

**BOLINAS FIRE PROTECTION DISTRICT  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended  
June 30, 2020  
(With Comparative Amounts as of June 30, 2019)**

**NIGRO  
& NIGRO<sup>PC</sup>**

**BOLINAS FIRE PROTECTION DISTRICT**

*For the Fiscal Year Ended June 30, 2020*

*Table of Contents*

---

**FINANCIAL SECTION**

	<u>Page</u>
Independent Auditors' Report .....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	10
Statement of Activities.....	11
Governmental Funds Financial Statements:	
Governmental Funds Balance Sheet.....	12
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position .....	13
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances .....	14
Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	15
Notes to Financial Statements .....	16

**REQUIRED SUPPLEMENTARY INFORMATION**

Budgetary Comparison Schedule - General Fund .....	38
Schedule of Proportionate Share of the Net Pension Liability.....	39
Schedule of Pension Contributions .....	40
Notes to the Required Supplementary Information .....	41

**OTHER INDEPENDENT AUDITORS' REPORTS**

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	42
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----

---

---

***Financial Section***

---

---



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Bolin Fire Protection District  
Bolin, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Bolin Fire Protection District as of and for the fiscal year ended June 30, 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.

### Auditors' 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Bolin Fire Protection District, as of June 30, 2020, and the respective changes in financial position for the fiscal year 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, budgetary comparison schedule, schedule of proportionate share of the net pension liability, and schedule of pension contributions 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.

**Prior-Year Comparative Information**

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2019, from which such partial information was derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a separate report dated February 15, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Murrieta, California  
February 15, 2021

# BOLINAS FIRE PROTECTION DISTRICT

## Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2020

---

Management's Discussion and Analysis (MD&A) offers readers of Bolinas Fire Protection District's financial statements a narrative overview of the District's financial activities for the fiscal year ended June 30, 2020. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The District's net position increased 4.91%, or \$176,619 from the prior year's restated net position of \$3,599,722 to \$3,776,341, as a result of this year's operations.
- Total revenues from all sources increased by 17.15%, or \$152,562 from \$889,706 to \$1,042,268, from the prior year, primarily due to an increase in property tax revenue of \$35,386 and \$100,224 from Measure W.
- Total expenses for the District's operations increased by 3.58% or \$29,915 from \$835,734 to \$865,649, from the prior year, primarily due the increase ion materials and services of \$46,840 for various repairs.

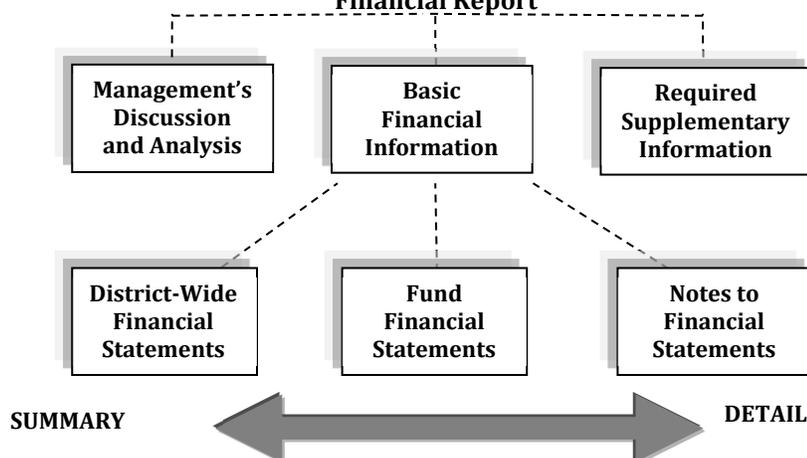
### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management 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:

- *District-wide financial statements* provide both short-term and long-term information about the District's overall financial status.
- *Fund financial statements* focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
  - The *governmental funds* statements tell how basic services were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1. Organization of Bolinas Fire Protection District's Annual Financial Report**



**BOLINAS FIRE PROTECTION DISTRICT**

*Management’s Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended June 30, 2020*

---

**OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

**Figure A-2. Major Features of the District-Wide and Fund Financial Statements**

<b>Type of Statements</b>	<b>District-Wide</b>	<b>Governmental Fund</b>
<i>Scope</i>	Entire District	The activities of the District that are not proprietary or fiduciary, such as fire and ambulance services
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures &amp; Changes in Fund Balances</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

## **BOLINAS FIRE PROTECTION DISTRICT**

*Management's Discussion and Analysis (Unaudited)*

*For the Fiscal Year Ended June 30, 2020*

---

### **OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

#### **District-Wide Statements**

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of buildings and other facilities.
- In the district-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as weed abatement, landscape maintenance, and administration. State and local programs finance most of these activities.

#### **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 keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by grantor requirements.

The District has two funds, the General Fund and Debt Service Fund.

**BOLINAS FIRE PROTECTION DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2020*

---

**FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION**

**Analysis of Net Position**

**Table A-1: Condensed Statement of Net Position**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 2,272,875	\$ 1,944,044	\$ 328,831
Non-current assets	103,087	96,163	6,924
Capital assets, net	<u>3,320,155</u>	<u>3,512,980</u>	<u>(192,825)</u>
<b>Total assets</b>	<u>5,696,117</u>	<u>5,553,187</u>	<u>142,930</u>
<b>Deferred outflows of resources</b>	<u>62,547</u>	<u>78,261</u>	<u>(15,714)</u>
<b>Liabilities:</b>			
Current liabilities	268,113	281,598	(13,485)
Non-current liabilities	<u>1,688,781</u>	<u>1,742,137</u>	<u>(53,356)</u>
<b>Total liabilities</b>	<u>1,956,894</u>	<u>2,023,735</u>	<u>(66,841)</u>
<b>Deferred inflows of resources</b>	<u>25,429</u>	<u>7,991</u>	<u>17,438</u>
<b>Net position:</b>			
Net investment in capital assets	1,802,098	1,948,111	(146,013)
Restricted	103,087	96,163	6,924
Unrestricted	<u>1,871,156</u>	<u>1,555,448</u>	<u>315,708</u>
<b>Total net position</b>	<u>\$ 3,776,341</u>	<u>\$ 3,599,722</u>	<u>\$ 176,619</u>

At the end of fiscal year 2020, the District shows a positive balance in its unrestricted net position of \$1,871,156 that may be utilized in future years.

**BOLINAS FIRE PROTECTION DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2020*

---

**FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)**

**Analysis of Revenues and Expenses**

**Table A-2: Condensed Statement of Activities**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>
<b>Program revenues</b>	\$ 288,807	\$ 196,480	\$ 92,327
<b>Expenses</b>	<u>(875,649)</u>	<u>(845,734)</u>	<u>(29,915)</u>
<b>Net program expense</b>	(586,842)	(649,254)	62,412
<b>General revenues</b>	<u>763,461</u>	<u>703,226</u>	<u>60,235</u>
<b>Change in net position</b>	176,619	53,972	122,647
<b>Net position – beginning of period</b>	<u>3,599,722</u>	<u>3,545,750</u>	<u>53,972</u>
<b>Net position – end of period</b>	<u><u>\$ 3,776,341</u></u>	<u><u>\$ 3,599,722</u></u>	<u><u>\$ 176,619</u></u>

The statement of activities shows how the government's net position changed during the fiscal year. In the case of the District, the operations of the District increased by \$176,619 during the fiscal year ended June 30, 2020.

**Table A-3: Total Revenues**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Increase (Decrease)</u>
<b>Program revenues:</b>			
Voter-approved special tax	\$ 64,502	\$ 64,576	\$ (74)
Parcel tax – CFD No. 2003-1	99,024	99,012	12
Solar recovery revenue	11,072	9,894	1,178
Other revenue and reimbursements	5,940	6,908	(968)
Operating and capital grant funding:			
Measure W – TOT sharing	100,224	-	100,224
West Marin Emergency Services	<u>8,045</u>	<u>16,090</u>	<u>(8,045)</u>
<b>Total program revenues</b>	<u>288,807</u>	<u>196,480</u>	<u>92,327</u>
<b>General revenues:</b>			
Property taxes	572,894	537,508	35,386
Rental revenue	139,798	135,969	3,829
Investment earnings	<u>50,769</u>	<u>29,749</u>	<u>21,020</u>
<b>Total general revenues</b>	<u>763,461</u>	<u>703,226</u>	<u>60,235</u>
<b>Total revenues</b>	<u><u>\$ 1,052,268</u></u>	<u><u>\$ 899,706</u></u>	<u><u>\$ 152,562</u></u>

Total revenues from all sources increased by 17.15%, or \$152,562 from \$889,706 to \$1,042,268, from the prior year, primarily due to an increase in property tax revenue of \$35,386 and \$100,224 from Measure W.

**BOLINAS FIRE PROTECTION DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2020*

---

**FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)**

**Analysis of Revenues and Expenses (continued)**

**Table A-4: Total Expenses**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Increase (Decrease)</u>
<b>Expenses:</b>			
Salaries and wages	\$ 258,368	\$ 252,481	\$ 5,887
Employee benefits	124,318	119,536	4,782
Materials and services	231,458	184,618	46,840
Depreciation expense	201,664	201,837	(173)
Amortization expense	-	1,384	(1,384)
Interest expense	59,841	85,878	(26,037)
<b>Total expenses</b>	<u>\$ 875,649</u>	<u>\$ 845,734</u>	<u>\$ 29,915</u>

Total expenses for the District's operations increased by 3.58% or \$29,915 from \$835,734 to \$865,649, from the prior year, primarily due the increase ion materials and services of \$46,840 for various repairs.

**GOVERNMENTAL FUNDS FINANCIAL ANALYSIS**

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, the *unreserved fund balance* may serve as a useful measure of the government's net resources for spending at the end of the fiscal year.

As of June 30, 2020, the District reported a total fund balance of \$2,254,680 An amount of \$868,064 constitutes the District's *unassigned fund balance*, which is available for future expenditures.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The final budgeted expenditures for the District at year-end were \$25,043 less than actual. The variance is principally due to under-budgeting for salaries and benefits expenses as well as principal payments on the solar loan. Actual revenues were more than the anticipated budget by \$179,710, primarily due to underbudgeting for property tax revenues and investment earnings.

**BOLINAS FIRE PROTECTION DISTRICT**  
*Management's Discussion and Analysis (Unaudited)*  
*For the Fiscal Year Ended June 30, 2020*

---

**CAPITAL ASSET ADMINISTRATION**

**Table A-5: Capital Assets at Year End, Net of Depreciation**

	<u>Balance</u> <u>June 30, 2020</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>Capital assets:</b>		
Non-depreciable assets	\$ 7,000	\$ 7,000
Depreciable assets	6,440,791	6,431,952
Accumulated depreciation	<u>(3,127,636)</u>	<u>(2,925,972)</u>
<b>Total capital assets, net</b>	<u>\$ 3,320,155</u>	<u>\$ 3,512,980</u>

At the end of fiscal year 2020, the District's investment in capital assets amounted to \$3,320,155 (net of accumulated depreciation). This investment in capital assets includes structures, improvements and equipment. Major capital asset additions during the year include equipment purchases totaling \$8,839.

See Note 4 for further information on the District's capital assets.

**DEBT ADMINISTRATION**

**Table A-6: Long-term Debt**

	<u>Balance</u> <u>June 30, 2020</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>Long-term debt:</b>		
Bonds and solar bonds payable	<u>\$ 1,518,057</u>	<u>\$ 1,564,869</u>

At the end of fiscal year 2020, the District's long-term debt amounted to \$1,518,057.

See Note 6 for further information on the District's long-term debt.

**FACTORS AFFECTING CURRENT FINANCIAL POSITION**

At the end of the first quarter of calendar year 2020, the United States and global economy suffered a major decline due to the impact of the COVID-19 virus. This economic decline may affect the District's operations and investment earnings for the remainder of calendar year 2020 and beyond. However, the potential impact to the District is unknown at this time.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the Fire Chief at P.O. Box 126, Bolinas, California 94924.

# BOLINAS FIRE PROTECTION DISTRICT

## Statement of Net Position

June 30, 2020

(With Comparative Information as of June 30, 2019)

	<u>ASSETS</u>	<u>2020</u>	<u>Restated 2019</u>
<b>Current assets:</b>			
Cash and investments (Note 2)		\$ 2,257,709	\$ 1,919,507
Accounts receivable – other		10,543	14,031
Prepaid items		4,623	10,506
<b>Total current assets</b>		<u>2,272,875</u>	<u>1,944,044</u>
<b>Non-current assets:</b>			
Restricted – cash and investments (Notes 2 and 3)		103,087	96,163
Capital assets – not being depreciated (Note 4)		7,000	7,000
Capital assets, net – being depreciated (Note 4)		3,313,155	3,505,980
<b>Total non-current assets</b>		<u>3,423,242</u>	<u>3,609,143</u>
<b>Total assets</b>		<u>5,696,117</u>	<u>5,553,187</u>
	<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Deferred amounts related to net pension liability (Note 8)		62,547	78,261
<b>Total deferred outflows of resources</b>		<u>62,547</u>	<u>78,261</u>
	<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>			
Accounts payable and accrued expenses		5,988	9,318
Accrued payroll and related liabilities		12,207	11,348
Unearned rental revenue		168,750	175,000
Accrued interest payable		24,911	25,181
Long-term liabilities – due within one year:			
Compensated absences (Note 5)		4,445	13,939
Bonds payable (Note 6)		40,000	35,000
Solar bonds payable (Note 7)		11,812	11,812
<b>Total current liabilities</b>		<u>268,113</u>	<u>281,598</u>
<b>Noncurrent liabilities:</b>			
Long-term liabilities – due in more than one year:			
Bonds payable (Note 6)		1,435,000	1,475,000
Solar bonds payable (Note 7)		31,245	43,057
Net pension liability (Note 8)		222,536	224,080
<b>Total noncurrent liabilities</b>		<u>1,688,781</u>	<u>1,742,137</u>
<b>Total liabilities</b>		<u>1,956,894</u>	<u>2,023,735</u>
	<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Deferred amounts related to net pension liability (Note 8)		25,429	7,991
<b>Total deferred inflows of resources</b>		<u>25,429</u>	<u>7,991</u>
	<b><u>NET POSITION</u></b>		
Net investment in capital assets (Note 9)		1,802,098	1,948,111
Restricted (Note 3)		103,087	96,163
Unrestricted		1,871,156	1,555,448
<b>Total net position</b>		<u>\$ 3,776,341</u>	<u>\$ 3,599,722</u>

**BOLINAS FIRE PROTECTION DISTRICT***Statement of Activities**For the Fiscal Year Ended June 30, 2020**(With Comparative Information for the Fiscal Year Ended June 30, 2019)*

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>Restated 2019</b>
<b>Expenses:</b>		
Fire related services:		
Salaries and wages	\$ 258,368	\$ 252,481
Employee benefits	124,318	119,536
Materials and services	231,458	184,618
Depreciation expense	201,664	201,837
Amortization expense	-	1,384
Interest expense	59,841	85,878
<b>Total expenses</b>	<b>875,649</b>	<b>845,734</b>
<b>Program revenues:</b>		
Voter-approved special tax – paramedic services	64,502	64,576
Parcel tax – CFD No. 2003-1	99,024	99,012
Solar recovery revenue	11,072	9,894
Other revenue and reimbursements	5,940	6,908
Operating and capital grant funding:		
Measure W – Transient-Occupancy-Tax sharing	100,224	-
West Marin Emergency Services	8,045	16,090
<b>Total program revenues</b>	<b>288,807</b>	<b>196,480</b>
<b>Net program expense</b>	<b>(586,842)</b>	<b>(649,254)</b>
<b>General revenues:</b>		
Property taxes	572,894	537,508
Rental revenue	139,798	135,969
Investment earnings	50,769	29,749
<b>Total general revenues</b>	<b>763,461</b>	<b>703,226</b>
<b>Change in net position</b>	<b>176,619</b>	<b>53,972</b>
<b>Net position:</b>		
Beginning of year – as reststed (Note 12)	3,599,722	3,545,750
End of year	<b>\$ 3,776,341</b>	<b>\$ 3,599,722</b>

**BOLINAS FIRE PROTECTION DISTRICT**  
*Balance Sheet – Governmental Funds*  
*June 30, 2020*

<u>ASSETS</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Cash and investments	\$ 2,257,709	\$ -	\$ 2,257,709
Restricted – cash and investments	-	103,087	103,087
Accounts receivable – other	10,543	-	10,543
Prepaid items	4,623	-	4,623
<b>Total assets</b>	<b>\$ 2,272,875</b>	<b>\$ 103,087</b>	<b>\$ 2,375,962</b>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>			
<b>Liabilities:</b>			
Accounts payable and accrued expenses	\$ 5,988	\$ -	\$ 5,988
Accrued payroll and related liabilities	12,207	-	12,207
<b>Total liabilities</b>	<b>18,195</b>	<b>-</b>	<b>18,195</b>
<b>Fund balance: (Note 10)</b>			
Nonspendable	4,623	-	4,623
Restricted	-	103,087	103,087
Assigned	1,381,993	-	1,381,993
Unassigned	868,064	-	868,064
<b>Total fund balance</b>	<b>2,254,680</b>	<b>103,087</b>	<b>2,357,767</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,272,875</b>	<b>\$ 103,087</b>	<b>\$ 2,375,962</b>

**BOLINAS FIRE PROTECTION DISTRICT**

*Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2020*

---

<b>Fund Balance of Governmental Funds</b>	<u>\$ 2,357,767</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets.	3,320,155
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred outflows of resources.	62,547
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities' both current and long-term, are reported in the statement of net position as follows:	
Unearned rental revenue	(168,750)
Accrued interest payable	(24,911)
Compensated absences	(4,445)
Bonds payable	(1,475,000)
Solar bonds payable	(43,057)
Net pension liability	(222,536)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred inflows of resources.	<u>(25,429)</u>
<b>Total adjustments</b>	<u>1,418,574</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 3,776,341</u></u>

**BOLINAS FIRE PROTECTION DISTRICT***Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
For the Fiscal Year Ended June 30, 2020*

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Property taxes	\$ 572,894	\$ -	\$ 572,894
Voter-approved special tax – paramedic services	64,502	-	64,502
Parcel tax – CFD No. 2003-1	-	99,024	99,024
Solar recovery revenue	11,072	-	11,072
Other revenue and reimbursements	5,940	-	5,940
Operating and capital grant funding:			
Measure W – Transient-Occupancy-Tax sharing	100,224	-	100,224
West Marin Emergency Services	8,045	-	8,045
Rental revenue	139,798	-	139,798
Investment earnings	49,304	1,465	50,769
<b>Total revenues</b>	<u>951,779</u>	<u>100,489</u>	<u>1,052,268</u>
<b>Expenditures:</b>			
Current operations:			
Salaries and wages	267,862	-	267,862
Employee benefits	92,710	-	92,710
Materials and services	228,004	3,454	231,458
Capital outlay	8,839	-	8,839
Debt service:			
Principal payments	11,812	35,000	46,812
Interest payments	-	60,111	60,111
<b>Total expenditures</b>	<u>609,227</u>	<u>98,565</u>	<u>707,792</u>
<b>Excess of revenues over expenditures</b>	342,552	1,924	344,476
<b>Other financing sources (uses):</b>			
Operating transfers (Note 11)	<u>(15,000)</u>	<u>15,000</u>	<u>-</u>
<b>Net change in fund balance</b>	327,552	16,924	344,476
<b>Fund Balance:</b>			
Beginning of year	1,909,439	49,351	1,958,790
Prior period adjustment (Note 13)	7,689	46,812	54,501
End of year	<u>\$ 2,244,680</u>	<u>\$ 113,087</u>	<u>\$ 2,357,767</u>

**BOLINAS FIRE PROTECTION DISTRICT**

*Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes  
in Fund Balances to the Statement of Activities*

*For the Fiscal Year Ended June 30, 2020*

---

<b>Net Change in Fund Balance – Governmental Funds</b>	<u>\$ 344,476</u>
Amount reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	8,839
Depreciation expense	(201,664)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenses in governmental funds as follows:	
Net change in accrued interest	270
Net change in compensated absences	9,494
Net change in net pension liability and related deferred resources	(31,608)
Principal repayment of long-term debt is reported as an expenditure in governmental funds. However, principal repayments reduce liabilities in the statement of net position and do not result in expenses in the statement of activities.	<u>46,812</u>
<b>Total adjustments</b>	<u>(167,857)</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ 176,619</u></u>

# **BOLINAS FIRE PROTECTION DISTRICT**

*Notes to Financial Statements*

*June 30, 2020*

---

## **NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

### **A. Description of Organization**

The Bolinas Fire Protection District (District) was organized in 1954 by taxpayers and residents of the District, pursuant to the Health and Safety Code of the State of California. The Board of Directors is elected to four year terms and serves as the District's local governing body. The District is subject to the laws, regulations and guidelines that are set forth by the California State Controller's Office.

### **B. Reporting Entity**

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District has identified no organizations that are required to be reported as component units.

### **C. Basis of Presentation, Basis of Accounting**

#### **1. Basis of Presentation**

##### **Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) 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, including all taxes, are presented as general revenues.

# **BOLINAS FIRE PROTECTION DISTRICT**

## *Notes to Financial Statements*

*June 30, 2020*

---

### **NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **C. Basis of Presentation, Basis of Accounting (continued)**

##### **1. Basis of Presentation (continued)**

###### **Major Governmental Funds**

The District maintains the following major governmental funds:

**General Fund:** This fund is used to account for all financial resources of the District, except those required to be accounted for in another fund when necessary.

**Debt Service Fund:** This fund is used to account for resources received from the parcel tax – CFD No. 2003-1 and make payments on the bond payable for the administrative building.

##### **2. Measurement Focus, Basis of Accounting**

###### **Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

###### **Governmental Fund Financial Statements**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

##### **3. Revenues - Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

## **BOLINAS FIRE PROTECTION DISTRICT**

*Notes to Financial Statements*

*June 30, 2020*

---

### **NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position**

##### **1. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

##### **2. Prepaid Items**

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

##### **3. Investments**

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

*Level 2* – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

*Level 3* – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

# BOLINAS FIRE PROTECTION DISTRICT

## Notes to Financial Statements

June 30, 2020

---

### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

##### 4. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over \$3,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets.

Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Buildings and improvements	30 years
Furniture and equipment	3 years
Vehicles	5 to 20 years

##### 5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The District has no items that qualify for reporting in this category.

##### 6. Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

##### 7. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan and addition to/deductions from the Plans fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## BOLINAS FIRE PROTECTION DISTRICT

### Notes to Financial Statements

June 30, 2020

---

#### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

##### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

###### 8. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

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

###### 9. Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

**Nonspendable:** Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

**Restricted:** Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

**Committed:** The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

# **BOLINAS FIRE PROTECTION DISTRICT**

## *Notes to Financial Statements*

*June 30, 2020*

---

### **NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)**

##### **9. Fund Balances (continued)**

**Assigned:** Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

**Unassigned:** Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

#### **E. Use of Estimates**

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

#### **F. Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1 and are payable in two installments, on December 10 and April 10. The County of Marin County Assessor's Office assesses all real and personal property within the County each year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one (1%) of countywide assessed valuations. The Marin County Treasurer's Office remits an undisclosed portion of the one (1%) current and delinquent property tax collections to the District throughout the year.

#### **G. Voter-Approved Special Tax – Paramedic Services**

Property within the Marin County Service Area No. 28, within the unincorporated area of the County of Marin, in 1995 approved a voter tax of \$40 per residential unit, which was revised to \$64 per residential unit in 2010 to meet the needs for paramedic services. The Marin County Treasurer's Office remits the tax collections to the District throughout the year.

#### **H. Parcel Tax – CFD No. 2003-1**

In November 2003, the District's Board of Directors established Community Facilities District No. 2003-1 (CFD). The CFD was formed to provide new facilities for the District (Headquarters) and the apportionment of a parcel tax to be levied within the boundaries of the CFD to pay for the principal and interest on the bonds issued to build the Headquarters. The parcel tax shall be levied and collected until the principal and interest on the bonds have been repaid or until fiscal year 2045-2046. The following maximum rates shall apply to all parcels of taxable property within the CFD – Improved Parcel \$98 per year; Unimproved Parcel \$35 per year. The Marin County Treasurer's Office remits the tax collections to the District throughout the year.

# BOLINAS FIRE PROTECTION DISTRICT

## Notes to Financial Statements

June 30, 2020

---

### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### I. Budgetary Accounting

An annual unappropriated budget, which establishes the total spending authority for the General Fund, is adopted by the Board of Directors just prior to the beginning of the District’s fiscal year. Estimated revenue is the original estimate with modifications for new programs which are anticipated to be received during the fiscal year. Expenditures cannot legally exceed appropriations at the fund level. Appropriations for the General Fund lapse at the end of the fiscal year. The Board of Directors may authorize amendments to the budget during the year as deemed necessary. Budgeted amounts were not amended for the fiscal year ended June 30, 2020.

#### J. Reclassifications

Certain amounts presented in the statement of net position and the statement of activities in the comparative prior period financial statements have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported change in net position or change in fund balance.

### NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30 were classified on the statement of net position as follows:

<u>Description</u>	<u>Balance</u>
Cash and investments	\$ 2,257,709
Restricted cash and investments	103,087
<b>Total cash and investments</b>	<b>\$ 2,360,796</b>

Cash and investments at June 30 consisted of the following:

<u>Description</u>	<u>Balance</u>
Demand deposits with financial institutions	\$ 98,826
Deposits with Marin County Pooled Investment Fund (MCPIF)	2,261,970
<b>Total cash and investments</b>	<b>\$ 2,360,796</b>

#### Demand Deposits with Financial Institutions

At June 30, 2020, the carrying amount of the District’s demand deposits were \$103,087, and the financial institution’s balance was \$104,068. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution’s balance and the District’s balance for each year.

## **BOLINAS FIRE PROTECTION DISTRICT**

### *Notes to Financial Statements*

*June 30, 2020*

---

#### **NOTE 2 – CASH AND INVESTMENTS (continued)**

##### **Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

The District maintains most of its cash in the Marin County Pooled Investment Fund (MCPIF) to increase interest earnings through pooled investment activities. Interest earned on the investment pool is allocated quarterly to the participating funds using the daily cash balance of each fund. This pool, which is available for use by all funds, is displayed in the financial statements as "Cash." There are no limitations or restrictions on withdrawals from the pool.

The MCPIF includes both voluntary and involuntary participation from external entities. State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the Marin County Treasurer.

The MCPIF is not registered with the Securities and Exchange Commission as an investment company. Investments made by the County Treasurer are regulated by the California Government Code and by the Marin County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the types of investments in the pool, maturity dates, par value, actual costs, and fair value.

##### **Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2020, the District's investment in the MCPIF was rated by Fitch Ratings as AA Af/S1.

##### **Concentration of Credit Risk**

The District's investment policy contains no limitations on the amount that can be invested in any one governmental agency or non-governmental issuer beyond that stipulated by the California Government Code. There were no investments in any one governmental or non-governmental issuer that represented 5% or more of the District's total investments except for those in the MCPIF.

## BOLINAS FIRE PROTECTION DISTRICT

### Notes to Financial Statements

June 30, 2020

---

#### NOTE 3 – RESTRICTED ASSETS

The District's restricted assets are funds held to repay the CFD No. 2003-1 bonds payable in the amount of \$103,087.

#### NOTE 4 – CAPITAL ASSETS

Changes in capital assets for the year were as follows:

	<u>Balance July 1, 2019</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2020</u>
Non-depreciable capital assets:				
Land	\$ 7,000	\$ -	\$ -	\$ 7,000
Total non-depreciable capital assets	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>7,000</u>
Depreciable capital assets:				
Buildings and improvements	5,382,096	-	-	5,382,096
Furniture and equipment	143,789	8,839	-	152,628
Vehicles	<u>906,067</u>	<u>-</u>	<u>-</u>	<u>906,067</u>
Total depreciable capital assets	<u>6,431,952</u>	<u>8,839</u>	<u>-</u>	<u>6,440,791</u>
Accumulated depreciation:				
Buildings and improvements	(2,137,676)	(180,896)	-	(2,318,572)
Furniture and equipment	(143,180)	(600)	-	(143,780)
Vehicles	<u>(645,116)</u>	<u>(20,168)</u>	<u>-</u>	<u>(665,284)</u>
Total accumulated depreciation	<u>(2,925,972)</u>	<u>(201,664)</u>	<u>-</u>	<u>(3,127,636)</u>
Total depreciable capital assets, net	<u>3,505,980</u>	<u>(192,825)</u>	<u>-</u>	<u>3,313,155</u>
<b>Total capital assets, net</b>	<u>\$ 3,512,980</u>	<u>\$ (192,825)</u>	<u>\$ -</u>	<u>\$ 3,320,155</u>

#### NOTE 5 – COMPENSATED ABSENCES

The changes to the compensated absences balance for the year were as follows:

<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
\$ 13,939	\$ 6,361	\$ (15,855)	\$ 4,445

# BOLINAS FIRE PROTECTION DISTRICT

## Notes to Financial Statements

June 30, 2020

---

### NOTE 6 – BONDS PAYABLE

Changes in long-term debt amounts for the year were as follows:

<u>Long-term Debt</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2020</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Bonds payable	\$ 1,510,000	\$ -	\$ (35,000)	\$ 1,475,000	\$ 40,000	\$ 1,435,000

#### ***Bonds Payable - 2003***

In order to provide funds to finance acquisition and construction of a new District Headquarters, the District had entered into a “lease, lease-back” agreement, whereby bonds (certificates-of-participation) in the principal amount of \$2,260,000 had been issued. Subject to this agreement, the District had agreed to make payments of principal and interest until the bonds were to be repaid in fiscal year 2046. The bonds are being paid from the parcel tax levied over CFD No. 2003-1 and consists of principal and interest payments at 4.0% to 5.1%. These bonds were repaid in December 2016 as part of a bond refinancing.

#### ***Bonds Payable - 2016***

On December 15, 2016, the District refinanced the bonds and entered into a “lease agreement”, whereby bonds (Certificates of Participation) in the principal amount of \$1,555,000 were issued. Subject to this agreement, the District has agreed to make payments of principal and interest until the bonds are to be repaid in fiscal year 2046. The bonds are being paid from the parcel tax levied over CFD No. 2003-1 and consists of principal and interest payments interest at 3.5% to 4.5% and will continue until August 1, 2045 or until the bonds are repaid in-full prior to that date. Future remaining payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 40,000	\$ 59,788	\$ 99,788
2022	35,000	58,948	93,948
2023	35,000	58,090	93,090
2024	35,000	57,127	92,127
2025	40,000	55,465	95,465
2026-2030	215,000	255,755	470,755
2031-2035	100,000	218,550	318,550
2036-2040	290,000	171,287	461,287
2041-2045	265,000	100,330	365,330
2046	420,000	9,450	429,450
<b>Total</b>	<b>1,475,000</b>	<b>\$ 1,044,790</b>	<b>\$ 2,519,790</b>
<b>Current</b>	<b>(40,000)</b>		
<b>Long-term</b>	<b>\$ 1,435,000</b>		

## **BOLINAS FIRE PROTECTION DISTRICT**

### *Notes to Financial Statements*

*June 30, 2020*

---

#### **NOTE 7 – SOLAR BONDS PAYABLE**

On June 30, 2008, Clean Renewable Energy Bonds (Solar Bonds) were issued in the amount of \$189,000, which were used to finance the purchase and installation of roof photovoltaic (solar) panels to provide electricity to the building. These panels were purchased and installed during the year ended June 30, 2009. Principal will be paid in equal annual installments until the bonds have been repaid in 2023. There is no interest due on these bonds. Future remaining payments are as follows:

<b>Fiscal Year</b>	<b>Principal</b>
2021	\$ 11,812
2022	11,812
2023	19,433
<b>Total</b>	43,057
<b>Current</b>	(11,812)
<b>Long-term</b>	\$ 31,245

#### **NOTE 8 – PENSION PLAN**

##### **Summary**

The following balances on the balance sheet will be addressed in this footnote as follows:

<b>Description</b>	<b>2020</b>
Pension related deferred outflows	\$ 62,547
Net pension liability	222,536
Pension related deferred inflows	25,429

The net pension liability balances have a Measurement Date of June 30, 2019 which is rolled-forward for the District's fiscal year ended June 30, 2020.

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

**BOLINAS FIRE PROTECTION DISTRICT**

*Notes to Financial Statements*

*June 30, 2020*

**NOTE 8 – PENSION PLAN (continued)**

**The Plan**

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	<b>Safety Plans</b>	
	<b>Classic Tier 1</b>	<b>PEPRA Tier 2</b>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 57
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	1.8% to 2.0%	1.8% to 2.0%
Required member contribution rates	7.000%	9.500%
Required employer contribution rates – FY 2019	12.848%	10.020%

**A. General Information about the Pension 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). The District contributes to the miscellaneous risk pool within the Plan. 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, 2018 Annual Actuarial Valuation Report. This report is a publicly available valuation report that can be obtained at CalPERS website under Forms and Publications.

The California Public Employees’ Pension Reform Act (PEPRA), which took effect in January 2013, changes the way CalPERS retirement benefits are applied, and places compensation limits on members. As a result of these changes since PEPRA’s adoption in January 2013, the District now has two unique CalPERS plans to which it makes contributions within the miscellaneous risk pool: the “classic” plan, which includes covered employees who have established membership in a CalPERS plan prior to January 2013, as well as the “PEPRA/new” plan, which includes covered employees who have established membership in a CalPERS plan after January 2013. Each plan or membership contains unique benefits levels, which are enumerated in the June 30, 2019 Annual Actuarial Valuation Reports.

At June 30, 2020, the following members were covered by the benefit terms:

<b>Plan Members</b>	<b>Safety Plans</b>		<b>Total</b>
	<b>Classic Tier 1</b>	<b>PEPRA Tier 2</b>	
Active members	2	1	3
Transferred and terminated members	2	-	2
Retired members and beneficiaries	1	-	1
<b>Total plan members</b>	<b>5</b>	<b>1</b>	<b>6</b>

# BOLINAS FIRE PROTECTION DISTRICT

## Notes to Financial Statements

June 30, 2020

### NOTE 8 – PENSION PLAN (continued)

#### A. General Information about the 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 be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. 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 the contribution rate of employees.

Contributions for the year ended June 30, 2020, (Measurement Date June 30, 2019) were as follows:

Contribution Type	Safety Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 20,660	\$ 8,641	\$ 29,301
Contributions – members	3,678	7,201	10,879
<b>Total contributions</b>	<b>\$ 24,338</b>	<b>\$ 15,842</b>	<b>\$ 40,180</b>

Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

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

##### Proportionate Share of Net Pension Liability and Pension Expense

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

Changes in the net pension liability for the year ended June 30, 2020, were as follows:

Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Net Pension Liability
<b>CalPERS – Miscellaneous Plan:</b>			
Balance as of June 30, 2018 (Measurement Date)	\$ 1,091,658	\$ 867,578	\$ 224,080
Balance as of June 30, 2019 (Measurement Date)	\$ 1,165,081	\$ 942,545	\$ 222,536
<b>Change in Plan Net Pension Liability</b>	<b>\$ 73,423</b>	<b>\$ 74,967</b>	<b>\$ (1,544)</b>

For the year ended June 30, 2020 pension expense was \$60,908.

## **BOLINAS FIRE PROTECTION DISTRICT**

### *Notes to Financial Statements*

*June 30, 2020*

---

#### **NOTE 8 – PENSION PLAN (continued)**

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

###### **Proportionate Share of Net Pension Liability and Pension Expense (continued)**

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation dates (June 30, 2018). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability (TPL) determines the net pension liability (NPL) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2019). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2019 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (FY 2018-2019).
- (3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
- (5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

As of June 30, 2020, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$222,536.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

# BOLINAS FIRE PROTECTION DISTRICT

## Notes to Financial Statements

June 30, 2020

---

### NOTE 8 – PENSION PLAN (continued)

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

##### Proportionate Share of Net Pension Liability and Pension Expense (continued)

The District's proportionate share of the net pension liability for the June 30, 2020, measurement date was as follows:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year</u>	<u>Fiscal Year</u>	
	<u>Ending June 30, 2020</u>	<u>Ending June 30, 2019</u>	
Measurement Date	<u>June 30, 2019</u>	<u>June 30, 2018</u>	
Percentage of Risk Pool Net Pension Liability	0.003565%	0.003819%	-0.000254%
Percentage of Plan (PERF C) Net Pension Liability	0.002172%	0.002325%	-0.000153%

The total amount of \$29,301 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 29,301	\$ -
Difference between actual and proportionate share of employer contributions	8,354	(9,705)
Adjustment due to differences in proportions	1,242	(10,883)
Differences between expected and actual experience	14,530	-
Differences between projected and actual earnings on pension plan investments	-	(3,061)
Changes in assumptions	9,120	(1,780)
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<u>\$ 62,547</u>	<u>\$ (25,429)</u>

# BOLINAS FIRE PROTECTION DISTRICT

## Notes to Financial Statements

June 30, 2020

---

### NOTE 8 – PENSION PLAN (continued)

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

##### Proportionate Share of Net Pension Liability and Pension Expense (continued)

Other remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the year ended June 30, 2020, will be amortized to pension expense in future periods as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2021	\$ 16,111
2022	(5,864)
2023	(3,025)
2024	595
<b>Total</b>	<b>\$ 7,817</b>

##### 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. The June 30, 2020 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
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 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

##### Discount Rate

The discount rate used to measure the total pension liability for PERF B was 7.15%. A projection of expected benefit payments and contributions was performed to determine if the assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF B. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained on CalPERS' website.

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

**BOLINAS FIRE PROTECTION DISTRICT**

*Notes to Financial Statements*

June 30, 2020

**NOTE 8 – PENSION PLAN (continued)**

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

**Discount Rate (continued)**

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.

Investment Type	New Strategic Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	100.0%		

<sup>1</sup> An expected inflation rate-of-return of 2.5% is used for years 1-10.

<sup>2</sup> An expected inflation rate-of-return of 3.0% is used for years 11+.

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15%, 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%) or 1 percentage-point higher (8.15%) than the current rate:

Changes in the discount rate for the year ended June 30, 2020, was as follows:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
CalPERS - Miscellaneous Plan	382,202	\$ 222,536	\$ 91,634

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

**C. Payable to the Pension Plans**

At June 30, 2020, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2020.

**BOLINAS FIRE PROTECTION DISTRICT***Notes to Financial Statements**June 30, 2020***NOTE 9 – NET POSITION – NET INVESTMENT IN CAPITAL ASSETS**

At June 30, the net position – net investment in capital assets balance was calculated as follows:

<u>Description</u>	<u>Balance</u>
Capital assets – not being depreciated	\$ 7,000
Capital assets – being depreciated, net	3,313,155
Bonds payable – current portion	(40,000)
Solar bonds payable – current portion	(11,812)
Bonds payable – non-current portion	(1,435,000)
Solar bonds payable – non-current portion	(31,245)
<b>Total net investment in capital assets</b>	<b>\$ 1,802,098</b>

**NOTE 10 – FUND BALANCES**

At June 30, 2020, fund balances of the District’s governmental funds were classified as follows:

<u>Description</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Nonspendable:</b>			
Prepaid items	\$ 4,623	\$ -	\$ 4,623
<b>Restricted:</b>			
Debt service	-	103,087	103,087
<b>Assigned:</b>			
Capital maintenance and replacement	1,377,548	-	1,377,548
Compensated absences	4,445	-	4,445
<b>Total assigned</b>	<b>1,381,993</b>	<b>-</b>	<b>1,381,993</b>
<b>Unassigned</b>	<b>868,064</b>	<b>-</b>	<b>868,064</b>
<b>Total fund balances</b>	<b>\$ 2,254,680</b>	<b>\$ 103,087</b>	<b>\$ 2,357,767</b>

**NOTE 11 – TRANSFERS BETWEEN FUNDS**

The District transferred fund between funds to cover debt service costs during the fiscal year as follows:

<u>Description</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b>Other financing sources (uses):</b>			
Operating transfers	\$ (15,000)	\$ 15,000	\$ -

**BOLINAS FIRE PROTECTION DISTRICT***Notes to Financial Statements**June 30, 2020*

---

**NOTE 12 – PRIOR PERIOD ADJUSTMENT – GOVERNMENT-WIDE FINANCIAL STATEMENTS**

A detailed schedule of adjustments to net position at June 30, 2019 is as follows:

<u>Description</u>	<u>Amount</u>
Deferred outflows related to net pension liability over-statement	\$ (74,245)
Accrued interest payable adjustment	(25,181)
Deferred inflows related to net pension liability over-statement	19,966
<b>Total prior period adjustment to net position</b>	<b>\$ (79,460)</b>
<u>Description</u>	<u>Amount</u>
Net position – June 30, 2019, as previously stated	\$ 3,679,182
<b>Total prior period adjustment to net position</b>	<b>(79,460)</b>
Net position – June 30, 2019, as restated	<b>\$ 3,599,722</b>

The District applied the above noted prior period adjustments to the June 30, 2019 government-wide financial statements for restatement and preparation on a comparative basis on the statement of net position and statement of activities.

**NOTE 13 – PRIOR PERIOD ADJUSTMENT – FUND BALANCE FINANCIAL STATEMENTS**

A detailed schedule of adjustments to fund balance at June 30, 2019 is as follows:

<u>Description</u>	<u>Amount</u>
Change in unearned rental revenue	\$ (6,250)
Compensated absences	13,939
Bonds payable – current portion	35,000
Solar bonds payable – current portion	11,812
<b>Total prior period adjustment to fund balance</b>	<b>\$ 54,501</b>
<u>Description</u>	<u>Amount</u>
Fund balance – June 30, 2019, as previously stated	\$ 1,958,790
<b>Total prior period adjustment to fund balance</b>	<b>54,501</b>
Fund balance – June 30, 2019, as restated	<b>\$ 2,013,291</b>

The District applied the above noted prior period adjustments to the June 30, 2019 governmental fund financial statements for restatement.

# BOLINAS FIRE PROTECTION DISTRICT

## Notes to Financial Statements

June 30, 2020

---

### NOTE 14 - JOINT VENTURE - MARIN EMERGENCY RADIO AUTHORITY

The Marin Emergency Radio Authority (MERA) is a joint powers authority created on February 28, 1998 by and among the County of Marin and certain public agencies within the County (collectively, the "Members"). MERA was formed to plan, finance, implement, manage, own and operate a multi-jurisdictional and countywide public safety and emergency radio system. This radio system will be used by member agencies in the law enforcement, fire management, emergency medical, road maintenance, transit, public works, local government and other county-based entities in Marin County. MERA is governed by a Governing Board comprised of one appointed official from each participating member. The JPA is a separate entity which is independently audited. Condensed financial and other information available for MERA as of June 30, 2019 is as follows:

<b>A. Entity</b>	Marin Emergency Radio Authority
<b>B. Purpose</b>	To plan, finance, implement, manage, own and operate a multi-jurisdictional and countywide public safety and emergency radio system.
<b>C. Participants</b>	As of June 30, 2019 - 26 member agencies
<b>D. Governing board</b>	26 representatives employed by members
<b>E. District payments for FY 2019:</b>	
<b>Operating payment</b>	\$11,370
<b>Bond payment</b>	\$12,775
<b>Note payment</b>	\$1,324
<b>F. Condensed financial information</b>	June 30, 2019
<b>Audit signed</b>	November 26, 2019
<b>Statement of financial position:</b>	
<b>Total assets</b>	<u>\$ 54,642,920</u>
<b>Deferred outflows</b>	<u>6,266</u>
<b>Total liabilities</b>	<u>40,601,171</u>
<b>Deferred inflows</b>	<u>-</u>
<b>Net position</b>	<u>\$ 14,048,015</u>
<b>Statement of revenues, expenses and changes in net position:</b>	
<b>Total revenues</b>	\$ 8,832,852
<b>Total expenses</b>	<u>(3,431,558)</u>
<b>Change in net position</b>	5,401,294
<b>Beginning - net position</b>	<u>8,646,721</u>
<b>Ending - net position</b>	<u>\$ 14,048,015</u>
<b>G. Member agencies share of year-end financial position</b>	Not Calculated

# BOLINAS FIRE PROTECTION DISTRICT

## Notes to Financial Statements

June 30, 2020

---

### NOTE 15 – RISK MANAGEMENT

#### Fire Agencies Insurance Risk Authority (FAIRA)

The District entered into a JPA, known as the Fire Agencies Insurance Risk Authority (FAIRA), a self-insurance plan for general liability insurance. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the FAIRA. The JPA is a separate entity which is independently audited. Condensed financial and other information available for the FAIRA as of June 30, 2019 is as follows:

<b>A. Entity</b>	Fire Agencies Risk Insurance Authority (FARIA)
<b>B. Purpose</b>	To pool member resources and realize the advantages of self-insurance for general liability insurance
<b>C. Participants</b>	As of June 30, 2019 – Approx. 100 member agencies
<b>D. Governing board</b>	13 representatives employed/appointed by members
<b>E. District payments for FY 2019:</b>	
<b>Insurance premium</b>	\$16,606
<b>F. Condensed financial information</b>	June 30, 2019
<b>Audit signed</b>	January 6, 2020

	<b>June 30, 2019</b>
<b>Statement of net position:</b>	
<b>Total assets</b>	\$ 3,484,276
<b>Total liabilities</b>	706,746
<b>Net position</b>	\$ 2,777,530
<b>Statement of revenues, expenses and changes in net position:</b>	
<b>Total revenues</b>	\$ 3,352,330
<b>Total expenses</b>	(3,670,085)
<b>Change in net position</b>	(317,755)
<b>Beginning – net position</b>	3,095,285
<b>Ending – net position</b>	\$ 2,777,530

The District is also a member of the Fire Districts Association of California - Fire Association Self Insurance System (FDAC-FASIS) through which it receives workers' compensation coverage. As a member of a public entity risk pool, the District is responsible for appointing an employee as a liaison between the District and the system, implementing all policies of the system, promptly paying all contributions, and cooperating with the system and any insurer of the system. The system is responsible for providing insurance coverage as agreed upon, assisting the District with implementation, providing claims adjusting and defense of any civil action brought against an officer of the system.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2020, 2019 and 2018. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2020, 2019 and 2018.

## **BOLINAS FIRE PROTECTION DISTRICT**

*Notes to Financial Statements*

*June 30, 2020*

---

### **NOTE 16 – DEFERRED COMPENSATION SAVINGS PLAN**

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program. The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

### **NOTE 17 – COMMITMENTS AND CONTINGENCIES**

#### **Grant Awards**

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

#### **Litigation**

The District is involved in routine litigation incidental to its business and may be subject to claims and litigation from outside parties. After consultation with legal counsel and/or management, management believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

### **NOTE 18 – CURRENT AND SUBSEQUENT EVENTS**

#### **Global Pandemic**

At the end of the first quarter of calendar year 2020, the United States and global economy suffered a major decline due to the impact of the COVID-19 virus. This economic decline may affect the District's operations and investment earnings for the remainder of calendar year 2020 and beyond. However, the potential impact to the District is unknown at this time.

---

---

***Required Supplementary Information***

---

---

**BOLINAS FIRE PROTECTION DISTRICT**  
*Budgetary Comparison Schedule – General Fund*  
*For the Fiscal Year Ended June 30, 2020*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Property taxes	\$ 441,062	\$ 572,894	\$ 131,832
Voter-approved special tax – paramedic services	62,000	64,502	2,502
Solar recovery revenue	10,334	11,072	738
Other revenue and reimbursements	2,500	5,940	3,440
Operating and capital grant funding:			-
Measure W – Transient-Occupancy-Tax sharing	100,000	100,224	224
West Marin Emergency Services	8,000	8,045	45
Rental revenue	133,173	139,798	6,625
Investment earnings	15,000	49,304	34,304
<b>Total revenues</b>	<u>772,069</u>	<u>951,779</u>	<u>179,710</u>
<b>Expenditures:</b>			
Current:			
Salaries and wages	256,200	267,862	(11,662)
Employee benefits	88,500	92,710	(4,210)
Materials and services	229,484	228,004	1,480
Capital outlay	-	8,839	(8,839)
Debt service:			
Principal payments – loan payable	-	11,812	(11,812)
<b>Total expenditures</b>	<u>574,184</u>	<u>609,227</u>	<u>(35,043)</u>
<b>Excess of revenues over expenditures</b>	<u>\$ 197,885</u>	<u>\$ 342,552</u>	<u>\$ 214,753</u>
<b>Other financing sources (uses):</b>			
Operating transfers	-	(15,000)	15,000
<b>Net change in fund balance</b>	<u>\$ 197,885</u>	<u>327,552</u>	<u>229,753</u>
<b>Fund balance:</b>			
Beginning of year		<u>1,917,128</u>	
End of year		<u>\$ 2,244,680</u>	

**BOLINAS FIRE PROTECTION DISTRICT**

*Schedule of Proportionate Share of the Net Pension Liability  
For the Fiscal Year Ended June 30, 2020*

**Last Ten Fiscal Years**

**California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

<b>Measurement Date:</b>	<b>June 30, 2019<sup>1</sup></b>	<b>June 30, 2018<sup>1</sup></b>	<b>June 30, 2017<sup>1</sup></b>	<b>June 30, 2016<sup>1</sup></b>	<b>June 30, 2015<sup>1</sup></b>	<b>June 30, 2014<sup>1</sup></b>
District's Proportion of the Net Pension Liability	<u>0.002172%</u>	<u>0.002325%</u>	<u>0.002488%</u>	<u>0.002054%</u>	<u>0.001101%</u>	<u>0.003860%</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 222,536</u>	<u>\$ 224,080</u>	<u>\$ 246,725</u>	<u>\$ 233,636</u>	<u>\$ 194,451</u>	<u>\$ 240,258</u>
District's Covered-Employee Payroll	<u>\$ 196,547</u>	<u>\$ 129,424</u>	<u>\$ 124,263</u>	<u>\$ 127,794</u>	<u>\$ 123,643</u>	<u>\$ 119,764</u>
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	<u>113.22%</u>	<u>173.14%</u>	<u>198.55%</u>	<u>182.82%</u>	<u>157.27%</u>	<u>200.61%</u>
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	<u>80.90%</u>	<u>79.47%</u>	<u>75.89%</u>	<u>75.31%</u>	<u>78.89%</u>	<u>71.30%</u>

<sup>1</sup> Historical information is required only for measurement periods for which GASB No. 68 is applicable.

## BOLINAS FIRE PROTECTION DISTRICT

### Schedule of Pension Contributions

For the Fiscal Year Ended June 30, 2020

#### Last Ten Fiscal Years

#### California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year:	2019-20 <sup>1</sup>	2018-19 <sup>1</sup>	2017-18 <sup>1</sup>	2016-17 <sup>1</sup>	2015-16 <sup>1</sup>	2014-15 <sup>1</sup>	2013-14 <sup>1</sup>
Actuarially Determined Contribution <sup>2</sup>	\$ 29,301	\$ 28,165	\$ 46,868	\$ 43,380	\$ 43,470	\$ 41,897	\$ 39,869
Contribution in Relation to the Actuarially Determined Contribution <sup>2</sup>	(29,301)	(28,165)	(46,868)	(43,380)	(43,470)	(41,897)	(39,869)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll <sup>3</sup>	\$ 203,457	\$ 196,547	\$ 129,424	\$ 124,263	\$ 127,794	\$ 123,643	\$ 119,764
Contributions as a Percentage of Covered-Employee Payroll	14.40%	14.33%	36.21%	34.91%	34.02%	33.89%	33.29%

<sup>1</sup> Historical information is required only for measurement periods for which GASB No. 68 is applicable.

<sup>2</sup> Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side-fund or their unfunded liability. Employer contributions for such plan exceed the actuarial determined contributions. CalPERS has determined that employer obligations referred to as *side-funds* are not considered separately financed specific liabilities.

<sup>3</sup> Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB No. 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

#### Notes to the 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, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes)

## **BOLINAS FIRE PROTECTION DISTRICT**

*Notes to the Required Supplementary Information  
For the Fiscal Year Ended June 30, 2020*

---

### **NOTES TO SCHEDULE**

#### **Budgetary Comparison Schedule**

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the District prepares and submits an operating budget to the Board of Directors no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Directors must approve all supplemental appropriations to the budget and transfers between major accounts.

#### **Schedule of Proportionate Share of the Net Pension Liability**

This schedule is required by GASB Statement No. 68 and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- The proportion (percentage) of the collective net pension liability (similar to the note disclosure)
- The proportionate share (amount) of the collective net pension liability
- The employer's covered-employee payroll
- The proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered-employee payroll
- The pension plan's fiduciary net position as a percentage of the total pension liability

#### **Schedule of Pension Contributions**

This schedule is required by GASB Statement No. 68 and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

---

---

***Other Independent Auditors' Report***

---

---



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Bolin Fire Protection District  
Bolin, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Bolinas Fire Protection District as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Bolinas Fire Protection District's basic financial statements, and have issued our report thereon dated February 15, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered San Gabriel Mosquito and Vector Control District's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bolinas Fire Protection internal control. Accordingly, we do not express an opinion on the effectiveness of the Bolinas Fire Protection District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bolinas Fire Protection District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Nigro & Nigro, PC". The signature is written in a cursive, flowing style.

Murrieta, California  
February 15, 2021