

Woodside Fire Protection District

**Financial Statements
and
Independent Auditor's Report
June 30, 2020 and 2019**



WOODSIDE FIRE PROTECTION DISTRICT

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Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Woodside Fire Protection District
Woodside, California

Report on the Financial Statements

We have audited the accompanying financial statements of Woodside Fire Protection District (the District) as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's minimum audit requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Woodside Fire Protection District, as of June 30, 2020 and 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8, budgetary comparison schedule on page 32, and schedule of required supplementary information- Safety and Miscellaneous pension plan on page 34 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Blomberg & Griffin A.C.

Stockton, CA

November 12, 2020

WOODSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 and 2019

This section of the annual financial report of the Woodside Fire Protection District (District) presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2020. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements, including the notes and the supplementary information that immediately follow this section.

FINANCIAL HIGHLIGHTS

The following summarizes the District's financial highlights for the year ended June 30, 2020.

- In total, government-wide net position was \$8,495,819.
- General revenues accounted for \$22,945,089 or 99.27 percent.
- Total government-wide assets were \$50,535,865, cash and cash equivalents were \$29,165,786 and net capital assets totaled \$10,796,892.
- Total program expenses were \$20,579,169 as noted in table 2.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the government-wide statements.

The fund financial statements are composed of:

- Governmental fund statements, which tell how basic services were financed in the short-term, as well as what remained for future spending.

WOODSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 and 2019

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

The Statement of Net Position and the Statement of Activities

The statement of net position and statement of activities report information about the District as a whole and its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position are the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Overtime increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To assess the overall health of the District, you need to consider additional non-financial factors including the condition the District's buildings and other facilities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund financial statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to record specific sources of funding and spending on particular programs:

- Some funds are required by law and covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that certain revenues have been properly used.

Governmental funds

Most of the District's basic services are reported in governmental funds which generally focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash, and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statement, we provide additional information of the governmental fund statements that explain the relationship (or differences) between them.

WOODSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2020 and 2019

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The following table presents a summary of the District's statement of net position by category as of June 30, 2020 and 2019.

TABLE 1: NET POSITION

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>\$ Change</u>	<u>% Change</u>
Assets				
Current and Other Assets	\$ 39,738,973	\$ 36,363,384	\$ 3,375,589	9.28%
Capital Assets - Net	10,796,892	9,812,397	984,495	10.03%
 Total Assets	 <u>50,535,865</u>	 <u>46,175,781</u>	 <u>4,360,084</u>	 <u>9.44%</u>
Liabilities				
Current Liabilities	502,847	92,576	410,271	443.17%
Long-Term Liabilities	41,537,199	40,120,681	1,416,518	3.53%
 Total Liabilities	 <u>42,040,046</u>	 <u>40,213,257</u>	 <u>1,826,789</u>	 <u>4.54%</u>
Net Position				
Invested in Capital Assets, net of related debt	10,796,892	9,812,397	984,495	10.03%
Capital Reserves	11,852,310	10,057,114	1,795,196	17.85%
Unrestricted (Deficit)	(14,153,383)	(13,906,987)	(246,396)	1.77%
 Total Net Position	 <u>\$ 8,495,819</u>	 <u>\$ 5,962,524</u>	 <u>\$ 2,533,295</u>	 <u>42.49%</u>



WOODSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2020 and 2019

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

A summary of total District revenues, expenses, and changes in net position is presented in the table below.

TABLE 2: CHANGES IN NET POSITION

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues				
Program Revenues:				
Operating Grants and Contributions	\$ 167,377	\$ 155,556	\$ 11,821	7.60%
General Revenues:				
Taxes	21,743,733	20,705,796	1,037,937	5.01%
Interest and Investment Earnings	500,377	531,202	(30,825)	-5.80%
Services Rendered	70,863	367,310	(296,447)	-80.71%
Rent	44,165	44,165	-	0.00%
Miscellaneous	585,949	263,994	321,955	121.96%
Total Revenues	<u>23,112,464</u>	<u>22,068,023</u>	<u>1,044,441</u>	<u>4.73%</u>
Program Expenses				
Public Safety	20,013,549	14,556,274	5,457,275	37.49%
Depreciation	565,620	498,192	67,428	13.53%
Total Expenses	<u>20,579,169</u>	<u>15,054,466</u>	<u>5,524,703</u>	<u>36.70%</u>
Changes in Net Position	<u>\$ 2,533,295</u>	<u>\$ 7,013,557</u>	<u>\$ (4,480,262)</u>	<u>-63.88%</u>

TABLE 3: GOVERNMENTAL ACTIVITIES

	<u>Total Cost of Services 2020</u>	<u>Total Cost of Services 2019</u>	<u>\$ Change</u>	<u>% Change</u>
Public Safety	\$ 20,013,549	\$ 14,556,274	\$ 5,457,275	37.49%
Depreciation - Unallocated	565,620	498,192	67,428	13.53%
Total Governmental Activities	<u>20,579,169</u>	<u>15,054,466</u>	<u>5,524,703</u>	<u>36.70%</u>
Less Program Revenues	<u>167,377</u>	<u>155,556</u>	<u>11,821</u>	<u>7.60%</u>
Net Cost	<u>\$ 20,411,792</u>	<u>\$ 14,898,910</u>	<u>\$ 5,512,882</u>	<u>37.00%</u>

WOODSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020 and 2019

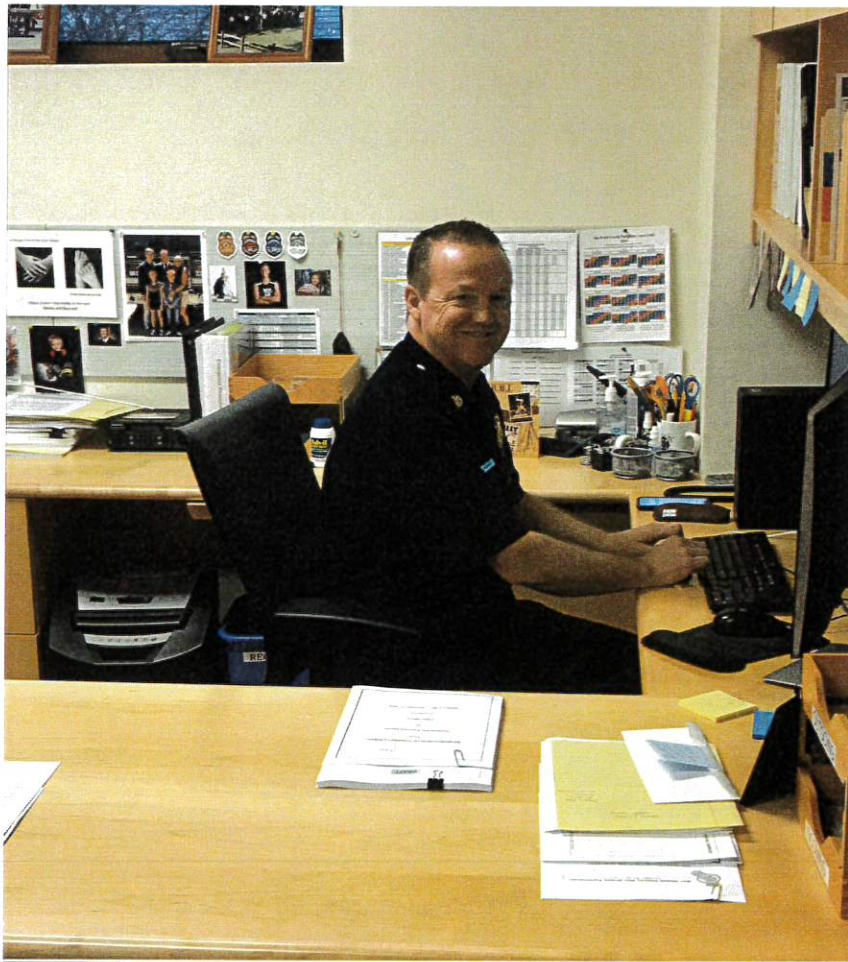
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Governmental Activities (Continued)

The table on page 4 displays, by function, the total and net costs of services provided. The net cost of services represents the total cost less grants and contributions and for revenue received where a charge is made for services provided.

General Fund Budgetary Highlights

As finalized by the Board of Directors, budgeted revenues totaled \$19,740,921, expenditures totaled \$18,842,215 and revenues were projected to exceed expenditures by \$898,706. There were no changes in the adopted budget throughout the year.



WOODSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2020 and 2019

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Capital Assets and Debt Administration

Capital Assets at Year End Net of Depreciation

As of June 30, 2020, and 2019 the District owned the following capital assets:

TABLE 4: CAPITAL ASSETS

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>\$ Change</u>	<u>% Change</u>
Capital Assets				
Land	\$ 1,862,642	\$ 1,862,642	\$ -	0.00%
Structures and Improvements	6,544,699	6,544,699	-	0.00%
Equipment	10,203,203	8,673,970	1,529,233	17.63%
Construction in Progress	206,632	185,750	20,882	11.24%
Accumulated Depreciation	<u>(8,020,284)</u>	<u>(7,454,664)</u>	<u>(565,620)</u>	<u>7.59%</u>
Total Capital Assets - Net	<u>\$ 10,796,892</u>	<u>\$ 9,812,397</u>	<u>\$ 984,495</u>	<u>10.03%</u>

Long Term Debt

The District's debt or debt activity during the year ended June 30, 2020 was compensated absences in the amount of \$2,046,132. The net OPEB liability obligation as of June 30, 2020 was \$8,670,249. Net pension liability was \$25,510,565 and deferred pension credits were \$5,310,253 on June 30, 2020.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, contact Kathleen Edwards, of Business Manager, Woodside Fire Protection District, 808 Portola Road, Portola, California 94028.



WOODSIDE FIRE PROTECTION DISTRICT

Statement of Net Position

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash and Investments	\$ 29,165,786	\$ 26,823,794
Accounts Receivable	17,271	47,835
Interest Receivable	125,241	171,747
Prepaid Expenses	<u>39,921</u>	<u>39,568</u>
Total Current Assets	<u>29,348,219</u>	<u>27,082,944</u>
Non-Current Assets		
Land	1,862,642	1,862,642
Structures and Improvements	6,544,699	6,544,699
Equipment	10,203,203	8,673,970
Construction in Progress	206,632	185,750
Accumulated Depreciation - Structures and Improvements	(2,203,511)	(2,050,267)
Accumulated Depreciation - Equipment	<u>(5,816,773)</u>	<u>(5,404,397)</u>
Total Capital Assets	<u>10,796,892</u>	<u>9,812,397</u>
Deferred Outflow of Resources - Deferred Pension Charges	7,929,010	7,069,447
Deferred Outflow of Resources - Deferred OPEB Charges	<u>2,461,744</u>	<u>2,210,993</u>
Total Non-Current Assets	<u>21,187,646</u>	<u>19,092,837</u>
Total Assets	<u>\$ 50,535,865</u>	<u>\$ 46,175,781</u>
Liabilities		
Current Liabilities		
Accounts Payable	<u>\$ 502,847</u>	<u>\$ 92,576</u>
Total Current Liabilities	<u>502,847</u>	<u>92,576</u>
Non-Current Liabilities		
Compensated Absences	2,046,132	2,232,091
Net Pension Liability	25,510,565	21,935,075
Net OPEB Liability	8,670,249	12,167,685
Deferred Inflows of Resources - Deferred Pension Credits	932,276	990,557
Deferred Inflows of Resources - Deferred OPEB Credits	<u>4,377,977</u>	<u>2,795,273</u>
Total Non-Current Liabilities	<u>41,537,199</u>	<u>40,120,681</u>
Total Liabilities	<u>42,040,046</u>	<u>40,213,257</u>
Net Position		
Invested in Capital Assets, net of related debt	10,796,892	9,812,397
Capital Reserves	11,852,310	10,057,114
Unrestricted (Deficit)	<u>(14,153,383)</u>	<u>(13,906,987)</u>
Total Net Position	<u>8,495,819</u>	<u>5,962,524</u>
Total Liabilities and Net Position	<u>\$ 50,535,865</u>	<u>\$ 46,175,781</u>

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

WOODSIDE FIRE PROTECTION DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Program Expenses		
Fire Protection		
Operations	\$ 20,013,549	\$ 14,556,274
Depreciation	565,620	498,192
	<u>20,579,169</u>	<u>15,054,466</u>
Program Revenues		
Operating Grants and Contributions	167,377	155,556
	<u>167,377</u>	<u>155,556</u>
Net Program Expenses	<u>20,411,792</u>	<u>14,898,910</u>
General Revenues		
Taxes Levied	21,743,733	20,705,796
Interest and Investment Earnings	500,377	531,202
Services Rendered	70,863	367,310
Rent	44,165	44,165
Miscellaneous	585,949	263,994
	<u>22,945,087</u>	<u>21,912,467</u>
Net Change in Position	2,533,295	7,013,557
Net Position-Beginning of Year	<u>5,962,524</u>	<u>(1,051,033)</u>
Net Position-End of Year	<u>\$ 8,495,819</u>	<u>\$ 5,962,524</u>

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

WOODSIDE FIRE PROTECTION DISTRICT

Balance Sheet

June 30, 2020 and 2019

	2020	2019
	General	General
	Fund	Fund
Assets		
Cash and Investments	\$ 29,165,786	\$ 26,823,794
Accounts Receivable	17,271	47,835
Interest Receivable	125,241	171,747
Prepaid Expenses	39,921	39,568
	<u>39,921</u>	<u>39,568</u>
Total Assets	<u>\$ 29,348,219</u>	<u>\$ 27,082,944</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	\$ 502,847	\$ 92,576
	<u>502,847</u>	<u>92,576</u>
Total Liabilities	<u>502,847</u>	<u>92,576</u>
Fund Balances		
Committed	28,805,451	26,950,800
Nonspendable	39,921	39,568
	<u>39,921</u>	<u>39,568</u>
Total Fund Balances	<u>28,845,372</u>	<u>26,990,368</u>
Total Liabilities and Fund Balances	<u>\$ 29,348,219</u>	<u>\$ 27,082,944</u>

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

WOODSIDE FIRE PROTECTION DISTRICT
Statement of Governmental Fund Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Years Ended June 30, 2020 and 2019

	2020	2019
	General Fund	General Fund
	<u> </u>	<u> </u>
General Revenues		
Taxes Levied	\$ 21,743,733	\$ 20,705,796
Interest and Investment Earnings	500,377	531,202
Services Rendered	70,863	367,310
Rent	44,165	44,165
Grants and Contributions	167,377	155,556
Miscellaneous	585,949	263,994
	<u> </u>	<u> </u>
Total Revenues	<u>23,112,464</u>	<u>22,068,023</u>
 Expenditures		
Operating Expenditures		
Salaries and Benefits	16,885,305	14,483,074
Materials, Supplies, and Services	2,822,040	3,742,793
Capital Outlay	1,550,115	1,096,097
	<u> </u>	<u> </u>
Total Expenditures	<u>21,257,460</u>	<u>19,321,964</u>
 Excess of Revenues over Expenditures	 1,855,004	 2,746,059
 Fund Balances-Beginning of Year	 <u>26,990,368</u>	 <u>24,244,309</u>
 Fund Balances-End of Year	 <u><u>\$ 28,845,372</u></u>	 <u><u>\$ 26,990,368</u></u>

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

WOODSIDE FIRE PROTECTION DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Total Fund Balances - Governmental Funds	\$ 28,845,372	\$ 26,990,368
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of related debt used in governmental activities are not financial resources and, therefore, are not reported in the funds. The actual or estimated historical acquisition cost of the assets is \$18,817,176 in 2020 and \$17,267,061 in 2019; the accumulated depreciation is \$8,020,284 in 2020 \$7,464,664 in 2019, and the Liability is \$-0- in 2020 and 2019.	10,796,892	9,812,397
Deferred Pension and Health Charges	10,390,754	9,280,440
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Net OPEB Liability/Obligation	(8,670,249)	(12,167,685)
Compensated Absences	(2,046,132)	(2,232,091)
Net Pension Liability	(25,510,565)	(21,935,075)
Deferred Pension and Health Credits	<u>(5,310,253)</u>	<u>(3,785,830)</u>
Net Position of Governmental Activities	<u>\$ 8,495,819</u>	<u>\$ 5,962,524</u>

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

WOODSIDE FIRE PROTECTION DISTRICT

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance - Governmental Funds
to the Statement of Activities

For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Net Change in Fund Balances - Governmental Funds	\$ 1,855,004	\$ 2,746,059
Amounts reported for governmental activities in the statement of net position are different because:		
Capital outlay is reported in governmental funds as expenditures.		
However, in the statement of activities, a portion of the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlay is \$1,550,115 in 2020 and \$1,1096,097 in 2019, depreciation expense is \$565,620 in 2020 and \$498,192 in 2019.		
	984,495	597,905
Increase (decrease) in deferred pension charges	1,110,314	1,680,661
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Increase in Net Pension Liability	(3,575,490)	(370,878)
(Increase) Decrease in Compensated Absences	185,959	(47,423)
Increase in OPEB Obligation	3,497,436	974,741
Increase (Decrease) in Deferred Pension Credits	<u>(1,524,423)</u>	<u>1,432,492</u>
Change in Net Position of Governmental Funds	<u>\$ 2,533,295</u>	<u>\$ 7,013,557</u>

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

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. The District

The original Woodside Fire Protection District was created under the 1881 Act and later incorporated on July 19, 1925. By election of the voters of the District, it was reorganized on January 25, 1949, pursuant to the Health and Safety Code of the State of California under the name of Woodside Fire Protection District. On September 11, 1962, the District was reorganized under the Fire Protection District Law of 1961.

The District maintains three fire houses which are located in Woodside, Portola Valley, and Emerald Lake. The District extends from Woodside through Portola Valley to Skyline and to Emerald Lake, north of Redwood City.

The District's financial statements reflect its own activities; it has no component units (i.e., other government overseen by the District.)

B. Basis of Presentation

Government-Wide Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statement but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, includes a reconciliation with brief explanations to better identify the relationship between the government wide-statements and the statements for the governmental funds.

The government-wide statement of activities presents direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

1. **ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Basis of Presentation** (Continued)

The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column. All of the District's funds were considered major.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i. e., expenditures and other financing uses) in net current assets.

C. **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Governmental funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Revenues considered susceptible to accrual include property taxes and interest income. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services are rendered).

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

1. **ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Fund Accounting**

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund types and funds utilized by the District are described as follows:

Major Governmental Funds:

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

E. **Budgets and Budgetary Accounting**

The District's annual or final budget is the initial budget and any revisions to the budget that have been approved by the Board of Directors. The Board may amend the budget during the fiscal year.

F. **Cash and Investments**

Cash balances held in banks and revolving funds are insured up to \$250,000 per institution by the Federal Depository Insurance Corporation ("FDIC"). All cash held by the financial institutions is fully insured or collateralized, except the amount that exceeds the maximum insured levels of the FDIC.

The District pools cash from all sources except for its Employee Deferred Compensation Plan, and invests these funds in the County of San Mateo Treasury investment pool and the State of California Local Agency Investment Fund for the purpose of increasing income through investment activities.

Since the adjustment to market value, as required by accounting procedures generally accepted in the United States, is not material to the financial statements of the District, all investments are carried at cost.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets

Capital assets are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized but are expensed as incurred.

Depreciation and all capital assets are computed using a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Assets</u>	<u>Estimated Useful Life in Years</u>
Land	Land	-
Building & Improvements	Fire Stations, Additions	7-50
Machinery and Equipment	Fire Engines, Fire Apparatus, Furniture, Computers	3-20

H. Compensated Absences

Accumulated vacation benefits are recognized as a liability of the District in the General Fund. As of June 30, 2020, the total accrued vacation subject to redemption amounted to \$2,046,132.

Administrative personnel accrue 8 hours of vacation per day accrued and the firefighters accrue 24 hours of vacation per day accrued.

Full time employees earn annual vacation hours based on their term of employment as follows:

<u>Years of Service</u>	<u>Administrative</u>	<u>Fire Fighter</u>
1-5	136 hrs	144 hrs
6-10	176 hrs	192 hrs
11-15	216 hrs	264 hrs
15-20	248 hrs	312 hrs
20-25	280 hrs	360 hrs
25+	312 hrs	408 hrs

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Long –Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, the face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses.

J. Fund Balance Reserves

Reservations of the ending fund balance indicate the portions of fund balance not appropriate for expenditures or amounts legally segregated for a specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

K. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

L. Use of Estimates

The District's management has made certain estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

M. Post-Employment Health Care Benefits

The District provides certain health care benefits for retired employees. Substantially all of the District employees may become eligible for benefits if they reach the normal retirement age while working for the District. The cost of retirement health care benefits is recognized as an expenditure of health care premiums paid. See note 12 for more information regarding Post-Employment Health Care Benefits.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

2. PROPERTY TAX LEVY, COLLECTION, AND MAXIMUM RATES

The State of California Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted by no more than two percent per year unless the property is sold, transferred or improved. The State Legislature has determined the method of distribution of receipts from a one percent tax levy among the county, cities, school District's and other District's. The District's property tax revenues include only property taxes resulting from increased assessed values on property within the District's Plan area.

The County of San Mateo assesses properties, bills for, and collects property taxes. The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed.

Property taxes levied are recorded as revenue when received, in the fiscal year of levy, due to the adoption of the "alternate method" of property tax distribution, known as the Teeter Plan, by the County of San Mateo. The Teeter Plan authorizes the auditor/controller of the County of San Mateo to allocate 100% of the secured property taxes billed, but not yet paid. The County of San Mateo remits tax monies to the District in three installments.



WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020 and 2019

3. CASH AND CASH INVESTMENTS

The District's remaining cash and investments were deposited with Treasurer of the County of San Mateo. The District is considered to be an involuntary participant in the external investment pool. Interest is deposited into District funds. The county is restricted by Government Code Section 53635, pursuant to Section 53601, to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The county also acts as the District's fiscal agent and cash with fiscal agent, if any, is held in a separate account with the county as noted in the below summary.

Cash and investments consisted of the following as of June 30, 2020 and 2019:

	2020	2019
Cash and Investments:		
San Mateo County Investment Pool	\$ 29,165,786	\$ 26,823,794

4. CAPITAL ASSETS

On July 21, 1986, June 30, 2001, and June 30, 2011, a physical inventory of fixed assets was taken. An analysis of capital asset balances as of June 30, 2020 is as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Land	\$ 1,862,642	\$ -	\$ -	\$ 1,862,642
Construction in Progress	185,750	20,882	-	206,632
Structures & Improvements	6,544,699	-	-	6,544,699
Machinery and Equipment	8,673,970	1,529,233	-	10,203,203
Total Capital Assets	17,267,061	1,550,115	-	18,817,176
Less Accumulated Depreciation for:				
Buildings and Improvements	2,050,267	153,244	-	2,203,511
Machinery and Equipment	5,404,397	412,376	-	5,816,773
Total Accumulated Depreciation	7,454,664	565,620	-	8,020,284
Total Capital Assets-Net Depreciation	\$ 9,812,397	\$ 984,495	\$ -	\$ 10,796,892

Depreciation expense for the fiscal years ended June 30, 2020 and 2019 was \$565,620 and \$498,192.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

5. DISPATCH OPERATION JPA

The District has entered into an agreement with the following public agencies located in the County of San Mateo: Menlo Park Fire Protection District, San Carlos Fire Department, Belmont Fire Protection District, the City of Redwood City, and San Mateo County Fire Department and Coastside Fire Protection District. Under this Joint Powers Agreement, a separate public entity known as the “Fire Net Six Joint Powers Authority” (the Authority) was established pursuant to Chapter 5 of Division 7 of Title 1 of the California Government Code (Section 6500, et seq.) in order to jointly address common issues presented by the development of a consolidated dispatch operation operated by the County of San Mateo. The District, as a member of the Authority is responsible for contributing its proportionate share of the costs for dispatch services and associated expenses. The Joint Powers Agreement, dated April 28, 1994, will provide a more detailed description of the obligations and funding requirements of the District.

6. DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

A. Plan Description

The District contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. Copies of CalPERS annual financial report may be obtained from their Executive Office – 400 Q Street, Sacramento, CA 95814.

DEFINED BENEFITS PENSION PLANS - (Safety Plan and Miscellaneous Plan)

The District provides eligible employee’s pension plans benefits through the Woodside Fire Protection Services District – Safety Plan and Miscellaneous Plan.

Plan Description, Benefits Provided and Employees Covered

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2019 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2019 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020 and 2019

6. DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and contribution rate of employees. For the measurement period ended June 30, 2018 (the measurement date), for the safety-first tier plan, the active employee contribution rate is 8.989 percent of annual pay, and the average employer's contribution rate is 23.654 percent of annual payroll. The unfunded accrued liability contribution is 23.654 percent. Employer contributions rates may change if plan contracts are amended.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. Both the June 30, 2018 total pension liability and the June 30, 2019 total pension liability were based on the following actuarial methods and assumptions.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15% (2017), 7.15% (2018), 7.15% (2019)
Inflation	2.75% (2017), 2.50% (2018), 2.50% (2019)
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020 and 2019

6. DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely results in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>	<u>Real Return Years 11 +</u>
Global Equity	50.0%	4.8	5.98%
Global Fixed Income	28.0	1	2.62
Inflation Sensitive	0.0	0.77	1.81
Private Equity	8.0	6.3	7.23
Real Estate	13.0	3.75	4.93
Liquidity	1.0	-	(0.92)

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

	<u>Plan Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Plan Net Pension Liability/(Asset) (c) = (a) - (b)</u>
Balance at : 6/30/2018 (MD)	\$ 85,361,415	\$ 63,426,340	\$ 21,935,075
Balance at : 6/30/2019 (MD)	\$ 93,387,357	\$ 67,876,792	\$ 25,510,565
Net Changes during 2018-19	\$ 8,025,942	\$ 4,450,452	\$ 3,575,490

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

6. DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	<u>Discount Rate - 1%</u> <u>(6.15%)</u>	<u>Current Discount</u> <u>Rate (7.15%)</u>	<u>Discount Rate + 1%</u> <u>(8.15%)</u>
Plan's Net Pension Liability/(Asset)- (Safety Plan)	\$ 37,709,017	\$ 25,128,822	\$ 14,815,032
Plan's Net Pension Liability/(Asset) - (Misc. Plan)	\$ 595,630	\$ 381,745	\$ 205,198

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

PENSION EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS

For the fiscal years ended June 30, 2020 and 2019, pension expense recognized is as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Total Service Costs	\$ 1,890,084	\$ 1,645,212
Interest on TPL	6,499,920	5,590,977
Recognize Changes of Assumptions	1,194,985	835,680
Changes of Benefit Terms	122	57
Recognize Differences between Expected and Actual Experience	700,386	139,808
Recognize Differences between Expected and Actual Earnings	857,100	(178,751)
Net Plan to Plan Resource Movement	(562,479)	(6,409)
Employee Contributions	(711,962)	(594,567)
Projected Earnings on PPI	(4,733,750)	(4,028,434)
Administrative Expenses	47,843	87,848
Other Miscellaneous Expense	(154)	166,825
Total Pension Expense Recognized	<u>\$ 5,182,095</u>	<u>\$ 3,658,246</u>

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020 and 2019

6. DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

For the measurement period ended June 30, 2019 (the measurement date), Woodside Fire Protection District incurred a pension expense of \$5,092,144 for Safety Plan \$89,952 Miscellaneous Plan, (the pension expense for risk pool for the measurement period is \$1,264,997,744 for Safety Plan and \$943,590,814 for Miscellaneous Plan).

As of June 30, 2020, and 2019, the Woodside Fire Protection District reports other amounts for the safety and miscellaneous plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources - FY20	Deferred Inflows of Resources - FY20	Deferred Outflows (Inflows) of Resources - FY19 net
Changes of Assumptions	\$ 1,048,190	\$ 207,454	\$ 1,862,223
Difference between Expected and Actual Experience	1,667,199	2,054	470,784
Net Difference between Projected and Actual Investment Earnings	-	352,364	147,921
Difference between Employer's Contributions and proportionate Shares of Contributions	58,196	370,404	(15,347)
Changes of Employer's Proportion Pension Contribution Made Subsequent to Measurement Date.	2,172,601	-	1,062,720
	<u>2,982,824</u>	<u>-</u>	<u>2,550,589</u>
Total	<u><u>\$ 7,929,010</u></u>	<u><u>\$ 932,276</u></u>	<u><u>\$ 6,078,890</u></u>

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

Measurement Period Ended June 30,	Deferred Outflows/(Inflows) of Resources (Safety Plan)	Deferred Outflows/(Inflows) of Resources (Misc. Plan)
2021	\$ 3,774,218	\$ 36,672
2022	1,348,991	(1,969)
2023	1,468,001	5,142
2024	364,331	1,348
2025	-	-
Thereafter	-	-
Total	<u><u>\$ 6,955,541</u></u>	<u><u>\$ 41,193</u></u>

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020 and 2019

7. RISK MANAGEMENT

The District is insured for general liability, business auto, and property by Boring-Johndro-Leveroni-Vreeburg, Inc. The primary policy includes the coverage in the table below. The excess umbrella policy provides \$10,000,000 excess coverage and earthquake coverage of \$1,000,000 for covered property over the primary policy, with a deductible of \$1,000 per occurrence.

The general liability limits are as follows:

COVERAGE	LIMIT
General Aggregate	\$ 3,000,000
Products & Completed Operations Aggregate	\$ 3,000,000
Personnel & Advertising	\$ 1,000,000
Each Occurrence	\$ 1,000,000
Fire Damage	\$ 1,000,000
Medical Expense	\$ 5,000 per occurrence

8. CONTINGENCIES

Litigation – No claims involving the District are currently outstanding. Management believes that there are no material adverse effects on the District’s financial position or results of operations.



WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

9. FUND BALANCE CLASSIFICATIONS

The District has adopted the provisions of 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. The Fund Financial Statement consist of Non-spendable, Restricted, Committed, Assigned and Unassigned amounts as described on the following page.

Non-Spendable: Items that cannot be spent because they are not in spendable form, such as prepaid items, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan fund. As of June 30, 2020, the District accumulated \$39,921 of non-spendable fund balance.

Restricted: Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments, as well as restrictions imposed by law through constitutional provision or enabling legislation.

Committed: Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remain binding unless removed in the same manner. As of June 30, 2020, the District accumulated \$28,805,451, of committed fund balance.

Assigned: Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose.

Unassigned: This category is for any balances that have no restrictions placed upon them.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

9. FUND BALANCE CLASSIFICATIONS (Continued)

The District established the following policies relating to its fund balance classifications.

1. Committed Fund Balances

- *Highest Level of Decision-Making Authority* – the Board of Directors of the District are acknowledged as the highest level of decision-making authority in terms of establishing fund balance classifications and creating committed fund balances.
- *Formal Action Required* – the Board shall have the authority to establish, modify or rescind committed fund balances by Resolution, where appropriate, passed by a majority vote.
- *Timing* – the Board will take formal action to commit any resources as soon as possible upon determining its desire to take such action, but no later than June 30 of the fiscal year in which it applies in order for the action to be valid for the presentation of the annual report.

2. Assigned Fund Balances

- *Approval Authority* – the Board has not delegated the authority to assign fund balance amounts.

3. Expenditure of Funds – Order of Expenditure

- *Restricted and Unrestricted Funds* – when expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District shall consider that restricted funds shall be spent first until such funds are exhausted, at which time committed, assigned, or unassigned funds will be used.
- *Committed, Assigned or Unassigned Funds* – when an expenditure is incurred where there are no restricted funds available, and for which committed and assigned fund balances are available, the District shall exhaust unassigned funds first unless the board determines the use of available assigned or committed fund balances are appropriate.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

10. OTHER POSTEMPLOYMENT BENEFITS

The District implemented GASB Statement No. 75, *Financial Reporting for Postemployment Benefit Plans (OPEB) other than Pension Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pension Plans* in FYE 2020. The District provides certain health care benefits which are recognized as an expenditure of health care premiums paid.

Discount Rate:

The discount rate is based on a blend of (a) the long-term expected rate of return of assets for benefits covered by plant assets and a yield or index for 20-year, tax-exempt general obligations municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Discount Rate	7.00%	7.00%
Bond Buyer 20-Bond GO Index	3.87%	3.50%

Sensitivity Analysis:

Sensitivity of the Net OPEB Liability to changes in the discount rate – The following presents the District’s Net OPEB Liability if it were calculate using a discount rate that is 1% point lower (6.00%) or 1% point higher (8.00%) than the current rate:

Sensitivity of the Net OPEB Liability to changes in the Trend rate – The following presents the District’s Net OPEB Liability if it were calculate using a trend table that is 1% point lower or 1% point higher than the current rate:

Net OPEB Liability as of June 30, 2020 measurement date: \$8,670,249.

Sensitivity Analysis:

	<u>Discount Rate + 1%</u>	<u>Discount Rate Base</u>	<u>Discount Rate - 1%</u>
NOL	\$ 6,537,033	\$ 8,670,249	\$ 11,264,013
\$ Change	\$ (2,133,216)	\$ -	\$ 2,593,764
% Change	-25%	0%	30%

There were no prior period adjustments for the fiscal years 2020 and 2019.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

10. OTHER POST EMPLOYMENT BENEFITS (Continued)

Schedule of OPEB Expenses for Fiscal Years Ended June 30, 2020 and 2019:

Components of OPEB Expense	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Service Cost	\$ 552,302	\$ 526,002
Interest on the Total OPEB Liability	1,425,463	1,339,655
Recognized Differences between Expected and Actual Experience	(144,547)	97,954
Recognized Changes of Assumptions	(677,762)	(541,890)
Projected Earnings on OPEB Plan Investments	(617,973)	(467,143)
Recognized Differences Between Projected and Actual Earnings on Plan Investment	3,348	(19,137)
Administrative Expense	<u>1,721</u>	<u>3,124</u>
Aggregate OPEB Expense	<u>\$ 542,552</u>	<u>\$ 938,565</u>

Deferred Inflows/Outflows of Resources:

	<u>Deferred Outflows of Resources - FY20</u>	<u>Deferred Inflows of Resources - FY20</u>	<u>Deferred Outflows (Inflows) of Resources - FY19</u>
Differences between expected and actual experience in the measurement of the TOL	\$ 407,584	\$ 1,398,260	\$ 505,538
Changes of Assumptions	-	2,979,717	(2,738,168)
Net difference between projected and actual earnings Of OPEB plan investments	51,973	-	(57,105)
Contribution to OPEB plan after measurement date	<u>2,002,187</u>	<u>-</u>	<u>1,705,455</u>
Total	<u>\$ 2,461,744</u>	<u>\$ 4,377,977</u>	<u>\$ (584,280)</u>

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

10. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows) of</u> <u>Resources -FY20</u>	<u>Deferred</u> <u>Outflows/(Inflows) of</u> <u>Resources - FY19</u>
2020	\$ -	\$ 24,200
2021	(246,908)	24,200
2022	(246,910)	24,200
2023	(227,463)	(199,994)
2024	(513,795)	(443,936)
2025	(391,885)	
Thereafter	(289,272)	(12,950)
	<u>\$ (1,916,233)</u>	<u>\$ (584,280)</u>

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 04, 2020, the date these financial statements were available for release. The management has determined that no subsequent events occurred that require recognition or additional disclosures in the financial statements.

WOODSIDE FIRE PROTECTION DISTRICT
 Budget Comparison Schedule
 For the Year Ended June 30, 2020

	Original & Final Budgeted Amounts	Actual Amounts	Variance With Final Budget Positive (Negative)
Resources (Inflows)			
Property Taxes:			
Current Secured Taxes	\$ 19,847,600	\$ 18,080,358	\$ (1,767,242)
Current Year SB 813 Secured Supplemental	591,570	478,072	(113,498)
Current Year SB 813 Unsecured Supplemental	-	2,929	2,929
Prior Year SB 813 Redemption	-	5,488	5,488
Current Unsecured Taxes	888,653	907,889	19,236
Prior Year Unsecured Taxes	-	(10,391)	(10,391)
ERAF Rebate/Redemptions	(2,813,484)	2,212,485	5,025,969
Interest	531,202	500,377	(30,825)
Services Rendered	-	70,863	70,863
State Homeowners Property Tax	68,795	66,903	(1,892)
Rent	-	44,165	44,165
Grants and Contributions	-	167,377	167,377
Miscellaneous	626,585	585,949	(40,636)
Amounts Available for Appropriations	<u>19,740,921</u>	<u>23,112,464</u>	<u>3,371,543</u>
Charges to Appropriations (Outflows)			
Salaries/Wages	10,382,401	10,305,731	76,670
District Retirement	3,161,729	2,984,574	177,155
District Medical	1,843,938	3,442,202	(1,598,264)
Medicare	150,545	130,489	20,056
District Unemployment	10,963	5,679	5,284
District Employee Benefits	31,461	30,984	477
Clothing	161,000	134,423	26,577
Household	22,969	32,820	(9,851)
Medical/Dental Supplies	155,236	167,104	(11,868)
Office Expense	8,225	7,905	320
Computer	230,000	174,656	55,344
Small Tools	3,000	297	2,703
Membership	11,687	10,129	1,558
Legal	4,000	-	4,000
Maintenance Equipment	272,600	550,818	(278,218)
Gas, Oil	105,640	77,095	28,545
Maintenance Tires	20,000	29,345	(9,345)
Maintenance Radios	14,400	11,284	3,116
Maintenance Office Equipment	13,140	12,440	700
Maintenance Structure	56,000	58,035	(2,035)
Insurance	95,601	86,356	9,245
Workers Compensation Insurance	750,000	474,107	275,893
Utilities	79,365	73,412	5,953
Radio Dispatching	14,475	11,839	2,636
Telephone	96,115	112,127	(16,012)
Transportation Travel	1,200	1,308	(108)
Training Education	317,920	228,749	89,171
Fire Prevention	90,950	160,403	(69,453)
Seminars/Conference	14,500	2,770	11,730
Professional Services	97,650	54,593	43,057
Program Activity Expense	5,000	28,939	(23,939)
Disaster Preparedness Expense	62,626	20,207	42,419
District Special Expense	52,110	39,641	12,469
Emergency Operations	17,000	19,590	(2,590)
Land Expense	50,000	20,882	29,118
Structure Improvements	28,500	5,102	23,398
Admin - 808 Portola Road	227,269	222,192	5,077
Equipment	183,000	1,529,233	(1,346,233)
Total Charges to Appropriations	<u>18,842,215</u>	<u>21,257,460</u>	<u>(2,415,245)</u>
Excess/(Deficiency) of Revenues over/(under) Expenditures	<u>\$ 898,706</u>	<u>1,855,004</u>	<u>\$ 956,298</u>
Fund Balance as of June 30, 2019		<u>26,990,368</u>	
Fund Balance as of June 30, 2020		<u>\$ 28,845,372</u>	

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

WOODSIDE FIRE PROTECTION DISTRICT

Budget Comparison Schedule

For the Year Ended June 30, 2019

	Original & Final Budgeted Amounts	Actual Amounts	Variance With Final Budget Positive (Negative)
Resources (Inflows)			
Property Taxes:			
Current Secured Taxes	\$ 18,928,870	\$ 17,034,108	\$ (1,894,762)
Current Year SB 813 Secured Supplemental	512,244	591,570	79,326
Current Year SB 813 Unsecured Supplemental	-	11,196	11,196
Prior Year SB 813 Redemption	-	7,555	7,555
Current Unsecured Taxes	880,729	888,653	7,924
Prior Year Unsecured Taxes	-	(27,442)	(27,442)
ERAF Rebate/Redemptions	(2,682,318)	2,131,361	4,813,679
Interest	199,818	531,202	331,384
Services Rendered	606,931	367,310	(239,621)
State Homeowners Property Tax	60,663	68,795	8,132
Rent	-	44,165	44,165
Grants and Contributions	-	155,556	155,556
Miscellaneous	-	263,994	263,994
	<u>18,506,937</u>	<u>22,068,023</u>	<u>3,561,086</u>
Amounts Available for Appropriations			
Charges to Appropriations (Outflows)			
Salaries/Wages	9,475,982	9,543,794	(67,812)
District Retirement	2,837,005	2,727,476	109,529
District Medical	1,993,805	3,542,289	(1,548,484)
Medicare	137,402	132,179	5,223
District Unemployment	11,369	5,617	5,752
District Employee Benefits	31,393	30,747	646
Clothing	163,800	91,156	72,644
Household	45,500	37,247	8,253
Medical/Dental Supplies	184,175	104,852	79,323
Office Expense	8,225	7,428	797
Computer	199,140	173,584	25,556
Small Tools	2,000	465	1,535
Membership	10,752	9,467	1,285
Legal	4,000	-	4,000
Maintenance Equipment	266,050	273,829	(7,779)
Gas, Oil	125,250	83,590	41,660
Maintenance Tires	20,000	18,375	1,625
Maintenance Radios	14,400	10,164	4,236
Maintenance Office Equipment	13,140	12,803	337
Maintenance Structure	54,000	29,245	24,755
Insurance	91,049	84,382	6,667
Workers Compensation Insurance	750,000	540,209	209,791
Utilities	86,406	76,759	9,647
Radio Dispatching	13,159	11,839	1,320
Telephone	96,890	94,899	1,991
Transportation Travel	1,200	468	732
Training Education	313,000	92,524	220,476
Fire Prevention	96,825	103,460	(6,635)
Seminars/Conference	14,500	5,287	9,213
Professional Services	77,811	82,316	(4,505)
Program Activity Expense	5,000	-	5,000
Disaster Preparedness Expense	62,026	43,054	18,972
District Special Expense	46,083	41,665	4,418
Emergency Operations	14,000	6,114	7,886
Land Expense	75,000	10,571	64,429
Structure Improvements	32,500	4,900	27,600
Admin - 808 Portola Road	224,030	208,584	15,446
Equipment	145,500	1,080,626	(935,126)
	<u>17,742,367</u>	<u>19,321,964</u>	<u>(1,579,597)</u>
Total Charges to Appropriations			
Excess/(Deficiency) of Revenues over/(under) Expenditures	<u>\$ 764,570</u>	2,746,059	<u>\$ 1,981,489</u>
Fund Balance as of June 30, 2018		<u>24,244,309</u>	
Fund Balance as of June 30, 2019		<u>\$ 26,990,368</u>	

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

WOODSIDE FIRE PROTECTION DISTRICT
Notes to Required Supplementary Information
June 30, 2020

BUDGETARY BASIS OF ACCOUNTING

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

WOODSIDE FIRE PROTECTION DISTRICT
 Schedule of Required Supplementary Information- Safety and Miscellaneous Pension Plan
 For the Year Ended June 30, 2020

Schedule of the Plan's Proportionate Share of the Net Pension Liability

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.2490%	0.2212%	0.3142%	0.1876%	0.1799%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 25,510,565	\$ 21,935,075	\$ 21,564,197	\$ 16,233,544	\$ 11,967,263
Plan's Covered-Employee Payroll	\$ 7,426,169	\$ 6,834,215	\$ 5,872,062	\$ 4,859,752	\$ 4,954,656
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	29.11%	31.16%	27.23%	29.94%	41.40%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule of Plan Contributions

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarially Determined Contribution	\$ 1,653,615	\$ 1,445,235	\$ 1,360,479	\$ 1,722,744	\$ 1,563,408
Contributions in Relation to the Actuarially Determined Contribution	(1,653,615)	(1,445,235)	(1,360,479)	(1,722,744)	(1,563,408)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 7,426,169	\$ 6,834,215	\$ 5,872,062	\$ 4,859,752	\$ 4,954,656
Contributions as a Percentage of Covered-Employee Payroll	22.27%	21.15%	23.17%	35.45%	31.55%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2018 as they have minimal cost impact.

Change in Assumptions: None