STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT, CALIFORNIA

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2022**

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STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Annual Financial Report
For the Year Ended June 30, 2022

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INTRODUCTORY SECTION

- **List of Officials**

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STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
List of Officials
For the Year Ended June 30, 2022

Board of Directors

Jonathan Goulding	President
Charles Neal	Vice President
Greg Bernardi	Director
Steven Stanfield	Director
Brandon Rivers	Director

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FINANCIAL SECTION

- **Independent Auditor's Report**
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Stanislaus Consolidated Fire Protection District
Riverbank, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Stanislaus Consolidated Fire Protection District, California (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 District as of June 30, 2022, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

950 THARP ROAD, SUITE 502 YUBA CITY, CA 95993 TEL: (530) 673-9790 FAX: (530) 673-1305 ACCOUNTING@SMITHANDNEWELL.COM

To the Board of Directors
Stanislaus Consolidated Fire Protection District
Riverbank, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Board of Directors
Stanislaus Consolidated Fire Protection District
Riverbank, California

Required Supplementary Information

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 15, 2023, 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 solely 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.

Smith ~ Newell

Smith & Newell CPAs
Yuba City, California
February 15, 2023

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Management’s Discussion and Analysis (Unaudited)

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STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

INTRODUCTION

As management of the Stanislaus Consolidated Fire Protection District (the "District"), we offer readers this discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2022. Readers are encouraged to consider the information presented here in conjunction with additional information, which can be found in the District's financial statements that follow this discussion.

FINANCIAL HIGHLIGHTS

Government-Wide:

- The District's total net position (assets minus liabilities) increased $2,387,889 as of June 30, 2022.
- Government-wide *governmental* revenues include program revenues of $11,077,923 and general revenues of $3,356,198 for a total of $14,434,121.
- Government-wide *governmental* expenses were $12,628,965.
- Government-wide Prior Period Adjustments were $582,733 and accounted for an update to the stated asset values of all fire stations and related land upon which they are built.

Fund Level:

- Governmental Fund balance increased to $6,507,322 in fiscal year 2021-22, up from the amount of $5,030,785 in the prior year due to an increase in the amount of Proposition 172; SAFER Grant; Development; and Special District COVID-related funding received from a variety of sources.
- Governmental Fund revenues were $26,156,824 in fiscal year 2021-22, up $13,145,416 from the prior fiscal year. This increase was primarily due to receipt of one-time bond proceeds in the amount of $11,635,000 related to a bond issued to pay down the CalPERS Unfunded Liability debt; and also due to the receipt of one-time revenues noted above.
- Governmental Fund expenditures were $24,680,287 in fiscal year 2021-22, up $11,100,540 from the prior fiscal year mainly due a one-time payment to CalPERS towards the Unfunded Liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These Government-Wide Financial Statements are presented on pages 10 and 11 of this report and consist of:

Governmental Activities – these services are principally supported by taxes, assessments and intergovernmental revenues. All of the District's basic services are considered governmental activities and include public protection and related debt obligations.

Within the framework of these activities, a Statement of Net Position and a Statement of Activities report information about the District as a whole. These statements include all assets and liabilities of the District (i.e., infrastructure and long-term debt) and use the accrual basis of accounting in which all the current year revenues and expenses are taken into account regardless of when the cash is received or paid. The two statements, which consist of both General and Development-related activities accounted for as special revenue funds at the fund level, can be generally described as follows:

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Notably, these statements differ from the Fund Financial Statements in that they include all assets of the District (including infrastructure) and all liabilities (including long-term debt) and exclude certain interfund receivables, payables and other interfund activity as prescribed by GASB Statement No. 34. A reconciliation between the two is provided on page 13 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Stanislaus Consolidated Fire Protection District, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds used in the District fall into one category: governmental funds.

Governmental funds - all of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. This information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds in the reconciliation on page 15 of this report.

Notes to Basic Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Supplemental Information - In addition to the basic financial statements and accompanying notes, this report also presents required supplemental information and supplemental information.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements provide long-term and short-term information about the District's overall financial conditions. This analysis addresses the financial statements of the District as a whole.

Stanislaus Consolidated Fire Protection District
Summary of Net Position
June 30, 2021 and 2022

	Governmental Activities	
	2021	**2022**
Assets		
Current and other assets	$ 6,133,696	$ 7,682,871
Non current assets	6,983,241	7,061,258
Total Assets	13,116,937	14,744,129
Deferred Outflows of Resources		
Deferred pension adjustments	3,990,568	15,544,776
Deferred OPEB adjustments	585,565	566,759
Total Deferred Outflows of Resources	4,576,133	16,111,535
Liabilities		
Current liabilities	448,180	918,627
Noncurrent liabilities	23,251,868	27,481,911
Total Liabilities	23,700,048	28,400,538
Deferred Inflows of Resources		
Deferred pension adjustments	512,187	6,593,304
Deferred OPEB adjustments	5,176,240	5,169,338
Total Deferred Inflows of Resources	5,688,427	11,762,642
Net Position		
Net investment in capital assets	5,842,989	6,188,137
Restricted	475,295	589,722
Unrestricted	(18,013,689)	(16,085,375)
Total Net Position	$ (11,695,405)	$ (9,307,516)

Net position represents the difference between the District's resources and its obligations. On June 30, 2022, the District has a negative net position of ($9,307,516), of which a negative amount of ($16,085,375) is unrestricted net position. Negative net position results when certain liabilities of the District outstrip the amount of total assets on hand. With the issuance of the Pension Obligation Bonds in FY 2021-22, over $11 million in new debt was added to the District's ledger, driving the negative balance of net position. As this new debt is paid off over the next 18 years, the net position will likely increase and become less negative. Additionally, the District has set aside $589,722 in restricted net position, which represents funds held for CEQA and development-related activities. Finally, net investment in capital assets makes $6,188,137 of net position. This component of net position reflects the total amount of funds used to acquire capital assets less any outstanding debt used for such acquisition. Capital assets are used by the District to provide services to its constituency.

Overall, the restated net position for the governmental portion of the District funds has increased $2,387,889 mainly due to an increase in the amount of Proposition 172; SAFER Grant; Development; and Special District COVID-related funding received by the District. These additional funds enabled the District to not only realize an annual increase in net position, but also contributed to an increase in fund balance for the District's General Fund.

Restricted net position of $589,722 represents resources subject to external restrictions as to how they may be used.

Stanislaus Consolidated Fire Protection District
Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2022

	Governmental Activities 2021	Governmental Activities 2022
Revenues		
Program Revenues		
Charges for Services	$ 7,657,758	$ 7,895,172
Operating grants and contributions	637,692	3,182,751
General Revenues		
Property taxes	3,681,470	3,164,036
Development impact fees	-	114,505
Interest and investing earnings	47,983	32,055
Other revenues	239,135	45,602
Total Revenues	$ 12,264,038	$14,434,121
Expenses		
Public protection	12,911,264	12,171,353
Interest on long-term debt	-	289,462
Cost of issuance on long-term debt	-	168,150
Total Expenses	$ 12,911,264	$12,628,965
Excess (deficiency) before transfers	(647,226)	1,805,156
Transfers	-	-
Change in Net Position	(647,226)	1,805,156
Net Position - Beginning of Year	(11,048,179)	(11,695,405)
Prior period adjustment	-	582,733
Net Position - Beginning of Year, Restated	(11,048,179)	(11,112,672)
Net Position - End of Year	$ (11,695,405)	$ (9,307,516)

Governmental Activities:

The District's governmental activities increased the District's net position by $2,387,889. Revenues were $14,434,121 which represented an increase of $2,170,083 or 17.7 percent over the prior fiscal year. This increase can be primarily attributed to increases in operating grants and contributions related to the SAFER, Proposition 172 and COVID-related funding received during the fiscal year. It should also be mentioned that the Redevelopment Pass-Through and Residual funding received in FY 2020-21 and classified as Property Taxes has been reclassified as Operating Grants & Contributions for FY 2021-22. Expenses were $12,628,965 which represents a decrease of $282,299 or 2.2 percent mainly due to lower salary costs as the District "right-sizes" staffing levels and works to fill vacant positions.

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The District uses fund accounting to insure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the District government, reporting the District's operation in more detail than the government-wide statements. The District's governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. The District's governmental funds reported combined fund balance on June 30, 2022, of $6,507,322. The General Fund increased $1,362,110 and other Governmental Funds increased by $114,427. The General Fund increase was mainly due to increased receipts of Proposition 172, SAFER Grant and Special District COVID funding. The increase in the other Special Revenue funds increased due to high levels of development experienced district-wide.

Analysis of the General Fund

The General Fund is the primary operating fund of the District. It accounts for revenues and expenditures associated with fire services, and debt administration.

General fund revenues totaled $26,042,397 in fiscal year 2021-22, an increase of $13,087,648 over the prior fiscal year. This was primarily due to the aforementioned receipts of one-time revenues and also the receipt of $11,635,000 in bond proceeds used to pay down the CalPERS Unfunded Liability as part of the new CalPERS Pension Obligation Bond.

General fund expenditures totaled $24,680,287 in fiscal year 2021-22, an increase of $11,501,147 over last fiscal year. This was primarily due to a one-time payment to CalPERS related to the payoff of the Unfunded Liability and funded with bond proceeds from the Pension Obligation Bond.

At the end of fiscal year 2021-22, the fund balance for the District's General Fund was $5,917,600 an increase of $1,362,110 from the restated prior fiscal year. The fund balance in the General Fund was comprised of $3,276,971 which is assigned for economic contingencies and future leave balance payouts; and $2,640,629 which is unassigned. The unassigned portion of the fund balance in the General Fund increased $1,362,110 when compared to the restated FY 2020-21 unassigned balance.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital assets

At the end of fiscal year 2021-22, the District had invested $13.18 million invested in a broad range of capital assets, including fire and office equipment, buildings and facilities. Of this amount $7.38 million has been depreciated, leading to a net asset value of $7.06 million District-wide. Additional detailed information on the District's capital assets is presented Note 4 to the financial statements on page 19 of this report.

The financial statements summarize the District's accounting policies regarding capital assets in Note 1 of the note disclosures. In general terms, the District capitalizes assets in governmental funds at the $5,000 level. These capital assets are depreciated on a straight-line basis varied from 3 years to 50 years.

Stanislaus Consolidated Fire Protection District
Capital Assets (Net of Depreciation)
June 30, 2021 and 2022

	Governmental Activities	
	2021	**2022**
Land	$ 680,537	$ 1,263,270
Buildings and improvements	4,097,975	3,926,793
Vehicles	1,821,795	1,547,851
Furniture and equipment	382,934	323,344
Total	$ 6,983,241	$ 7,061,258

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Budgetary factors impacting the District continue to evolve well into FY 2022-23. Development has continued to grow while the District strives to maintain existing revenue sources to sustain the viability of existing service levels. The District has adopted a budget which accounts for a $487,391 surplus based on receipt of the second tranche of the COVID-related Special District funding from the State. It is expected that these funds will be used for fire suppression operations and / or much needed capital apparatus which will be considered during the fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or request for additional financial information should be directed to:

Stanislaus Consolidated Fire Protection District
3324 Topeka Street, Riverbank, CA 95367
(209) 869-7470
bwithrow@scfpd.us

Basic Financial Statements

- **Government-Wide Financial Statements**

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STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Statement of Net Position
June 30, 2022

	Total Governmental Activities
ASSETS	
Cash and investments	$ 6,738,983
Receivables:	
Accounts	27,818
Intergovernmental	916,070
Capital assets:	
Non-depreciable	1,263,270
Depreciable, net	5,797,988
Total capital assets	7,061,258
Total Assets	14,744,129
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension adjustments	15,544,776
Deferred OPEB adjustments	566,759
Total Deferred Outflows of Resources	16,111,535
LIABILITIES	
Accounts payable	58,396
Salaries and benefits payable	147,521
Unearned revenue	474,889
Interest payable	237,821
Long-term liabilities:	
Due within one year	707,801
Due in more than one year	12,931,780
Net pension liability	9,389,042
Net OPEB liability	4,453,288
Total Liabilities	28,400,538
DEFERRED INFLOWS OF RESOURCES	
Deferred pension adjustments	6,593,304
Deferred OPEB adjustments	5,169,338
Total Deferred Inflows of Resources	11,762,642
NET POSITION	
Net investment in capital assets	6,188,137
Restricted for:	
Development and CEQA fees	589,722
Unrestricted	(16,085,375)
Total Net Position	$ (9,307,516)

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

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Statement of Activities
For the Year Ended June 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Total Governmental Activities**
Governmental activities:					
Public protection	$ 12,171,353	$ 7,895,172	$ 3,182,751	$ -	$ (1,093,430)
Interest on long-term debt	289,462	-	-	-	(289,462)
Costs of issuance on long-term debt	168,150	-	-	-	(168,150)
Total Governmental Activities	12,628,965	7,895,172	3,182,751	-	(1,551,042)
Total	$ 12,628,965	$ 7,895,172	$ 3,182,751	$ -	(1,551,042)

General revenues:	
Taxes:	
Property taxes	3,164,036
Development impact fees	114,505
Interest and investment earnings	32,055
Miscellaneous	45,602
Total General Revenues	3,356,198
Change in Net Position	1,805,156
Net Position - Beginning	(11,695,405)
Prior period adjustment	582,733
Net Position - Beginning, Restated	(11,112,672)
Net Position - Ending	$ (9,307,516)

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

Basic Financial Statements

- **Fund Financial Statements**

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STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	CEQA Riverbank	CEQA Waterford Hickman	Development Fees Riverbank
ASSETS				
Cash and investments	$ 6,146,676	$ 386,018	$ 62,571	$ 106,583
Receivables:				
Accounts	27,818	-	-	-
Intergovernmental	916,070	-	-	-
Due from other funds	2,585	-	-	-
Total Assets	$ 7,093,149	$ 386,018	$ 62,571	$ 106,583
LIABILITIES				
Accounts payable	$ 58,396	$ -	$ -	$ -
Salaries and benefits payable	147,521	-	-	-
Unearned revenue	474,889	-	-	-
Due to other funds	-	1,523	267	795
Total Liabilities	680,806	1,523	267	795
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	494,743	-	-	-
Total Deferred Inflows of Resources	494,743	-	-	-
FUND BALANCES				
Restricted	-	384,495	62,304	105,788
Assigned	3,276,971	-	-	-
Unassigned	2,640,629	-	-	-
Total Fund Balances	5,917,600	384,495	62,304	105,788
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 7,093,149	$ 386,018	$ 62,571	$ 106,583

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

Development Fees Waterford Hickman	Totals
$ 37,135	$ 6,738,983
-	27,818
-	916,070
-	2,585
$ 37,135	$ 7,685,456
$ -	$ 58,396
-	147,521
-	474,889
-	2,585
-	683,391
-	494,743
-	494,743
37,135	589,722
-	3,276,971
-	2,640,629
37,135	6,507,322
$ 37,135	$ 7,685,456

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position - Governmental Activities
June 30, 2022

Total Fund Balance - Total Governmental Funds	$ 6,507,322
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	7,061,258
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenues in the governmental funds.	494,743
Interest payable on long-term debt does not require the use of current financial resources and therefore is not accrued as a liability in the governmental funds balance sheet.	(237,821)
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	16,111,535
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds.	(11,762,642)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.	
Pension obligation bonds	(11,547,737)
Loans payable	(873,122)
Compensated absences	(1,218,722)
Net pension liability	(9,389,042)
Net OPEB liability	(4,453,288)
Net Position of Governmental Activities	$ (9,307,516)

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

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STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	CEQA Riverbank	CEQA Waterford Hickman	Development Fees Riverbank
REVENUES				
Taxes and assessments	$ 10,809,981	$ -	$ -	$ -
Development impact fees	604	68,178	33,456	2,779
Use of money and property	31,529	247	45	177
Intergovernmental	3,357,717	-	-	-
Charges for services	249,227	-	-	-
Other revenues	45,602	-	-	-
Total Revenues	14,494,660	68,425	33,501	2,956
EXPENDITURES				
Public Protection				
Salaries and benefits	21,363,979	-	-	-
Services and supplies	2,152,889	-	-	-
Debt service:				
Principal	921,430	-	-	-
Interest	66,619	-	-	-
Costs of issuance	168,150	-	-	-
Capital outlay	7,220	-	-	-
Total Expenditures	24,680,287	-	-	-
Excess of Revenues Over (Under) Expenditures	(10,185,627)	68,425	33,501	2,956
OTHER FINANCING SOURCES (USES)				
Debt proceeds	11,635,000	-	-	-
Discount on issuance of debt	(87,263)	-	-	-
Total Other Financing Sources (Uses)	11,547,737	-	-	-
Net Change in Fund Balances	1,362,110	68,425	33,501	2,956
Fund Balances - Beginning	4,555,490	316,070	28,803	102,832
Fund Balances - Ending	$ 5,917,600	$ 384,495	$ 62,304	$ 105,788

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

Development Fees Waterford Hickman	Totals
$ -	$ 10,809,981
9,488	114,505
57	32,055
-	3,357,717
-	249,227
-	45,602
9,545	14,609,087
-	21,363,979
-	2,152,889
-	921,430
-	66,619
-	168,150
-	7,220
-	24,680,287
9,545	(10,071,200)
-	11,635,000
-	(87,263)
-	11,547,737
9,545	1,476,537
27,590	5,030,785
$ 37,135	$ 6,507,322

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	$ 1,476,537
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay 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.	
Expenditures for capital outlay	7,220
Less current year depreciation	(512,086)
Various capital asset adjustments	150
Some revenues reported in the Statement of Activities will not be collected for several months after the District's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.	
Change in unavailable revenues	(174,966)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Principal retirements	921,430
Proceeds from issuance of debt	(11,547,737)
Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental funds.	
Change in deferred outflows of resources related to pension and OPEB	11,535,402
Change in deferred inflows of resources related to pension and OPEB	(6,074,215)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Change in compensated absences	(4,975)
Change in net pension liability	6,043,608
Change in net OPEB liability	357,631
Change in accrued interest on long-term debt	(222,843)
Change in Net Position of Governmental Activities	$ 1,805,156

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

Basic Financial Statements

- **Notes to Basic Financial Statements**

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Stanislaus Consolidated Fire Protection District is a special district within the County of Stanislaus governed by an independent six-member Board of Directors. The District was established to provide fire prevention and suppression and rescue services within its boundaries.

Component Units

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the District.

Joint Agencies

The District is a member of the Special District Risk Management Authority (SDRMA). SDRMA is a joint powers authority organized for the purpose of providing coverage protection, risk management services, claims management as well as safety and loss prevention programs for its members. SDRMA is composed of member agencies and is governed by a board of directors appointed by the members. Complete audited financial statements can be obtained from SDRMA's office at 1112 I Street, Suite 300, Sacramento, CA 95814. The District is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information on all the activities of the District. Eliminations have been made to minimize the double counting of internal activities. These statements report the governmental activities of the District, which are normally supported by property taxes, intergovernmental revenues and special assessments. The District had no business-type activities at June 30, 2022.

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 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements

Fund financial statements of the District are organized into five funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. The funds of the District are organized into the governmental category. The emphasis is placed on major funds, each displayed in a separate column.

The District reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General fund includes such activities as fire protection.

- The CEQA Riverbank fund is a special revenue fund used to account for revenues and expenditures related to the California Environmental Quality Act within the City of Riverbank. Funding comes primarily from collection of fees by the District on development in the District area.

- The CEQA Waterford Hickman fund is a special revenue fund used to account for revenues and expenditures for related to the California Environmental Quality Act with the cities of Waterford and Hickman. Funding comes primarily from collection of fees by the District on development in the District area.

- The Development Fees Riverbank fund is a special revenue fund used to account for revenue and expenditures for development in the Riverbank area. Funding comes primarily from the collection of development fees.

- The Development Fees Waterford Hickman fund is a special revenue fund used to account for revenue and expenditures for development in the Waterford and Hickman areas. Funding comes primarily from the collection of development fees.

C. Basis of Accounting and Measurement Focus

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 tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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. Property taxes, charges for services, certain state and federal grants, and use of money and property are considered susceptible to accrual and are accrued when their receipt occurs within 60 days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred as under accrual accounting. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide Statement of Net Position.

E. Cash and Investments

The District pools all cash and investments, other than cash held in checking and savings accounts, with the County of Stanislaus. The Stanislaus County Treasury is an external investment pool for the District and the District is considered an involuntary participant. The District's share in this pool is displayed in the accompanying financial statements as cash and investments.

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on the amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants every quarter based on the participant's average daily cash balance at quarter end in relation to the total pool investments. This method differs from the fair value method used to value investments in these financial statements.

F. Receivables

Receivables for governmental activities consist mainly of accounts and amounts due from other governments. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

G. Capital Assets

Capital assets are defined by the District as an asset with a cost greater than $5,000 with at least five years expected life. Capital assets are recorded at historical cost or estimated historical cost if actual is unavailable. Contributed capital assets are recorded at their estimated acquisition value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives. The range of estimated useful lives by type of asset is as follows:

Depreciable Asset	Estimated Lives
Improvements	10 to 40 years
Buildings	10 to 30 years
Equipment	3 to 20 years
Vehicles	5 to 20 years
Furniture	10 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the result of operations.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Property Tax

Stanislaus County is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County of Stanislaus up to 1 percent of the full cash value of taxable property, plus other increases approved by the voter and distributed in accordance with statutory formulas.

The valuation/lien date for all taxes is January 1. Secured property tax is due in two installments, the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Unsecured property tax is due on March 1 and becomes delinquent if unpaid after December 10 and April 10.

The County uses the alternative method of property tax apportionment known as the "Teeter Plan". Under this method of property tax apportionment, the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

I. Special Assessments

The special assessments are for the purpose of obtaining, furnishing, operating and maintaining fire suppression equipment or apparatus or for the purpose of paying the salaries and benefits of firefighting personnel, or both, whether or not fire suppression services are actually used by or upon a parcel, improvement or property.

J. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion to interfund loans) as appropriate and are subject to elimination upon consolidation. Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the Government-Wide Statement of Activities.

Reimbursements occur when the funds responsible for particular expenditures repay the funds that initially paid for them. Such reimbursements are reflected as expenditures in the reimbursing fund and reductions to expenditures in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation of the government-wide presentation.

K. Compensated Absences

The District's policy regarding vacation is to permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as a long-term liability in the government-wide financial statements. The current portion of this liability is estimated based on historical trends. In the fund financial statements, the expenditures related to those obligations are recognized when they mature.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's 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.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

M. 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 fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report 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 two items that qualify for reporting in this category. These items relate to the outflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report 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 so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items relate to the inflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met.

P. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Q. Implementation of Governmental Accounting Standards Board (GASB) Statements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

Statement No. 87, Leases. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period.

Statement No. 92, Omnibus 2020. This Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature.

Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement is to address implications of GASB Statement No. 53 and GASB Statement No. 87 and other accounting and financial reporting implications that result from the replacement of an IBOR.

Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

R. Future Accounting Pronouncements

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 91 "Conduit Debt Obligations" The requirements of this statement are effective for periods beginning after December 15, 2021. (FY 22/23)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Future Accounting Pronouncements (Continued)

Statement No. 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements” The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)

Statement No. 96 “Subscription-Based Information Technology Arrangements”The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Position

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the District reports these changes as restatements of beginning net position/fund balance. During the current year, an adjustment was required to include donated land from prior years.

The impact of the restatement on the net position of the government-wide financial statements as previously reported is presented below:

	Governmental Activities
Net Position, June 30, 2021, as previously reported	($ 11,695,405)
Adjustment associated with:	
Capital assets	582,733
Total Adjustment	582,733
Net Position, July 1, 2021, as previously restated	($ 11,112,672)

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2022, the District’s cash and investments consisted of the following:

Cash:	
Cash on hand	$ 100
Deposits (less outstanding warrants)	6,145,026
Total Cash	6,145,126
Investments:	
Stanislaus County Treasurer’s Pool	593,857
Total Investments	593,857
Total Cash and Investments	$ 6,738,983

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

B. Cash

At year end, the carrying amount of the District's cash deposits (including amounts in a checking and savings accounts) was $6,145,026 and the bank balance was $6,402,980. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the District had cash on hand of $100.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The District complies with the requirements of the California Government Code. Under this code, deposits of more than $250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first $250,000 of the District's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits of more than the $250,000 insured amount are collateralized.

C. Investments

The District's only approved investment instruments are certificates of deposits. Any additional investment instruments must be approved by the board. At June 30, 2022, cash and investments of the District were in the County of Stanislaus investment pool. Under the provisions of the County's investment policy and the California Government Code the County may invest or deposit in the following:

Local Agency Bonds, Notes, and Warrants
U.S. Treasury Bonds, Notes, and Bills, Corporate Bonds, and Notes
California State Registered Warrants, Treasury Notes, and Bonds
State Registered Treasury Notes and Bonds
U.S. Agency and GSE Bonds and Notes
Banker's Acceptances
Commercial Paper
Negotiable Certificates of Deposits
Certificates of Deposits (Non-Negotiable)
Repurchase Agreements
Medium-Term Corporate Notes
Mutual Funds
California Asset Management Program (CAMP)
Money Market Funds
Local Agency Investment Fund (LAIF)
Supranational Bonds and Notes

Fair Value of Investments - The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

Level 1: Quoted prices for identical investments in active markets;
Level 2: Observable inputs other than quoted market prices; and,
Level 3: Unobservable inputs

The District's position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the District's investment in external investment pools are not recognized in the three-tiered fair value hierarchy described above.

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

At June 30, 2022, the District had the following recurring fair value measurements:

		Fair Value Measurements Using		
Investment Type	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level				
None	$ -	$ -	$ -	$ -
Total Investments Measured at Fair Value	-	$ -	$ -	$ -
Investments in External Investment Pool				
Stanislaus County Treasurer's Pool	593,857			
Total Investments	$ 593,857			

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the County's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations. The County limits its exposure to interest rate risk inherent in its portfolio by limiting individual maturities to 5 years or less.

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. The County's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2022, the District's investments were all held with the County of Stanislaus investment pool which is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law and the investment policy of the County contain limitations on the amount that can be invested in any one issuer. As of June 30, 2022, all investments of the District were in the Stanislaus County investment pool which contains a diversification of investments.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Adjustments/ Retirements	Balance June 30, 2022
Capital Assets, Not Being Depreciated				
Land	$ 680,537	$ -	$ 582,733	$ 1,263,270
Total Capital Assets, Not Being Depreciated	680,537	-	582,733	1,263,270
Capital Assets, Being Depreciated				
Buildings and improvements	5,191,939	-	-	5,191,939
Vehicles	5,839,286	-	-	5,839,286
Furniture and equipment	2,143,963	7,220	150	2,151,333
Total Capital Assets, Being Depreciated	13,175,188	7,220	150	13,182,558
Less Accumulated Depreciation For:				
Buildings and improvements	(1,093,964)	(171,182)	-	(1,265,146)
Vehicles	(4,017,491)	(273,944)	-	(4,291,435)
Furniture and equipment	(1,761,029)	(66,960)	-	(1,827,989)
Total Accumulated Depreciation	(6,872,484)	(512,086)	-	(7,384,570)
Total Capital Assets, Being Depreciated, Net	6,302,704	(504,866)	150	5,797,988
Total Capital Assets, Net	$ 6,983,241	($ 504,866)	$ 582,883	$ 7,061,258

Depreciation

Depreciation expense was charged to governmental activities as follows:

Public Protection	$ 512,086
Total Depreciation Expense – Governmental Activities	$ 512,086

NOTE 5: UNEARNED REVENUES

At June 30, 2022, the components of unearned revenue were as follows:

	Unearned
General fund	
Coronavirus State and Local Fiscal Relief funds received in advance	$ 474,889
Total	$ 474,889

NOTE 6: INTERFUND TRANSACTIONS

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds.

NOTE 6: INTERFUND TRANSACTIONS (CONTINUED)

Due To/From Other Funds (Continued)

The following are due to and due from balances as of June 30, 2022:

	Due From Other Funds	Due To Other Funds
General fund	$ 2,585	$ -
CEQA Riverbank	-	1,523
CEQA Waterford Hickman	-	267
Development Fees Riverbank	-	795
Total	$ 2,585	$ 2,585

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

Type of Indebtedness	Balance July 1, 2021	Adjustments/ Additions	Retirements	Balance June 30, 2022	Amounts Due Within One Year
Pension obligation bonds	$ 654,300	$ 11,635,000	($ 654,300)	$ 11,635,000	$ 155,000
Discount on issuance	-	(87,263)	-	(87,263)	(4,593)
Pension Obligation Bonds, net	-	11,547,737	(654,300)	11,547,737	150,407
Loans payable	1,020,262	-	(147,140)	873,122	150,589
Capital leases payable	119,990	-	(119,990)	-	-
Compensated absences	1,213,747	660,901	(655,926)	1,218,722	406,805
Total	$ 3,008,299	$ 12,208,638	($1,577,356)	$ 13,639,581	$ 707,801

Individual issues of debt payable outstanding at June 30, 2022 are as follows:

Pension Obligation Bonds:	
2021 Taxable Pension Obligation Bonds, dated October 13, 2021, issued in the amount of $11,685,000, payable in semi-annually installments of $155,000 to $805,000, with an interest rate of 5% and maturity on April 1, 2041. The bonds were used to advance pay miscellaneous and safety employee pension obligations.	$ 11,635,000
Total Pension Obligation Bonds	11,635,000
Loans:	
The Bank of New York Mellon Trust bank loan, dated October 1, 2017, payable in semi-annual installments of $80,236 to $85,030, with an interest rate at 2.33% and maturity on October 1, 2027. Loan Proceeds were used to purchase two 2016 Pierce Velocity engines and a 2013 Pierce Velocity engine.	873,122
Total Loans	873,122
Total	$ 12,508,122

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Following is a schedule of debt payment requirements to maturity for long-term debt, excluding compensated absences that have indefinite maturities.

Year Ended June 30	Pension Obligation Bonds		
	Principal	Interest	Totals
2023	$ 155,000	$ 442,740	$ 597,740
2024	530,000	301,047	831,047
2025	535,000	296,277	831,277
2026	540,000	289,589	829,589
2027	550,000	281,489	831,489
2028-2032	2,925,000	1,231,881	4,156,881
2033-2037	3,330,000	1,163,297	4,493,297
2038-2041	3,070,000	257,400	3,327,400
Total	$ 11,635,000	$ 4,263,720	$ 15,898,720

Year Ended June 30	Loans Payable		
	Principal	Interest	Totals
2023	$ 150,589	$ 19,472	$ 170,061
2024	154,117	15,942	170,059
2025	157,730	12,331	170,061
2026	161,426	8,634	170,060
2027	165,210	4,851	170,061
2028	84,050	979	85,030
Total	$ 873,122	$ 62,209	$ 935,332

NOTE 8: NET POSITION

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets -** 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.

- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- **Unrestricted net position -** all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

NOTE 9: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds can be made up of the following:

- **Nonspendable fund balance -** amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.

- **Restricted fund balance -** amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

- **Committed fund balance -** amounts that can only be used for the specific purposes determined by formal action of the District’s highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the District that can, by Board action, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

- **Assigned fund balance -** amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose.

- **Unassigned fund balance -** the residual classification for the District’s General fund that includes all amounts not contained in the other classifications.

The fund balances for all governmental funds as of June 30, 2022, were distributed as follows:

	General Fund	CEQA Riverbank	CEQA Waterford Hickman	Development Fees Riverbank	Development Fees Waterford Hickman	Totals
Assigned for:						
Public protection	$ 3,276,971	$ -	$ -	$ -	$ -	$ 3,276,971
Subtotal	3,276,971	-	-	-	-	3,276,971
Restricted for:						
CEQA	-	384,495	62,304	-	-	446,799
Development	-	-	-	105,788	37,135	142,923
Subtotal	-	384,495	62,304	105,788	37,135	589,722
Unassigned	2,640,629	-	-	-	-	2,640,629
Total	$ 5,917,600	$ 384,495	$ 62,304	$ 105,788	$ 37,135	$ 6,507,322

NOTE 9: FUND BALANCES (CONTINUED)

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The Board of Directors has adopted a fund balance policy. The policy establishes procedures for reporting fund balance classifications and a hierarchy of fund balance expenditures.

NOTE 10: PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's separate Safety and Miscellaneous (all other) Employee Pension Plan, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Effective January 1, 2013, the District added retirement tiers for both the Miscellaneous and Safety Rate Tiers for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the District's retirement costs.

Summary of Rate Tiers and Eligible Participants

Open for New Enrollment	
Miscellaneous PEPRA	Miscellaneous members hired on or after January 1, 2013
Safety PEPRA	Safety members hired on or after January 1, 2013
Closed to New Enrollment	
Miscellaneous	Miscellaneous members hired before January 1, 2013
Safety	Safety employees hired before January 1, 2013

NOTE 10: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous plan members if the membership date is on or after January 1, 2013) with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

Each Rate Tier's specific provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Benefit Formula	Retirement Age	Monthly Benefits as a % of Eligible Compensation
Miscellaneous	2.7% @ 55	50-67	2.000 to 2.700%
Miscellaneous PEPRA	2.0% @ 62	52-67	1.000 to 2.500%
Safety	3.0% @ 50	50-55	3.00%
Safety PEPRA	2.7% @ 57	50-57	2.000 to 2.700%

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 all 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.

	Employer Contribution Rates	Employee Contribution Rates	Employer Paid Member Contribution Rates
Miscellaneous	14.020%	8.000%	0.000%
Miscellaneous PEPRA	7.590%	6.750%	0.000%
Safety	13.130%	9.000%	0.000%
Safety PEPRA	23.710%	12.000%	0.000%

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

For the year ended June 30, 2022, the contributions recognized as part of pension expense were as follows:

	Contributions-Employer	Contributions-Employee (Paid by Employer)
Miscellaneous	$ 47,754	$ -
Safety	1,691,389	-

NOTE 10: PENSION PLAN (CONTINUED)

B. Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

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, 2021, 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, 2020 rolled forward to June 30, 2021 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.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

	Proportion June 30, 2021	Proportion June 30, 2022	Change - Increase (Decrease)
Miscellaneous	0.01187%	0.01565%	.00378%
Safety	0.22413%	0.25907%	.03494%

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

	Proportionate Share of Net Pension Liability
Miscellaneous	$ 297,130
Safety	9,091,912
Total Net Pension Liability	$ 9,389,042

For the year ended June 30, 2022, the District recognized pension expense of $1,755,625. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 13,244,987	$ -
Difference between expected and actual experience	1,586,665	-
Difference between projected and actual earnings on pension plan investments	-	(5,670,815)
Difference between District contributions and proportionate share of contributions.	25,558	(883,356)
Adjustments due to differences in proportions	687,566	(39,133)
Total	$ 15,544,776	($ 6,593,304)

NOTE 10: PENSION PLAN (CONTINUED)

B. Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

$13,244,987 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 fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Fiscal Year Ended June 30	
2023	($ 675,067)
2024	(859,994)
2025	(1,197,624)
2026	(1,560,830)
Thereafter	-
Total	($ 4,293,515)

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Investment Rate of Return	7.15%
Inflation	2.50%
Salary Increases	Varies by entry-age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017 Experience Study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 10: PENSION PLAN (CONTINUED)

B. Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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 and forecasted information for all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
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 Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

(a) An expected inflation of 2.00% used for this period
(b) An expected inflation of 2.92% used for this period

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 the Plan as of the measurement date, calculated using the discount rate for the 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%	Discount Rate 7.15%	1% Increase 8.15%
Miscellaneous	$ 564,151	$ 297,130	$ 76,388
Safety	16,835,472	9,091,912	273,153

NOTE 10: PENSION PLAN (CONTINUED)

B. Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The District's other postemployment benefits (OPEB) plan (the Plan) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides access to healthcare benefits for eligible retirees and their dependents. Employees are eligible to participate in the District's Retiree Healthcare Plan if they have accrued sick leave. The Board of Directors has the authority to establish and amend the benefit provisions of the Plan subject to collective bargaining arrangements. The District's Plan does not issue separate financial statements. No assets are accumulated in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. Funding Policy

The District provides retiree medical benefits through the California Public Employees' Medical and Hospital Care Act (PEMHCA). The District pays the PEMHCA minimum contribution for active employees up to a limit related to a percentage of accrued sick leave the employee has at the date of retirement. Participants are not required to contribute to the Plan. The District allows retired employees to use the value of 25% of their accrued sick leave to pay medical insurance premiums in retirement at the District's health plan premium rather than taking a cash payment for sick leave. The District funds the benefits on a pay-as-you-go basis. No trust has been established to hold plan assets. In May 2014, the Actuarial Standards Board released revisions to ASOP 6 requiring that the implied subsidy for claims in excess of premiums be valued for community rated plans such as PEMHCA.

Employees Covered by Benefit Terms

At the June 30, 2021 measurement date, the following employees were covered by the Plan's benefit terms:

Inactive employees' spouses, or beneficiaries currently receiving benefit payments	7
Active employees	44
	51

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Net OPEB Liability

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2021
Discount Rate	2.16% at June 30, 2021; 2.21% at June 30, 2020
Inflation Rate	2.50% annually
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP 2020
Salary Increases	Aggregate - 3% annually; Merit - CalPERS 1997-2015 Experience Study

D. Changes in the Net OPEB Liability

	Net OPEB Liability
Balance at June 30, 2021	$ 4,810,919
Changes for the year:	
Service cost	330,829
Interest	112,295
Actual US expected experience	(522,110)
Change of assumptions	(157,641)
Benefit payments	(121,004)
Net changes	(357,631)
Balance at June 30, 2022	$ 4,453,288

Changes of assumptions reflects a change in the discount rate from 2.21 percent as of June 30, 2021 to 2.16 percent as of June 30, 2022.

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease 1.16%	Current Rate 2.16%	1% Increase 3.16%
Net OPEB liability	$ 4,802,228	$ 4,453,288	$ 4,128,061

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

D. Changes in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates

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

	Current Trend -1%	Current Trend	Current Trend +1%
Net OPEB Liability	$ 4,084,871	$ 4,453,288	$ 4,880,173

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

For the year ended June 30, 2022, the District recognized OPEB income of $185,469. At June 30, 2022, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	($ 4,515,421)
Changes in assumptions	406,501	(653,917)
Contributions made subsequent to the measurement date	160,258	-
Total	$ 566,759	($ 5,169,338)

$160,258 reported as deferred outflows related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30	
2023	($ 628,593)
2024	(628,593)
2025	(628,593)
2026	(628,593)
2027	(628,593)
Thereafter	(1,619,872)
	($ 4,762,837)

NOTE 12: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

NOTE 12: RISK MANAGEMENT (CONTINUED)

The District is a member of the Special District Risk Management Authority (SDRMA). The SDRMA's members have pooled funds to be self-insured for workers' compensation, general liability, public officials' errors and omissions, employment practices liability, auto, property, boiler and machinery and crime and fidelity. The District participates in the property/liability and workers' compensation programs.

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverages for each of the past three years.

NOTE 13: OTHER INFORMATION

A. Subsequent Events

Management has evaluated events subsequent to June 30, 2022 through February 15, 2023, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

Required Supplementary Information
(Unaudited)

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STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Required Supplementary Information
District Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2022
Last 10 Years*

Measurement Date	**2013/2014**	**2014/2015**	**2015/2016**	**2016/2017**	**2017/2018**
Miscellaneous					
Proportion of the net pension liability	0.03290%	0.00993%	0.01053%	0.01074%	0.01102%
Proportionate share of the net pension liability	$ 204,566	$ 272,467	$ 365,749	$ 423,280	$ 415,385
Covered payroll	120,671	121,708	124,291	299,389	298,209
Proportionate share of the net pension liability as a percentage of covered payroll	169.52%	223.87%	294.27%	141.38%	139.29%
Plan fiduciary net position as a percentage of the total pension liability	83.03%	79.14%	75.94%	74.52%	76.42%
Safety					
Proportion of the net pension liability	0.17845%	0.19168%	0.19932%	0.20147%	0.21818%
Proportionate share of the net pension liability	$ 6,693,660	$ 7,898,392	$ 10,323,582	$ 12,038,426	$ 12,801,794
Covered payroll	3,502,073	3,537,615	3,607,135	6,144,593	6,366,319
Proportionate share of the net pension liability as a percentage of covered payroll	191.13%	223.27%	286.20%	195.92%	201.09%
Plan fiduciary net position as a percentage of the total pension liability	83.03%	79.30%	74.89%	74.34%	74.72%

***** The District implemented GASB 68 for the fiscal year June 30, 2015, therefore only eight years are shown.

2018/2019	2019/2020	2020/2021
0.01136%	0.01187%	0.01565%
$ 455,072	$ 500,647	$ 297,130
209,376	236,961	133,329
217.35%	211.28%	222.85%
76.95%	74.65%	73.49%
0.21463%	0.22413%	0.25970%
$ 13,398,395	$ 14,932,003	$ 9,091,912
6,400,003	4,105,515	3,947,690
209.35%	363.71%	230.29%
75.30%	73.49%	7.49%

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Required Supplementary Information
District Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2022
Last 10 Years*

Fiscal Year	**2014/2015**	**2015/2016**	**2016/2017**	**2017/2018**	**2018/2019**
Miscellaneous					
Contractually required contributions (actuarially determined)	$ 17,637	$ 21,302	$ 40,536	$ 43,990	$ 42,193
Contributions in relation to the actuarially determined contributions	(17,637)	(21,302)	(40,536)	(43,990)	(42,193)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 121,708	$ 124,291	$ 299,389	$ 298,209	$ 209,376
Contributions as a percentage of covered payroll	14.49%	17.14%	13.54%	14.75%	20.15%
Safety					
Contractually required contributions (actuarially determined)	$ 888,762	$ 1,393,099	$ 1,537,840	$ 1,706,006	$ 1,912,324
Contributions in relation to the actuarially determined contributions	(888,762)	(1,393,099)	(1,537,840)	(1,706,006)	(1,912,324)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,537,615	$ 3,607,135	$ 6,144,593	$ 6,366,319	$ 6,400,003
Contributions as a percentage of covered payroll	25.12%	38.62%	25.03%	26.80%	29.88%

***** The District implemented GASB 68 for the fiscal year June 30, 2015, therefore only eight years are shown.

2019/2020	2020/2021	2021/2022
$ 48,061	$ 12,080	$ 455,169
(48,061)	(47,754)	(455,169)
$ -	$ (35,674)	$ -
$ 236,961	$ 133,329	$ 89,309
20.28%	35.82%	509.66%
$ 1,672,572	$ 799,396	$ 12,789,818
(1,672,572)	(1,691,389)	(12,789,818)
$ -	$ (891,993)	$ -
$ 4,105,515	$ 3,947,960	$ 4,055,313
40.74%	42.84%	315.38%

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Required Supplementary Information
District Pension Plan
Notes to District Pension Plan
For the Year Ended June 30, 2022

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Summary of Changes of Benefits or Assumptions

Benefit Changes: None

Changes of Assumptions: None

NOTE 2: SCHEDULE OF CONTRIBUTIONS

Methods and assumptions used to determine the contribution rates were as follows:

Valuation Date	June 30, 2019
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percentage of Payroll and Direct Rate Smoothing
Remaining amortization period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Fair value
Discount rate	7.00%
Payroll Growth	2.75%
Inflation	2.50%
Salary increases	Varies based on entry age and service
Investment rate of return	7.00%

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STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Required Supplementary Information
District OPEB Plan
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2022
Last 10 Fiscal Years*

	2017/2018	2018/2019	2019/2020	2020/2021
Total OPEB Liability				
Service cost	$ 787,560	$ 716,667	$ 702,668	$ 269,022
Interest	246,283	317,788	367,392	154,969
Changes of benefit terms	-	-	(5,686,341)	(132,278)
Actual vs expected experience	-	-	-	-
Changes of assumptions	(600,837)	(246,765)	122,413	411,978
Benefit payments	(112,940)	(140,806)	(173,409)	(102,862)
Net Change in Total OPEB Liability	320,066	646,884	(4,667,277)	600,829
Total OPEB Liability - Beginning	7,910,417	8,230,483	8,877,367	4,210,090
Total OPEB Liability - Ending	$ 8,230,483	$ 8,877,367	$ 4,210,090	$ 4,810,919
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 8,912,229	$ 9,106,161	$ 9,749,455	$ 6,494,101
Net OPEB liability as a percentage of covered-employee payroll	92.35%	97.49%	43.18%	74.08%

***** The District implemented GASB 75 for the fiscal year June 30, 2018, therefore only five years are shown.

2021/2022
$ 330,829
112,295
-
(522,110)
(167,641)
(121,004)
(367,631)
4,810,919
$ 4,443,288
0.00%
$ 6,375,881
69.69%

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Required Supplementary Information
District OPEB Plan
Note to District OPEB Plan
For the Year Ended June 30, 2022

NOTE 1: SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Change of Assumptions

The discount rate was updated based on municipal bond rate as of the measurement date.

Inflation changed from 2.75% to 2.50%, reducing aggregate salary increases, medical, dental and vision trend by 0.25%.

Mortality improvement scale was update to scale MP-2021 and updated to CalPERS 2000-2019 experience study.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
All Governmental Funds*
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	$ 11,183,045	$ 10,968,170	$ 10,809,981	$ (158,189)
Development impact fees	-	-	114,505	114,505
Use of money and property	22,500	22,500	32,055	9,555
Intergovernmental	968,822	2,336,720	3,357,717	1,020,997
Charges for services	138,000	415,000	249,227	(165,773)
Other revenues	85,000	151,500	45,602	(105,898)
Total Revenues	12,397,367	13,893,890	14,609,087	715,197
EXPENDITURES				
Public Protection				
Salaries and benefits	10,293,679	10,752,471	10,009,125	743,346
Services and supplies	1,490,818	2,029,222	2,152,889	(123,667)
Debt service:				
Principal	294,819	294,819	921,430	(626,611)
Interest	-	-	66,619	(66,619)
Costs of issuance	-	-	168,150	(168,150)
Capital outlay	315,242	315,242	7,220	308,022
Total Expenditures	12,394,558	13,391,754	13,325,433	66,321
Excess of Revenues Over (Under) Expenditures	2,809	502,136	1,283,654	781,518
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	-	11,635,000	11,635,000
Discount on issuance of debt	-	-	(87,263)	(87,263)
Payment of pension UAAL from debt proceeds **	-	-	(11,354,854)	(11,354,854)
Total Other Financing Sources (Uses)	-	-	192,883	192,883
Net Change in Fund Balances	2,809	502,136	1,476,537	974,401
Fund Balances - Beginning	5,030,785	5,030,785	5,030,785	-
Fund Balances - Ending	$ 5,033,594	$ 5,532,921	$ 6,507,322	$ 974,401

* The District prepares it's annual budget for all of their funds combined. For purposes of the budgetary comparison schedule the budget is presented for the combined total of all governmental funds of the District.

** The District issued pension obligation bonds to pay off the Unfunded Actuarial Accrued Liability (UAAL) in the current fiscal year. For purposes of the budgetary comparison schedule, the UAAL payoff is presented as other financing uses.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Required Supplementary Information
Note to Budgetary Comparison Schedule
For the Year Ended June 30, 2022

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The District presents a comparison of annual budget to actual results for all governmental funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The following procedures are performed by the District in establishing the budgetary data reflected in the financial statements:

(1) The District Fire Chief submits to the board a recommended draft budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.

(2) The Board reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.

(3) Prior to July 1, the budget is adopted through the passage of a resolution.

(4) From the effective date of the budget, which is adopted, the amounts stated therein, as recommended expenditures become appropriations. The Board may amend the budget by motion during the fiscal year.

The District does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

OTHER REPORT AND SCHEDULES

- Other Report
- Schedule of Findings and Recommendations
- Schedule of Prior Year Findings and Recommendations
- Management's Corrective Action Plan

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INDEPENDENT AUDITOR'S 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

To the Board of Directors
Stanislaus Consolidated Fire Protection District
Riverbank, 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 Stanislaus Consolidated Fire Protection District, California (District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 15, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and recommendations to be a material weakness. (2022-001)

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. We consider the deficiency described in the accompanying schedule of findings and recommendations to be a significant deficiency. (2022-002)

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To the Board of Directors
Stanislaus Consolidated Fire Protection District
Riverbank, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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.

District's Responses to Findings

The District's responses to the findings identified in our audit are described in the accompanying management's corrective action plan. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Smith & Newell

Smith & Newell CPAs
Yuba City, California
February 15, 2023

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2022

2022-001 Prior Period Adjustment (Material Weakness)

Criteria

Generally Accepted Accounting Principles require that material errors in the prior year ending balances be corrected by a prior period adjustment to beginning net position.

Condition

During our audit we noted the District made material prior period adjustments to split the portion of the cost attributed to the land out separately. Also, the District received two donated stations in the past but did not record them at their estimated acquisition value.

Cause

The District did not obtain appraisals for buildings.

Effect

Beginning net position was misstated and required adjustment.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

Not a repeat finding.

Recommendation

We recommend that the District review the financial records and ensure that all items are recorded correctly.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2022

2022-002 Deficiencies in Control Structure Design (Significant Deficiency)

Criteria

Good internal control requires that adequate controls be incorporated in the internal control structure.

Condition

There is an absence of appropriate segregation of duties consistent with control objectives as well as an absence of appropriate review and approval of transactions and accounting entries.

Cause

The District has limited staff.

Effect

The District's internal control procedures are weak in the area of segregation of duties.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of prior year finding 2021-003.

Recommendation

We recommend that the District have an appropriate review and approval process to post accounting entries.

View of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Schedule of Prior Year Findings and Recommendations
For the Year Ended June 30, 2022

Audit Reference	Status of Prior Year Audit Recommendations
2021-001	**Accountability over Capital Assets**
	Recommendation
	We recommend that the District obtain appraisal for the buildings, split out the land, and recalculate accumulated depreciation.
	Status
	Implemented
2021-002	**Payroll**
	Recommendation
	We recommend that the District perform controls to verify that payroll information entered into the system is accurate and supporting documentation is on file.
	Status
	Implemented
2021-003	**Deficiencies in Control Structure Design**
	Recommendation
	We recommend that the District have an appropriate review and approval process to post accounting entries.
	Status
	Not implemented
2021-004	**Cash Receipts**
	Recommendation
	We recommend that the District continue to locate all records.
	Status
	Implemented

Audit Reference	Status of Prior Year Audit Recommendations
2021-005	**Budget**

Recommendation

We recommend that the District control and monitor expenditures so that they do not exceed the approved budget. If budget revisions are required, we recommend that that District take appropriate action to amend the budget.

Status

Implemented

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Management's Corrective Action Plan
For the Year Ended June 30, 2022

Finding 2022-001 Prior Period Adjustment (Material Weakness)

We recommend that the District review the financial records and ensure that all items are recorded correctly.

Management's Response:	The District concurs with the finding.
Responsible Individual:	Clinton Bray, Battalion Chief
Corrective Action Plan:	During the audit process for FY 2021-22, the District was able to summarize the value of buildings and land for each of the District's Fire Stations based on an actuarial report received; and in doing so, updated the financial statements to account for the difference as a Prior Period Adjustment.
Anticipated Completion Date:	Implemented

Finding 2022-002 Deficiencies in Control Structure Design (Significant Deficiency)

We recommend that the District have an appropriate review and approval process to post accounting entries.

Management's Response:	The District concurs with the finding.
Responsible Individual:	Clinton Bray, Battalion Chief
Corrective Action Plan:	The District has recently hired administrative staff to create a more refined control structure related to segregation of duties for accounting systems.
Anticipated Completion Date:	Implemented

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