budgets by a respective $0.96M and $0.48M. The final total revenues budget was revised upward given the Department's increasing expectations on out of county service collections being made from its original estimate. Management is aware that the Department does periodically assist with both the County of Marin and other Fire Districts where it receives reimbursement for its fees. However, the historic wildfires in California were drawing more resources than normal—of which the Department participated in to combat and slow the spread of the flames. In doing so, a budget revision of $0.9M was approved by the Board of Directors for the incoming fees. With regards to the expenditures increase, the Board approved of an additional budget amount of $0.5M for anticipated overtime costs from also participating in combatting the California wildfires.

Relative to the budget, the Department overall maintained its conservative approach in handling its finances with its actual fiscal activity. The Department remained within its means where it only expended funds up to where it had available. However, the Department did receive additional funds it did not budget for as the external events from the California Wildfires gave to an increase in revenues against the budget of $0.7M. This additional funding, as previously noted, were collected from the State of California's OES program and FEMA for the Department's out of county services. The Department overall experienced a net increase in revenues over expenditures over and above the budgeted amount by an additional $0.1M.

Review of the Department's budget performance can be seen within the Required Supplementary Information section of the Basic Financial Statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The capital assets of the Department are those assets which are used in the performance of the Department's functions. As of June 30, 2022, capital assets, net of accumulated depreciation, totaled $2.6M. Its related depreciation on capital assets is recognized in the government-wide financial statements. Additional information about the Department's capital assets can be found in Note 3 of this report.

Ross Valley Fire Department
Capital Assets, Gross of Depreciation

	2022	2021
Vehicles	$ 3,001,325	$ 3,603,533
Machinery & Equipment	1,490,596	1,491,543
Furniture & Fixtures	81,900	81,900
Building Improvements	162,774	162,774
Total	**$ 4,736,596**	**$ 5,339,750**

Long-Term Debt – Long-term debt of the Department are those obligations of which serve as financing for acquisition of capital assets. As of June 30, 2022, long-term debt from external creditors totals $0.3M, and has decreased by $0.14M due to the current fiscal year's principal payments. Additional information about the Department's long-term debt activity can be found in Note 6 of this report.

Ross Valley Fire Department
Long-Term Debt

	2022	2021
Note Payable – Sleepy Hollow	$ 296,036	$ 437,620
Total	**$ 296,036**	**$ 437,620**

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

The Department continues to monitor the local economy and assesses an improving outlook. In fiscal year 2021, the local economy steadily expanding now with public health mitigation efforts taking effect and local confidence rising. The Department, though not directly funded with Property Taxes, does receive its majority of funding from its respective JPA members, of which are majority funded by local Property Taxes themselves. The local economy has been experiencing expansion in its tax base from increasing home improvement and/or home sales. Either project entails higher assessed valuations or additional fees earned by the Department either directly from inspection fees or higher annual contributions from its respective members. Both of which are reflected as increases within the Department's budget for fiscal year 2022-2023.

Both traumatic events of the California Wildfires and the COVID-19 Pandemic have not completely abated in the coming year, however. The Department does expect and continues to support relief efforts in helping slow the spread through usage of existing agreements with both the State of California's OES Program and FEMA.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Department's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fire Chief, Ross Valley Fire Department, 777 San Anselmo Avenue, San Anselmo, CA 94960.

BASIC
FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Ross Valley Fire Department
Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	$ 3,741,618
Accounts receivable	139,309
Interest receivable	1,191
Prepaids	88,506
Total current assets	3,970,624
Noncurrent assets:	
Capital assets:	
Depreciable, net of accumulated depreciation	2,565,998
Total capital assets	2,565,998
Total noncurrent assets	2,565,998
Total Assets	6,536,622
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - OPEB	936,792
Deferred outflows of resources - pension	4,896,077
Total deferred outflows of resources	5,832,869
LIABILITIES	
Current liabilities:	
Accounts payable	154,472
Accrued liabilities	72,329
Compensated absences	47,213
Interest payable	3,330
Note payable	145,831
Total current liabilities	423,175
Noncurrent liabilities:	
Compensated absences	920,344
Note payable	150,206
Net OPEB liability	3,240,777
Net pension liability	8,845,238
Total noncurrent liabilities	13,156,565
Total liabilities	13,579,740
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - OPEB	1,834,705
Deferred inflows of resources - pension	6,539,976
Total deferred inflows of resources	8,374,681
NET POSITION	
Net investments in capital assets	2,269,961
Unrestricted	(11,854,891)
Total net position	$ (9,584,930)

See accompanying Notes to Basic Financial Statements.

Ross Valley Fire Department
Statement of Activities
For the year ended June 30, 2022

	Governmental Activities
PROGRAM EXPENSES:	
Public safety - fire protection:	
Personnel services	$ 8,565,308
Services and supplies	1,645,306
Interest on long-term debt	11,535
Depreciation	279,347
Total program expenses	10,501,496
PROGRAM REVENUES:	
Charges for services	12,858,857
Total program revenues	12,858,857
Net program revenue over expenses	2,357,361
GENERAL REVENUES:	
Investment earnings	2,444
Miscellaneous	33,586
Total general revenues	36,030
Change in net position	2,393,391
Net position, beginning of year	(11,978,321)
Net position, end of year	$ (9,584,930)

See accompanying Notes to Basic Financial Statements.

FUND
FINANCIAL STATEMENTS

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Ross Valley Fire Department
Balance Sheet
General Fund
June 30, 2022

		General Fund
ASSETS		
Cash and investments	$	3,741,618
Accounts receivable		131,209
Interest receivable		1,191
Prepaids		88,506
Total assets	$	3,962,524
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	$	154,472
Accrued liabilities		72,329
Total liabilities		226,801
Fund Balances:		
Nonspendable		88,506
Assigned:		
Compensated absences		193,494
Technologies		83,423
Equipment		643,681
Unassigned		2,726,619
Total fund balances		3,735,723
Total liabilities and fund balances	$	3,962,524

See accompanying Notes to Basic Financial Statements.

Ross Valley Fire Department
Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2022

Total Fund Balances - Total Governmental Funds	$	3,735,723
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. The capital assets were adjusted as follows:		
Depreciable, net		2,565,998
Accounts receivable on disposed capital assets were not current financial resources. Therefore, accounts receivable on disposed capital assets was not reported as an asset in the Governmental Funds Balance Sheet.		8,100
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the Governmental Funds Balance Sheet.		(3,330)
In the Government-Wide Financial Statements, deferred employer contributions for pension and OPEB, certain differences between actuarial estimates and actual results, and other adjustments resulting from changes in assumptions and benefits are deferred in the current year.		
Deferred outflows of resources related to OPEB		936,792
Deferred outflows of resources related to pension		4,896,077
Deferred inflows of resources related to OPEB		(1,834,705)
Deferred inflows of resources related to pension		(6,539,976)
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.		
Accrued compensated absences - current		(47,213)
Accrued compensated absences - noncurrent		(920,344)
Long-term debt - due within one year		(145,831)
Long-term debt - due in more than one year		(150,206)
Net OPEB liability		(3,240,777)
Net pension liability		(8,845,238)
Net Position of Governmental Activities	$	(9,584,930)

See accompanying Notes to Basic Financial Statements.

Ross Valley Fire Department
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the year ended June 30, 2022

		General Fund
REVENUES:		
Intergovernmental:		
Town of San Anselmo (Contract)	$	3,739,735
Town of Fairfax (Contract)		2,149,921
Sleepy Hollow (Contract)		1,181,073
County of Marin (Contract)		235,783
Town of Ross (Contract)		2,183,012
Prior Authority:		
Retiree health		97,552
Retirement contributions		1,125,991
OES reimbursement		785,270
Other sources		886,149
Fire prevention fees		474,371
Investment earnings		2,444
Miscellaneous		46,345
Total revenues		12,907,646
EXPENDITURES:		
Current:		
Salaries and benfits		10,626,283
Services and supplies		1,551,044
Capital outlay		126,963
Debt service:		
Principal		141,583
Interest and fiscal charges		13,129
Total expenditures		12,459,002
REVENUES OVER (UNDER) EXPENDITURES		448,644
OTHER FINANCING SOURCES (USES):		
Proceeds from sale of capital assets		6,650
Total other financing sources (uses)		6,650
Net change in fund balances		455,294
FUND BALANCES:		
Beginning of year		3,280,429
End of year	$	3,735,723

See accompanying Notes to Basic Financial Statements.

Ross Valley Fire Department

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Fund to the Government-Wide Statement of Activities

For the year ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	$	455,294
Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:		
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense.		
Capital outlay and other capitalized expenditures are added back to fund balance		32,701
Depreciation expense		(279,347)
Proceeds from sale of capital assets		(6,650)
Loss on disposal of capital assets		(12,759)
Accrued compensated leave payments were reported as expenditures in the governmental funds, however expense is recognized in the Government-Wide Statement of Activities based on earned leave accruals.		(12,933)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.		
Long-term debt repayments		141,583
Interest payments are recorded as expenditures in the governmental funds, however interest expense is recognized as expenses are incurred on the Government-Wide Statement of Activities		1,594
Current year employer OPEB contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.		786,295
OPEB expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.		(182,202)
Current year employer pension contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.		2,013,126
Pension expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.		(543,311)
Change in Net Position of Governmental Activities	$	2,393,391

See accompanying Notes to Basic Financial Statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Ross Valley Fire Department

The Ross Valley Fire Department (the "Department") was created in 1982. An Amended and Restated Joint Powers Agreement was entered into effective July 1, 2010, between the Town of Fairfax, Town of San Anselmo, and the Sleepy Hollow Fire Protection District ("Sleepy Hollow"), to provide fire protection, emergency medical and related services within their respective jurisdictions. On July 1, 2012, the Department entered into a First Amendment to the Amended and Restated Joint Powers Agreement to admit the Town of Ross as a member. The Department is governed by an eight-voting member Board of Directors, consisting of, two from the Fairfax Town Council, two from the San Anselmo Town Council, two from Sleepy Hollow Fire Protection District, and two from Ross Town Council. The Department is administered by the Town Manager (Executive Officer) and shall rotate among Fairfax, San Anselmo, and Ross for two-year terms, or such other terms as may be determined by the Board.

Effective July 1, 2012, the cost sharing percentages are as follows:

Town of San Anselmo	40.53%
Town of Fairfax	23.30%
Town of Ross	23.37%
Sleepy Hollow Fire Protection District	12.80%
	100.00%

B. Basis of Presentation

The accounting policies of the Department conform with accounting principles generally accepted in the United States of America and are applicable to governments. The following is a summary of the significant policies.

The accounts of the Department are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise the fund's assets, liabilities, fund equity, revenues and expenses or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. In fiscal year 2022, the Department had one fund.

Government - Wide Financial Statements

The Department's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the Department. These statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Department's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

B. Basis of Presentation, Continued

The Government-Wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Department. In fiscal year 2022, the Department operated one government program.

Net position should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors, granters, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Separate financial statements are provided for governmental funds. Fund financial statements report detailed information about the Department. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Major individual governmental funds are reported as separate columns in the governmental fund financial statements. Non-major funds are aggregated and presented in a single column. The Department had no non-major funds in the fiscal year ended June 30, 2022.

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Accompanying schedules are presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-Wide financial statements.

Revenues susceptible to accrual are interest revenue and charges for services. Licenses and permits are not susceptible to accrual because, generally, they are not measurable until received in cash.

Expenses are generally recognized when incurred under the modified accrual basis of accounting. Principal and interest on general long-term debt is recognized when due. All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenses and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenses 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 expenses of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Department, are intergovernmental revenues and interest. Expenses are recorded in the accounting period in which the related fund liability is incurred.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

B. Basis of Presentation, Continued

The Department's General Fund was the only major fund in the fiscal year ended June 30, 2021. The General Fund is the operating fund of the Department. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Budgets and budgetary accounting

The Department follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At the June Board meeting, the Chief and Executive Officer submit to the Board of Directors a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenses and the means of financing them.
2. The budget is legally enacted through the passage of a resolution.
3. Formal budgetary integration is employed as a management control device during the year for the General Fund.
4. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

D. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expense of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. All appropriations lapse at fiscal year-end.

E. Statement calculations and use of estimates

Due to rounding, column and row calculations may approximate actual figures. Approximations may result when decimal places are eliminated to present whole numbers.

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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

F. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Department categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Fair Value Measurements, Continued

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs - other than quoted prices included within level 1 - that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position or balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position or balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

2. CASH AND INVESTMENTS

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Department's cash on deposit or first trust deed mortgage notes with a value of 150% of the Department's cash on deposit as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the Department's name and places the Department ahead of general creditors of the institution.

Investments are stated at cost, which approximates fair value at June 30, 2022

Classification

The Department's cash and investments consist of the following June 30, 2022:

Local Agency Investment Fund (LAIF)	$ 635,955
Cash in checking accounts	3,105,663
Total cash and investments	$ 3,741,618

2. CASH AND INVESTMENTS, Continued

B. Fair Value Hierarchy

The Department categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. At June 30, 2022, the Department held $635,955 in Local Agency Investment Fund (LAIF), which is exempt from categorization.

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity is of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The Department is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Department reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2022, these investments matured in an average of 291 days.

All of the Department's investments are held in LAIF and mature in less than twelve months.

D. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. None of the Department's investments are subject to credit ratings.

E. Custodial Credit Risk

Custodial credit risk for cash on deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Department will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

3. CAPITAL ASSETS

The Department's capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated. Capital assets are recorded at cost and depreciated over their estimated useful lives. Depreciation is charged to governmental activities by function.

Depreciation of capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, accumulated depreciation, is reported on the Statement of Net Position as a reduction in the book value of capital assets.

Depreciation of capital assets in service is provided using the straight-line method, which means the cost of the asset is divided by its expected useful life in years, and the result is charged to expense each year until the asset is fully depreciated. The Department has assigned the useful lives listed below to capital assets:

Building improvements	5-40 years
Fire Trucks	15-20 years
Furniture and fixtures	5-10 years
Non-emergency vehicles	10 years
Machinery and equipment	3-10 years

A summary of changes in capital assets for the fiscal year ended June 30, 2022, is as follows:

	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022
Capital assets being depreciated:				
Vehicles	$ 3,603,533	$ -	$ (602,208)	$ 3,001,325
Machinery and equipment	1,491,543	32,701	(33,648)	1,490,596
Furniture and fixtures	81,900	-	-	81,900
Building Improvements	162,774	-	-	162,774
Total capital assets being depreciated	5,339,750	32,701	(635,856)	4,736,595
Less accumulated depreciation for:				
Vehicles	1,394,957	177,150	(577,292)	994,815
Machinery and equipment	972,976	88,504	(31,055)	1,030,425
Furniture and fixtures	47,114	8,256	-	55,370
Building Improvements	84,550	5,437	-	89,987
Total accumulated depreciation	2,499,597	279,347	(608,347)	2,170,597
Net capital assets being depreciated	$ 2,840,153	$ (246,646)	$ (27,509)	$ 2,565,998

4. DEFERRED COMPENSATION ARRANGEMENT

The Department provides a deferred compensation plan (the "Plan") according to Internal Revenue Code Section 457. The Plan is available to all employees and permits the deferral of a portion of the participating employees' salaries. Deferred amounts may not be withdrawn until termination, retirement, death, or unforeseeable emergency. Prior to August 20, 1996, the assets of the Plan were owned by the Department and were subject to claims from general creditors. On August 20, 1996, President Clinton signed into law changes affecting Internal Revenue Code Section 457. New plan agreements, which have been amended to comply with the amended provisions, require plans to hold assets in trust for the exclusive benefit of the participants and their beneficiaries. The Department has an obligation to ensure that the Plan's funds are prudently managed and invested. Participating employees may direct Plan investments to several categories of investment mutual funds provided by the Plan's trustee. Since the assets of the Plan are no longer available to general creditors, the respective assets and liabilities of the Plan are not included on the accompanying financial statements.

5. COMPENSATED ABSENCES

Employees of the Department accumulate vacation compensation based on years of service. Each employee may accumulate and carry forward a maximum of 1-1/2 years' vacation entitlement. Employees may also accumulate sick pay up to a maximum number of hours as set out in the current memorandum of understanding. At retirement, an employee may elect to convert unused sick pay to cash at one-half of the accumulated value.

Additionally, employees may earn 1-1/2 compensatory hours for each hour of off-duty attendance of qualified educational programs. Employees may accumulate a maximum of 240 hours.

Compensatory absences as shown on the Statement of Net Position include the value of accumulated vacation, the portion of sick pay benefits expected to be paid at retirement and the value of compensatory time accumulated.

The following is a schedule of changes in compensated absences for the fiscal year ended June 30, 2022:

Beginning Balance	$ 954,624
Additions	548,552
Payments	(535,619)
Ending Balance	$ 967,557
Current Portion	$ 47,213

6. LONG-TERM DEBT

The following is a schedule of changes in long-term debt for the fiscal year ended June 30, 2022:

	Balance at June 30, 2021	Retirements	Balance at June 30, 2022	Current Portion
Direct Borrowing				
Note Payable	$ 437,620	$ 141,583	$ 296,037	$ 145,831
Total	$ 437,620	$ 141,583	$ 296,037	$ 145,831

Note Payable: On February 22, 2019, the Department entered into a loan agreement with Sleepy Hollow Fire Protection District (Lender) in the amount of $708,535, bearing an interest rate of 3.00%. The funds will be used to finance a portion of the purchase of two fire engines which are also the collateral of this Note. Principal and interest payments are due annually, commencing February 2020, maturing on February 2024.

The outstanding note contains a provision that in an event of default, the Lender may declare the entire unpaid principal balance of this Note, together with all accrued interest thereon, immediately due and payable, or (b) exercise any and all rights and remedies available to it under applicable law, including the right to collect from the District all sums due under this Note. The District will pay all costs and expenses incurred by or on behalf of the Lender in connection with the Lender's exercise of any or all of its rights and remedies under this Note, including attorney' s fees.

As of June 30, 2022, the outstanding balance of the loan, including accrued interest, was $299,367.

The annual debt service requirements to mature the loan outstanding at June 30, 2022 were as follows:

Year Ending June 30,	Direct Borrowing Principal	Interest	Total
2023	$ 145,831	$ 8,881	$ 154,712
2024	150,206	4,506	154,712
Total	$ 296,037	$ 13,387	$ 309,424

7. NET POSITION AND FUND BALANCES

Net Position is on the full accrual basis while Fund Balances are measured on the modified accrual basis

A. Net Position

Net Position is the excess of all the Department's assets and deferred outflows over all its liabilities and deferred inflows , regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the Department's capital assets, reduced by outstanding debt attributable to the acquisition, construction or improvement of these assets.

7. NET POSITION AND FUND BALANCES, Continued

A. Net Position, Continued

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Department cannot unilaterally alter. As of June 30, 2022, the Department did not have any restricted net position.

Unrestricted describes the portion of Net Position which is not restricted to use.

When both restricted and unrestricted resources are available, the Department's policy is to first apply restricted resources and then unrestricted resources as necessary.

B. Fund Balances

GASB Statement No. 54, Fund Balance and Governmental Fund Type Definitions (GASB 54) establishes Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Governmental Fund statements conform to this new classification. GASB 54 establishes the following classifications depicting the relative strength of the constraints that control how specific amounts can be spent:

Non-spendable: Nonspendable fund balances includes amounts that cannot be spent because they are not in spendable form, such as prepaid items or items that are legally or contractually required to be maintained intact, such as principal of an endowment fund. As of June 30, 2022, the Department has nonspendable fund balances totaling $88,506.

Restricted: Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, laws, or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation. As of June 30, 2022, the Department did not have any restricted fund balances.

Committed: Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally. The Board of Directors is considered the highest authority for the Department.

Assigned: Assigned fund balances include amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The authority has not been delegated. As of June 30, 2022, the Department has assigned fund balances totaling $920,598.

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. As of June 30, 2022 the Department has unassigned fund balance totaling $2,726,619.

The Department’s policy is that committed and assigned fund balances are considered to have been spent first before unassigned fund balances are spent.

8. PENSION PLAN

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 Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. *General Information about the Pension Plans*

Plan Description - All qualified permanent and probationary employees are eligible to participate in the Department's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Rate Plans. The Department's Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost - sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. Benefit provisions under the Plan are established by State statute and Department resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries . Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

8. PENSION PLAN, Continued

A. General Information about the Pension Plans, continued

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

	Safety	
Hire date	Prior to January 1, 2013	On of after January 1, 2013
Benefit formula	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	50-57
Monthly benefits, as a % of eligible compensation	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.000%	12.750%
Required employer contribution rates	23.620%	13.980%
Unfunded Accrued Liability	$ 118,177	$ 6,545

	Miscellaneous	
Hire date	Prior to January 1, 2013	On of after January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-67	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8.000%	6.750%
Required employer contribution rates	14.020%	7.590%
Unfunded Accrued Liability	$ 7,814	$ 484

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 the Plan 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 Department is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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

	Safety	Miscellaneous	Total
Contributions - employer	$ 1,961,684	$ 51,442	$ 2,013,126

8. PENSION PLAN, Continued

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

As of June 30, 2022, the Department reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability(Asset)
Safety	$ 8,911,252
Miscellaneous	(66,014)
Total Net Pension Liability	$ 8,845,238

The Department's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan as of June 30, 2022 is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The Department's proportion of the net pension liability was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Department's proportionate share of the net pension liability for each Plan as of June 30, 2020 and 2021 was as follows:

	Safety	Miscellaneous	Total
Proportion - June 30, 2020	0.2267%	0.0029%	0.1399%
Proportion - June 30, 2021	0.2539%	-0.0035%	0.1635%
Change - Increase (Decrease)	0.0272%	-0.0064%	0.0236%

For the year ended June 30, 2022, the Department recognized pension expense of $543,311. At June 30, 2022, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 2,013,126	$ -
Differences between actual and expected experience	1,522,481	(7,403)
Changes in assumptions	-	-
Differences in actual contributions and proportionate share of contributions	-	(1,138,595)
Changes in proportion	1,360,470	(147,700)
Net differences between projected and actual earnings on plan investments	-	(5,246,278)
Total	$ 4,896,077	$ (6,539,976)

8. PENSION PLAN, Continued

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

$2,013,126 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30		Annual Amortization
2023	$	(502,352)
2024		(690,319)
2025		(1,020,719)
2026		(1,443,635)
Total	$	(3,657,025)

Actuarial Assumptions - The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

	Safety & Miscellaneous Plans
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% (1)
Mortality	Derived using CalPERS Membership Data for all Funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

(1) Net of pension plan investment expenses, including inflation
(2) The mortality table used was developed based on CalPERS' Specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demography data from 1997 to 2015) that can be found on the CalPERS website.

8. PENSION PLAN, Continued

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

Discount Rate - The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. 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 for each Plan.

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

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

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

Asset Class (A)	New Strategic Allocation	Real Return Years 1 - 10(B)	Real Return Years 11+ (C)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

A) In the CalPERS Basic Financial Statements, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

B) An expected inflation of 2.00% used for this period.

C) An expected inflation of 2.92% used for this period.

8. PENSION PLAN, Continued

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Department's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Department'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:

	Safety	Miscellaneous	Total
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	$ 16,959,290	$ 133,264	$ 17,092,554
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	$ 8,911,252	$ (66,014)	$ 8,845,238
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability (Asset)	$ 2,300,783	$ (230,753)	$ 2,070,030

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

9. OTHER POST EMPLOYMENT BENEFITS

Other Post-Employment Benefits (OPEB) Liabilities, OPEB Expenses and Deferred Outflows/Inflows of Resources Related to 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 Department'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 California Employers' Retiree Benefit Trust (CERBT). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. General Information about the Department's Other Post Employment Benefit (OPEB) Plan

Plan Description - The Department's Post Employment Benefit Plan is an agent multiple-employer defined benefit OPEB Plan. CalPERS invests the plan's assets as part of the California Employer's Retiree Benefit Trust (CERBT). The Department provides lifetime retiree medical coverage.

Access to coverage: Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (age 52, if a miscellaneous employee new to PERS on or after January I, 2013) with 5 years of State or public agency service or (b) an approved disability retirement.

9. OTHER POST EMPLOYMENT BENEFITS, Continued

A. General Information about the Department's Other Post Employment Benefit (OPEB) Plan, continued

The employee must begin his or her retirement warrant within 120 days of terminating employment with the Department to be eligible to continue medical coverage through the Department and be entitled to the employer subsidy described below. If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement or during any future open enrollment period. Coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage.

Benefits provided: As a condition of participation in the CalPERS medical program, the Department is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued, as well as to a surviving spouse, if the spouse is entitled to survivor pension benefits.

Under the terms of the Department's current PEMHCA resolution, executed in 2013, all employees who satisfy the requirements under " Access to Coverage" above and continue their medical coverage through the Department in retirement will receive the PEMHCA minimum employer contribution (MEC). The MEC is $143 per month in 2021 and increases to $149 per month in 2022.

Instead of the minimum contribution described above, employees first covered by the Ross Valley Firefighters Association or the Ross Valley Fire Chief Officers Association prior to April 1, 2013 and Miscellaneous employees hired prior to April 1, 2013 will be reimbursed an amount equal to the Department’s share of CalPERS medical premiums as of January 1, 2013, increased annually by a maximum of $100 per month, until such time as the Department’s share is the same as the Department's share for active employees.

For the year ended June 30, 2022, the Department's contributions to the Plan were $786,295.

Employees Covered by Benefit Terms - Membership in the plan consisted of the following at the measurement date of June 30, 2021:

Active employees	33
Inactive employees or beneficiaries currently receiving benefit payments	35
Inactive employees entitled to but not yet receiving benefit payments	5
Total	73

9. OTHER POST EMPLOYMENT BENEFITS, Continued

B. Net OPEB Liability

Actuarial Methods and Assumptions - The Department's total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021, and was rolled forward using standard update procedures to determine the total OPEB liability as of June 30, 2021, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost, Level Percent of pay
Actuarial Assumptions:	
Discount Rate	6.80%
Inflation	2.50%
Payroll Growth	3.00%
Investment Rate of Return	6.80%
Mortality Rate	Mortality rates used were those published by CalPERS, adjusted to back to back out 15 years of Scale MP 2016 to central year 2015. then projected.
Mortality Improvement	Macleod Watts Scale 2020 applied generationally
Healthcare Trend Rate	5.7% and grade down to 4% for years 2076 and thereafter

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	59.0%	5.98%
Fixed Income	25.0%	2.62%
Treasury Inflation Protection Securities	5.0%	1.46%
Global Real Estate Investment Trusts (REITs)	8.0%	5.00%
Commodities	3.0%	2.87%
Total	100.0%	

Discount Rate - The discount rate used for accounting purposes for the fiscal year end 2022 is 6.8%.

9. OTHER POST EMPLOYMENT BENEFITS, Continued

C. *Changes in Net OPEB Liability*

The changes in the net OPEB liability follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at Measurement Date 6/30/2020	$ 8,850,982	$ 4,215,523	$ 4,635,459
Changes Recognized for the Measurement Period:			
Service Cost	265,979		265,979
Interest on the total OPEB liability	602,131		602,131
Net investment income		1,158,676	(1,158,676)
Contributions from the employer		754,259	(754,259)
Administrative expenses		(1,595)	1,595
Differences between expected and actual experience	(372,771)		(372,771)
Benefit payments	(524,175)	(524,175)	-
Changes of assumptions	21,319		21,319
Net changes	(7,517)	1,387,165	(1,394,682)
Balance at Measurement Date 6/30/2021	$ 8,843,465	$ 5,602,688	$ 3,240,777

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report that may be obtained from CalPERS. The benefit payments and refunds include implied subsidy benefit payments in the amount of $141,426.

D. *Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates*

The following presents the net OPEB liability of the Department, as well as what the Department's net OPEB 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 discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1% (5.80%)	Current Discount Rate (6.80%)	Discount Rate +1% (7.80%)
$ 4,377,836	$ 3,240,777	$ 2,300,336

The following presents the net OPEB liability of the Department, as well as what the Department's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Net OPEB Liability/(Asset)		
1% Decrease (4.7% grade down to 3%)	Current Healthcare Cost Trend Rates (5.7% grade down to 4%)	1% Increase (6.7% grade down to 5%)
$ 2,376,411	$ 3,240,777	$ 4,223,886

9. OTHER POST EMPLOYMENT BENEFITS, Continued

E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Department recognized OPEB expense of $182,202. At June 30, 2022, the Department reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	$ 786,295	$ -
Differences between actual and expected experience	-	(1,244,222)
Changes of assumptions	150,497	-
Net differences between projected and actual earnings on plan investments	-	(590,483)
Total	$ 936,792	$ (1,834,705)

$786,295 reported as deferred outflows of resource s related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2023	$ (385,614)
2024	(387,485)
2025	(431,146)
2026	(372,916)
2027	(48,881)
Thereafter	(58,166)
Total	$ (1,684,208)

10. PUBLIC ENTITY RISK POOLS

Fire Agencies Self Insurance System

Effective September 1993, the Department was self-insured for workers ' compensation coverage as a member of the Fire Agencies Self-Insurance System (the "System"). The System is a public authority risk pool created pursuant to a joint powers agreement between the approximately 200 member fire agencies. The System manages one pool for all member agencies. Each member pays an annual premium to the System based on the number of personnel, and estimated dollar amount of payroll and an experience factor. At fiscal year-end, when actual payroll expenses are available, an adjustment to the year's annual premium is made. The System reinsures through a commercial carrier for claims in excess of $500,000 for each insured event. The System is not a component entity of the Department for purposes of Government Standards Board Statement No. 14. The most recent condensed financial information for the system can be obtained by contacting the System at the following address or website:

Fire Agencies Self Insurance System
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833
www.fasis.brstest.com

Fire Agencies Insurance Risk Authority

Effective July I, 1989 Ross Valley Fire Department was self-insured for property damages and general liability coverage as a member of the Fire Agencies Insurance Risk Authority (the "Risk Authority"). The Risk Authority is a public authority risk pool created pursuant to a joint powers agreement between approximately 100 member fire agencies. The Risk Authority manages one pool for all member agencies. Each member pays an annual premium to the Risk Authority based on an actuarial calculation. The Risk Authority purchases first dollar coverage for general liability, auto liability, auto physical damage, and property, from the American Alternative Insurance Company, a subsidiary of the Glatfelter Insurance Group. The Risk Authority's current policy through American Alternative Insurance Company is in force through July 1, 2022. Currently the Risk Authority continues to be fully insured for all lines of coverage including: General Liability, Auto Liability, Property, Director and Officers Errors and Omissions, and Medical Malpractice. The Risk Authority is not a component entity of Ross Valley Fire Department for purposes of Government Accounting Standards Board Statement No. 14. The most recent condensed financial information for the system can be obtained by contacting the System at the following address or website:

Fire Agencies Insurance Risk Authority
1255 Battery Street, Suite 450
San Francisco, CA 94111
www.faira.org

11. CONTINGENCIES

On February 4, 1991, the Department was awarded a judgment of $464,000, plus interest, relating to embezzlements committed by a former employee over several years. On July 18, 2006, the judgment was renewed to extend the period of enforceability through to July 17, 2016, and the total renewed judgment was $277,567. On March 24, 2016, an application for renewal of judgment was submitted by the Department, which extends the period of enforceability through March 24, 2026, and the total renewed judgment was $540,035. As of June 30, 2022, the balance owed was $916,641 which includes interest of $378,025 at 10% per annum. The Department has offset this receivable with an allowance for doubtful accounts since there have been no collections on the judgment. Therefore, this receivable is not recorded in the accompanying Statement of Net Position.

12. EXPENDITURES IN EXCESS OF APPROPRIATIONS

No fund had expenditures in excess of appropriations for the year ended June 30, 2022.

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REQUIRED SUPPLEMENTARY INFORMATION

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1. COST-SHARING EMPLOYER DEFINED PENSION PLAN:

A. Schedule of Proportionate Share of the Net Pension Liability

This schedule reports the proportion (percentage) of the collective net pension liability, the proportionate share (amount) of the collective net pension liability, the employer's covered payroll, the proportionate share (amount of the collective net pension liability as a percentage of the employer's covered payroll and the pension plan's fiduciary net position as a percentage of the total pension liability.

B. Schedule of Pension Contributions

This schedule reports the cost sharing employer's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered payroll.

2. AGENT-MULTIPLE EMPLOYER OTHER POSTEMPLOYMENT BENEFIT PLAN:

A. Schedule of Changes in the Net OPEB Liability and Related Ratios

This schedule reports the changes in the net OPEB liability, the employer's covered employee payroll, the net OPEB liability as a percentage of the employer’s covered employee payroll and the OPEB plan’s fiduciary net position as a percentage of the total OPEB liability.

B. Schedule of OPEB Contributions

This schedule reports the employer’s contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered employee payroll.

Ross Valley Fire Department
Required Supplementary Information
For the year ended June 30, 2022

*Schedule of Proportionate Share of Net Pension Liability and Related Ratios - Last 10 Years**

Measurement date	**6/30/2014**	**6/30/2015**	**6/30/2016**
Proportion of the net pension liability (asset)	0.12218%	0.11365%	0.12254%
Proportionate share of the net pension liability (asset)	$ 7,679,794	$ 7,800,932	$ 10,603,794
Covered payroll during measurement period	$ 3,098,740	$ 3,661,763	$ 3,462,466
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	247.84%	213.04%	306.25%
Plan fiduciary net position as a percentage of the total pension liability	79.82%	78.40%	74.06%
Proportionate share of aggregate employer contributions	$ 1,327,172	$ 1,216,394	$ 1,200,884

Notes to Schedule

*Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016, and then decreased from 7.65% to 7.15% in fiscal year 2018.

The CalPERS mortality assumptions were adjusted in fiscal year 2019.

6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
0.12450%	0.12994%	0.13379%	0.13995%	0.16355%
$ 12,347,230	$ 12,520,916	$ 13,709,015	$ 15,226,658	$ 8,845,238
$ 3,963,936	$ 3,781,313	$ 4,099,185	$ 3,650,227	$ 3,995,858
311.49%	331.13%	334.43%	417.14%	221.36%
73.31%	75.26%	75.26%	75.10%	85.57%
$ 1,289,736	$ 1,675,902	$ 1,658,659	$ 2,237,745	$ 1,796,645

Ross Valley Fire Department
Required Supplementary Information
For the year ended June 30, 2022

Schedule of Pension Contributions - Last 10 Years*

Cost-Sharing Multiple Employee Defined Pension Plan

	Safety		
Fiscal year	**2015**	**2016**	**2017**
Actuarially determined contribution	$ 1,291,372	$ 1,192,485	$ 1,083,105
Contributions in relation to the actuarially determined contributions	(1,291,372)	(1,192,485)	(1,083,105)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll during fiscal year	$ 3,499,269	$ 3,285,846	$ 3,677,391
Contributions as a percentage of covered payroll	36.90%	36.29%	29.45%

	Miscellaneous		
Fiscal year	**2015**	**2016**	**2017**
Actuarially determined contribution	$ 35,800	$ 23,266	$ 28,516
Contributions in relation to the actuarially determined contributions	(35,800)	(23,266)	(28,516)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll during fiscal year	$ 162,494	$ 176,620	$ 286,545
Contributions as a percentage of covered payroll	10.84%	13.17%	9.95%

Note to Schedule

Valuation date:	6/30/2013	6/30/2014	6/30/2015
Methods and assumptions used to determine contribution rates:			
Actuarial cost method	Entry Age Normal		
Amortization method	Level percentage of payroll, closed		
Remaining amortization period	Varies, not more than 30 years		
Asset valuation method	15 yer smoothed	Market Value	Market Value
Inflation	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service		
Investment rate of return	7.50%	7.50%	7.50%
Payroll Growth	3.00%	3.00%	3.00%

* - Fiscal year 2015 was the 1st year of implementation.

Safety

2018	2019	2020	2021	2022
$ 1,159,683	$ 1,338,894	$ 1,531,354	$ 1,756,149	$ 1,961,684
(1,159,683)	(1,338,894)	(1,531,354)	(1,756,149)	(1,961,684)
$ -	$ -	$ -	$ -	$ -
$ 3,565,056	$ 3,889,989	$ 3,358,275	$ 3,642,002	$ 3,791,210
32.53%	34.42%	45.60%	48.22%	51.74%

Miscellaneous

2018	2019	2020	2021	2022
$ 25,799	$ 28,436	$ 38,265	$ 40,496	$ 51,442
(25,799)	(28,436)	(38,265)	(40,496)	(51,442)
$ -	$ -	$ -	$ -	$ -
$ 216,257	$ 209,196	$ 291,952	$ 353,856	$ 460,766
11.93%	13.59%	13.11%	11.44%	11.16%

6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Entry Age Normal				
Level percentage of payroll, closed				
Varies, not more than 30 years				
Market Value	Market Value	Market Value	Market Value	Market Value
2.75%	2.75%	2.500%	2.500%	2.500%
Varies by entry age and service				
7.50%	7.375%	7.25%	7.00%	7.00%
3.00%	3.00%	2.875%	2.750%	2.750%

Ross Valley Fire Department
Required Supplementary Information
For the year ended June 30, 2022

*Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Years**

OPEB Plan - Agent Multiple Employer

Measurement Date	**6/30/2017**	**6/30/2018**	**6/30/2019**
Total OPEB Liability			
Service cost	$ 188,230	$ 194,348	$ 215,840
Interest	624,233	654,393	680,634
Differences between actual and expected experience	-	-	(1,694,852)
Changes in assumptions	-	345,115	6,241
Benefit payments	(382,896)	(422,295)	(474,032)
Net change in the total OPEB liability	429,567	771,561	(1,266,169)
Total OPEB liability - beginning	8,613,336	9,042,903	9,814,464
Total OPEB liabilty - ending (a)	$ 9,042,903	$ 9,814,464	$ 8,548,295
Plan Fiduciary Net Position			
Contributions - employer	$ 785,990	$ 1,108,061	$ 1,002,745
Net investment income	167,198	171,917	177,139
Administrative expense	(854)	(1,151)	(642)
Benefit payments	(382,896)	(422,295)	(474,032)
Other expenses	-	(2,858)	-
Net change in plan fiduciary net position	569,438	853,674	705,210
Plan fidcuiary net position - beginning	1,590,112	2,159,550	3,013,224
Plan fidcuiary net position - ending (b)	$ 2,159,550	$ 3,013,224	$ 3,718,434
Net OPEB liability - ending (a) - (b)	$ 6,883,353	$ 6,801,240	$ 4,829,861
Plan fiduciary net position as a percentage percentage of the total OPEB liability	23.88%	30.70%	43.50%
Covered-employee payroll	$ 3,963,937	$ 3,781,313	$ 4,099,185
Net OPEB liability as a percentage of covered employee payroll	173.65%	179.86%	117.82%

* Fiscal year 2018 was the 1st year of implementation.

6/30/2020	6/30/2021
$ 258,232	$ 265,979
580,614	602,131
-	(372,771)
-	21,319
(536,159)	(524,175)
302,687	(7,517)
8,548,295	8,850,982
$ 8,850,982	$ 8,843,465
$ 901,184	$ 754,259
133,881	1,158,676
(1,817)	(1,595)
(536,159)	(524,175)
-	-
497,089	1,387,165
3,718,434	4,215,523
$ 4,215,523	$ 5,602,688
$ 4,635,459	$ 3,240,777
47.63%	63.35%
$ 4,055,818	$ 3,995,857
114.29%	81.10%

Schedule of OPEB Contributions - Last 10 Years*

OPEB Plan - Agent Multiple Employer

Fiscal year ended June 30,	**2018**	**2019**	**2020**
Actuarially determined contribution	$ 696,858	$ 727,745	$ 750,115
Contributions in relation to the actuarially determined contribution	1,108,061	1,002,745	901,184
Contribution deficiency (excess)	$ (411,203)	$ (275,000)	$ (151,069)
Covered employee payroll	$ 3,781,313	$ 4,099,185	$ 4,055,818
Contributions as a percentage of covered employee payroll	29.30%	24.46%	22.22%
Notes to schedule			
Valuation date	June 30, 2015	June 30, 2017	June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage pay	Level percentage pay	Level percentage pay
Asset valuation method	Market value	Market value	Market value
Inflation	2.75%	2.75%	2.75%
Discount rate	7.25%	7.25%	7.25%
Salary increases	3.25%	3.25%	3.25%
Retirement age	50 to 75 years	50 to 75 years	50 to 75 years
Amortization period	22 years closed	21 years closed	20 years closed
Healthcare cost trend rates	7.5% in 2017 to 4.5% in steps of 0.5%	8.0% in 2018 to 5% in steps of 0.5%	
Mortality		CalPERS 2014 Experience Study	
Mortality improvement	MW Scale 2014 generationally	MW Scale 2017 generationally	MW Scale 2017 generationally

*Fiscal year 2018 was the first year of implementation.

	2021	2022
	$ 631,593	$ 520,319
	754,259	786,295
	$ (122,666)	$ (265,976)
	$ 3,995,857	$ 4,251,976
	18.88%	18.49%
	June 30, 2019	June 30, 2021
	Entry age	Entry age
	Level percentage pay	Level percentage pay
	Market value	Market value
	2.50%	2.50%
	6.80%	6.80%
	3.00%	3.00%
	50 to 75 years	50 to 75 years
	19 years closed	18 years closed
	5.4% in 2021 fluctuating down to 4% by 2076	5.7% in 2021 fluctuating down to 4% by 2076
	CalPERS 2017 Experience Study	CalPERS 2017 Experience Study
	MW Scale 2018 generationally	MW Scale 2020 generationally

Ross Valley Fire Department
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental:				
Town of San Anselmo (Contract)	$ 3,739,735	$ 3,739,735	$ 3,739,735	$ -
Town of Fairfax (Contract)	2,149,921	2,149,921	2,149,921	-
Sleepy Hollow (Contract)	1,181,073	1,181,073	1,181,073	-
County of Marin (Contract)	230,732	235,783	235,783	-
Town of Ross (Contract)	2,183,012	2,183,012	2,183,012	-
Prior Authority:				
Retiree health	97,552	97,552	97,552	-
Retirement contributions	1,125,991	1,125,991	1,125,991	-
Other sources	874,074	1,735,096	1,671,419	(63,677)
Fire prevention fees	321,700	321,700	474,371	152,671
Investment earnings	5,000	5,000	2,444	(2,556)
Miscellaneous	62,500	122,500	46,345	(76,155)
Total revenues	11,971,290	12,897,363	12,907,646	10,283
EXPENDITURES:				
Current:				
Salaries and benfits	10,044,369	10,677,541	10,626,283	51,258
Services and supplies	1,584,515	1,584,515	1,551,044	33,471
Capital outlay	88,400	138,400	126,963	11,437
Debt service:				
Principal	141,583	141,583	141,583	-
Interest and fiscal charges	13,129	13,129	13,129	-
Total expenditures	11,871,996	12,555,168	12,459,002	96,166
REVENUES OVER (UNDER) EXPENDITURES	99,294	342,195	448,644	106,449
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	30,000	6,650	(23,350)
Total other financing sources (uses)	-	30,000	6,650	(23,350)
Net change in fund balances	$ 99,294	$ 372,195	455,294	$ 83,099
FUND BALANCES:				
Beginning of year			3,280,429	
End of year			$ 3,735,723	