



# **WOODSIDE FIRE PROTECTION DISTRICT**

**Financial Statements  
and  
Independent Auditor's Report**

**June 30, 2021 and 2020**

# 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, 2021 and 2020, 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, 2021 and 2020, 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.*

Blomberg & Griffin A.C.

Stockton, CA

November 11, 2021

**WOODSIDE FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
JUNE 30, 2021 and 2020

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, 2021. 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, 2021.

- In total, government-wide net position was \$11,476,893.
- General revenues accounted for \$24,686,520 or 97.66 percent.
- Total government-wide assets were \$69,184,764, cash and cash equivalents were \$32,997,509 and net capital assets totaled \$10,738,893.
- Total program expenses were \$22,297,962 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, 2021 and 2020

**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, 2021 and 2020

**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, 2021 and 2020.

**TABLE 1: NET POSITION**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Assets</b>				
Current and Other Assets	\$ 58,445,871	\$ 39,738,973	\$ 18,706,898	47.07%
Capital Assets - Net	<u>10,738,893</u>	<u>10,796,892</u>	<u>(57,999)</u>	<u>-0.54%</u>
 Total Assets	 <u>69,184,764</u>	 <u>50,535,865</u>	 <u>18,648,899</u>	 <u>36.90%</u>
<b>Liabilities</b>				
Current Liabilities	291,520	502,847	(211,327)	-42.03%
Long-Term Liabilities	<u>57,416,351</u>	<u>41,537,199</u>	<u>15,879,152</u>	<u>38.23%</u>
 Total Liabilities	 <u>57,707,871</u>	 <u>42,040,046</u>	 <u>15,667,825</u>	 <u>37.27%</u>
<b>Net Positon</b>				
Invested in Capital Assets, net of related debt	10,738,893	10,796,892	(57,999)	-0.54%
Capital Reserves	12,564,014	11,852,310	711,704	6.00%
Unrestricted (Deficit)	<u>(11,826,014)</u>	<u>(14,153,383)</u>	<u>2,327,369</u>	<u>-16.44%</u>
 Total Net Position	 <u>\$ 11,476,893</u>	 <u>\$ 8,495,819</u>	 <u>\$ 2,981,074</u>	 <u>35.09%</u>



**WOODSIDE FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 JUNE 30, 2021 and 2020

**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, 2021</u>	<u>June 30, 2020</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Revenues</b>				
Program Revenues:				
Operating Grants and Contributions	\$ 592,516	\$ 167,377	\$ 425,139	254.00%
General Revenues:				
Taxes	22,798,264	21,743,733	1,054,531	4.85%
Interest and Investment Earnings	349,011	500,377	(151,366)	-30.25%
Services Rendered	1,244,146	70,863	1,173,283	1655.71%
Rent	46,365	44,165	2,200	4.98%
Miscellaneous	248,734	585,949	(337,215)	-57.55%
<b>Total Revenues</b>	<u>25,279,036</u>	<u>23,112,464</u>	<u>2,166,572</u>	<u>9.37%</u>
<b>Program Expenses</b>				
Public Safety	21,615,325	20,013,549	1,601,776	8.00%
Depreciation	682,637	565,620	117,017	20.69%
<b>Total Expenses</b>	<u>22,297,962</u>	<u>20,579,169</u>	<u>1,718,793</u>	<u>8.35%</u>
<b>Changes in Net Position</b>	<u>\$ 2,981,074</u>	<u>\$ 2,533,295</u>	<u>\$ 447,779</u>	<u>17.68%</u>

**TABLE 3: GOVERNMENTAL ACTIVITIES**

	<u>Total Cost of Services 2021</u>	<u>Total Cost of Services 2020</u>	<u>\$ Change</u>	<u>% Change</u>
Public Safety	\$ 21,615,325	\$ 20,013,549	\$ 1,601,776	8.00%
Depreciation - Unallocated	682,637	565,620	117,017	20.69%
<b>Total Governmental Activities</b>	<u>22,297,962</u>	<u>20,579,169</u>	<u>1,718,793</u>	<u>8.35%</u>
<b>Less Program Revenues</b>	<u>592,516</u>	<u>167,377</u>	<u>425,139</u>	<u>254.00%</u>
<b>Net Cost</b>	<u>\$ 21,705,446</u>	<u>\$ 20,411,792</u>	<u>\$ 1,293,654</u>	<u>6.34%</u>



**WOODSIDE FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
JUNE 30, 2021 and 2020

**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 \$20,184,453, expenditures totaled \$19,498,545 and revenues were projected to exceed expenditures by \$685,908. There were no changes in the adopted budget throughout the year.



**WOODSIDE FIRE PROTECTION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 JUNE 30, 2021 and 2020

**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, 2021, and 2020 the District owned the following capital assets:

**TABLE 4: CAPITAL ASSETS**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Capital Assets</b>				
Land	\$ 1,862,642	\$ 1,862,642	\$ -	0.00%
Structures and Improvements	6,544,699	6,544,699	-	0.00%
Equipment	10,478,320	10,203,203	275,117	2.70%
Construction in Progress	556,153	206,632	349,521	169.15%
Accumulated Depreciation	<u>(8,702,921)</u>	<u>(8,020,284)</u>	<u>(682,637)</u>	<u>8.51%</u>
<b>Total Capital Assets - Net</b>	<u><u>\$ 10,738,893</u></u>	<u><u>\$ 10,796,892</u></u>	<u><u>\$ (57,999)</u></u>	<u><u>-0.54%</u></u>

**Long Term Debt**

The District's debt or debt activity during the year ended June 30, 2021 was compensated absences in the amount of \$2,333,970. The net OPEB liability obligation as of June 30, 2021 was \$8,009,511. Net pension liability was \$27,034,976 and deferred pension credits were \$4,780,958 on June 30, 2021. Capital lease payable was \$13,155,000 as of June 30, 2021 and deferred finance premiums were \$2,101,936.

**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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current Assets		
Cash and Investments (Note 3)	\$ 32,997,509	\$ 29,165,786
Accounts Receivable	54,445	17,271
Interest Receivable	87,184	125,241
Prepaid Expenses	49,220	39,921
Total Current Assets	<u>33,188,358</u>	<u>29,348,219</u>
Non-Current Assets		
Land	1,862,642	1,862,642
Structures and Improvements	6,544,699	6,544,699
Equipment	10,478,320	10,203,203
Construction in Progress	556,153	206,632
Accumulated Depreciation - Structures and Improvements	(2,356,755)	(2,203,511)
Accumulated Depreciation - Equipment	<u>(6,346,166)</u>	<u>(5,816,773)</u>
Total Capital Assets - Net (Note 4)	<u>10,738,893</u>	<u>10,796,892</u>
Deferred Outflow of Resources - Deferred Pension Charges	7,174,727	7,929,010
Deferred Outflow of Resources - Deferred OPEB Charges	2,810,475	2,461,744
Cash - Restricted for Capital Projects	15,000,000	-
Deferred Finance Costs (Note 12)	272,311	-
Total Non-Current Assets	<u>35,996,406</u>	<u>21,187,646</u>
Total Assets	<u>\$ 69,184,764</u>	<u>\$ 50,535,865</u>
<b>Liabilities</b>		
Current Liabilities		
Accounts Payable	\$ 175,037	\$ 502,847
Accrued Interest Payable	116,483	-
Total Current Liabilities	<u>291,520</u>	<u>502,847</u>
Non-Current Liabilities		
Capital Lease Payable (Note 12)	13,155,000	-
Compensated Absences (Note 1)	2,333,970	2,046,132
Net Pension Liability (Note 6)	27,034,976	25,510,565
Net OPEB Liability (Note 10)	8,009,511	8,670,249
Deferred Inflows of Resources - Deferred Pension Credits	1,221,944	932,276
Deferred Inflows of Resources - Deferred OPEB Credits	3,559,014	4,377,977
Deferred Finance Premiums (Note 12)	<u>2,101,936</u>	<u>-</u>
Total Non-Current Liabilities	<u>57,416,351</u>	<u>41,537,199</u>
Total Liabilities	<u>57,707,871</u>	<u>42,040,046</u>
<b>Net Position</b>		
Invested in Capital Assets, net of related debt	10,738,893	10,796,892
Capital Reserves	12,564,014	11,852,310
Unrestricted (Deficit)	<u>(11,826,014)</u>	<u>(14,153,383)</u>
Total Net Position	<u>11,476,893</u>	<u>8,495,819</u>
Total Liabilities and Net Position	<u>\$ 69,184,764</u>	<u>\$ 50,535,865</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Program Expenses</b>		
Fire Protection		
Operations	\$ 21,615,325	\$ 20,013,549
Depreciation	<u>682,637</u>	<u>565,620</u>
Total Program Expenses	<u>22,297,962</u>	<u>20,579,169</u>
<b>Program Revenues</b>		
Operating Grants and Contributions	<u>592,516</u>	<u>167,377</u>
Total Program Revenues	<u>592,516</u>	<u>167,377</u>
Net Program Expenses	<u>21,705,446</u>	<u>20,411,792</u>
<b>General Revenues</b>		
Taxes Levied	22,798,264	21,743,733
Interest and Investment Earnings	349,011	500,377
Services Rendered	1,244,146	70,863
Rent	46,365	44,165
Miscellaneous	<u>248,734</u>	<u>585,949</u>
Total General Revenues	<u>24,686,520</u>	<u>22,945,087</u>
<b>Net Change in Position</b>	2,981,074	2,533,295
Net Position-Beginning of Year	<u>8,495,819</u>	<u>5,962,524</u>
Net Position-End of Year	<u>\$ 11,476,893</u>	<u>\$ 8,495,819</u>

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

**WOODSIDE FIRE PROTECTION DISTRICT**

Balance Sheet

June 30, 2021 and 2020

	<b>2021</b>	<b>2020</b>
	General	General
	Fund	Fund
<b>Assets</b>		
Cash and Investments	\$ 32,997,509	\$ 29,165,786
Cash - Restricted for Capital Improvements	15,000,000	-
Accounts Receivable	54,445	17,271
Interest Receivable	87,184	125,241
Prepaid Expenses	49,220	39,921
	<u>49,220</u>	<u>39,921</u>
Total Assets	<u>\$ 48,188,358</u>	<u>\$ 29,348,219</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts Payable	\$ 175,037	\$ 502,847
Accrued Interest Payable	116,483	-
	<u>116,483</u>	<u>-</u>
Total Liabilities	<u>291,520</u>	<u>502,847</u>
<b>Fund Balances</b>		
Restricted for Capital Improvements	15,000,000	-
Committed	32,847,618	28,805,451
Nonspendable	49,220	39,921
	<u>49,220</u>	<u>39,921</u>
Total Fund Balances	<u>47,896,838</u>	<u>28,845,372</u>
Total Liabilities and Fund Balances	<u>\$ 48,188,358</u>	<u>\$ 29,348,219</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, 2021 and 2020

	<b>2021</b>	<b>2020</b>
	<b>General Fund</b>	<b>General Fund</b>
<b>General Revenues</b>		
Taxes Levied	\$ 22,798,264	\$ 21,743,733
Interest and Investment Earnings	349,011	500,377
Services Rendered	1,244,146	70,863
Rent	46,365	44,165
Grants and Contributions	592,516	167,377
Miscellaneous	248,734	585,949
Total Revenues	25,279,036	23,112,464
<b>Expenditures</b>		
Operating Expenditures		
Salaries and Benefits	18,296,074	16,885,305
Materials, Supplies, and Services	2,306,860	2,822,040
Capital Outlay	624,636	1,550,115
Total Expenditures	21,227,570	21,257,460
<b>Excess of Revenues over Expenditures</b>	4,051,466	1,855,004
<b>Other Sources and Uses</b>		
Proceeds from Capital Lease Financing	15,000,000	-
Change in Fund Balance	19,051,466	1,855,004
Fund Balances-Beginning of Year	28,845,372	26,990,368
Fund Balances-End of Year	\$ 47,896,838	\$ 28,845,372

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Total Fund Balances - Governmental Funds</b>	\$ 47,896,838	\$ 28,845,372
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 \$19,441,814 in 2021 and \$18,817,176 in 2020; the accumulated depreciation is \$8,702,921 in 2021 \$8,020,284 in 2020, and the Liability is \$-0- in 2021 and 2020.		
	10,738,893	10,796,892
Deferred Pension and Health Charges	9,985,202	10,390,754
Capital Lease Finance Cost	272,311	-
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Capital Lease Payable	(13,155,000)	-
Net OPEB Liability/Obligation	(8,009,511)	(8,670,249)
Compensated Absences	(2,333,970)	(2,046,132)
Net Pension Liability	(27,034,976)	(25,510,565)
Deferred Pension and Health Credits	(4,780,958)	(5,310,253)
Deferred Finance Premiums	(2,101,936)	-
<b>Net Position of Governmental Activities</b>	<u>\$ 11,476,893</u>	<u>\$ 8,495,819</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Net Change in Fund Balances - Governmental Funds</b>	\$ 19,051,466	\$ 1,855,004
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 \$624,638 in 2021 and \$1,550,115 in 2020, depreciation expense is \$682,637 in 2021 and \$565,620 in 2020.		
	(58,001)	984,495
Increase (Decrease) in Deferred Pension Charges	(405,552)	1,110,314
Increase (Decrease) in Capital Lease Financing	15,375	-
Proceeds from Capital Lease Financing	(15,000,000)	-
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	(1,524,411)	(3,575,490)
(Increase) Decrease in Compensated Absences	(287,838)	185,959
Increase (Decrease) in OPEB Obligation	660,738	3,497,436
Increase (Decrease) in Deferred Pension Credits	<u>529,297</u>	<u>(1,524,423)</u>
<b>Change in Net Position of Governmental Funds</b>	<u>\$ 2,981,074</u>	<u>\$ 2,533,295</u>

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



**WOODSIDE FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 and 2020**

**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, 2021 and 2020

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, 2021 and 2020

**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 principles generally accepted in the United States, is not material to the financial statements of the District, all investments are carried at cost.

Restricted cash is held by fiscal agent and is restricted for capital improvements.

**WOODSIDE FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 and 2020**

**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, 2021, the total accrued vacation subject to redemption amounted to \$2,333,970.

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, 2021 and 2020**

**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 appropriable 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, 2021 and 2020

**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, 2021 and 2020

**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, 2021 and 2020:

	<b>2021</b>	<b>2020</b>
Cash and Investments:		
San Mateo County Investment Pool	\$ 32,997,509	\$ 29,165,786
Cash - Restricted for Capital Improvements	15,000,000	-
Total Cash and Investments	\$ 47,997,509	\$ 29,165,786

**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, 2021 is as follows:

	<b>Balance July 1, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2021</b>
Land	\$ 1,862,642	\$ -	\$ -	\$ 1,862,642
Construction in Progress	206,632	349,521	-	556,153
Structures & Improvements	6,544,699	-	-	6,544,699
Machinery and Equipment	10,203,203	275,117	-	10,478,320
Total Capital Assets	18,817,176	624,638	-	19,441,814
Less Accumulated Depreciation for:				
Buildings and Improvements	2,203,511	153,244	-	2,356,755
Machinery and Equipment	5,816,773	529,393	-	6,346,166
Total Accumulated Depreciation	8,020,284	682,637	-	8,702,921
Total Capital Assets-Net Depreciation	\$10,796,892	\$ (57,999)	\$ -	\$ 10,738,893

Depreciation expense for the fiscal years ended June 30, 2021 and 2020 was \$682,637 and \$565,620.

**WOODSIDE FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 and 2020**

**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, 2020 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2020 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, 2021 and 2020

**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 contribute ion 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 8.990 percent of annual pay, and the average employer's contribution rate is 25.540 percent of annual payroll. 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, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. Both the June 30, 2019 total pension liability and the June 30, 2020 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
<b>Actuarial Assumptions</b>	
Discount Rate	7.15% (2017), 7.15% (2018), 7.15% (2019), 7.15% (2020)
Inflation	2.75% (2017), 2.50% (2018), 2.50% (2019), 2.50% (2020)
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds Contract COLA up to 2.50% until Purchasing Power
Post Retirement Benefit Increase	Protection Allowance Floor on Purchasing Power applies

**WOODSIDE FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 JUNE 30, 2021 and 2020

**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 : 6/30/2019 (MD)	\$ 93,387,357	\$ 67,876,792	\$ 25,510,565
Balance at : 6/30/2020 (MD)	\$ 99,315,735	\$ 72,280,759	\$ 27,034,976
Net Changes during 2019-20	\$ 5,928,378	\$ 4,403,967	\$ 1,524,411

**WOODSIDE FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 JUNE 30, 2021 and 2020

**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:

	<b>Discount Rate - 1%</b> <b>(6.15%)</b>	<b>Current Discount</b> <b>Rate (7.15%)</b>	<b>Discount Rate + 1%</b> <b>(8.15%)</b>
Plan's Net Pension Liability/(Asset)- (Safety Plan)	\$ 39,881,020	\$ 26,628,250	\$ 15,753,102
Plan's Net Pension Liability/(Asset) - (Misc. Plan)	\$ 636,689	\$ 406,726	\$ 216,715

*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, 2021 and 2020, pension expense recognized is as follows:

	<b>2021</b>	<b>2020</b>
Total Service Costs	\$ 1,960,639	\$ 1,890,084
Interest on TPL	6,827,769	6,499,920
Recognize Changes of Assumptions	926,583	1,194,985
Changes of Benefit Terms	87	122
Recognize Differences between Expected and Actual Experience	1,077,770	700,386
Recognize Differences between Expected and Actual Earnings	538,079	857,100
Net Plan to Plan Resource Movement	(596,916)	(562,479)
Employee Contributions	(754,739)	(711,962)
Projected Earnings on PPI	(577,157)	(4,733,750)
Administrative Expenses	98,599	47,843
Other Miscellaneous Expense	-	(154)
Total Pension Expense Recognized	<b>\$ 9,500,714</b>	<b>\$ 5,182,095</b>

**WOODSIDE FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 JUNE 30, 2021 and 2020

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

For the measurement period ended June 30, 2020 (the measurement date), Woodside Fire Protection District incurred a pension expense of \$9,417,044 for Safety Plan \$83,669 Miscellaneous Plan, (the pension expense for risk pool for the measurement period is \$2,356,131,760 for Safety Plan and \$867,712,876 for Miscellaneous Plan).

As of June 30, 2021, and 2020, 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:

	<b>Deferred Outflows of Resources - FY21</b>	<b>Deferred Inflows of Resources - FY21</b>	<b>Deferred Outflows (Inflows) of Resources - FY20 Net</b>
Changes of Assumptions	\$ -	\$ 220,648	\$ 840,736
Difference between Expected and Actual Experience	2,071,298	-	1,665,145
Net Difference between Projected and Actual Investment Earnings	590,826	-	(352,364)
Difference between Employer's Contributions and proportionate Shares of Contributions	-	884,432	(312,208)
Changes of Employer's Proportion Pension Contribution Made Subsequent to Measurement Date.	1,038,819	116,864	2,172,601
	<u>3,473,784</u>	<u>-</u>	<u>2,982,824</u>
Total	<u>\$ 7,174,727</u>	<u>\$ 1,221,944</u>	<u>\$ 6,996,734</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:

<b>Measurement Period Ended June 30,</b>	<b>Deferred Outflows/(Inflows) of Resources (Safety Plan)</b>	<b>Deferred Outflows/(Inflows) of Resources (Misc. Plan)</b>
2022	\$ 1,579,171	\$ (1,554)
2023	1,577,588	5,629
2024	1,129,291	2,884
2025	984,740	5,795
2026	694,756	-
Thereafter	-	-
Total	<u>\$ 5,965,546</u>	<u>\$ 12,754</u>

**WOODSIDE FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 and 2020**

**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:

<b>COVERAGE</b>	<b>LIMIT</b>
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, 2021 and 2020

**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, 2021 and 2020, the District accumulated non-spendable fund balance is \$49,220 and \$39,921, respectively.

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. As of June 30, 2021, the Districted restricted fund balance of \$15,000,00 is for capital improvements to Stations 7, 8 and 19.

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, 2021 and 2020, the District accumulated committed fund balance is \$32,847,618 and \$28,805,451, respectively.

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, 2021 and 2020**

**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, 2021 and 2020

**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.

	June 30, 2020	June 30, 2019
Discount Rate	7.00%	7.00%
Bond Buyer 20-Bond GO Index	3.50%	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, 2021, and June 30, 2020 is \$8,009,511 and \$8,670,249, respectively.

Sensitivity Analysis:

FYE June 30, 2021	Discount Rate + 1%	Discount Rate Base	Discount Rate - 1%
NOL	\$ 6,865,295	\$ 8,009,511	\$ 9,153,727
\$ Change	\$ 1,144,216	\$ -	\$ 1,144,216
% Change	-25%	0%	30%
FYE June 30, 2020	Discount Rate + 1%	Discount Rate Base	Discount Rate - 1%
NOL	\$ 6,537,033	\$ 8,670,249	\$ 11,264,013
\$ Change	\$ (2,133,216)	\$ -	\$ 2,593,764
% Change	-25%	0%	30%



**WOODSIDE FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 and 2020**

**10. OTHER POST EMPLOYMENT BENEFITS (Continued)**

Schedule of OPEB Expenses for Fiscal Year ended June 30, 2020:

Components of OPEB Expense	<u>June 30, 2020</u>
Service Cost	\$ 552,302
Interest on the Total OPEB Liability	1,425,463
Recognized Differences between Expected and Actual Experience	(144,547)
Recognized Changes of Assumptions	(677,762)
Projected Earnings on OPEB Plan Investments	(617,973)
Recognized Differences Between Projected and Actual Earnings on Plan Investment	3,348
Administrative Expense	1,721
	<hr/>
Aggregate OPEB Expense	<u>\$ 542,552</u>

Deferred Inflows/Outflows of Resources:

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

**WOODSIDE FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 and 2020**

**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 Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources - FY20</u>
2021	\$ (246,908)
2022	(246,910)
2023	(227,463)
2024	(513,795)
2025	(391,885)
2026	(289,272)
Thereafter	<u>(12,950)</u>
	<u>\$ (1,929,183)</u>

**11. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 3, 2021, 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.

**12. CAPITAL LEASE FINANCING**

The District entered into a lease agreement in March 2021 for the purpose of financing capital improvements to Stations 7, 8 and 19. Lease payments are due as follows:

<u>FYE JUNE 30</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2022	\$ 410,000	\$ 540,883	\$ 950,883
2023	470,000	481,600	951,600
2024	490,000	462,800	952,800
2025	505,000	443,200	948,200
2026	530,000	423,000	953,000
Thereafter,	<u>10,750,000</u>	<u>3,507,200</u>	<u>14,257,200</u>
Total	<u>\$ 13,155,000</u>	<u>\$ 5,858,683</u>	<u>\$ 19,013,683</u>

Related deferred finance premiums are amortized over the 20-year lease term.

**WOODSIDE FIRE PROTECTION DISTRICT**

Budget Comparison Schedule  
For the Year Ended June 30, 2021

	Original & Final Budgeted Amounts	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
Property Taxes:			
Current Secured Taxes	\$ 20,674,466	\$ 18,959,845	\$ (1,714,621)
Current Year SB 813 Secured Supplemental	500,377	627,041	126,664
Current Year SB 813 Unsecured Supplemental	-	1,368	1,368
Prior Year SB 813 Redemption	-	7,319	7,319
Current Unsecured Taxes	907,889	864,560	(43,329)
Prior Year Unsecured Taxes	-	(14,582)	(14,582)
ERAF Rebate/Redemptions	(2,944,108)	2,287,002	5,231,110
Interest	369,241	349,011	(20,230)
Services Rendered	-	1,244,146	1,244,146
State Homeowners Property Tax	66,902	65,711	(1,191)
Rent	-	46,365	46,365
Grants and Contributions	-	592,516	592,516
Miscellaneous	609,686	248,734	(360,952)
<b>Amounts Available for Appropriations</b>	<b>20,184,453</b>	<b>25,279,036</b>	<b>5,094,583</b>
<b>Charges to Appropriations (Outflows)</b>			
Salaries/Wages	10,556,572	11,410,632	(854,060)
District Retirement	3,468,121	3,475,534	(7,413)
District Medical	2,055,476	3,015,521	(960,045)
Medicare	151,620	168,517	(16,897)
District Unemployment	10,963	6,014	4,949
District Employee Benefits	34,279	34,582	(303)
Clothing	130,500	141,094	(10,594)
Household	30,500	16,850	13,650
Medical/Dental Supplies	149,400	99,903	49,497
Office Expense	8,725	2,154	6,571
Computer	226,500	159,591	66,909
Small Tools	3,000	692	2,308
Membership	10,941	10,219	722
Legal	4,000	-	4,000
Maintenance Equipment	310,300	353,533	(43,233)
Gas, Oil	98,050	75,292	22,758
Maintenance Tires	20,000	11,424	8,576
Maintenance Radios	15,650	9,169	6,481
Maintenance Office Equipment	13,715	10,595	3,120
Maintenance Structure	50,000	25,443	24,557
Insurance	88,694	88,218	476
Workers Compensation Insurance	765,000	634,010	130,990
Utilities	81,023	88,270	(7,247)
Radio Dispatching	14,475	14,799	(324)
Telephone	125,115	97,381	27,734
Transportation Travel	1,500	688	812
Training Education	272,000	110,772	161,228
Health & Wellness	67,767	57,553	10,214
Fire Prevention	101,100	178,916	(77,816)
Seminars/Conference	13,000	-	13,000
Professional Services	80,746	57,642	23,104
Public Outreach Program	5,000	-	5,000
Disaster Preparedness Expense	30,733	10,369	20,364
District Special Expense	46,072	36,022	10,050
Emergency Operations	10,000	(5,661)	15,661
Land Expense	50,000	317,879	(267,879)
COVID-19 Support	-	20,918	(20,918)
Structure Improvements	58,500	-	58,500
Admin - 808 Portola Road	231,508	217,024	14,484
Equipment	108,000	276,011	(168,011)
<b>Total Charges to Appropriations</b>	<b>19,498,545</b>	<b>21,227,570</b>	<b>(1,729,025)</b>
Excess/(Deficiency) of Revenues over/(under) Expenditures	<b>\$ 685,908</b>	4,051,466	<b>\$ 3,365,558</b>
Proceeds from Capital Lease Financing		15,000,000	
<b>Fund Balance as of June 30, 2020</b>		<b>28,845,372</b>	
<b>Fund Balance as of June 30, 2021</b>		<b>\$ 47,896,838</b>	

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, 2020

	Original & Final Budgeted Amounts	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Resources (Inflows)</b>			
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)
	<hr/>	<hr/>	<hr/>
Amounts Available for Appropriations	19,740,921	23,112,464	3,371,543
<b>Charges to Appropriations (Outflows)</b>			
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)
	<hr/>	<hr/>	<hr/>
Total Charges to Appropriations	18,842,215	21,257,460	(2,415,245)
Excess/(Deficiency) of Revenues over/(under) Expenditures	\$ 898,706	1,855,004	\$ 956,298
<b>Fund Balance as of June 30, 2019</b>		26,990,368	
<b>Fund Balance as of June 30, 2020</b>		<u>\$ 28,845,372</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, 2021**

**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  
 Last Ten Fiscal Years

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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.2485%	0.2490%	0.2212%	0.3142%	0.1876%	0.1799%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 27,034,978	\$ 25,510,565	\$ 21,935,075	\$ 21,564,197	\$ 16,233,544	\$ 11,967,263
Plan's Covered-Employee Payroll	\$ 7,592,590	\$ 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	28.08%	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%	0.00%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Schedule of Plan Contributions**

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarially Determined Contribution	\$ 1,955,069	\$ 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)	(1,653,615)	(1,445,235)	(1,360,479)	(1,722,744)	(1,563,408)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 7,592,590	\$ 7,426,169	\$ 6,834,215	\$ 5,872,062	\$ 4,859,752	\$ 4,954,656
Contributions as a Percentage of Covered-Employee Payroll	25.75%	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, 2019 as they have minimal cost impact.

Change in Assumptions: None

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