



LAKEPORT FIRE PROTECTION DISTRICT

445 North Main Street, Lakeport, CA 95453
Telephone: (707) 263-4396 Fax: (707) 263-7087
Web Site: www.lakeportfire.com



Any person may speak for up to 3 minutes on any agenda item; however, total public input per item is not to exceed 15 minutes, unless extended at the discretion of the Board Chair. The public is allowed to comment before any action is taken by the Board on any specific issue. This meeting may be audio and/or video recorded.

Agenda of public meetings and supporting documents are available for public inspection in the Fire District Office, 445 N. Main Street, Lakeport, CA 95453, during normal business hours; or on the District's website: www.lakeportfire.com

REQUEST FOR DISABILITY – RELATED MODIFICATION OR ACCOMMODATION: A request for a disability-related modification or accommodation necessary to participate in the Board of Directors' meeting should be made in writing to the Board Clerk at least 48 hours prior to the meeting.

BOARD OF DIRECTORS **REGULAR MEETING AGENDA** **December 12, 2023, 5:00 P.M.** **Lakeport Fire Protection District** **445 N. Main Street, Lakeport, CA 95453**

A. Call to Order

- A1. Pledge of Allegiance
- A2. Roll Call
- A3. Motion to Approve December 12, 2023 Regular Meeting Agenda (GC §54954.2)
- A4. Recognition of Outgoing Board Member Andy Lucas

B. Consent Calendar

Approval of consent agenda items are expected to be routine and non-controversial. They will be acted upon by the Board at one time without discussion. Any Board member may request that an item be removed from the consent calendar for later discussion.

- B1. Motion to Approve December 6, 2023 Special Meeting Minutes
- B2. Motion to Approval November 14, 2023 Regular Meeting Minutes
- B3. Motion to Approve November 2023 Warrants/Expenditures (with CalCard detail)
- B4. Motion to Approve Payroll for the pay periods ending November 15 and November 30, 2023 and November Holiday Pay payroll

C. Public Comment (GC §54954.3)

Any person may speak for three minutes about any subject of concern provided it is within the jurisdiction of the Board of Directors and is not already on the today's agenda.

D. Reports – Information/Discussion

D1. Fire Chief's Report

- a) Chief's Activity Report
- b) Incident Log for November 2023
- c) Fleet Mileage/Hours/Service Report for November 2023
- d) Monthly Budget Report for November 2023
- e) Discussion re: Supervisor Green Correspondence regarding South Main St/Soda Bay Rd Industrial Area
- f) Update on Nexus study re: Mitigation Fees

D2. Administration Report

D3. Captains' Report

D4. Professional Firefighters Association – Teamsters Local #856 Report

D5. Volunteer Firefighters Association Report

D6. City Council Representative's Report

D7. Board of Supervisors Representative's Report

D8. Directors Activity Reports

- a) Update on making changes to Fire Chief Evaluation process and making language consistent across documents

E. Action Items

E1. Review, discussion and possible vote on Resolution 23/24-05, a Resolution Transferring \$363,000 from Equipment Reserves to Capital Equipment-Vehicles to Fund the Two (2) Ambulance Remounts Approved at November 14, 2023 meeting

E2. Review, discussion and possible vote on accepting draft of FYE June 30, 2023 Audit

E3. Review, discussion and possible vote on establishing a Fleet Equipment Manager/Mechanic position

F. Request for Future Agenda Items

G. Closed Session (GC §54957.7)

G1. Conference with Labor Negotiators (GC §54957.6)

Agency Designated Representatives: Director Brown and Chair Gabe
Employee Organization: Teamsters Local 856

G2. Public Employment Performance Evaluation (GC §54957)

Position: Fire Chief

H. Open Session

H1. Report on Closed Session: (GC §54957.1)

I. Adjournment

Agenda Posted Per GC §54954.2
on December 8, 2023, at 5:00 p.m.

Ray Lavelle

Ray Lavelle, Board Clerk



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BOARD OF DIRECTORS SPECIAL MEETING **MINUTES**

December 6, 2023, 5:00 P.M.

Lakeport Fire Protection District

445 N. Main Street, Lakeport, CA 95453

DRAFT

A. Call to Order at 5:00 PM

A1. Pledge of Allegiance was led by Chair Gabe

A2. Roll Call

Director Brown X, Director Lucas X, Vice-Chair Warrenburg X, Director Whitehead X and Chair Gabe X

Staff Present: Fire Chief Patrick Reitz and Admin Ray Lavelle

A3. Motion to Approve December 6, 2023 Regular Meeting Agenda (GC §54954.2)

Director Brown made a motion, seconded by Director Warrenburg, to approve the agenda as submitted.

Ayes: Brown, Lucas, Warrenburg, Whitehead & Gabe

Noes:

Absent:

Abstain:

Motion Passes

B. Public Comment (GC §54954.3)

None given.

C. Closed Session (GC §54957)

Chair Gabe announced the Board would be going into Closed Session at 5:02 PM.

C1. Public Employment Performance Evaluation (GC §54957)

Position: Fire Chief

C2. Conference with Legal Counsel – Anticipated Litigation (GC § 54956.9(d)(2))

Significant exposure to litigation - one case

D. Open Session

H1. Report on Closed Session: (GC §54957.1)

Chair Gabe re-convened the open session at 6:15 PM and stated no reportable actions were taken in Closed Session.

I. Adjournment

Chair Gabe adjourned the meeting at 6:15 PM.

Respectfully Submitted:

Ray Lavelle, Board Clerk

Read and Approved:

William Gabe, Board Chairman



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REQUEST FOR DISABILITY – RELATED MODIFICATION OR ACCOMMODATION: A request for a disability-related modification or accommodation necessary to participate in the Board of Directors' meeting should be made in writing to the Board Clerk at least 48 hours prior to the meeting.

BOARD OF DIRECTORS REGULAR MEETING **MINUTES**

November 14, 2023, 5:00 P.M.
Lakeport Fire Protection District
445 N. Main Street, Lakeport, CA 95453

DRAFT

A. Call to Order at 5:00 PM

A1. Pledge of Allegiance was led by Chair Gabe

A2. Roll Call

Director Brown X, Director Lucas X, Vice-Chair Warrenburg X, Director Whitehead X and Chair Gabe X

Staff Present: Admin Ray Lavelle

Staff Absent: Fire Chief Patrick Reitz

A3. Motion to Approve November 14, 2023 Regular Meeting Agenda (GC §54954.2)

Director Warrenburg made a motion seconded by Director Whitehead, to approve the agenda as submitted.

Ayes: Brown, Lucas, Warrenburg, Whitehead & Gabe

Noes:

Absent:

Abstain:

Motion Passes

B. Closed Session (GC §54957)

- B1. Public Employment Performance Evaluation (GC §54957)
Title: Fire Chief

Chair Gabe temporarily adjourned the open session at 5:04 PM for the Board to go into closed session.

C. Open Session

- C1. Report on Closed Session: (GC §54957.1)

Chair Gabe reconvened the open session at 5:23 PM and announced that no reportable actions were taken in the closed session.

D. Consent Calendar

- D1. Motion to Approve October 17, 2023 Special Meeting Minutes
D2. Motion to Approve October 2023 Warrants/Expenditures (with CalCard detail)
D3. Motion to Approve Payroll for the pay periods ending October 15 and October 31, 2023
D4. Motion to Authorize the Fire Chief to enter into an agreement with CalPERS to allow Employees to make Roth (post-tax) 457 contributions as well as allowing loans against their 457 balance

Director Lucas made a motion, seconded by Director Warrenburg, to approve the consent calendar.

Ayes: Brown, Lucas, Warrenburg, Whitehead & Gabe

Noes:

Absent:

Abstain:

Motion Passes

E. Public Comment (GC §54954.3)

None given.

F. Reports – Information/Disussion

F1. Fire Chief's Report

- a) Chief's Activity Report

No report given as Fire Chief Reitz was absent

- b) Incident Log for October 2023

The incident log was reviewed.

- c) Fleet Mileage/Hours/Service Report for October 2023

The fleet report was reviewed. The Board requested that the two (2) new water rescue vehicles be included in future reports.

- d) Monthly Budget Report for October 2023

The monthly budget report was reviewed.

F2. Administration Report

No report given.

F3. Captains' Report

Captain Johnson discussed the proposed ambulance remounts.

F4. Professional Firefighters Association - Teamsters Local #856 Report

Captain Johnson gave a brief report.

F5. Volunteer Firefighters Association Report

Captain Johnson discussed the upcoming Annual Light parade being held on December 15.

F6. City Council Representative's Report

Councilman Disney gave a brief report.

F7. Board of Supervisors Representative's Report

Supervisor Green gave a brief report.

F8. Directors Activity Reports

Directors Brown and Warrenburg stated that they attended the first series of trainings provided by the Special Districts Leadership Academy. They hope to be able to take the second series of trainings in the next year.

G. Action Items

G1. Review, discussion and possible vote on District Board Appointments to be made by Lake County Board of Supervisors

Director Whitehead made a motion, seconded by Director Lucas, to table this item and not bring it forward at another meeting.

Ayes: Brown, Lucas, Warrenburg, Whitehead & Gabe

Noes:

Absent:

Abstain:

Motion Passes

G2. Review, discussion and possible vote on Resolution 23/24-04, a Resolution formalizing the transfer of \$1,424,520 of Fund Balance remaining after 23/24 Adopted Budget into Various Reserves

Director Whitehead made a motion, seconded by Director Brown, to waive the reading and pass Resolution 23/24-04, a resolution ratifying the transfer of the \$1,454,520 Fund Balance to various reserve accounts.

Ayes: Brown, Lucas, Warrenburg, Whitehead & Gabe

Noes:

Absent:

Abstain:

Motion Passes

- G3. Review, discussion and possible vote on Change Order to Ambulance Remount approved at October 17, 2023 Board Meeting

Director Brown made a motion, seconded by Director Whitehead, to combine this item and action item G4, and to approve the change order and the second ambulance remount.

Ayes: Brown, Lucas, Warrenburg, Whitehead & Gabe

Noes:

Absent:

Abstain:

Motion Passes

- G4. Review, discussion and possible vote on 2nd Ambulance Remount

This item was combined with item G3 above.

H. Request for Future Agenda Items

- H1. Universal/Standard language across various documents re Chief Evaluation

I. Adjournment

Chair Gabe adjourned the meeting at 6:10 PM.

Respectfully Submitted:

Ray Lavelle, Board Clerk

Read and Approved:

William Gabe, Board Chairman

November 2023 Check Listing

<u>Check Date</u>	<u>Check #</u>	<u>Vendor Name</u>	<u>Invoice Total</u>	<u>Description</u>
11/01/2023	16006 Total	AMERICAN RIVER BENEFIT ADM	\$ 313.20	Base Life Insurance 11/01/23
11/01/2023	16007 Total	CA ASSOC OF PROFESSIONAL FIREFIGHT	\$ 354.00	LT Disability Insur FT FFs 11/01/23
11/01/2023	16008 Total	REITZ, PATRICK	\$ 60.00	Chief Cell Phone Allowance 11/01/23
11/01/2023	16009 Total	TEAMSTERS LOCAL 856 DUES	\$ 683.00	Union Dues 11/01/23
11/01/2023	16010 Total	TEAMSTERS LOCAL 856 HEALTH & WELFARE	\$ 39,759.01	FT Emp & Retir Insurance - 11/01/23
11/01/2023	16011 Total	VOIDED CHECK	\$ -	Voided Check
11/01/2023	16012 Total	VOIDED CHECK	\$ -	Voided Check
11/01/2023	16013 Total	VOIDED CHECK	\$ -	Voided Check
11/01/2023	16014 Total	VOIDED CHECK	\$ -	Voided Check
11/01/2023	16015 Total	VOIDED CHECK	\$ -	Voided Check
11/01/2023	16016 Total	BROWN, DAVID	\$ 271.53	Meals/Attending Leadership Academy
11/01/2023	16017 Total	GUY STROHMEIER'S AUTO CENTER	\$ 41,617.81	2022 Toyota Tacoma Double Cab U5012
11/01/2023	16018 Total	LIFE ASSIST	\$ 3,460.26	Medical Supplies
11/01/2023	16019 Total	MENDO MILL AND LUMBER CO.	\$ 36.20	Household Maintenance 'Supplies
11/01/2023	16020 Total	MISSION LINEN SUPPLY	\$ 159.29	Household Supplies
11/01/2023	16021 Total	SYSTEMS DESIGN	\$ 2,447.04	Ambulance Billing - 09/01/23
11/01/2023	16022 Total	TYSON, JOHN	\$ 299.25	Paramedic Refresher Course-J Tyson
11/01/2023	16023 Total	WARRENBURG, JEFFERY	\$ 208.21	Meals/Attending Leadership Academy
11/01/2023	16024 Total	WESTGATE PETROLEUM CO. INC.	\$ 1,041.41	Diesel
11/17/2023	16025 Total	AT & T	\$ 168.66	Phones - Stat 50 10/23
11/17/2023	16026 Total	BARNETT, NATE	\$ 325.00	Uniform Allowance - Barnett
11/17/2023	16027 Total	BERGEM, PAUL	\$ 500.00	Driver Operator 1B Class
11/17/2023	16028 Total	BIT SCULPTOR	\$ 127.50	Website Transfer/DNS Updates
11/17/2023	16029 Total	BOUND TREE MEDICAL LLC	\$ 449.95	Medical Supplies
11/17/2023	16030 Total	CASCADE SOFTWARE SYSTEMS- WIN CAM	\$ 170.00	WinCAMS Clous Hosting
11/17/2023	16031 Total	COMMUNITY FIRST NATIONAL BANK	\$ 60,713.44	2021 Pierce Pumper Payment
11/17/2023	16032 Total	COUNTY OF LAKE - INFORMATION TECHNO	\$ 157.50	Direct Charges Data Request from Co
11/17/2023	16033 Total	COUNTY OF LAKE HEALTH SERVICES DEPT	\$ 844.00	CUPA Oversight/Propane Tank Permit
11/17/2023	16034 Total	EUREKA OXYGEN	\$ 178.12	Oxygen Tank Rental
11/17/2023	16035 Total	FEILER, SUSAN	\$ 33.00	Burn Permit Refund - Duplicate Paym
11/17/2023	16036 Total	HINDMARCH, TRAVIS	\$ 325.00	Uniform Allowance - Hindmarch
11/17/2023	16037 Total	JOHNSON, SPENCER	\$ 325.00	Uniform Allowance - Johnson
11/17/2023	16038 Total	KANE, DAN	\$ 325.00	Uniform Allowance - Kane

November 2023 Check Listing

11/17/2023	16039 Total	KIEFFER, SHANE	\$	325.00	Uniform Allowance - Kieffer
11/17/2023	16040 Total	KONOCTI COMPUTER REPAIR	\$	190.00	Onsite Tech Support
11/17/2023	16041 Total	LAKE COUNTY FIRE CHIEF'S ASSOC.	\$	3,864.66	Progress Payment for System Study
11/17/2023	16042 Total	LAKEPORT FIRE (CALPERS ACCOUNT)	\$	31,745.29	CALPERS Contributions
11/17/2023	16043 Total	LAKEPORT FIRE (PAYROLL ACCOUNT)	\$	44,057.44	Payroll Transfer 10-31-23
11/17/2023	16044 Total	LANDERS, ODELL	\$	325.00	Uniform Allowance - Landers
11/17/2023	16045 Total	LIFE ASSIST	\$	421.43	Medical Supplies
11/17/2023	16046 Total	MENDO MILL AND LUMBER CO.	\$	50.78	Household Supplies
11/17/2023	16047 Total	MILLS, JORDAN	\$	325.00	Uniform Allowance - Mills
11/17/2023	16048 Total	MISSION LINEN SUPPLY	\$	135.36	Household Supplies
11/17/2023	16049 Total	MORIN, BRANDON	\$	325.00	Uniform Allowance - Morin
11/17/2023	16050 Total	NORTHSHORE FIRE PROTECTION DISTRICT	\$	350.00	Driver/Oper 2B - Kieffer & Domingue
11/17/2023	16051 Total	PERFORMANCE TRUCK REPAIR, INC.	\$	3,602.50	T5011 Transport to Repair
11/17/2023	16052 Total	PROVIDENT AGENCY INC.	\$	2,537.00	2024 Accident & Life Insurance
11/17/2023	16053 Total	QUENCH USA, INC	\$	210.00	Watercooler 11/13 - 2/12
11/17/2023	16054 Total	REISBECK, DEREK	\$	325.00	Uniform Allowance - Reisbeck
11/17/2023	16055 Total	REITZ, PATRICK	\$	120.00	Replace Outlaw Check #15691 3/16/23
11/17/2023	16056 Total	SMITH, WYATT	\$	350.00	1A/1B Training - Wyatt Smith
11/17/2023	16057 Total	THOMAS, SEAN	\$	325.00	Uniform Allowance - Thomas
11/17/2023	16058 Total	TYSON, JOHN	\$	385.06	Uniform Allowance - Tyson
11/17/2023	16059 Total	US BANK CORPORATE PAYMENT SYSTEM	\$	4,346.71	C/C Statement 11/24/23 (prepayment)
11/17/2023	16060 Total	WESTGATE PETROLEUM CO. INC.	\$	3,432.20	Fuel
11/30/2023	16061 Total	JONES & MAYER	\$	11,516.00	October Legal & Investigation Fees
11/30/2023	16062 Total	LAKEPORT FIRE (PAYROLL ACCOUNT)	\$	70,847.03	Payroll Transfer 11-15-23
11/30/2023	16063 Total	LAKEPORT FURNITURE	\$	13,493.59	9 Mattresses - Station 50
11/30/2023	16064 Total	LIFE ASSIST	\$	1,631.78	Medical Supplies
11/30/2023	16065 Total	MENDO MILL AND LUMBER CO.	\$	53.57	Buff Compound/Rust Rmvr Disk
11/30/2023	16066 Total	MISSION LINEN SUPPLY	\$	124.86	Household Supplies
11/30/2023	16067 Total	MUNICIPAL EMERGENCY SERVICES - MES	\$	2,500.00	DHCS Cost Report June 22 - Dec 22
11/30/2023	16068 Total	REISBECK, DEREK	\$	390.00	Company Officer 2B Trng - Reisbeck
11/30/2023	16069 Total	SYSTEMS DESIGN	\$	2,500.00	GEMT Cost Report - Jun 22-Dec 22
11/30/2023	16070 Total	US BANK CORPORATE PAYMENT SYSTEM	\$	2,846.31	C/C Statement 11/24/23 Balance
11/30/2023	16071 Total	WESTGATE PETROLEUM CO. INC.	\$	437.57	Fuel
Grand Total			\$	359,441.52	

Status Interface : Raymond Lavelle

US BANK CORPORATE PAYMENT SYSTEM, Account No: 4246044555653538 (4246044555653538, PO Box 790428, St Louis, MO 63179)

11/24/23 Balance P.O.(Contract No: <None>

Linked Files Directory

P.O.	Quantity	Description	Unit Cost	Subtotal	\$ Net Amount	\$ Net Amt Plus Use Tax	Budget Exp Acct	Merchant Name
1 00	Food for CUSD Briefing		\$49.9500	\$49.95	\$49.95	\$49.95	354-9554-795-28-30-A	BRUNO'S SUPERMARKET - L
1 00	Meals @ Training- Mills, Reisbeck, Thomas		\$71.2300	\$71.23	\$71.23	\$71.23	354-9554-795-29-50-	RED ROBIN RESTAURANT
1 00	Company Officer 2C Training - Mills, Reisbeck, Thomas		\$1,350.0000	\$1,350.00	\$1,350.00	\$1,350.00	354-9554-795-28-30-A	ELITE COMMAND TRAINING
1 00	Meals @ Training- Mills, Reisbeck, Thomas		\$87.8700	\$87.87	\$87.87	\$87.87	354-9554-795-29-50-	PIZZERIA CLASSICO RESTAUF
1 00	Spare Key for Tacoma		\$90.0000	\$90.00	\$90.00	\$90.00	354-9554-795-17-00-A	THURSTON AUTO PLAZA
1 00	Phones/Data		\$322.2300	\$322.23	\$322.23	\$322.23	354-9554-795-12-00-A	VERIZON WIRELESS
1 00	Water/Sewer @ Station 50		\$60.3700	\$60.37	\$60.37	\$60.37	354-9554-795-30-00-C	LAKE COUNTY SPECIAL DIST
1 00	Postage Stamps		\$66.0000	\$66.00	\$66.00	\$66.00	354-9554-795-22-71-	US POSTAL SERVICE - LAKEP
1 00	Mattress Covers for New Mattresses		\$684.9900	\$684.99	\$684.99	\$684.99	354-9554-795-28-30-G	AMAZON.COM
1 00	Medical Waste		\$63.6700	\$63.67	\$63.67	\$63.67	354-9554-795-19-40-C	STERICYCLE

Detail

Account	Freight / Misc	Sales Tax	Freight / Misc	Distrib'n Total	Use Tax	Total+Use Tax
\$0.00	\$0.00	\$0.00	\$0.00	\$2,846.31	\$0.00	\$2,846.31

checkboxes on the directory tab.

Please prepare a journal entry to transfer funds to our expenditure accounts for our automated payroll service
for the pay period **11/01/23 - 11/15/23**

<u>DISTRICT</u>	<u>FUND</u>	<u>DEPT/DIV</u>	<u>SUB</u>	
Lakeport Fire Protection Dist.	354	9554	795	
DESCRIPTION		CODE	DEBIT (+)	CREDIT (-)
Salaries & Wages-Permanent	FT Admin	01.11 A	9,500.85	
Salaries & Wages-Permanent	FT Shift	01.11 B	36,689.15	
Salaries & Wages-LT/PT/Temporary	LT Shift	01.12 A	2,462.82	
Salaries & Wages- Overtime	FT Shift OT	01.13 A	8,572.70	
Salaries & Wages -Overtime	LT Shift OT	01.13 B	171.12	
Salaries & Wages -Overtime	FT Admin OT	01.13 C	0.00	
Salaries & Wages - FLSA	FLSA	01.13 F	959.41	
Medicare - EmployER Paid		02.21 A	789.31	
FICA- EmployER Paid		02.21 B	4.58	
Medical Insur Reimb (PR Code 36)	FT Admin & FT Shift	03.30 A		1,738.62
Union Dues (PR Code 39)	FT Shift	01.11 C		341.50
CAPF (PR Code C)	FT Shift	01.11 C		177.00
PERS After Tax (PR Codes 53 & 55)	FT Admin & FT Shift	02.23 A		5,936.70
PERS 1959 Survivor (PR Code 59)	FT Admin & FT Shift	02.23 B		18.72
Deferred Comp (PR Code K)	FT Admin & FT Shift	02.28 A		1,993.38
Prof. & Spec. - Payroll Processing		23.80 C		
Payroll Clearing Account		09.00		
Payroll Clearing Account		09.00		48,944.02
TOTAL			59,149.94	59,149.94

DISTRICT AUTH. SIGNATURE _____

Please prepare a journal entry to transfer funds to our expenditure accounts for our automated payroll service
for the pay period **11/16/23 - 11/30/23**

<u>DISTRICT</u>	<u>FUND</u>	<u>DEPT/DIV</u>	<u>SUB</u>	
Lakeport Fire Protection Dist.	354	9554	795	
DESCRIPTION		CODE	DEBIT (+)	CREDIT (-)
Salaries & Wages-Permanent	FT Admin	01.11 A	9,894.60	
Salaries & Wages-Permanent	FT Shift	01.11 B	39,341.19	
Salaries & Wages-LT/PT/Temporary	LT Shift	01.12 A	2,932.93	
Salaries & Wages- Overtime	FT Shift OT	01.13 A	2,003.06	
Salaries & Wages -Overtime	LT Shift OT	01.13 B	0.00	
Salaries & Wages -Overtime	FT Admin OT	01.13 C	0.00	
Salaries & Wages - FLSA	FLSA	01.13 F	1,026.62	
Medicare - EmployER Paid		02.21 A	743.52	
FICA- EmployER Paid		02.21 B	36.83	
Medical Insur Reimb (PR Code 36)	FT Admin & FT Shift	03.30 A		1,738.62
Union Dues (PR Code 39)	FT Shift	01.11 C		376.00
CAPF (PR Code C)	FT Shift	01.11 C		177.00
PERS After Tax (PR Codes 53 & 55)	FT Admin & FT Shift	02.23 A		6,350.34
PERS 1959 Survivor (PR Code 59)	FT Admin & FT Shift	02.23 B		18.72
Deferred Comp (PR Code K)	FT Admin & FT Shift	02.28 A		1,993.38
Prof. & Spec. - Payroll Processing		23.80 C		
Payroll Clearing Account		09.00		
Payroll Clearing Account		09.00		45,324.69
TOTAL			55,978.75	55,978.75

DISTRICT AUTH. SIGNATURE _____

Please prepare a journal entry to transfer funds to our expenditure accounts for our automated payroll service
for the pay period **7/01/23 - 12/31/23 Holiday Pay**

<u>DISTRICT</u>	<u>FUND</u>	<u>DEPT/DIV</u>	<u>SUB</u>	
Lakeport Fire Protection Dist.	354	9554	795	
DESCRIPTION		CODE	DEBIT (+)	CREDIT (-)
Salaries & Wages-Permanent	FT Admin	01.11 A	0.00	
Salaries & Wages-Permanent	FT Shift	01.11 B	0.00	
Salaries & Wages-LT/PT/Temporary	LT Shift	01.12 A	0.00	
Salaries & Wages- Overtime	FT Shift OT	01.13 A	0.00	
Salaries & Wages -Overtime	LT Shift OT	01.13 B	0.00	
Salaries & Wages -Overtime	FT Admin OT	01.13 C	0.00	
Salaries & Wages - Holiday	Holiday Pay July - Dec	01.13 H	21,620.40	
Medicare - EmployER Paid		02.21 A	282.61	
FICA- EmployER Paid		02.21 B	0.00	
Medical Insur Reimb (PR Code 36)	FT Admin & FT Shift	03.30 A		0.00
Union Dues (PR Code 39)	FT Shift	01.11 C		0.00
CAPF (PR Code C)	FT Shift	01.11 C		0.00
PERS After Tax (PR Codes 53 & 55)	FT Admin & FT Shift	02.23 A		0.00
PERS 1959 Survivor (PR Code 59)	FT Admin & FT Shift	02.23 B		0.00
Deferred Comp (PR Code K)	FT Admin & FT Shift	02.28 A		0.00
Prof. & Spec. - Payroll Processing		23.80 C		
Payroll Clearing Account		09.00		
Payroll Clearing Account		09.00		21,903.01
TOTAL			21,903.01	21,903.01

DISTRICT AUTH. SIGNATURE _____

General Fund - 354		Adopted	11/30/2023		42%	
Account #	APPROPRIATIONS	Budget	This Month	YTD	% of Budget	Remaining \$
01-11	Salaries - Permanent	1,053,000	89,902	450,554	43%	602,446
01-12	Extra Help	65,000	5,702	37,639	58%	27,361
01-13	Overtime - Holiday -	184,000	35,433	107,761	59%	76,239
02-21	Social Security - Medicare	17,000	1,850	9,706	57%	7,294
02-22	CalPERS	409,100	24,004	151,525	37%	257,575
02-23	CalPERS Clearing	11,500	(5,955)	(5,908)	-51%	17,408
02-28	Deferred Comp Clearing Account	2,500	(2,093)	(5,043)	-202%	7,543
03-30	Health/Life Insurance	403,500	34,145	177,254	44%	226,246
03-31	Unemployment Insurance	0	0	0	0%	0
03-45	Retiree Other Post Emp. Benefits	52,000	3,546	19,452	37%	32,548
04-00	Workers Compensation	85,250	0	85,234	100%	16
09-00	Payroll Clearing Account	0	(373)	98,757	n/a	-98,757
Total Salaries and Benefits		2,282,850	186,162	1,126,930	49%	1,155,920
11-00	Clothing & Personal Supplies	23,000	3,900	8,531	37%	14,469
12-00	Communications	116,500	821	35,861	31%	80,639
14-00	Household Expense	8,000	901	2,973	37%	5,027
15-10	Insurance - Prop., Auto and Eq.	32,500	0	32,446	100%	54
15-12	Insurance - Public Liability	85,600	0	85,568	100%	32
17-00	Maintenance - Vehicles/Equipment	104,000	4,057	46,867	45%	57,133
18-00	Maintenance - Buildings & Grounds	35,000	880	1,957	6%	33,043
19-40	Medical Supplies	49,000	6,205	16,443	34%	32,557
20-00	Memberships	11,034	(85)	1,140	10%	9,894
22-70	Office Supplies	10,000	178	1,974	20%	8,026
22-71	Postage	1,000	66	234	23%	766
22-72	Books & Periodicals	2,500	0	0	0%	2,500
23-80	Professional & Specialized Services	185,000	16,703	88,571	48%	96,429
24-00	Publications & Legal Notices	500	0	109	22%	391
25-00	Rents & Leases - Equipment	21,000	0	20,789	99%	211
26-00	Rents & Leases - Buildings	10	0	0	0%	10
27-00	Small Tools & Instruments	6,000	0	1,250	21%	4,750
28-30	Supplies & Services	84,500	4,160	23,896	28%	60,604
28-48	Ambulance Expense	179,866	7,447	19,783	11%	160,083
29-50	Transportation & Travel	4,500	1,547	3,260	72%	1,240
30-00	Utilities	66,000	6,880	34,579	52%	31,422
42-10	Notes & Loans/P&I	61,000	60,713	60,713	100%	287
48-00	Taxes & Assessments	240	0	0	0%	240
61-00	Land - Acquisitions	70,000	0	69,188	99%	812
61-60	Capital Bldgs & Improv.	439,500	0	0	0%	439,500
62-71	Capital Equipment Office	0	0	0	0%	0
62-72	Capital Equipment Vehicle	115,000	41,618	41,618	0%	73,382
62-74	Capital Equipment - Medical	162,000	0	0	0%	162,000
62-76	Capital Equipment Other	21,000	13,494	13,494	64%	7,506
Total Services, Supplies and Capital Expenses		1,894,250	169,485	611,242	32%	1,283,008
Total Fire Protection		4,177,100	355,647	1,738,172	42%	2,438,928

Based on County financial statements as of 12/8/23

INCIDENT COUNT - NOVEMBER 2023	
Incident Type	Count
Building fire	3
Chimney or flue fire, confined to chimney or flue	1
Passenger vehicle fire	1
EMS call, excluding vehicle accident with injury	140
Motor vehicle accident with injuries	6
Motor vehicle accident with no injuries.	5
Hazardous condition, other	1
Gasoline or other flammable liquid spill	1
Gas leak (natural gas or LPG)	2
Power line down	2
Arcing, shorted electrical equipment	1
Lock-out	1
Public service assistance, other	2
Public service	4
Assist invalid	2
Dispatched & cancelled en route	22
False alarm or false call, other	1
Sprinkler activation due to malfunction	1
Alarm system sounded due to malfunction	1
Wind storm, tornado/hurricane assessment	1
Total:	198

AID GIVEN - NOVEMBER 2023	
Incident Type	Count
Building Fire	1
EMS call, excluding vehicle accident with injury	12
Motor vehicle accident with no injuries	1
Dispatched & cancelled en route	9
Total:	23

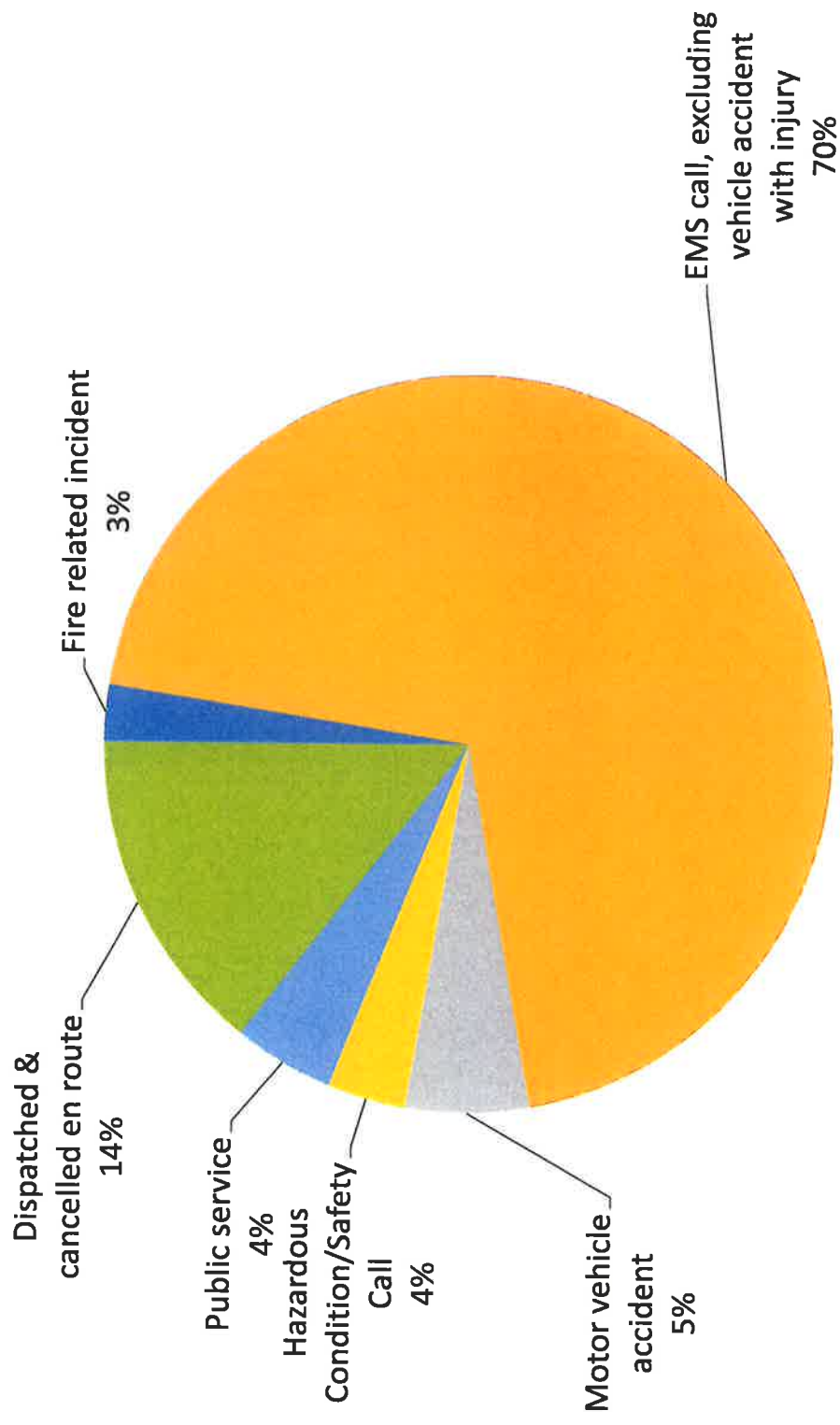
AID RECIEVED - NOVEMBER 2023	
Incident Type	Count
Building Fire	2
EMS call, excluding vehicle accident with injury	14
Motor vehicle accident with injuries	1
Motor vehicle accident with no injuries	1
Arcing, shorted electrical equipment	1
Dispatched & cancelled en route	1
Total:	20

TOTAL INCIDENTS YTD 2023	
Incident Type	Count
Fire, other	2
Building fire	16
Cooking fire, confined to container	2
Chimney or flue fire, confined to chimney or flue	3
Trash or rubbish fire, contained	7
Passenger vehicle fire	9
Natural vegetation fire, other	1
Forest, woods or wildland fire	1
Brush or brush-and-grass mixture fire	10
Grass fire	3
Outside rubbish fire, other	2
Outside rubbish, trash or waste fire	4
Excessive heat, scorch burns with no ignition	1
Rescue, EMS incident, other	1
Emergency medical service, other	5
EMS call, excluding vehicle accident with injury	1591
Motor vehicle accident with injuries	83
Motor vehicle/pedestrian accident (MV Ped)	1
Motor vehicle accident with no injuries.	29
Lock-in (if lock out , use 511)	1
Removal of victim(s) from stalled elevator	1
Watercraft rescue	3
Hazardous condition, other	9
Gasoline or other flammable liquid spill	2
Gas leak (natural gas or LPG)	13
Carbon monoxide incident	2
Electrical wiring/equipment problem, other	2
Overheated motor	1
Power line down	47
Arcing, shorted electrical equipment	3
Attempted burning, illegal action, other	1
Service Call, other	2
Person in distress, other	3
Lock-out	4
Water problem, other	2
Public service assistance, other	17
Assist police or other governmental agency	1
Police matter	1
Public service	176
Assist invalid	12
Good intent call, other	2
Dispatched & cancelled en route	355
No incident found on arrival at dispatch address	9
Smoke scare, odor of smoke	14
Steam, vapor, fog or dust thought to be smoke	1
False alarm or false call, other	10
Municipal alarm system, malicious false alarm	1
Sprinkler activation due to malfunction	1
Smoke detector activation due to malfunction	1
Alarm system sounded due to malfunction	3
CO detector activation due to malfunction	1
Unintentional transmission of alarm, other	2
Smoke detector activation, no fire - unintentional	3
Alarm system activation, no fire - unintentional	15
Severe weather or natural disaster, other	2
Wind storm, tornado/hurricane assessment	1
Special type of incident, other	1
Total:	2496

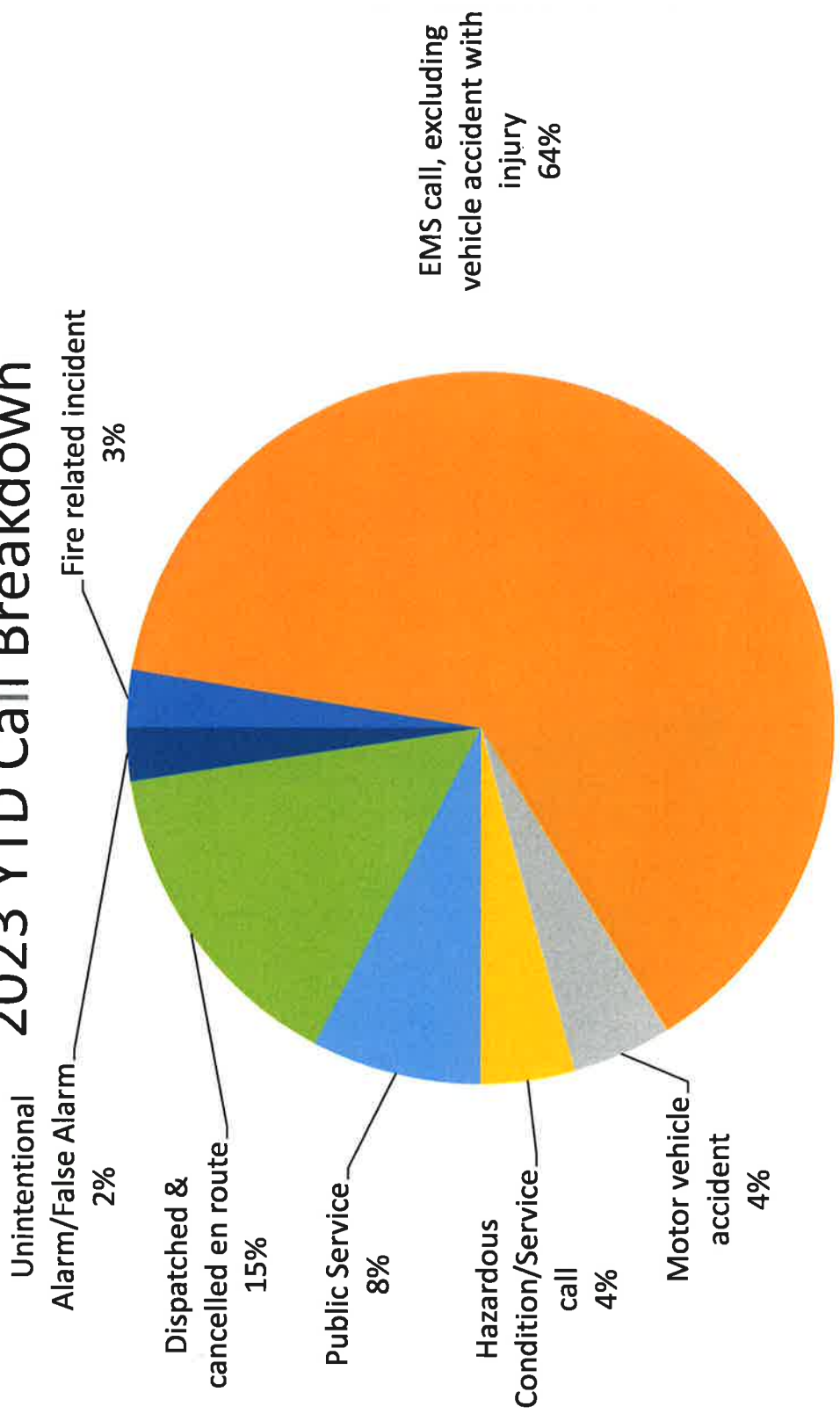
YTD AID GIVEN - 2023	
Incident Type	Count
Building fire	7
Forest, woods or wildland fire	1
Brush or brush-and-grass mixture fire	3
EMS call, excluding vehicle accident with injury	79
Motor vehicle accident with injuries	15
Motor vehicle accident with no injuries	2
Watercraft Rescue	1
Public service	6
Dispatched & cancelled en route	165
Special type of incident, other	2
Total:	281

YTD AID RECIEVED - 2023	
Incident Type	Count
Grass Fire	1
Building fire	5
Brush or brush-and-grass mixture fire	5
EMS call, excluding vehicle accident with injury	137
Motor vehicle accident with injuries	15
Motor vehicle accident with no injuries	6
Lock-in	1
Arcing, shored electrical equipment	1
Dispatched & Cancelled en route	10
False alarm or false call, other	2
Public Service	6
Smoke scare, odor of smoke	2
Gas leak (natural gas or LPG)	1
Carbon monoxide incident	1
Building fire	1
No incident found on arrival at dispatch address	1
Total:	189

November 2023 - Call Breakdown



2023 YTD Call Breakdown



LAKEPORT FIRE PROTECTION DISTRICT
MONTHLY FLEET REPORT

UNIT #	MILEAGE		ENGINE HOURS		PUMP HOURS		LADDER HOURS		LAST SERVICE	LAST SERVICE	ELAPSED
	NOV	MILES	NOV	HOURS	NOV	HOURS	NOV	HOURS	MONTH-YEAR	Miles/Hours	Miles/Hours
E5011	24,161	1,051	1,855	89	81.5	6.25			Jul-23	1,443	412 hr.
T5011	20,153	25	2,453	20	131.0	1.00		-723	Aug-21	19,100	1053 mi.
E5012	15,942	-	16,027	1	1,078.0	0.00			Jul-23	15,905	122 hr.
E5031	20,793	28	1,404	2	196.0	0.00			Apr-18	17,200	3593 mi.
E5021	31,349	-	3,142	-					Aug-22	3,111	31 hr.
M5011	122,073	3,430	6,677	101					Jul-22	91,719	30354 mi.
M5012	97,585	28	5,305	4					Jul-22	90,520	7065 mi.
E5211	51,237	-	4,581	-	1,328.0	0.00			Oct-22	4,260	321 hr.
WT5011	21,217	-							Jun-22	21,005	212 mi.
U5011	100,960	-							Sep-22	94,678	6282 mi.
C500	67,120	664							Aug-23	64,417	2703 mi.
U5012	28,673	924							Oct-23	27,039	1634 mi.
SK5011			69	-							
SK5012			70	0							
STATION 50 GENERATOR			542	1							
E5011	2021 Pierce	Enforcer									
T5011	1999 Seagrave	Quint									
E5012	2003 Pierce	Dash		West Sac Engine							
E5031	2011 Intl.	Crimson		Spartan							
E5021	1998 Intl.	Opberman									
M5011	2014 Dodge	Braun									
M5012	2015 Dodge	Braun									
E5211	2001 Central States			Spartan							
WT5011	1984 Kenworth	Opberman									
U5011	2008 Dodge	Ram 1500									
C500	2015 Ford	F250									



COUNTY OF LAKE

Board of Supervisors

Courthouse - 255 N. Forbes St.

Lakeport, CA 95453

Office: (707) 263-2368, ext. 40103

Fax: (707) 263-2207

D7e
MICHAEL S. GREEN

District 4 Supervisor

June 20, 2023

To: Patrick Reitz, Chief, Lakeport Fire Protection District
Bill Gabe, Chair, LFPD Board of Directors

Re: Interim fire safety measures for South Main Street/Soda Bay industrial area

As your board is well aware, providing suitable fire protection services to the industrial area of South Main Street and Soda Bay Road in the unincorporated portions of south Lakeport is highly problematic given the lack of water supply lines and fire hydrants. This serious problem has been known to city, county and fire protection district officials for several decades, yet little to no progress has been made toward a permanent solution. This situation is untenable and poses an unacceptable risk to people and property.

To the extent the proposed annexation of the South Main/Soda Bay territory into the City of Lakeport offered the most logical and cost-effective approach toward installing water mains and fire hydrants, that option was taken off the table for the foreseeable future by the November 2022 election in which annexation was soundly rejected by the few voters residing within the affected area who cast ballots. Should the county attempt to provide full water service by other means, including a possible establishment or expansion of county service area(s), that attempt would be subject to the same convoluted LAFCO approval process, and a much larger number of residents would be able to protest any proposed assessment via the Prop. 218 process. As a result, the County of Lake and City of Lakeport both face serious, unavoidable time constraints toward achieving their shared goal of improving municipal services, including fire-protection services, within a commercially vital area of the county. A viable, short-term solution is nowhere in sight.

The complexities of land-use planning, annexation and property tax laws cannot and should not stand as an impediment to your board's timely consideration of whether interim fire safety measures may be needed to better protect the south Lakeport industrial area. I am informed the city still desires to close the loop of water mains serving the area, and LFPD may have some ability to tap into those lines if completed. As the (much) slower LAFCO process continues to unfold, my urgent request is for your chief and board to weigh all practical options to improve fire protection in the area.

While this letter does not reflect the formal position of the Board of Supervisors or any county department, I pledge to do everything possible to support your district's efforts. Please let me know if I can be of any assistance in that regard.

Sincerely,

Michael S. Green
District 4 Supervisor



COUNTY OF LAKE

Board of Supervisors

Courthouse - 255 N. Forbes St.

Lakeport, CA 95453

Office: (707) 263-2368, ext. 40103

Fax: (707) 263-2207

MICHAEL S. GREEN

District 4 Supervisor

Nov. 3, 2023

To: Patrick Reitz, Chief, Lakeport Fire Protection District
Bill Gabe, Chair, LFPD Board of Directors

Re: Service zone for South Main Street/Soda Bay Road industrial area

In June 2023, I shared a letter with your board describing fire protection services to the industrial area of South Main Street and Soda Bay Road as being highly problematic given the lack of water supply lines and fire hydrants. My ongoing concerns were reinforced in October, when the Board of Supervisors formally reviewed and adopted the updated Lake County Community Wildfire Prevention Plan (copy provided by email).

Within the action plan recommended by the CWPP is a call for the County and local fire protection districts to "work to improve hydrant systems throughout the county." (p. 65) My hope for my final year remaining in office is to do just that for the South Main Street industrial corridor, using whatever lawful means may be necessary to fund and maintain said fire hydrants. Because voters rejected the city's planned annexation in November 2022, this follow-up letter focuses on two alternatives as being more practical:

- Formation of a service district within the Lakeport Fire Protection District, as authorized by Health and Safety Code Sec. 13950 et seq.
- Formation of a new community service area (CSA) within the unincorporated county, as authorized by Government Code Sec. 56000 et seq.

Of the two alternatives, the formation of a service district within Lakeport FPD appears to have a simpler procedural path. That's because Health and Safety Code Sec. 13952 prohibits a local agency formation commission (LAFCO) to review or dis/approve any plan to create a service zone within an existing fire district. Conversely, both the City of Lakeport and the County of Lake are subject to stringent Lake LAFCO procedures when proposing to expand the city limits or to expand county services, respectively.

This is not to suggest forming an LFPD service district is an easy lift. Your board would have to consider several important variables, including the service zone boundaries, additional revenues required, value of additional benefits provided, and whatever third-party services may be needed to help track billing, revenues and expenditures. On this latter point, Special Districts and/or the Auditor-Controller may be able to help.

Additionally, Health and Safety Code Sec. 13950 describes a protest hearing process. The filing of a sufficient number of protests could trigger the requirement to place any proposed assessment before voters as required by Prop. 218. This is the same process that led to Lakeport's annexation plan being placed before area voters in 2022, although a fire district assessment plan would differ because no city sales tax would be imposed.

Any proposed fire district service area – and any proposed assessment within that area – is bound to generate questions and concerns. I can appreciate why this may not be an ideal option, but it is my duty to consider all reasonable alternatives to improve fire safety within the district I represent. This letter simply requests your board's fair and deliberate consideration as to the feasibility of forming a service zone to install and maintain fire hydrants on South Main Street by duly adopted resolution after noticed public hearing.

Alternatively, should your board conclude that establishment of an LFPD service zone is undesirable or unfeasible, I would welcome a resolution or other written communication requesting the county to initiate a LAFCO process to create a county service area for the purpose of improving fire protection facilities on the South Main Street industrial corridor.

Thank you in advance for your board's continued attention to this important matter. Please let me know if you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael S. Green", written in a cursive style.

Michael S. Green
District 4 Supervisor



LAKEPORT FIRE PROTECTION DISTRICT

445 North Main Street, Lakeport, CA 95453
Telephone: (707) 263-4396 Fax: (707) 263-7087
Web Site: www.lakeportfire.com



Date: December 8, 2023
To: Board of Directors
From: Patrick Reitz, Fire Chief
Subject: **Resolution to Fund Ambulance Remounts Approved at November 14, 2023 Meeting**

Recommendation

1. **Make a motion to waive the reading and approve Resolution 23/24-05, a Resolution Transferring \$363,000 from Equipment Reserves to Capital Equipment-Vehicles to Fund the Two (2) Ambulance Remounts Approved at the November 14, 2023 meeting.**

Background

At its special meeting on October 17, 2023, the board approved the remounting of a 2014 North Star vehicle #2022-1 module onto a 2024 Ram 4500 4x4 chassis for approximately \$207,000. At its regular meeting on November 14, 2023, the board approved a change order to the above-referenced remounting, resulting in a decreased cost of \$183,000 for the remount.

Also at its meeting on November 14, 2023, the board approved the proposal to remount a second ambulance for approximately \$180,000.

Attached is a resolution formally authorizing the transfer of \$363,000 from Equipment Reserves to Capital Equipment-Vehicles to fund these two (2) remounts.

***Lakeport Fire Protection District
Board of Directors***

RESOLUTION NO. 23/24-04

***A RESOLUTION TO TRANSFER \$363,000 FROM RESERVES-EQUIPMENT TO CAPITAL
EQUIPMENT-VEHICLES TO FUND TWO (2) AMBULANCE REMOUNTS***

WHEREAS, at its meeting on November 12, 2023, the Lakeport Fire Protection District Board of Directors approved the remounting of two (2) ambulances; and,

WHEREAS, the total amount approved by the Board for these two (2) remounts was \$363,000; and,

WHEREAS the District has sufficient reserves to transfer \$363,000 from Reserves-Equipment to Fixed Assets-Vehicles to fund the cost of the ambulance remounts;

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the Lakeport Fire Protection District directs the Lake County Auditor/Controller to make the following transfer:

Decrease Reserves – Equipment (04-00):	(\$363,000)
Increase Fixed Assets-Vehicles (62-72):	\$363,000

THIS RESOLUTION WAS PASSED AND ADOPTED by the Board of Directors of the Lakeport Fire Protection District at a regular meeting held on December 12, 2023, by the following vote:

AYES: Brown, Lucas, Warrenburg, Whitehead & Gabe

NOES:

ABSENT OR ABSTAIN:

ATTEST:

Ray Lavelle, Clerk of the Board

William Gabe, Board Chair

SMITH & NEWELL

CERTIFIED PUBLIC ACCOUNTANTS

November 30, 2023

Lakeport Fire Protection District
445 N. Main Street
Lakeport, CA 95453

Enclosed is a draft copy of Lakeport Fire Protection District's Annual Financial Report, proposed journal entries and the management representation letter for the year ended June 30, 2023. Please print the representation letter onto the District's letterhead, sign and return to our office.

We have also enclosed a copy of the completed disclosure checklist that you can use to document your compliance with the requirements of SAS 115, which require that you review, approve, and accept responsibility for the financial statements and related notes.

We will date and run the report in final once we receive the following:

- Signed Management Representation Letter
- Signed Disclosure Checklist
- Management's Corrective Action Plan for the 4 comments:
 - Management's Response (Concurs or does not concur)
 - Responsible Individual(s) (Name & Title)
 - Corrective Action Plan
 - Anticipated Completion Date

Thanks for your help in completing the audit.

Sincerely,



Carrie Schroeder, CPA
Partner



LAKEPORT FIRE PROTECTION DISTRICT

445 North Main Street, Lakeport, CA 95453
Telephone: (707) 263-4396 Fax: (707) 263-7087
Web Site: www.lakeportfire.com



December 12, 2023

Smith & Newell
Certified Public Accountants
950 Tharp Road, Suite 502
Yuba City, CA 95993

This representation letter is provided in connection with your audit of the financial statements of Lakeport Fire Protection District (District), which comprise the respective financial position of the governmental activities and each major fund, and the aggregate remaining fund information as of June 30, 2023, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with the modified cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, including our responsibility for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with the modified cash basis of accounting and include all properly classified funds and other financial information of the primary government and all component units required by the modified cash basis of accounting to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with the modified cash basis of accounting.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the modified cash basis of accounting.

- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with the modified cash basis of accounting.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the District and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting District's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91.
- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 28) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements include all fiduciary activities required by GASBS No. 84, as amended.
- 32) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
- 33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 36) Provisions for uncollectible receivables have been properly identified and recorded.
- 37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 38) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

- 40) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 42) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 45) With respect to the supplementary information as identified in the Table of Contents.
- a) We acknowledge our responsibility for presenting the supplementary information in accordance with the modified cash basis of accounting, and we believe the supplementary information, including its form and content, is fairly presented in accordance with the modified cash basis of accounting. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: _____

Signature: _____

Title: _____

Title: _____

Date: _____

**LAKEPORT FIRE
PROTECTION DISTRICT,
CALIFORNIA**

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**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2023**

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LAKEPORT FIRE PROTECTION DISTRICT
Annual Financial Report
For the Year Ended June 30, 2023

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INTRODUCTORY SECTION

- **List of Officials**

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LAKEPORT FIRE PROTECTION DISTRICT
List of Officials
For the Year Ended June 30, 2023

Board of Directors

Bill Gabe	Chairman
Andy Lucas	Vice Chairman
John Whitehead	Director
David Brown	Director
Jeffery Warrenburg	Director

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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Basic Financial Statements**
- **Supplementary Information**

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of Lakeport Fire Protection District, California (District), as of and for the year ended June 30, 2023, 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 modified cash basis financial position of the governmental activities and each major fund of the District as of June 30, 2023, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1C.

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 of America. 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1C of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1C, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

To the Board of Directors
Lakeport Fire Protection District
Lakeport, 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 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment 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 judgment, 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
Lakeport Fire Protection District
Lakeport, California

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The District Pension Plan information, District OPEB Plan information and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1C.

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 XXX, 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 CPAs
Yuba City, California
XXX, 2023

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Basic Financial Statements

- **Government-Wide Financial Statements**

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LAKEPORT FIRE PROTECTION DISTRICT
Modified Cash Basis Statement of Net Position
June 30, 2023

	Total Governmental Activities
ASSETS	
Cash and investments	\$ 3,230,489
Capital assets:	
Non-depreciable	564,879
Depreciable, net	1,497,136
Total capital assets	<u>2,062,015</u>
Total Assets	<u>5,292,504</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension adjustments	1,439,556
Deferred OPEB adjustments	527,803
Total Deferred Outflows of Resources	<u>1,967,359</u>
LIABILITIES	
Long-term liabilities:	
Due within one year	132,666
Due in more than one year	476,767
Net pension liability	3,044,356
Net OPEB liability	2,063,158
Total Liabilities	<u>5,716,947</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension adjustments	346,542
Deferred OPEB adjustments	385,727
Total Deferred Inflows of Resources	<u>732,269</u>
NET POSITION	
Net investment in capital assets	1,589,425
Restricted for capital projects	367,308
Unrestricted	<u>(1,146,086)</u>
Total Net Position	<u>\$ 810,647</u>

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

LAKEPORT FIRE PROTECTION DISTRICT
Modified Cash Basis Statement of Activities
For the Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Public protection	\$ 3,305,095	\$ 2,265,099	\$ 8,754	\$ -
Interest on long-term debt	13,684	-	-	-
Total Governmental Activities	3,318,779	2,265,099	8,754	-
Total	\$ 3,318,779	\$ 2,265,099	\$ 8,754	\$ -
General revenues:				
Taxes:				
Property taxes				1,090,918
Interest and investment earnings				29,041
Miscellaneous				102,987
Loss on sale of capital assets				(967)
Total General Revenues				1,221,979
Change in Net Position				177,053
Net Position - Beginning				633,594
Prior period adjustment				-
Net Position - Beginning, Restated				633,594
Net Position - Ending				\$ 810,647

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

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Basic Financial Statements

- **Fund Financial Statements**

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LAKEPORT FIRE PROTECTION DISTRICT
Modified Cash Basis Balance Sheet
Governmental Funds
June 30, 2023

	<u>General</u>	<u>Mitigation Fees</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 2,863,181	\$ 367,308	\$ 3,230,489
Total Assets	<u>\$ 2,863,181</u>	<u>\$ 367,308</u>	<u>\$ 3,230,489</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted	-	367,308	367,308
Assigned	1,185,007	-	1,185,007
Unassigned	1,678,174	-	1,678,174
Total Fund Balances	<u>2,863,181</u>	<u>367,308</u>	<u>3,230,489</u>
Total Liabilities and Fund Balances	<u>\$ 2,863,181</u>	<u>\$ 367,308</u>	<u>\$ 3,230,489</u>

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

LAKEPORT FIRE PROTECTION DISTRICT
Reconciliation of the Governmental Funds Modified Cash Basis
Balance Sheet to the Government-Wide Modified Cash Basis
Statement of Net Position - Governmental Activities
June 30, 2023

Total Fund Balance - Total Governmental Funds	\$ 3,230,489
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.	2,062,015
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	1,967,359
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds.	(732,269)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Capital leases payable	(472,590)
Compensated absences	(136,843)
Net pension liability	(3,044,356)
Net OPEB liability	(2,063,158)
Net Position of Governmental Activities	\$ 810,647

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

LAKEPORT FIRE PROTECTION DISTRICT
Modified Cash Basis Statement of Revenues,
Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Mitigation Fees	Totals
REVENUES			
Taxes	\$ 1,090,918	\$ -	\$ 1,090,918
Licenses and permits	25,228	-	25,228
Use of money and property	24,247	4,794	29,041
Intergovernmental revenues	8,754	-	8,754
Charges for services	2,208,393	31,478	2,239,871
Other revenues	102,987	-	102,987
Total Revenues	3,460,527	36,272	3,496,799
EXPENDITURES			
Current public protection:			
Salaries and benefits	2,181,534	-	2,181,534
Services and supplies	870,420	-	870,420
Debt service:			
Principal	77,867	-	77,867
Interest and other charges	13,684	-	13,684
Capital Outlay	151,298	-	151,298
Total Expenditures	3,294,803	-	3,294,803
Excess of Revenues Over (Under) Expenditures	165,724	36,272	201,996
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	3,260	-	3,260
Transfers in	114,304	-	114,304
Transfers out	-	(114,304)	(114,304)
Total Other Financing Sources (Uses)	117,564	(114,304)	3,260
Net Change in Fund Balances	283,288	(78,032)	205,256
Fund Balances - Beginning	2,579,893	445,340	3,025,233
Fund Balances - Ending	\$ 2,863,181	\$ 367,308	\$ 3,230,489

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

LAKEPORT FIRE PROTECTION DISTRICT
Reconciliation of the Modified Cash Basis Statement of
Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Government-Wide Modified Cash
Basis Statement of Activities - Governmental Activities
For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds **\$ 205,256**

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	151,298
Less current year depreciation	(189,958)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the net cost of the capital assets disposed. Proceeds from the sale of capital assets were \$3,260.

(4,227)

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	77,867
-----------------------	--------

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	711,635
Change in deferred outflows of resources related to OPEB	185,559
Change in deferred inflows of resources related to pension	732,871
Change in deferred inflows of resources related to OPEB	170,077

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	4,553
Change in net pension liability	(1,370,249)
Change in net OPEB liability	(497,629)

Change in Net Position of Governmental Activities	\$ 177,053
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The notes to the basic financial statements are an integral part of this statement.

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Basic Financial Statements

- **Notes to Modified Cash Basis Financial Statements**

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LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Lakeport Fire Protection District was organized pursuant to Section 14001-14314 of the California Health and Safety Code. The Local Agency Formation Commission of Lake Co. (LAFCO) Certificate of Completion for the annexation of the City of Lakeport Fire Department by the Lakeport County Fire Protection District was dated July 2, 1999 and was recorded on November 22, 1999. In November 2002, the Board of Directors approved changing the District's name to the Lakeport Fire Protection District. The District provides fire protection services to the Lakeport and Finley areas of Lake County.

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 Golden State Risk Management Authority (GSRMA). GSRMA is a joint powers authority organized for the purpose of providing services and other functions necessary and appropriate for the creation, operation, and maintenance of liability, workers' compensation, property and other risk pooling and coverage plans for its members. GSRMA began operations on July 1, 1979, and has continued without interruption since that time. GSRMA is composed of member agencies consisting of cemetery districts, cities, counties, fire districts, school districts and special districts and is governed by a board of directors appointed by the members. Complete audited financial statements can be obtained from GSRMA's office at P.O. Box 706, Willows, CA 95988. 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 of the activities of the District. These statements include the financial activities of the overall 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 taxes, intergovernmental revenues and charges for services. The District had no business-type activities at June 30, 2023.

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

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.

Fund Financial Statements

Fund financial statements of the District are organized into 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 within the governmental category.

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.
- The Mitigation Fees fund is a special revenue fund used to account for revenues and expenditures related to mitigation fees. Funding comes primarily from mitigation fees collected and interest earnings.

C. Basis of Accounting and Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. This basis of presentation differs from accounting principles generally accepted in the United States of America (GAAP) in that certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Such variances are presumed to be material. However, similar to financial statements prepared in accordance with GAAP, these financial statements reflect the capitalized cost of equipment and related depreciation, and long-term debt.

Governmental funds are reported using the current financial resources measurement focus, within the limitations of the modified cash basis of accounting. In the governmental funds general capital asset acquisitions are reported as expenditures and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

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.

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments

The District pools cash and investments, other than cash on hand and in checking accounts, with the County of Lake. The Lake 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 an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums and realized gains and losses, net of administrative fees, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements as unrealized gains and losses are not apportioned to pool participants.

F. Inventory

Inventories are recorded as expenditures at the time the inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

G. Capital Assets

Capital assets, which include property, plant and equipment, are defined by the District as assets with a cost of more than \$5,000. Capital assets are recorded at historical or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their 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 in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	5 to 20 years
Structure and improvements	10 to 25 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 results of operations.

H. Property Tax

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

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Property Tax (Continued)

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 on August 31.

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. 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 of 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 account 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 or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

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

J. Compensated Absences

The District has adopted the requirements for recording compensated absences as outlined in GASB Statement No. 16. The District's policy regarding compensated absences is to permit employees to accumulate earned but unused vacation and sick leave. In the government-wide financial statements the accrued compensated absences is recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature. The District includes its share of Medicare taxes payable on behalf of the employees in the accrual for compensated absences.

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. 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 Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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, 2022
Measurement Period	July 1, 2021 to June 30, 2022

L. 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 recognized when currently 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	July 1, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

M. 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) 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 two items that qualify for reporting in this category. These 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.

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Estimates

The preparation of basic financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

O. 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. 91, Conduit Debt Obligations. This statement improves the comparability of financial reporting for issuers by eliminating the option to recognize a liability for a conduit debt obligation.

Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.

Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The definition and uniform guidance will result in greater consistency in practice.

Statement No. 99, Omnibus 2022. This statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

P. Future Accounting Pronouncements

Statement No. 99 “Omnibus 2022” The requirements of this statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. (FY 23/24)

Statement No. 100 “Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62” The requirements of this statement are effective for fiscal years beginning after June 15, 2023. (FY 23/24)

Statement No. 101 “Compensated Absences” The requirements of this statement are effective for fiscal years beginning after December 15, 2023. (FY 24/25)

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

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. During the current year the District reported a prior period adjustment to correct a prior year understatement of capital assets and prior year understatement of capital lease payable.

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, 2022 as previously reported	\$ 633,594
Adjustment associated with:	
Correction of prior year understatement of capital assets	62,366
Correction of prior year understatement of capital lease payable	(62,366)
Total Adjustments	-
Net Position, July 1, 2022 as restated	\$ 633,594

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2023, the District's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 150
Deposits (less outstanding checks)	-
Total Cash	150
Investments:	
Lake County Treasurer's Pool	3,230,339
Total Investments	3,230,339
Total Cash and Investments	\$ 3,230,489

B. Cash

At year end, the carrying amount of the District's cash deposits (including amounts in checking accounts) was \$0 and the bank balance was \$43,211. 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 \$150.

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

B. Cash (Continued)

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. As of June 30, 2023, the entire amount of the District's deposits were insured by the Federal Deposit Insurance Corporation (FDIC).

C. Investments

The District does not have a formal investment policy. At June 30, 2023, all investments of the District were in the County of Lake 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:

Bankers' Acceptances
Commercial Paper
Local Agency Investment Fund (LAIF)
Mutual Funds
Medium-Term Corporate Notes
Negotiable Certificates of Deposit
Repurchase Agreements
Securities of the Federal Government or its Agencies
State of California Obligations
Local Agency Bonds
Treasury Obligations
Obligations of California Local Agencies

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 is not recognized in the three-tiered fair value hierarchy described above.

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

At June 30, 2023, the District had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
None	\$ -	\$ -	\$ -	\$ -
Total Investments Measured at Fair Value	-	\$ -	\$ -	\$ -
Investments in External Investment Pool				
Lake County Treasurer’s Pool	3,230,339			
Total Investments	\$ 3,230,339			

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.

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, 2023, the District's investments were all held with the County of Lake 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. 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. All investments of the District are in the Lake County investment pool which contains a diversification of investments.

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

D. Investments in External Pool

The Lake County Pooled Investment Fund is a pooled investment fund program governed by the County which monitors and reviews the management of public funds maintained in the investment pool in accordance with the County investment policy and the California Government Code. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. Investments in the Lake County Pooled Investment fund are regarded as highly liquid as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Lake's financial statements may be obtained by contacting the County of Lake Auditor-Controller's office at 255 North Forbes Street, Lakeport, CA 95453.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2023
Capital Assets, Not Being Depreciated:					
Land	\$ 502,879	\$ -	\$ -	\$ -	\$ 502,879
Construction in progress	-	62,000	-	-	62,000
Total Capital Assets, Not Being Depreciated	502,879	62,000	-	-	564,879
Capital Assets, Being Depreciated:					
Buildings and improvements	685,029	31,800	-	-	716,829
Equipment	2,324,963	57,498	(39,014)	103,943	2,447,390
Total Capital Assets, Being Depreciated	3,009,992	89,298	(39,014)	103,943	3,164,219
Less Accumulated Depreciation For:					
Buildings and improvements	(495,392)	(15,820)	-	-	(511,212)
Equipment	(974,943)	(174,138)	34,787	(41,577)	(1,155,871)
Total Capital Assets, Being Depreciated	(1,470,335)	(189,958)	34,787	(41,577)	(1,667,083)
Total Capital Assets, Being Depreciated, Net	1,539,657	(100,660)	(4,227)	62,366	1,497,136
Governmental Activities Capital Assets, Net	\$ 2,042,536	(\$ 38,660)	(\$ 4,227)	\$ 62,366	\$ 2,062,015

Depreciation

Depreciation expense was charged to governmental activities as follows:

Public Protection	\$ 189,958
Total Depreciation Expense	\$ 189,958

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 5: INTERFUND TRANSACTIONS

Due To/From Other Funds

Transfers are indicative of funding for capital projects, lease payments or debt service and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2023:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 114,304	\$ -
Mitigation fees	<u>-</u>	<u>114,304</u>
Total	<u>\$ 114,304</u>	<u>\$ 114,304</u>

NOTE 6: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2022</u>	<u>Adjustments/ Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2023</u>	<u>Amounts Due Within One Year</u>
Capital leases	\$ 488,091	\$ 62,366	(\$ 77,867)	\$ 472,590	\$ 69,719
Compensated absences	141,396	105,770	(110,323)	136,843	62,947
Total	<u>\$ 629,487</u>	<u>\$ 168,136</u>	<u>(\$ 188,190)</u>	<u>\$ 609,433</u>	<u>\$ 132,666</u>

NOTE 7: LEASES

Capital Leases

The District has entered into certain capital lease agreements under which the related equipment will become the property of the District when all terms of the lease agreements are met.

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments at June 30, 2023</u>
Governmental activities	0.00-2.73%	\$ 472,590
Total Capital Lease Obligations		<u>\$ 472,590</u>

Equipment and related accumulated depreciation under capital leases are as follows:

	<u>Governmental Activities</u>
Equipment	\$ 829,306
Less: accumulated depreciation	(134,902)
Net Value	<u>\$ 694,404</u>

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 7: LEASES (CONTINUED)

Capital Leases (Continued)

As of June 30, 2023, capital lease annual amortization is as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Governmental</u> <u>Activities</u>
2024	\$ 81,502
2025	81,502
2026	60,713
2027	60,713
2028	60,713
2029-2031	<u>182,139</u>
Total Requirements	527,282
Less: Interest	(54,692)
Present Value of Remaining Payments	<u>\$ 472,590</u>

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.

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

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. Restrictions may effectively be changed or lifted only with consent of resource providers.
- **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, 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, 2023, were distributed as follows:

	<u>General</u>	<u>Mitigation Fees</u>	<u>Total</u>
Restricted for:			
Capital projects	\$ -	\$ 367,308	\$ 367,308
Subtotal	<u>-</u>	<u>367,308</u>	<u>367,308</u>
Assigned to:			
General reserve	200,000	-	200,000
Equipment	850,000	-	850,000
Building	76,118	-	76,118
Medical services and equipment	<u>58,889</u>	<u>-</u>	<u>58,889</u>
Subtotal	<u>1,185,007</u>	<u>-</u>	<u>1,185,007</u>
Unassigned	<u>1,678,174</u>	<u>-</u>	<u>1,678,174</u>
Total	<u>\$ 2,863,181</u>	<u>\$ 367,308</u>	<u>\$ 3,230,489</u>

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 9: FUND BALANCES

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 adopted the Lakeport Fire Protection District's Fund Balance Policy for Financial Statement Reporting in 2012. The policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements and establishes a hierarchy of fund balance expenditures.

NOTE 10: PENSION PLAN

A. General Information about the Pension Plan

All qualified permanent and probationary employees are eligible to participate in the District's 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 plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Effective January 1, 2013, the District added a retirement tier for the Miscellaneous Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). Classic employees are generally defined as employees who have been a member of any public retirement system who have had less than a six-month break in service. Applicable new hires to the District defined as classic employees as determined by PERS will be subject to the non-PEPRA plan. New non-classic 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 non-classic 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
Safety PEPRA

Miscellaneous members hired on or after January 1, 2013
Safety members hired on or after January 1, 2013

Closed to New Enrollment

Miscellaneous
Safety

Miscellaneous members hired before January 1, 2013
Safety members hired before January 1, 2013

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

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 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 each plan are applied as specified by the Public Employees' Retirement Law.

Each Rate Tier's specific provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.0% @ 55	50-63	1.426% to 2.418%
Miscellaneous PEPR	2.0% @ 62	52-67	1.000% to 2.500%
Safety	2.0% @ 50	50-55	2.000% to 2.700%
Safety PEPR	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.

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	10.87%	7.00%	0.00%
Miscellaneous PEPR	7.47%	6.75%	0.00%
Safety	19.27%	9.00%	0.00%
Safety PEPR	12.78%	13.00%	0.00%

For the year ended June 30, 2023, the contributions recognized as part of pension expense were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 14,584	\$ -
Safety	305,169	-

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 10: PENSION PLAN (CONTINUED)

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

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, 2022, 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, 2021 rolled forward to June 30, 2022 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, 2022 and 2023 was as follows:

	<u>Proportion June 30, 2022</u>	<u>Proportion June 30, 2023</u>	<u>Change - Increase (Decrease)</u>
Miscellaneous	0.00258%	0.00302%	0.00044%
Safety	0.03601%	0.03705%	0.00104%

As of June 30, 2023, the District reported a net pension liability for its proportionate share of the net pension liability as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 141,350
Safety	2,545,674
Total Net Pension Liability	\$ 2,687,024

For the year ended June 30, 2023, the District recognized pension expense of \$291,534. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 367,460	\$ -
Change in assumptions	271,165	-
Difference between expected and actual experience	108,195	(29,545)
Difference between projected and actual earnings on pension plan investments	427,889	-
Difference between District contributions and proportionate share of contributions	-	(200,546)
Adjustments due to differences in proportions	215,524	-
Total	\$ 1,390,233	(\$ 230,091)

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 10: PENSION PLAN (CONTINUED)

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

\$367,460 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 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 <u>June 30</u>	
2024	\$ 234,003
2025	191,811
2026	105,808
2027	261,060
Thereafter	-
Total	<u>\$ 792,682</u>

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Investment Rate of Return	6.90%
Inflation	2.30%
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 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80 percent of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the CalPERS 2021 experience study that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability for PERFC was 6.90 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.

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

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

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long-term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (1, 2)</u>
Global Equity – Cap-Weighted	30.0%	4.54%
Global Equity – Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.0%)	(0.59%)
Total	<u>100.0%</u>	

(1) An expected price inflation of 2.30% used for this period

(2) Figures are based on the 2021 Asset Liability Management Study

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

The following presents the District's proportionate share of the net pension liability for each Rate Tier 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:

	<u>1% Decrease 5.90%</u>	<u>Discount Rate 6.90%</u>	<u>1% Increase 7.90%</u>
Miscellaneous	\$ 234,918	\$ 141,350	\$ 64,366
Safety	3,833,701	2,545,674	1,493,003

Pension Plan Fiduciary Net Position

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

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 11: PENSION PLAN - LENGTH OF SERVICE AWARDS PROGRAM

A. General Information about the Pension Plan

Plan Description

The Lakeport Fire Protection District established the Length of Service Awards Program (LOSAP) for volunteer firefighters effective July 1, 2021. The LOSAP is a single employer defined benefit plan.

Contributions

The District provides annual contributions to the plan based on the recommended contributions provided in the actuarial valuation. However, the contributions to the plan and earnings on those contributions are revocable and the plan assets are subject to claims of the District's general creditors. Due to these factors, the assets held in the plan are reported as restricted cash and investments in the District's General fund.

B. Net Pension Liability

The District's net pension liability for the LOSAP is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured using an annual actuarial valuation as of July 1, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	July 1, 2022
Measurement Date	June 30, 2023
Actuarial Assumptions:	
Discount rate	3.86%, net of pension plan investment expense, including inflation
Salary increases	Not applicable
Inflation	0.00%
Mortality	No pre-retirement mortality; post-retirement RP2000 projected to 2030

Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions

For the year ended June 30, 2023, the District recognized pension expense of \$11,118. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(\$ 11,881)
Changes of assumptions	49,323	(104,570)
Total	\$ 49,323	(\$ 116,451)

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 11: PENSION PLAN - LENGTH OF SERVICE AWARDS PROGRAM (CONTINUED)

B. Net Pension Liability (Continued)

Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions (Continued)

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

Fiscal Year Ended June 30	
2024	(\$ 10,899)
2025	(10,899)
2026	(10,897)
2027	(16,042)
2028	(16,041)
Thereafter	(2,350)
Total	(\$ 67,128)

Change in Assumptions

The investment rate of return was changed from 3.69 percent to 3.86 percent.

Discount Rate

The discount rate used to measure the total pension liability was 3.86 percent which is based on the 20-year AA general obligation bond rate as of June 30, 2023.

C. Changes in the Net Pension Liability

As of June 30, 2023, the changes in the net pension liability of the LOSAP, are as follows:

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	\$ 361,215	\$ -	\$ 361,215
Changes for the year:			
Service cost	8,293	-	8,293
Interest	13,794	-	13,794
Differences between expected and actual experience	(6,169)	-	(6,169)
Changes of assumptions	(10,281)	-	(10,281)
Benefit payments and expenses	(9,520)	-	(9,520)
Net Changes	(3,883)	-	(3,883)
Balances at June 30, 2023	\$ 357,332	\$ -	\$ 357,332

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 11: PENSION PLAN - LENGTH OF SERVICE AWARDS PROGRAM (CONTINUED)

C. Changes in the Net Pension Liability (Continued)

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

The following presents the net pension liability as of the measurement date, calculated using the discount rate for the Plan, as well as what the District's 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 <u>2.86%</u>	Discount Rate <u>3.86%</u>	1% Increase <u>4.86%</u>
LOSAP	\$ 422,681	\$ 357,332	\$ 305,044

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description

The District provides health benefits for employees, retirees and qualified dependents through the Teamsters Local Union No. 856 Health and Welfare Fund and the health plans of the City of Lakeport. One retiree and two surviving spouses are receiving lifetime medical benefits under the City of Lakeport's health plans. The District reimburses the City 50 percent of the cost for these three individuals. The plan is a single-employer plan.

Benefits Provided

District retirees are eligible for lifetime medical benefits with optional continuing coverage to surviving spouses. Coverage will be provided through the Teamsters Major Medical Plan. This plan is funded 92.5 percent by the District and 7.5 percent by employee contributions. Retirees are required to pay monthly dollar amounts that vary by age, year of retirement, and Medicare eligibility. These retiree premiums are paid for in whole or in part by the District, giving rise to a retiree health benefit under GASB 75.

Bargaining unit members hired before June 30, 1998 have their retiree premiums paid in full by the District. The current Fire Chief is included in this group. Bargaining unit members hired after June 30, 1998 have their retiree premiums paid by the District in accordance with the following formula:

- 40% after 12 years of continual service
- 60% after 15 years of continual service
- 80% after 18 years of continual service
- 100% after 21 years of continual service

The District's Administrative Assistant is covered under the above formula.

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Employees Covered by Benefit Terms

At June 30, 2023 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	10
Active employees	<u>13</u>
Total	<u>23</u>

Contributions

The District's required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in an irrevocable OPEB trust.

B. Net OPEB Liability

The District's net OPEB liability of \$2,063,158, was based on actuarial valuation as of July 1, 2022 and a measurement date of June 30, 2023. The results of the July 1, 2022 actuarial valuation were rolled forward to the June 30, 2023 measurement date using standard actuarial methods.

Actuarial Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%, average, including inflation
Discount Rate	3.86%, net of investment expense, including inflation
Healthcare Cost Trend Rate	5.20% for 2023 through 2034; 5.00% for 2035 through 2049; 4.50% for 2050 through 2064; and 4.00% for 2065 and later years.

Mortality rates were based on the most recent experience study for CalPERS members.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the most recent applicable experience study and a review of plan experience during the period of July 1, 2020 to June 30, 2022.

Discount Rate

GASB 75 requires the use of a discount rate that considers the availability of the OPEB plans fiduciary net position associated with the OPEB of current active and inactive employees and the investment horizon of those resources.

OPEB plans with irrevocable trust accounts can utilize a discount rate equal to the long-term expected rate of return to the extent that the OPEB plans fiduciary net position is projected to be sufficient to make projected benefit payments and the OPEB plan assets are expected to be invested using a strategy to achieve that return.

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Net OPEB Liability (Continued)

Discount Rate (Continued)

To determine if the OPEB plan assets are sufficient, a calculation of the projected fiduciary net position and the amount of projected benefit payments is compared to each period. When OPEB plan assets are determined to not be sufficient, a blended rate is calculated.

For OPEB plans that do not have irrevocable trust accounts, GASB 75 requires a discount rate equal to the yield or index for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The District does not have an irrevocable trust account for prefunding OPEB liability. The discount rate used to measure the total OPEB liability was based on the Fidelity GO AA 20-year municipal index.

C. Changes in the Net OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position (i.e., Fair value of the Plan assets), and the net OPEB liability during the measurement period ending on June 30, 2023 for the District's proportionate share.

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	\$ 1,565,529	\$ -	\$ 1,565,529
Changes for the year:			
Service cost	176,867	-	176,867
Interest	76,540	-	76,540
Difference between expected and actual experience	179,478	-	179,478
Changes of assumptions	141,832	-	141,832
Contributions - employer	-	77,088	(77,088)
Benefit payments	(77,088)	(77,088)	-
Net Changes	497,629	-	497,629
Balances at June 30, 2023	\$ 2,063,158	\$ -	\$ 2,063,158

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 2.86%	Discount Rate 3.86%	1% Increase 4.86%
Net OPEB liability	\$ 2,376,213	\$ 2,063,158	\$ 1,807,632

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Changes in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost 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:

	1% Decrease (4.2% decreasing to 3.0%)	Trend Rate (5.2% decreasing to 4.0%)	1% Increase (6.2% decreasing to 5.0%)
Net OPEB liability	\$ 1,740,442	\$ 2,063,158	\$ 2,481,038

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$219,081. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 265,983	(\$ 62,520)
Changes of assumptions	261,820	(323,207)
Total	<u>\$ 527,803</u>	<u>(\$ 385,727)</u>

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

Fiscal Year Ended June 30	
2024	(\$ 1,142)
2025	11,350
2026	11,351
2027	11,351
Thereafter	<u>109,166</u>
Total	<u>\$ 142,076</u>

NOTE 13: 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.

Lakeport Fire Protection District is a member of the Golden State Risk Management Authority - Joint Powers Insurance Authority (JPIA). The JPIA's members have pooled funds to be self-insured for property/liability and workers' compensation insurance. The District participates in the property/liability and workers' compensation programs.

LAKEPORT FIRE PROTECTION DISTRICT
Notes to Modified Cash Basis Financial Statements
For the Year Ended June 30, 2023

NOTE 13: RISK MANAGEMENT (CONTINUED)

Settled claims have not exceeded insurance coverage in the last three years and no additional liability has been accrued at June 30, 2023 based on the requirements of GASB Code Section C50.110, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 14: OTHER INFORMATION

A. Commitments and Contingencies

There are potential claims and legal actions pending against the District for which no provisions have been made in the financial statements. In the opinion of the District management and legal counsel, liabilities arising from these claims and legal actions, if any, either will not be material or cannot be estimated at this time.

B. Subsequent Events

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

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Supplementary Information

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LAKEPORT FIRE PROTECTION DISTRICT
Supplementary Information
District Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2023
Last 10 Years*

Measurement Date LOSAP	2019/2020	2020/2021	2021/2022	2022/2023
Total Pension Liability				
Service cost	\$ 20,096	\$ 18,687	\$ 10,094	\$ 8,293
Interest	8,678	8,129	17,447	13,794
Differences between expected and actual experience	-	(12,880)	(216)	(6,169)
Change in assumptions	49,417	43,740	(134,062)	(10,281)
Benefit payments	(7,952)	(7,900)	(8,480)	(9,520)
Net Change in Total Pension Liability	70,239	49,776	(115,217)	(3,883)
Total Pension Liability - Beginning	356,417	426,656	476,432	361,215
Total Pension Liability - Ending (a)	\$ 426,656	\$ 476,432	\$ 361,215	\$ 357,332
Plan Fiduciary Net Position				
Plan Fiduciary Net Position - Ending (b)	\$ -	\$ -	\$ -	\$ -
Net Pension Liability - Ending (a)-(b)	\$ 426,656	\$ 476,432	\$ 361,215	\$ 357,332

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* The District implemented GASB 73 for the fiscal year June 30, 2020, therefore only four years are shown.

LAKEPORT FIRE PROTECTION DISTRICT
Supplementary Information
District Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2023
Last 10 Years*

Measurement Date	2013/2014	2014/2015	2015/2016	2016/2017
Miscellaneous				
Proportion of the net pension liability	0.00089%	0.00269%	0.00225%	0.00237%
Proportionate share of the net pension liability	\$ 55,648	\$ 58,258	\$ 78,258	\$ 93,278
Covered payroll	64,095	65,112	67,316	69,721
Proportionate share of the net pension liability as a percentage of covered payroll	86.82%	89.47%	116.25%	133.79%
Plan fiduciary net position as a percentage of the total pension liability	82.49%	81.70%	77.45%	77.16%
Safety				
Proportion of the net pension liability	0.01777%	0.02787%	0.02885%	0.05221%
Proportionate share of the net pension liability	\$ 1,105,890	\$ 1,148,543	\$ 1,494,106	\$ 1,738,480
Covered payroll	961,068	991,603	817,942	1,029,632
Proportionate share of the net pension liability as a percentage of covered payroll	115.07%	115.83%	182.67%	168.84%
Plan fiduciary net position as a percentage of the total pension liability	79.66%	80.35%	76.99%	75.35%

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

<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
0.00239%	0.00254%	0.00267%	0.00258%	0.30200%
\$ 90,127	\$ 101,539	\$ 112,684	\$ 48,978	\$ 141,350
71,718	57,662	50,653	55,131	49,415
125.67%	176.09%	222.46%	88.84%	286.05%
80.02%	79.73%	80.26%	80.28%	91.71%

0.03001%	0.03103%	0.03235%	0.03601%	0.03705%
\$ 1,760,654	\$ 1,936,851	\$ 2,155,517	\$ 1,263,914	\$ 2,545,674
839,079	509,829	615,167	763,848	924,601
209.83%	379.90%	350.40%	165.47%	275.33%
76.73%	74.80%	73.93%	74.34%	85.29%

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LAKEPORT FIRE PROTECTION DISTRICT
Supplementary Information
District Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2023
Last 10 Years*

Fiscal Year	2014/2015	2015/2016	2016/2017	2017/2018
Miscellaneous				
Contractually required contributions (actuarially determined)	\$ 8,112	\$ 5,730	\$ 6,191	\$ 6,398
Contributions in relation to the actuarially determined contributions	<u>(8,112)</u>	<u>(8,441)</u>	<u>(9,527)</u>	<u>(9,901)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (2,711)</u>	<u>\$ (3,336)</u>	<u>\$ (3,503)</u>
Covered payroll	\$ 65,112	\$ 67,316	\$ 69,721	\$ 71,718
Contributions as a percentage of covered payroll	12.46%	8.51%	8.88%	8.92%
Safety				
Contractually required contributions (actuarially determined)	\$ 210,059	\$ 112,412	\$ 131,041	\$ 124,496
Contributions in relation to the actuarially determined contributions	<u>(210,059)</u>	<u>(157,892)</u>	<u>(186,437)</u>	<u>(194,867)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (45,480)</u>	<u>\$ (55,396)</u>	<u>\$ (70,371)</u>
Covered payroll	\$ 991,603	\$ 817,942	\$ 1,029,632	\$ 839,079
Contributions as a percentage of covered payroll	21.18%	13.74%	12.73%	14.84%

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

<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
\$ 6,270	\$ 3,538	\$ 4,263	\$ 14,584	\$ 22,953
<u>(10,942)</u>	<u>(9,454)</u>	<u>(11,198)</u>	<u>(14,584)</u>	<u>(22,953)</u>
<u>\$ (4,672)</u>	<u>\$ (5,916)</u>	<u>\$ (6,935)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 57,662 10.87%	\$ 50,653 6.98%	\$ 55,131 7.73%	\$ 49,415 29.51%	\$ 108,084 21.24%

\$ 99,776	\$ 102,036	\$ 132,134	\$ 305,169	\$ 344,507
<u>(192,104)</u>	<u>(220,510)</u>	<u>(269,703)</u>	<u>(305,169)</u>	<u>(344,507)</u>
<u>\$ (92,328)</u>	<u>\$ (118,474)</u>	<u>\$ (137,569)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 509,829 19.57%	\$ 615,167 16.59%	\$ 763,848 17.30%	\$ 924,601 33.01%	\$ 1,034,239 33.31%

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**LAKEPORT FIRE PROTECTION DISTRICT
Supplementary Information
District Pension Plan
Notes to District Pension Plan
For the Year Ended June 30, 2023**

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

Summary of Changes of Benefits or Assumptions

Benefit Changes: None

Changes of Assumption: None

NOTE 2: SCHEDULE OF CONTRIBUTIONS

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

Valuation Date	June 30, 2021
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percentage of Payroll (Pre-2019 basis). Level Dollar
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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LAKEPORT FIRE PROTECTION DISTRICT
Supplementary Information
District OPEB Plan
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2023
Last 10 Years*

	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
Net OPEB Liability				
Service cost	\$ 72,468	\$ 58,914	\$ 74,914	\$ 150,447
Interest	51,908	39,203	36,712	42,308
Difference between expected and actual experience	-	(472,075)	(98,021)	177,329
Change in assumptions	-	107,065	201,459	142,853
Contributions - employer	-	-	-	-
Benefit payments	(14,274)	(28,930)	(43,249)	(64,287)
Net Change in Net OPEB Liability	110,102	(295,823)	171,815	448,650
Net OPEB Liability - Beginning	1,440,990	1,551,092	1,255,269	1,427,084
Net OPEB Liability - Ending	<u>\$ 1,551,092</u>	<u>\$ 1,255,269</u>	<u>\$ 1,427,084</u>	<u>\$ 1,875,734</u>
Covered employee payroll	\$ 1,032,931	\$ 683,992	\$ 1,034,500	\$ 887,588
Net OPEB liability as a percentage of covered employee payroll	150.16%	183.52%	137.95%	211.33%

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

<u>2021/2022</u>	<u>2022/2023</u>
\$ 176,316	\$ 176,867
38,704	76,540
-	179,478
(452,489)	141,832
(72,736)	(77,088)
-	-
(310,205)	497,629
1,875,734	1,565,529
<u>\$ 1,565,529</u>	<u>\$ 2,063,158</u>
\$ 1,103,852	\$ 1,213,687
141.82%	169.99%

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**LAKEPORT FIRE PROTECTION DISTRICT
Supplementary Information
District OPEB Plan
Note to District OPEB Plan
For the Year Ended June 30, 2023**

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

Change of Assumptions

The discount rate was changed from 3.69 percent as of June 30, 2022 to 3.86 percent as of June 30, 2023 based on the published change in return for the applicable municipal bond index.

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LAKEPORT FIRE PROTECTION DISTRICT
Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive Negative
REVENUES				
Taxes	\$ 941,100	\$ 1,010,100	\$ 1,090,918	\$ 80,818
Licenses and permits	12,500	12,500	25,228	12,728
Use of money and property	6,400	56,000	24,247	(31,753)
Intergovernmental revenues	34,000	34,000	8,754	(25,246)
Charges for services	1,875,000	1,975,000	2,208,393	233,393
Other revenues	27,000	27,000	102,987	75,987
Total Revenues	2,896,000	3,114,600	3,460,527	345,927
EXPENDITURES				
Current public protection:				
Salaries and benefits	2,445,000	2,304,500	2,181,534	122,966
Services and supplies	767,105	1,035,111	870,420	164,691
Debt service	61,000	61,000	91,551	(30,551)
Capital outlay	20,000	219,000	151,298	67,702
Total Expenditures	3,293,105	3,619,611	3,294,803	324,808
Excess of Revenues Over (Under) Expenditures	(397,105)	(505,011)	165,724	670,735
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	3,260	3,260
Transfers in	-	180,000	114,304	(65,696)
Total Other Financing Sources (Uses)	-	180,000	117,564	(62,436)
Net Change in Fund Balances	(397,105)	(325,011)	283,288	608,299
Fund Balances - Beginning	2,579,893	2,579,893	2,579,893	-
Fund Balances - Ending	\$ 2,182,788	\$ 2,254,882	\$ 2,863,181	\$ 608,299

The Lakeport Fire Protection District budgets for debt service principal and interest expenditures as one item. For purposes of the budgetary comparison schedule, the debt service principal and interest expenditures have been combined.

LAKEPORT FIRE PROTECTION DISTRICT
Supplementary Information
Note to Budgetary Comparison Schedule
For the Year Ended June 30, 2023

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 the General fund. There were no expenditures in and the District did not adopt a budget for the Mitigation Fees major special revenue fund. The amounts reported on the budgetary basis are generally on the basis of accounting described in Note 1C.

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

- (1) The Fire Chief submits to the Board of Directors a recommended budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The Board of Directors review 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, the amounts stated therein, as recommended expenditures become appropriations to the District. 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.

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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
Lakeport Fire Protection District
Lakeport, 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 modified cash basis financial statements of the governmental activities and each major fund of Lakeport Fire Protection District, California (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated XXX, 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.

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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and recommendations as items 2023-001 through 2023-004 that we consider to be significant deficiencies.

To the Board of Directors
Lakeport Fire Protection District
Lakeport, 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 Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying schedule of findings and recommendations. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 CPAs
Yuba City, California
XXX, 2023

**LAKEPORT FIRE PROTECTION DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2023**

2023-001 Prior Period Adjustment (Significant Deficiency)

Criteria

Generally Accepted Accounting Principles require that errors of the prior year ending balances be corrected by a prior period adjustment to beginning fund balance/net position.

Condition

We noted that the District had understated balances of capital assets and capital leases payable at June 30, 2022.

Cause

The District had not reported a capital lease started in 2020/2021, nor the related capital assets.

Effect

Capital assets and capital leases payable were understated at June 30, 2022.

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 all year-end balances be reviewed for accuracy.

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.

LAKEPORT FIRE PROTECTION DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2023

2023-002 Cash Receipts (Significant Deficiency)

Criteria

The District is required to retain all accounting records.

Condition

At the time of our fieldwork, mitigation receipts were not available to audit.

Cause

The District does not keep track of documentation of Mitigation fees collected and does not reconcile Mitigation fees collected to the Mitigation fund.

Effect

Records were not available to substantiate that the correct mitigation fee was calculated.

Questioned Cost

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

Context

We randomly select a sample of Mitigation fees collected to verify accuracy and validity of the amounts received at the time of our fieldwork, but no receipts were available to test.

Repeat Finding

This is a repeat of prior year finding 2022-001.

Recommendation

We recommend that the District maintain proper documentation and controls over Mitigation fees collected, as well as reconciling fees collected to the Mitigation fund held in the County.

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.

LAKEPORT FIRE PROTECTION DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2023

2023-003 Imprest Cash Reconciliation (Significant Deficiency)

Criteria

Good internal control of imprest bank accounts recorded on the District's general ledger require that they be reconciled to the imprest balance on a regular basis.

Condition

At the time of our fieldwork, the District was not reconciling the outside bank accounts to their imprest balance.

Cause

The District did not reconcile their outside bank accounts to their imprest balance.

Effect

The District was not accurately reflecting the activity of their outside bank accounts in the general ledger.

Questioned Cost

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

Context

Not applicable.

Repeat Finding

This is not a repeat finding.

Recommendation

We recommend that the District reconcile their outside bank accounts to their imprest balances on a regular basis and record any excess balance activity into their general ledger.

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.

LAKEPORT FIRE PROTECTION DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2023

2023-004 Policies and Procedures (Significant Deficiency)

Criteria

Good internal control requires that procedures be documented and performed in a consistent manner in accordance with approved District policy.

Condition

During our audit we noted that the District has developed policies and procedures for many District operations. However, these policies and procedures need to be reviewed for accuracy, updated as needed, and organized into a system which allows for easy access. In addition, we noted that the District has not voted to accept a proposed Policy and Procedures Manual.

Cause

The District has accumulated and adopted policies and procedures over the years, but has not formalized an updated Policies and Procedures Manual.

Effect

Without written procedures, tasks may not be performed in a consistent manner and internal control may be compromised.

Questioned Cost

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

Context

Not applicable.

Repeat Finding

This is not a repeat finding.

Recommendation

We recommend that the District develop and review for accuracy all policies and procedures regarding District operations.

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.

LAKEPORT FIRE PROTECTION DISTRICT
Schedule of Prior Year Findings and Recommendations
For the Year Ended June 30, 2023

<u>Audit Reference</u>	<u>Status of Prior Year Recommendations</u>
2022-001	Cash Receipts Recommendation We recommend that the District maintain proper documentation and controls over Mitigation fees collected, as well as reconciling fees collected to the Mitigation funds held in the County. Status Not Implemented
2022-002	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 the District take appropriate action to amend the budget. Status Implemented

**LAKEPORT FIRE PROTECTION DISTRICT
Management's Corrective Action Plan
For the Year Ended June 30, 2023**

Finding 2023-001 Prior Period Adjustment (Significant Deficiency)

We recommend all year-end balances be reviewed for accuracy.

Management's Response:

Responsible Individual:

Corrective Action Plan:

Anticipated Completion Date:

Finding 2023-002 Cash Receipts (Significant Deficiency)

We recommend that the District maintain proper documentation and controls over Mitigation fees collected, as well as reconciling fees collected to the Mitigation fund held in the County.

Management's Response:

Responsible Individual:

Corrective Action Plan:

Anticipated Completion Date:

Finding 2023-003 Imprest Cash Reconciliation (Significant Deficiency)

We recommend that the District reconcile their outside bank accounts to their imprest balances on a regular basis and record any excess balance activity into their general ledger.

Management's Response:

Responsible Individual:

Corrective Action Plan:

Anticipated Completion Date:

**LAKEPORT FIRE PROTECTION DISTRICT
Management's Corrective Action Plan
For the Year Ended June 30, 2023**

Finding 2023-004 Policies and Procedures (Significant Deficiency)

We recommend that the District develop and review for accuracy all policies and procedures regarding District operations.

Management's Response:

Responsible Individual:

Corrective Action Plan:

Anticipated Completion Date:

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