

**GEORGETOWN
FIRE PROTECTION DISTRICT**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
for the year ended June 30, 2019**

ROBERT W. JOHNSON
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Georgetown Fire Protection District
Georgetown, California

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Georgetown Fire Protection District as of June 30, 2019, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

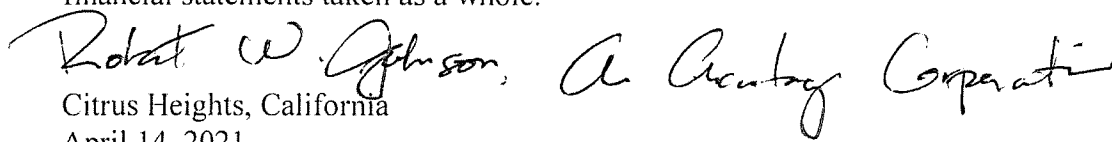
Other Matters

Required Supplementary Information

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

Other Information

The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Georgetown Fire Protection District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


Citrus Heights, California
April 14, 2021

GEORGETOWN FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
June 30, 2019

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS AND DEFERRED OUTFLOWS			
Cash in County Treasury (Note 3)	\$1,431,069	\$ -	\$ 1,431,069
Accounts receivable	22,887	-	22,887
Capital assets (Notes 4 and 5)	-	3,056,356	3,056,356
Less, accumulated depreciation	<u>-</u>	<u>(1,527,491)</u>	<u>(1,527,491)</u>
Total assets	<u>1,453,956</u>	<u>1,528,865</u>	<u>2,982,821</u>
Deferred outflows (Notes 6 and 7)			
Pension related amounts	-	403,525	403,525
OPEB related amounts	<u>-</u>	<u>133,676</u>	<u>133,676</u>
	<u>-</u>	<u>537,201</u>	<u>537,201</u>
Total assets and deferred outflows	<u>\$1,453,956</u>	<u>\$ 2,066,066</u>	<u>\$ 3,520,022</u>
LIABILITIES AND DEFERRED INFLOWS			
Accounts payable	\$ 93,665	\$ -	\$ 93,665
Accrued salaries payable	20,206	-	20,206
Accrued vacation and sick pay	39,634	-	39,634
Deferred revenue	95,833	-	95,833
Net pension liability (Note 6)	-	2,665,325	2,665,325
Other Post-Employment Benefits Payable (Note 7)	-	2,457,244	2,457,244
Long-term liabilities (Note 5):			
Due within one year	-	78,363	78,363
Due after one year	<u>-</u>	<u>181,090</u>	<u>181,090</u>
Total liabilities	<u>249,338</u>	<u>5,382,022</u>	<u>5,631,360</u>
Deferred inflows (Notes 6 and 7)			
Pension related amounts	-	195,995	195,995
OPEB related amounts	<u>-</u>	<u>559,965</u>	<u>559,965</u>
	<u>-</u>	<u>755,960</u>	<u>755,960</u>
Total liabilities and deferred inflows	<u>249,338</u>	<u>6,137,982</u>	<u>6,387,320</u>

GEORGETOWN FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET, continued
June 30, 2019

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
FUND BALANCES/NET POSITION			
Fund balances (Note 8):			
Restricted	\$ 135,266	\$(135,266)	\$ -
Committed	300,500	(300,500)	-
Unassigned	<u>768,852</u>	<u>(768,852)</u>	<u>-</u>
Total fund balances	<u>1,204,618</u>	<u>(1,204,618)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$1,453,956</u>		
Net position (Note 8):			
Net investment in capital assets		1,269,412	1,269,412
Restricted		135,266	135,266
Unrestricted		<u>(4,271,976)</u>	<u>(4,271,976)</u>
Total net position		<u>\$(2,867,298)</u>	<u>\$(2,867,298)</u>

See notes to financial statements

GEORGETOWN FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
for the year ended June 30, 2019

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
Public protection	\$1,977,640	\$ 205,270	\$2,182,910
Support services	150,723	10,804	161,527
Capital outlay	-	-	-
Debt service - principal	113,726	(113,726)	-
- interest	17,513	-	17,513
Depreciation	<u>-</u>	<u>79,738</u>	<u>79,738</u>
Total program expenditures/expenses	<u>2,259,602</u>	<u>182,086</u>	<u>2,441,688</u>
Program revenues:			
Charges for services	<u>317,883</u>	<u>-</u>	<u>317,883</u>
Total program revenues	<u>317,883</u>	<u>-</u>	<u>317,883</u>
General revenues:			
Tax revenue	563,640	-	563,640
Other governmental agencies (Note 12)	1,150,000	-	1,150,000
Special assessment	145,668	-	145,668
Development fees	14,386	-	14,386
Interest	21,834	-	21,834
Other	116,029	-	116,029
Grants	10,000	-	10,000
Rent	1,800	-	1,800
Donations	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues	<u>2,023,357</u>	<u>-</u>	<u>2,023,357</u>
Excess of revenues (expenditures)/ changes in net position (carried forward)	81,638	(182,086)	(100,448)

See notes to financial statements

GEORGETOWN FIRE PROTECTION DISTRICT
 STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES, continued
 for the year ended June 30, 2019

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Excess of revenues (expenditures)/ changes in net position (brought forward)	\$ 81,638	\$(182,086)	\$(100,448)
Fund balances/net position:			
Beginning	1,122,980	764,898	1,887,878
Prior period adjustment (Note 11)	<u>-</u>	<u>(4,654,728)</u>	<u>(4,654,728)</u>
Beginning, as restated	<u>1,122,980</u>	<u>(3,889,830)</u>	<u>(2,766,850)</u>
Ending	<u>\$1,204,618</u>	<u>\$(4,071,916)</u>	<u>\$(2,867,298)</u>

See notes to financial statements

GEORGETOWN FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
COMPARED TO BUDGET
for the year ended June 30, 2019

	Budget	General Fund			Variance
		Fire	Ambulance	Total	Favorable/ (Unfavorable)
Revenues:					
General tax revenue	\$ 559,752	\$ 563,640	\$ -	\$ 563,640	\$ 3,888
Special assessment	138,703	145,668	-	145,668	6,965
Other governmental agencies (Note 12)	1,150,000	-	1,150,000	1,150,000	-
Development fees	27,653	14,386	-	14,386	(13,267)
Charges for services	110,000	317,883	-	317,883	207,883
Interest	1,000	21,834	-	21,834	20,834
Other	14,500	34,356	81,673	116,029	101,529
Grants	-	10,000	-	10,000	10,000
Rent	-	1,800	-	1,800	1,800
Donations	-	-	-	-	-
Total revenues	2,001,608	1,109,567	1,231,673	2,341,240	339,632
Expenditures:					
Salaries	935,100	339,433	579,666	919,099	16,001
Overtime	180,000	89,744	149,895	239,639	(59,639)
Retirement	345,000	86,059	219,662	305,721	39,279
Payroll taxes	48,250	24,360	18,406	42,766	5,484
Health insurance	250,200	82,024	127,907	209,931	40,269
Deferred comp/ long-term disab.	51,650	1,119	44,348	45,467	6,183
Workers' comp	68,000	57,864	11,735	69,599	(1,599)
Clothing and uniforms	31,200	9,259	2,524	11,783	19,417
Communications	13,000	9,688	-	9,688	3,312
Households and food	4,100	4,259	-	4,259	(159)
Insurance	22,500	20,357	274	20,631	1,869
Maintenance - equipment	39,700	53,469	1,654	55,123	(15,423)
- structures	21,500	9,752	-	9,752	11,748
Memberships	4,500	3,729	2,381	6,110	(1,610)
Miscellaneous	1,000	3,875	-	3,875	(2,875)
Office expense	3,600	2,597	-	2,597	1,003
Subscriptions/printing	3,000	3,333	514	3,847	(847)
Professional and specified services	37,600	51,993	2,092	54,085	(16,485)
Medical supplies	2,000	502	982	1,484	516
Legal notices	1,300	360	88	448	852

(continued)

See notes to financial statements

GEORGETOWN FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
COMPARED TO BUDGET, continued
for the year ended June 30, 2019

	Budget	General Fund			Variance
		Fire	Ambulance	Total	Favorable/ (Unfavorable)
Expenditures (continued):					
Rents and leases-equipment	3,000	3,163	-	3,163	(163)
Small tools	18,000	28,444	-	28,444	(10,444)
Special department expense	3,000	20,698	-	20,698	(17,698)
Safety supplies	5,000	58	-	58	4,942
Software	2,000	2,239	1,125	3,364	(1,364)
Staff development	17,000	9,450	487	9,937	7,063
Transportation	5,500	2,385	-	2,385	3,115
Fuel	18,300	21,361	-	21,361	(3,061)
Utilities	28,000	23,049	-	23,049	4,951
Debt service - principal	6,800	113,726	-	113,726	(106,926)
- interest	-	17,513	-	17,513	(17,513)
Equipment additions	177,700	-	-	-	177,700
Appropriations for contingencies	50,000	-	-	-	50,000
Total expenditures	<u>2,397,500</u>	<u>1,095,862</u>	<u>1,163,740</u>	<u>2,259,602</u>	<u>137,898</u>
Excess of revenues/(expenditures)	<u>\$ (395,892)</u>	<u>\$ 13,705</u>	<u>\$ 67,933</u>	<u>\$ 81,638</u>	<u>\$ 477,530</u>

See notes to financial statements

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
for the year ended June 30, 2019

1. Organization:

In 1854 the citizens of the Georgetown community developed fire protection via a loosely organized group known as the Mountain Hook and Ladder Company. The Georgetown Fire Protection District was legally formed as a political governmental agency in 1938.

The District's financial and administrative functions are governed by a five member Board of Directors elected by the voting population within the District.

Current District staffing includes a full time Chief, a full time Administrative Assistant, a full time Mechanic/Firefighter and one Captain/EMT assigned to the ambulance. There are five Engineer/Paramedics and one Captain/EMT assigned to the ambulance. There are approximately 30 fire line volunteer firefighters on the roster.

In 1981, the District became a part of a cooperative agreement with El Dorado County Service Area Seven. Thus, the District houses, operates and administers an Advanced Life Support ambulance twenty-four hours per day, seven days per week. Two personnel are on duty at any given time providing ambulance service to the entire Divide. In 1997 fire districts on the west slope of El Dorado County formed the El Dorado County Regional Pre-Hospital Joint Powers Authority.

The mission of the Georgetown Fire Protection District is to ensure the life safety, health and property of the public and business interests within the community. The methods utilized to accomplish this mission shall be through professional, cost efficient and effective emergency medical response, fire control, fire prevention and public education programs.

2. Summary of Significant Accounting Policies:

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

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2019

2. Summary of Significant Accounting Policies, continued:

Measurement Focus and Basis of Accounting

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

The 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 flow takes place. Non-exchange 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. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers revenues to be available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues that are accrued include property taxes, interest income, and charges for current services. Revenues that are not accrued include permits and fines, forfeitures, and penalties, if applicable. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital assets are reported as expenditures in governmental funds. Proceeds of general long-term and capital assets are reported as other financing sources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2019

2. Summary of Significant Accounting Policies, continued:

Capital Assets

Capital assets are recorded at historical cost if purchased or constructed. Amortization of assets acquired under capital lease and purchased goodwill is included in depreciation. Structures and equipment are depreciated using the straight-line method over their estimated useful lives.

Budgets

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

Compensated Absences

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability.

Cash

The District maintains cash balances with the Treasurer of El Dorado County in an interest-bearing pooled investment account.

Property Taxes

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

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2019

2. Summary of Significant Accounting Policies, continued:

Pensions

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

Other Postemployment Benefits ("OPEB")

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

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

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2019

2. Summary of Significant Accounting Policies, continued:

Net Position

Net position is classified in the following categories:

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

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

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

Fund Balance

Fund balance is classified in the following categories:

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

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

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

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

GEORGETOWN FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2019

2. Summary of Significant Accounting Policies, continued:

Use of Estimates

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

3. Cash:

Cash with County consists of:

General	\$1,295,803
Development fees	49,616
Health insurance	<u>85,650</u>
	<u>\$ 1,431,069</u>

4. Capital Assets:

Changes in capital assets for the year ended June 30, 2019 are as follows:

	<u>Balance, beginning of year</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance, end of year</u>
Land	\$ 560,519	\$ -	\$ -	\$ 560,519
Building and improvements	866,044	-	-	866,044
Equipment and vehicles	<u>1,629,793</u>	<u>-</u>	<u>-</u>	<u>1,629,793</u>
	<u>\$3,056,356</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,056,356</u>

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2019

5. Long-term Debt:

The following is a summary of the long-term activities for the year ended June 30, 2019:

	<u>2018</u>	New Debt <u>Issued</u>	Debt <u>Retired</u>	<u>2019</u>	Current <u>Portion</u>
Property loan	\$ 120,364	\$ -	\$ 21,893	\$ 98,471	\$ 22,997
Vehicle loan	13,824	-	6,220	7,604	7,604
Engine 264 loan	49,008	-	11,474	37,534	11,978
Engine 361 loan	<u>189,983</u>	<u>-</u>	<u>74,139</u>	<u>115,844</u>	<u>35,784</u>
	<u>\$ 379,179</u>	<u>\$ -</u>	<u>\$ 113,726</u>	<u>\$ 259,453</u>	<u>\$ 78,363</u>

On October 27, 2005, the District entered into a loan for the purchase of land for \$266,667. On July 24, 2008, the balance of this loan and the accrued interest were paid off from the proceeds of a new loan from Westamerica Bank. The amount of the new loan was \$289,780 at 4.98% due semi-annually in an amount of \$13,827 for 15 years.

In October 2014, the District entered into a loan with a bank for the purchase of a fire vehicle. The amount of the loan was \$30,000 at 3.820%; principal and interest payments of \$6,705 due annually on September 1 for five years through 2019.

During the 2017 fiscal year the District entered into a loan with a bank to help finance the purchase of a vehicle. The total amount of the loan was \$60,000 and the payments of \$13,626 are made on an annual basis through the end of the 2022 fiscal year.

During the 2017 fiscal year the District entered into a loan agreement with First Bank to finance the purchase of a vehicle. The total amount of the loan was \$189,983 and the payments of \$41,628 are made on an annual basis through the end of the 2023 fiscal year.

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2019

5. Long-term Debt, continued:

The future annual maturities of all long-term borrowings as of June 30, 2019 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 78,363	\$ 11,015	\$ 89,378
2021	76,636	7,651	84,287
2022	78,509	4,397	82,906
2023	<u>25,945</u>	<u>101</u>	<u>26,046</u>
	<u>\$ 259,453</u>	<u>\$ 23,164</u>	<u>\$ 282,617</u>

6. Defined Benefit Retirement Plan:

Plan Description

The District contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer defined benefit pension plan. For employees hired prior to March 31, 2012, the District participates in the miscellaneous 3% at 50 risk pool (safety) and 2.7% at 55 risk pool (miscellaneous). For employees hired after April 1, 2012, the District participates in the miscellaneous 2.7% @ 55 risk pool (safety) and 2% @ 62 risk pool (miscellaneous). CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public employers within the State of California. CalPERS require agencies with less than 100 active members in the plan to participate in the risk pool. A menu of benefits provision as well as other requirements is established by State Statutes within the Public Employees Retirement Law. The plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through District resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS executive Office, 400 P Street, Sacramento, California, 95814.

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2019

6. Defined Benefit Retirement Plan, continued:

Funding Policy

Covered employees are required by statute to contribute 9 percent or 13 percent (safety) and 8 percent or 6.75 percent (miscellaneous) of their salary to the plan after a formula to coordinate with Social Security. The District is required by the same statute to contribute the remaining amounts necessary to pay benefits when due; the District pays the employees' share. The District is required to contribute at an actuarially determined rate.

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	<u>Safety Classic</u>	<u>Safety PEPRA</u>	<u>Miscellaneous Classic</u>	<u>Miscellaneous PEPRA</u>
Benefit Formula	3% @ 50	2.7% @ 57	2.7% @ 55	2% @ 62
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement Age	50+	57+	55+	62+
Monthly as % of Compensation	3%	2.7%	2.7%	2%
Required Employee Contribution Rates	9%	13%	8%	6.75%
Required Employer Contribution Rates	22.437%	13.044%	13.515%	7.732%

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2019

6. Defined Benefit Retirement Plan, continued:

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

For the year ended June 30, 2019, the contributions were as follows:

	Safety & <u>Miscellaneous</u>
Contributions – employer	\$ <u>101,226</u>

GEORGETOWN FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2019

6. Defined Benefit Retirement Plan, continued:

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

As of June 30, 2019, the District reported net pension liability for the District as follows:

Net pension liability	
Miscellaneous	\$ 297,425
Safety	<u>2,367,900</u>
	<u>\$2,665,325</u>

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2018 was as follows:

	<u>Miscellaneous Plan</u>
Proportion – June 30, 2017	0.00814%
Proportion – June 30, 2018	<u>0.00789%</u>
Change – Increase/(Decrease)	<u>(0.00025)%</u>
	<u>Safety Plan</u>
Proportion – June 30, 2017	0.03941%
Proportion – June 30, 2018	<u>0.04036%</u>
Change – Increase/(Decrease)	<u>0.00094%</u>

GEORGETOWN FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2019

6. Defined Benefit Retirement Plan, continued:

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

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumption	\$ 226,584	\$ -
Net differences between projected and actual earnings on pension plan investment	17,502	-
Difference between expected and actual experiences	58,213	-
Changes in employer's proportion	-	20,827
Difference between the employee's contributions and employer's proportionate share	-	175,168
Pension contributions subsequent to measurement date	<u>101,226</u>	<u>-</u>
	<u>\$ 403,525</u>	<u>\$ 195,995</u>

\$101,226 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended June 30, 2020. Other following amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2020	\$ 150,334
2021	80,825
2022	(105,777)
2023	(19,076)
Thereafter	-

GEORGETOWN FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2019

6. Defined Benefit Retirement Plan, continued:

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation date	June 30, 2017	June 30, 2017
Measurement date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	3.3%-14.2%	3.3%-14.2%
Investment Rate of Return	7.15%	7.15%

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

In December 2016, CalPERS' Board of Directors voted to lower the discount rate from 7.5% to 7.0% over the next three fiscal years, beginning in fiscal year 2018. The change in the discount rate will affect the contribution rates beginning in fiscal year 2019 and result in increases to the normal costs and unfunded actuarial liabilities.

GEORGETOWN FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2019

6. Defined Benefit Retirement Plan, continued:

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the 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 rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	<u>2.0%</u>	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

GEORGETOWN FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2019

6. Defined Benefit Retirement Plan, continued:

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

1% Decrease	6.15%
Net Pension Liability	\$3,935,974
Current Discount Rate	7.15%
Net Pension Liability	\$2,665,325
1% Decrease	8.15%
Net Pension Liability	\$1,623,634

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

7. Other Post-Employment Benefits (OPEB):

Plan Description

The District administers a single-employer defined-benefit post-employment healthcare plan. Dependents are eligible to enroll, and benefits continue to surviving spouses.

Benefits Provided

Retirees are eligible for medical benefits if they retire at age 50+ with 5 years of CalPERS service. The District pays for 100% of premiums up to a maximum of \$1,100/month, as of June 30, 2019. The maximums are subject to change (increases) over time.

GEORGETOWN FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2019

7. Other Post-Employment Benefits (OPEB), continued:

Employees Covered by Benefit Terms

At June 30, 2019 (the census date), the benefit terms covered the following employees:

<u>Category</u>	<u>Count</u>
Inactive employees, spouses, or beneficiaries currently receiving benefit payments:	5
Inactive employees entitled to but not yet receiving benefit payments:	4
Active employees:	7
Total	16

Total OPEB Liability

The District's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

Discount rate	3.13%
Inflation	2.5%
Payroll Increase	2.75%
Healthcare Trend	3.84%

Discount Rate

The discount rate used to measure the total OPEB liability was 3.13%. The discount rate is based on an index of 20 year General Obligation municipal bonds.

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2019

7. Other Post-Employment Benefits (OPEB), continued:

Change in Net OPEB Liability as of June 30, 2019

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Rollback balance at June 30, 2018	\$2,828,635	\$ -	\$2,828,635
Changes recognized for the measurement period:			
Service cost	185,304	-	185,304
Interest on total OPEB liability	103,875	-	103,875
Difference between expected and actual experience	(746,621)	-	(746,621)
Assumption changes	178,235	-	178,235
Benefit payments	(62,079)	-	(62,079)
Implicit subsidy credit	<u>(30,105)</u>	<u>-</u>	<u>(30,105)</u>
Net changes during July 1, 2018 to June 30, 2019	<u>(371,391)</u>	<u>-</u>	<u>(371,391)</u>
Balance at June 30, 2019 (Measurement Date)	<u>\$2,457,244</u>	<u>\$ -</u>	<u>\$2,457,244</u>

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

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

	<u>Discount Rate 1% Lower</u>	<u>Valuation Discount Rate 3.13%</u>	<u>Discount Rate 1% Higher</u>
Total OPEB liability	\$2,825,334	\$2,457,244	\$2,155,517

GEORGETOWN FIRE PROTECTION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2019

7. Other Post-Employment Benefits (OPEB), continued:

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

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

	Trend 1% Lower	Valuation Trend 3.84%	Trend 1% Higher
Net OPEB liability	\$2,119,391	\$2,457,244	\$2,872,270

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

For the fiscal year ended June 30, 2019 the District recognized OPEB expense of \$147,082. Under GASB 74 and 75, OPEB expense includes service cost, interest cost, change in total OPEB liability due to plan changes; all adjusted for deferred inflows and outflows.

Funding Policy

The District has no plan assets in a CERBT trust fund.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 133,676	\$ -
Difference between actual and expected experience	<u>-</u>	<u>559,965</u>
	<u>\$ 133,676</u>	<u>\$ 559,965</u>

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2019

8. Equity:

General fund:

Total fund balances consist of:

Restricted for:

Development fees	\$ 49,616	
Retiree health benefits	<u>85,650</u>	\$ 135,266

Committed for:

Reserved for imprest cash	500	
General reserve	100,000	
Equipment replacement	100,000	
Compensated absences	<u>100,000</u>	300,500

Unassigned:

<u>768,852</u>
<u>\$ 1,204,618</u>

Statement of net position:

Total net position consist of:

Net investment in capital assets	\$ 1,269,412
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Restricted:

Development fees	\$ 49,616	
Retiree health benefits	<u>85,650</u>	135,266

Unrestricted:

Board designated:

Reserved for imprest cash	500
General reserve	100,000
Liability reserve	100,000
Compensated absences	<u>100,000</u>
	300,500

Undesignated:	<u>(4,572,476)</u>	(4,271,976)
		<u>\$(2,867,298)</u>

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2019

9. Subsequent Events:

Management has evaluated subsequent events through April 14, 2021, the date these June 30, 2019 financial statements were available to be issued.

10. Risk of Loss:

Georgetown Fire Protection District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During the 2019 fiscal year, the District purchased certain commercial insurance coverages to provide for these risks.

11. Restatements:

Pursuant to the requirements of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*, the District was required to recognize long-term obligation for pension benefits as a liability on the statement of net position. At July 1, 2018 net position was restated by \$2,279,865 to recognize the District's pension obligation.

The District's net position was restated to reflect the OPEB beginning balance in accordance with the implementation of GASB 75 – *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. At July 1, 2018 net position was restated by \$2,374,863 to recognize the District's OPEB obligation.

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2019

12. Joint Powers Authority:

The District is a member agency of the El Dorado County Emergency Services Authority, a Joint Powers Authority (JPA), which provides ambulance and other pre-hospital emergency transport services on the west slope of El Dorado County. There are ten member agencies in total. The governing Board of Directors controls the operations of the JPA. The JPA Board is made up of a Fire Chief or authorized alternate from each member agency. The JPA is independently accountable fiscal matters and maintains its own accounting records under the oversight of the El Dorado County board of Supervisors. Each of the ten-member Fire Districts approves the JPA budget and their vote is carried by their Fire Chief to the Board. The JPA contracts with the District for five Engineer/Paramedics and one Captain/EMT.

For fiscal year June 30, 2019, the District is provided a flat fee of \$1,150,000 that is designed to reimburse all costs incurred in the execution of the contract.

REQUIRED SUPPLEMENTARY INFORMATION

GEORGETOWN FIRE PROTECTION DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET
 PENSION LIABILITY
 As of June 30, 2019
 Last 10 years (1)

	2019
Proportion of the net pension liability	0.0028%
Proportionate share of the net pension liability/asset	\$2,665,325
Covered – employee payroll	\$ 532,196
Proportionate share of the net pension liability as percentage of covered-employee payroll	500.82%
Plan fiduciary net position as a percentage of the total pension liability	71.13%

Notes to Schedule:

Changes in assumptions: None

(1) Fiscal year 2019 was the 1st year of implementation, therefore only one year is shown.

GEORGETOWN FIRE PROTECTION DISTRICT
 SCHEDULE OF CONTRIBUTIONS FOR PENSIONS
 As of June 30, 2019
 Last 10 years (1)

	2019
Contractually required contribution (actuarially determined)	\$ 101,226
Contributions in relation to the actuarially determined contributions	101,226
Contribution deficiency (excess)	\$ -
Covered – employee payroll	\$ 532,196
Contributions as a percentage of covered employee payroll	19.02%

Notes to Schedule:
Valuation date:

Methods and assumptions used to determine contribution rates:

Amortization method	Entry Age Normal Cost Method
Remaining amortization period	15 years
Asset valuation method	Market Value
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.15% Net of Pension Plan Investment and Admin. Expenses

(1) Fiscal year 2019 was the 1st year of implementation, therefore only one year is shown.

GEORGETOWN FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
As of June 30, 2019

	<u>2019</u>
Total OPEB liability:	
Service cost	\$ 185,304
Interest on total OPEB liability	103,875
Benefit payments	-
Assumption changes	(660,570)
Net change in total OPEB liability	(371,391)
Total OPEB liability, beginning	<u>2,828,635</u>
Total OPEB liability, ending	2,457,244
OPEB Fiduciary net position, beginning and ending	<u>-</u>
Net OPEB Liability	<u>\$2,457,244</u>
Covered – employee payroll	\$ 532,196
Plan net OPEB liability as a percentage of covered- employee payroll	461.7%

Notes to Schedule:

Changes in assumptions: none

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

SUPPLEMENTAL DATA

GEORGETOWN FIRE PROTECTION DISTRICT
PRINCIPAL OFFICIALS
for the year ended June 30, 2019

Board of Directors:

Rod Williams	President
Craig Davis	Vice-President
Bob Brown	
Larry Anderson	
Rick Todd	

Operations:

Glenn Brown	Fire Chief (hired September 2019)
Diana Sampson	Administrative Assistant

