

CHINO VALLEY



FIRE DISTRICT

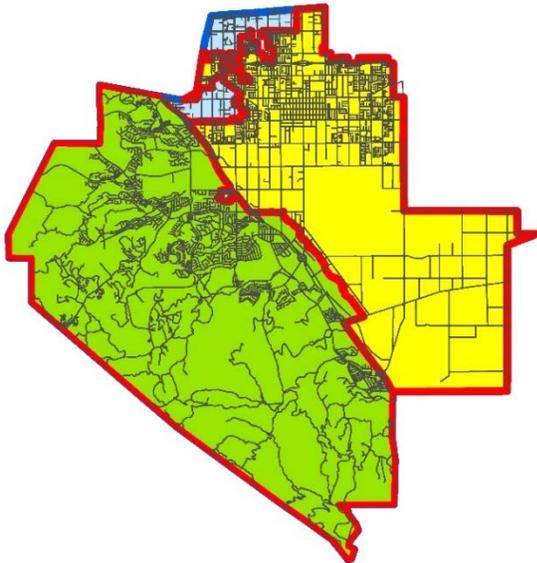
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021

CHINO HILLS, CALIFORNIA

A Special Districts Leadership Foundation District of Distinction

**CHINO VALLEY FIRE DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021**



**PREPARED BY THE FINANCE DEPARTMENT
FINANCE DIRECTOR – STEVE HEIDE, CPA**

14011 City Center Drive, Chino Hills, CA 91709

**CHINO VALLEY FIRE DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021**

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INTRODUCTORY



SECTION



Chino Valley Fire District

14011 City Center Drive
Chino Hills, CA 91709
(909) 902-5260 Administration
(909) 902-5250 Fax
Chinovalleyfire.org

Board of Directors

*Sarah Ramos-Evinger
President*

*Mike Kreeger
Vice President*

John DeMonaco

Harvey Luth

Winn Williams

Acting Fire Chief

Dave Williams

November 30, 2021

Members of The Board of Directors
Chino Valley Fire District

INTRODUCTION

State law requires that every general-purpose government publish within six months of the close of the fiscal year, a complete set of audited financial statements. This Annual Comprehensive Financial Report (“ACFR”) fulfills that requirement for the fiscal year ended June 30, 2021.

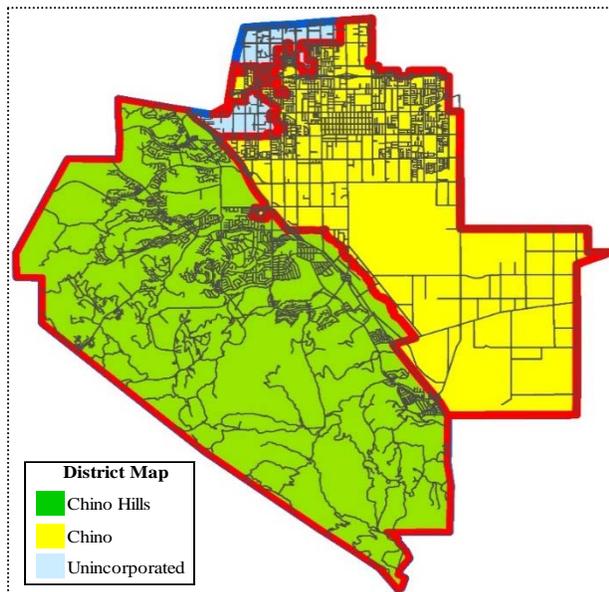
This ACFR was prepared in accordance with guidelines issued by the Governmental Accounting Standards Board. Management assumes full responsibility for the completeness and reliability of the information contained herein, based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Eide Bailly LLP, has issued an unmodified (“clean”) opinion on the Chino Valley Fire District’s financial statements for the year ended June 30, 2021. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (“MD&A”) immediately follows the independent auditor’s report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE DISTRICT

Although fire protection services in the Chino Valley have existed in various forms since the late 1800’s, the Chino Valley Fire District (the “District” or “CVFD”) was formed as a California special district in 1990 through a voter approved initiative, Proposition W, coinciding with the incorporation of the City of Chino Hills. Having recently celebrated its 30-year anniversary, the District provides fire protection and fire prevention services within the Chino Valley, and is governed by a five-member elected Board of Directors.

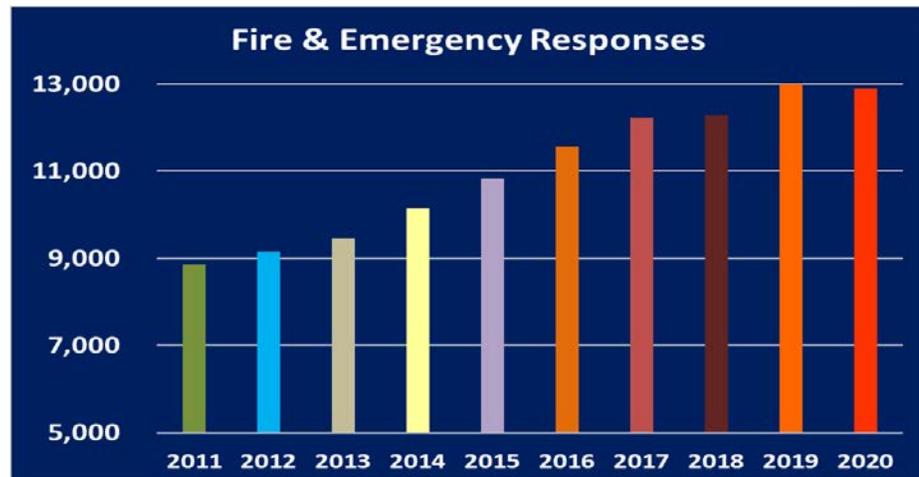


Located in the southwest region of San Bernardino County, the jurisdiction of the District is approximately 80 square miles in size and has an estimated current population of 176,868¹. It is estimated that the District population will be over 200,000 within the next 20 years.

The District is bordered by Los Angeles County to the northwest; Orange County to the southwest; Riverside County to the southeast; the City of Ontario to the northeast and the City of Montclair to the north.

The cities of Chino, Chino Hills, and surrounding unincorporated areas are served by CVFD. District personnel responded to 12,866

emergency incidents in 2020, compared to 12,993 emergency responses in 2019, about a 1% year-over-year decrease. CVFD currently operates seven fire stations and various other special purpose facilities, including a state-of-the-art fire training center and tower. The District’s long-term master plan projects the operational need for two to three additional fire stations at community build-out. See Major Initiatives below for additional information regarding planned future fire stations and the associated projected fiscal impacts.



FISCAL AND BUDGET MANAGEMENT

The District begins its budget development cycle about six months prior to adoption, and adopts the annual budget before its new fiscal year beginning on July 1. As a single purpose fire authority, CVFD reports all financial activities within its General fund, on the modified accrual basis of accounting. The District’s Board of Directors approves total budgeted appropriations and any necessary amendments throughout the year. Formal budgetary integration at the fund level is employed as a management control device to monitor budget-to-actual performance throughout the fiscal year.

¹ Community population statistic does not include the prison populations. City of Chino – 88,184; City of Chino Hills – 82,661; Unincorporated – 6,023. Population estimates are based on information provided by the California Department of Finance.

The annual budget contemplates revenues and expenditures for one fiscal year. The current impact of long-term items such as pension and other post-employment obligations are incorporated into the annual budget, while the future projected fiscal impacts are incorporated into the District’s 10-year long-range financial plan (LRFP), as further described below.

LONG-RANGE FINANCIAL PLANNING

In conjunction with our annual budget development process, the District prepares a LRFP. The District forecasts revenues and expenditures over the 10-year horizon based on a combination of historical averages, current budget and known and anticipated future budgetary impacts. These projections are used for financial, operating and strategic planning purposes.



Over the current 10-year projection period, annual revenues are generally projected to be sufficient to cover expenditures. In certain years, it may be necessary to utilize accumulated fund balance to cover short-term deficits after the opening of new fire stations. The current LRFP assumes Station 68 opening in mid-FY23 and Station 69 being staffed beginning in FY28, as further discussed in Major Initiatives below.

RETIREMENT FUNDING POLICY AND ACCELERATED PENSION FUNDING

The District’s Board of Directors has adopted a policy to commit up to one-third (1/3) of excess revenues on an annual basis to reduce District pension liabilities going forward. Earmarked excess revenues will be contributed to either the District’s Section 115 Retirement Trust, directly to the California Public Employees Retirement System (CalPERS) on behalf of the District’s employees, or in combination



to these two funding vehicles, as determined annually by the Board. Contributions will be made in the following fiscal year after completion of the District’s annual audit.

Over time the District anticipates continuing to fund and grow the balance in the Section 115 Retirement Trust, while identifying strategic opportunities to use accumulated funds and one-time revenues to reduce pension liabilities through additional discretionary payments to CalPERS.

SERVICE EXCELLENCE

GFOA Comprehensive AFR Award – Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting Award* to the District for its ACFR for the fiscal year ended June 30, 2020. The FY20 award was the District’s third consecutive year of financial reporting award recognition by GFOA.



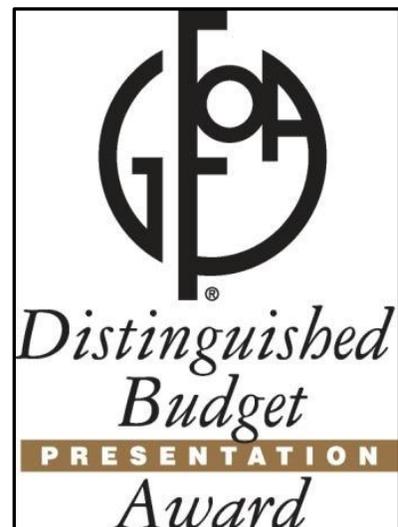
Our ACFR has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive “spirit of full disclosure” to clearly communicate the District’s financial story and motivate potential users and user groups to read our ACFR.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The GFOA FY20 ACFR Award is presented in this document. This award is valid for a period of one year only. We believe that our FY21 ACFR continues to conform to program requirements and intent to submit it to GFOA to determine eligibility for another award.

GFOA Budget Award – The District also received a *Distinguished Budget Presentation Award* from GFOA for our FY21 Budget document and the award is presented in this document. The FY21 award was the fourth consecutive year of budget award recognition by GFOA.

We would like to extend our sincere appreciation to the Finance department staff for their efforts in securing this national budget award which affirms the District’s ongoing commitment to transparency. The award also reflects the commitment of the District’s Board of Directors and staff to meeting the highest principles of governmental budgeting.

This award is valid for a period of one year only. We believe our FY21 operating budget continues to conform to program requirements and have submitted it to GFOA to determine eligibility for another award.





District of Distinction – We are pleased to report that the District once again earned these prestigious national awards this past year. The District is accredited as a Platinum District of Distinction (DoD) by the Special District Leadership Foundation (SDLF). The SDLF is a 501(c)(3) organization dedicated to providing recognition and certification opportunities to special district officials and employees to enhance service to the public. SDLF is dedicated to excellence in local government.

The Platinum DoD award is SDLF’s highest level of recognition for a special district. This award incorporates completion of all SDLF programs, and demonstrates a comprehensive approach toward excellence in district administration and governance.

MAJOR INITIATIVES

Fire Station 68 Construction Project

Historically, the cities of Chino and Chino Hills have been financially responsible for the construction of District fire stations within each city’s respective boundaries, and the District is responsible for operating the station thereafter.

The District and the city of Chino Hills have entered into a non-binding Letter of Intent for a property transfer and development impact fee payment agreement associated with construction of Fire Station 68 in the city of Chino Hills. The proposed site is near Soquel Canyon Parkway and Pipeline Avenue in Chino Hills. The parties are currently in a due diligence period in an effort to move toward a final binding agreement on the project.



Pension Obligations

CalPERS reported a 21.3% preliminary return on investments for the 12-month period ended June 30, 2021. This is compared to an assumed rate of return, or discount rate, of 7%. CalPERS' 2020-21 final fiscal year investment performance will be calculated based on audited figures and will be reflected in contribution levels for contracting cities, counties, and special districts in fiscal year 2023-24. In accordance with CalPERS risk mitigation plan, the 2020-21 return on investment will trigger a reduction in the discount rate for future years to 6.8%.

The District is committed to aggressively managing pension obligations so as to not shift the burden of these liabilities to the next generation of taxpayers and staff, and maintains the aforementioned Section 115 Retirement Trust in part for budget stabilization purposes, potentially drawing from the trust to fund pension obligations during years of significant budgetary constraint or fiscal emergency.

ACKNOWLEDGEMENTS

Preparation of this ACFR was made possible through the combined efforts of the District's Finance Department staff, along with the cooperation of the District's auditors, Eide Bailly LLP. A special thank you to the Board of Directors for their direction, support and leadership, and to the cities of Chino and Chino Hills, and the County of San Bernardino for their continuing support of and public safety partnership with the District.

Sincerely,



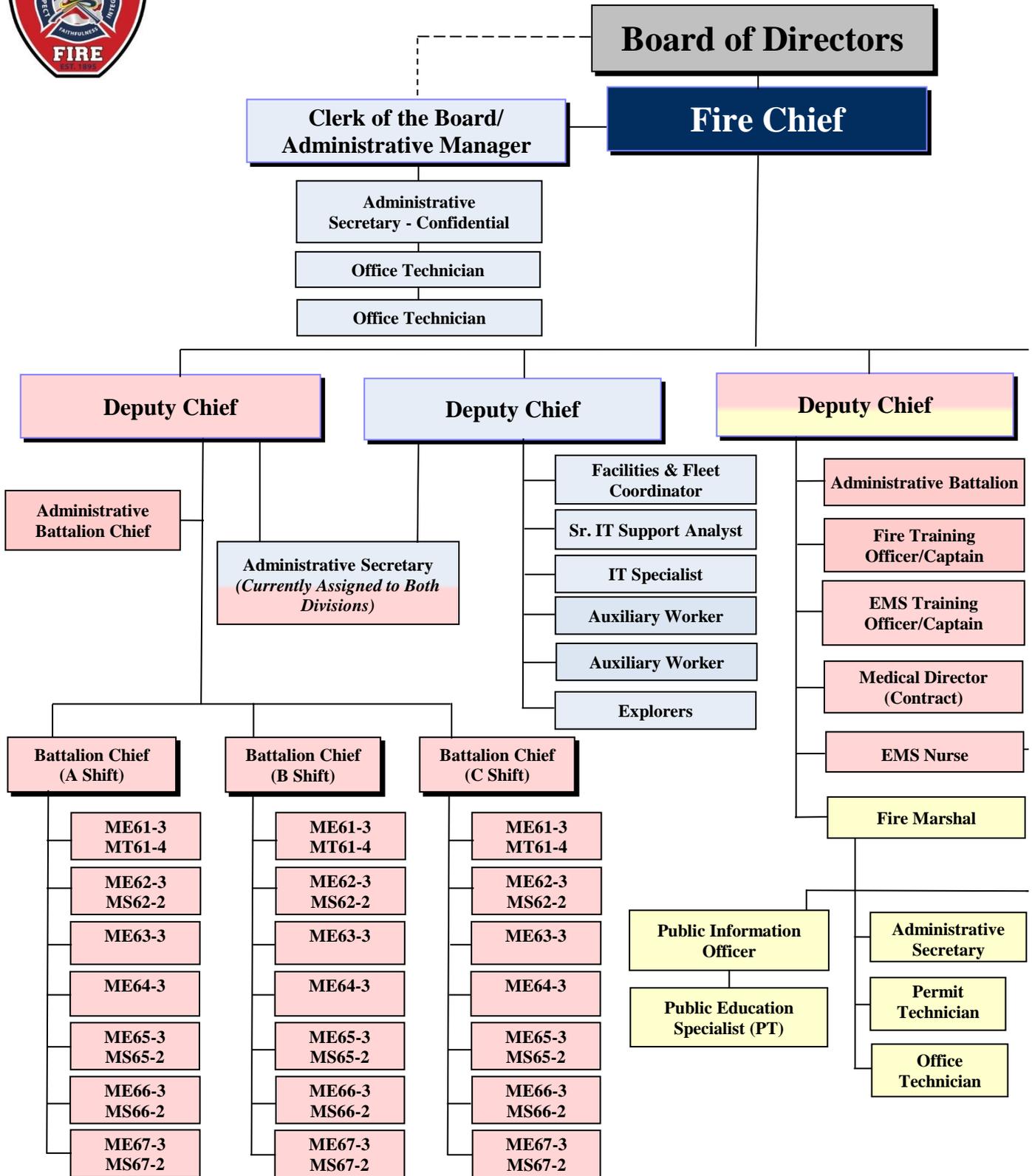
Dave Williams
Acting Fire Chief



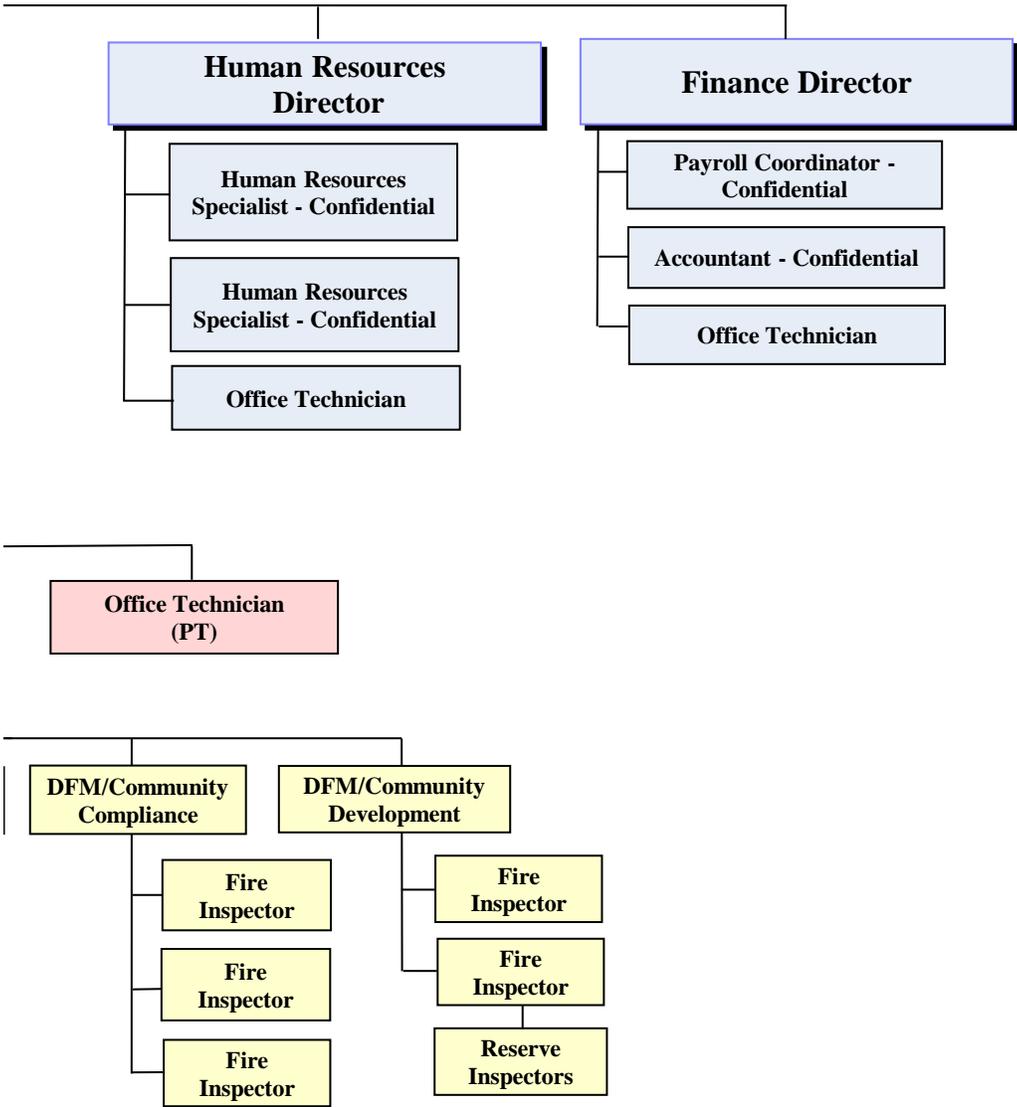
Steve Heide, CPA
Finance Director



Chino Valley Fire District



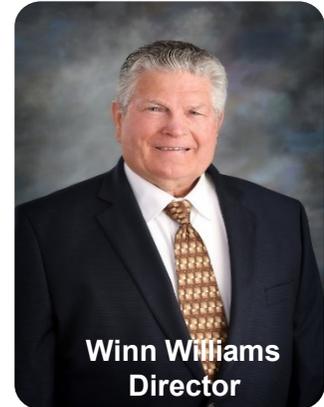
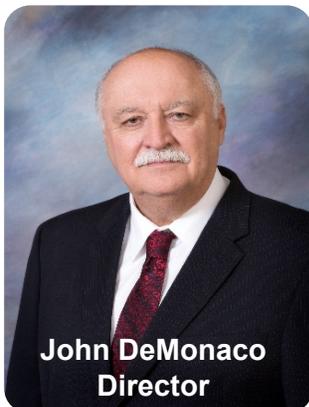
DIVISIONAL LEGEND
BLUE - Administration
RED - Emergency Services
YELLOW - Community Risk Reduction



Functional reporting as of 2/19/20

CHINO VALLEY FIRE DISTRICT

Board of Directors & District Management



Contact: clerk@chofire.org



Senior Management Staff

Scott Atkinson	Deputy Chief
Dave Williams	Deputy Chief
Nathan Cooke	Deputy Chief
Steve Heide, CPA	Finance Director
Sandra Heney	Clerk of the Board
Kristi Kuchwara	Human Resources Director

CHINO VALLEY FIRE DISTRICT

Mission, Vision & Values Policy Statement

MISSION

The mission of the Chino Valley Fire District is to provide exceptional service and safeguard the community.

VISION

As an organization, we...

...seek excellence in everything we do; with innovative practices, training, and equipment.

...remain transparent; open, honest, and accountable to each other and those we serve.

...appreciate our members; we attract, retain, and develop future leaders.

...value the public trust above all else; we are good stewards of our financial resources.

...endeavor to learn and grow; continuously seeking improvement and embracing change.

VALUES

- **FAITHFULNESS**

We are fully committed, invested and engaged in the communities we serve.

- **INTEGRITY**

We lead by example, according to the highest ethical and professional standards.

- **RESPECT**

We treat each other, and those we serve with compassion, dignity, and value.

- **EXCELLENCE**

We are relentless in our pursuit of the highest possible standard of quality.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Chino Valley Fire District
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

CHINO VALLEY FIRE DISTRICT

GFOA Budget Award

Government Finance Officers Association of the United States and Canada (GFOA) presented a *Distinguished Budget Presentation Award* to the District for its Annual Budget for the fiscal year beginning July 1, 2020. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



FINANCIAL



SECTION



Independent Auditor's Report

To the Board of Directors
Chino Valley Fire District
Chino Hills, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Chino Valley Fire District (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the District as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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 introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.



Rancho Cucamonga, California

November 30, 2021

CHINO VALLEY FIRE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

This portion of the District's ACFR presents Management's discussion and analysis of the Chino Valley Fire District's (hereinafter "District") financial activities for the fiscal year ended June 30, 2021 as well as the budgets for FY21 and FY22. We encourage readers to consider this information in conjunction with the other portions of the District's ACFR, including the financial statements which immediately follow.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements which follow, consisting of: 1) government-wide financial statements, 2) General Fund financial statements, 3) notes to the financial statements, and 4) required supplementary information.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. Readers of the District's financial statements should consider the accompanying notes as an integral part of the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide the reader with a broad overview of the District's finances, in a manner similar to private-sector businesses.

The *Statement of Net Position* presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between assets/deferred outflows and liabilities/deferred inflows representing *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods (e.g. compensated absence expense and certain pension-related liabilities).

Fund financial statements. The fund financial statements provide more detailed information about the District's specific sources of funding and spending for particular purposes. Like other governmental agencies, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has the following kind of funds: *Governmental funds* - Used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

As the fire protection and emergency medical services provider, the District maintains one governmental fund: the *General Fund*. A Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance are presented for the General Fund.

Because the focus of the General Fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the General Fund with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the General Fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CHINO VALLEY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position (condensed)

	Governmental Activities June 30, 2021	Governmental Activities June 30, 2020
Current assets	\$35,487,232	\$33,159,528
Net investment in joint venture	121,193	232,299
Capital assets		
Non-depreciable capital assets	780,438	780,438
Depreciable capital assets (net)	15,013,583	12,593,420
Total Assets	\$51,402,446	\$46,765,685
Deferred amounts related to OPEB	\$1,347,365	\$1,181,706
Deferred amounts related to pensions	13,201,590	11,083,389
Deferred outflows of resources	\$14,548,955	\$12,265,095
Current liabilities	\$4,435,292	\$4,513,718
Net OPEB liability	5,593,266	5,783,015
Net pension liability	50,644,738	45,094,793
Other noncurrent liabilities	9,411,041	8,381,393
Total Liabilities	\$70,084,337	\$63,772,919
Deferred amounts related to OPEB	\$661,429	\$761,645
Deferred amounts related to pensions	5,553,253	5,775,201
Deferred inflows of resources	\$6,214,682	\$6,536,846
Net investment in capital assets	\$15,794,021	\$13,373,858
Unrestricted	(26,141,639)	(24,652,843)
Total Net Position (Deficit)	(\$10,347,618)	(\$11,728,985)

Total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by about \$10.3 million at June 30, 2021 and \$11.7 million at June 30, 2020.

The District's net Other Postemployment Benefits (OPEB) liability amounted to about \$5.6 million and \$5.8 million at June 30, 2021 and 2020, respectively, while the District's net pension liability at June 30, 2021, amounted to about \$50.6 million, compared to about \$45.1 million at June 30, 2020.

Included in current assets, at June 30, 2021, the District held restricted cash and investments in a Section 115 Trust amounting to approximately \$8.1 million, compared to about \$6.5 million at June 30, 2020. Although assets held in the Section 115 Trust are not considered to have the present service capacity as pension plan assets, these assets will be considered pension plan assets at the time they are transferred out of the Trust and into the pension plan.

See Note 8 for additional information regarding the District's cost sharing employer pension plan and Note 9 regarding OPEB liabilities. Note 10 contains additional information regarding the District's Section 115 Trust.

CHINO VALLEY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Statement of Activities (condensed)

	Governmental Activities FYE June 30, 2021	Governmental Activities FYE June 30, 2020
Program revenues:		
Charges for services	\$16,065,406	\$11,968,554
Operating grants and contributions	131,222	193,790
General revenues:		
Property taxes	35,001,556	32,907,802
Investment income	1,535,796	729,145
Total Revenues	\$52,733,980	\$45,799,291
Expenses:		
Public Safety – Fire Protection	\$51,802,613	\$48,782,779
Total Expenses	\$51,802,613	48,782,779
Change in Net Position	\$931,367	(\$2,983,488)
Net Position (Deficit), July 1	(\$11,278,985)	(\$8,295,497)
Net Position (Deficit), June 30	(\$10,347,618)	(\$11,278,985)

The increase in net position between the fiscal years ended June 30, 2020 and 2021 was just about \$930 thousand, due primarily to property tax and investment income growth.

Capital Assets and Noncurrent Liabilities

Capital assets. Non-depreciable capital assets amounted to about \$780 thousand, at June 30, 2021 and 2020. Depreciable capital assets, net of depreciation, totaled about \$15.0 million at June 30, 2021, compared to about \$12.6 million at June 30, 2020. Land, construction in progress, buildings, improvements other than buildings and equipment, comprise the District's capital assets. Capital asset acquisitions totaled about \$3.8 million, while capital asset retirements were about \$1.2 million and depreciation amounted to roughly \$1.4 million for the fiscal year ending June 30, 2021. The net increase in depreciable capital assets amounted to about \$2.4 million. The majority of asset acquisitions were equipment-related. See Note 3 for additional information regarding capital assets and depreciation.

CHINO VALLEY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

Capital Assets

	Governmental Activities June 30, 2021	Governmental Activities June 30, 2020
Non-Depreciable		
Land	\$780,438	\$780,438
Total non-depreciable capital assets	\$780,438	\$780,438
Depreciable		
Buildings	\$10,494,325	\$9,894,233
Improvements other than buildings	847,428	827,179
Equipment	16,389,564	14,422,288
Total depreciable capital assets	\$27,731,317	\$25,143,700
Less: accumulated depreciation	(12,717,734)	(12,550,280)
Total depreciable assets, net of accumulated depreciation	\$15,013,583	\$12,593,420
Total capital assets, net of accumulated depreciation	\$15,794,021	\$13,373,858

Noncurrent liabilities. At June 30, 2021 and 2020, non-current liabilities amounted to approximately \$11.2 million and \$9.4 million, respectively. Compensated absences increased by about \$392 thousand while workers' compensation claims balances increased by about \$1.3 million as well. The associated amounts due within the next year amounted to roughly \$1.8 million at June 30, 2021, compared to about \$1.9 million at June 30, 2020. See Note 5 for additional information regarding long-term liabilities.

	Governmental Activities June 30, 2021	Governmental Activities June 30, 2020
Compensated absences	\$7,085,402	\$6,693,038
Workers' Compensation claims	4,076,565	2,735,308
Total noncurrent liabilities	\$11,161,967	\$9,428,346
Less: amounts due within the next year	(\$1,750,926)	(\$1,928,953)
Total liabilities due in more than one year	\$9,411,041	\$7,499,393

GENERAL FUND FINANCIAL ANALYSIS

The District maintains one governmental fund, the General Fund. Through the General Fund, the District provides fire protection, emergency medical services, and fire prevention and education within its jurisdictional boundaries.

CHINO VALLEY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

Balance Sheet (condensed)

	General Fund June 30, 2021	General Fund June 30, 2020
Cash and investments	\$26,608,239	\$23,288,734
Restricted cash and investments	8,127,679	6,514,158
Prepaid items	45,134	2,773,454
Other assets	706,180	583,182
Total Assets	\$35,487,232	\$33,159,528
Accounts payable and accrued liabilities	\$534,105	\$568,475
Accrued payroll	1,154,690	2,157,187
Other liabilities	1,826,497	1,788,056
Total Liabilities	\$3,515,292	\$4,513,718
Nonspendable	\$70,134	\$2,798,454
Restricted	8,127,679	6,514,158
Committed	15,074,091	13,178,184
Assigned	740,036	2,857,364
Unassigned	7,960,000	3,297,650
Fund Balance	\$31,971,940	\$28,645,810
Total Liabilities and Fund Balance	\$35,487,232	\$33,159,528

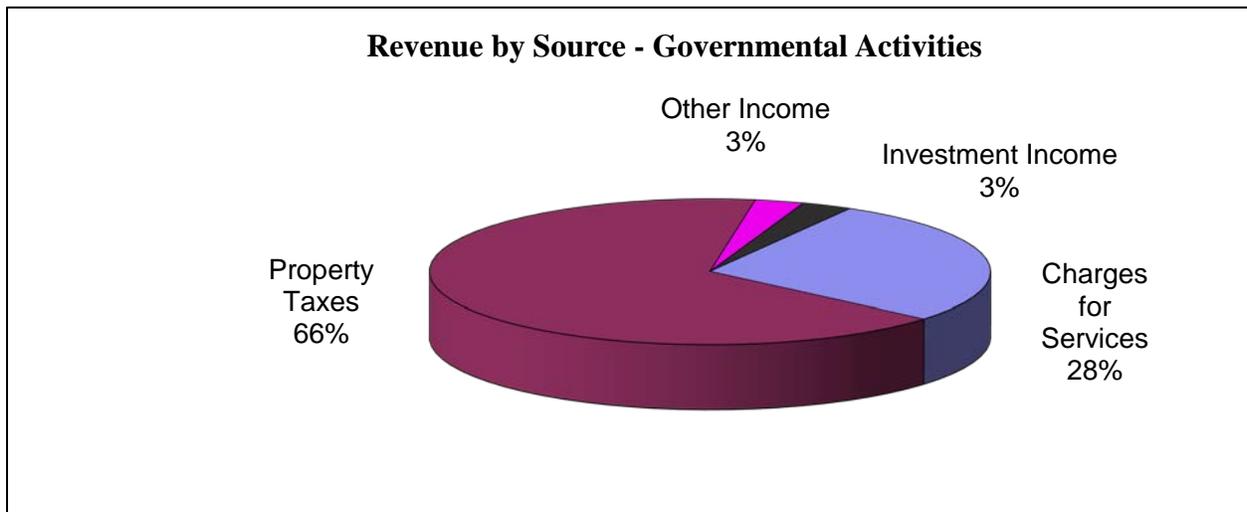
Statement of Revenues, Expenditures, and Changes in Fund Balance (condensed)

	General Fund FYE June 30, 2021	General Fund FYE June 30, 2020
Taxes	\$35,001,556	\$32,907,802
Charges for current services	14,708,454	10,614,204
Licenses and permits	1,356,952	1,354,350
All Other	1,667,018	908,266
Total Revenues	\$52,733,980	\$45,784,622
Salaries and benefits	\$40,180,445	\$36,806,449
Services and supplies	5,408,428	5,592,184
Capital Outlay	3,818,977	1,040,230
Total Expenditures	\$49,407,850	\$43,438,863
Net Change in Fund Balance	\$3,326,130	\$2,345,759
Fund Balance, July 1	\$28,645,810	\$26,300,051
Fund Balance, June 30	\$31,971,940	\$28,645,810

CHINO VALLEY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

Total General Fund revenues for FY21 amounted to approximately \$52.7 million, compared to about \$45.8 million in the prior year, a year-over-year increase of nearly \$6.9 million, or 15.2%. Tax revenues, which are exclusively comprised of property taxes, increased by about \$2.1 million, or 6.4% over the prior year. This was due primarily to significant continuing development activity within the District, combined with incremental annual increases in assessed values of existing properties as well as assessed value increases associated with property sales. Charges for current services is comprised of property-tax related revenues associated with the Chino agreement, as well as mutual aid cost recoveries from state and federal sources for responses to reimbursable out-of-area incidents. Charges for current services in FY21 increased by nearly \$4.1 million, or 38.6% over the prior year, due primarily to a nearly \$3.3 million increase in mutual aid recoveries in FY21 over prior year levels as a result of a significant number of reimbursable mutual aid responses in the current year.



Total General Fund expenditures in FY21 amounted to about \$49.4 million compared to about \$43.4 million in the prior year, a net increase of about \$6.0 million, or 13.7%. Highlights of the year-over-year increase are as follows:

- Salaries and benefits expenditures were roughly \$3.4 million higher in FY21 than in the prior year, an increase of about 9.2%. Most significantly, there is a direct relationship between the mutual aid responses referenced above and the associated labor costs to staff these incidents. The majority of the increase in salary and benefit costs in FY21 is attributable to the substantial increase in mutual aid incidents in FY21.
- Capital outlay amounted to just over \$3.8 million in FY21, compared to \$1.0 million in FY20, an increase of \$2.8 million. This is due primarily to the acquisition of four (4) fire engines in FY21 totaling nearly \$2.8 million. While the capital replacement plan specified the purchase of two engines in FY21 and two more in FY22, the District's Board of Directors directed staff to consolidate the purchase in FY21 for cost savings and efficiency purposes.

CHINO VALLEY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Classifications of General Fund Balance

	Classifications of Fund Balance June 30, 2021	Classification of Fund Balance June 30, 2020
Nonspendable:		
Deposits and Prepaid Items	\$70,134	\$2,798,454
Restricted:		
Section 115 Trust	\$8,127,679	\$6,514,158
Committed:		
Workers compensation reserve	\$4,076,565	\$2,735,308
Equipment replacement	754,438	-
Facilities acquisition and maintenance	57,799	54,482
Compensated absences	2,338,183	2,208,703
Emergency contingency	7,847,106	8,179,691
Total Committed Fund Balance	\$15,074,091	\$13,178,184
Assigned Fund Balance	\$740,036	\$2,857,364
Unassigned Fund Balance	\$7,960,000	\$3,297,650
Total General Fund Balance	\$31,971,940	\$28,645,810

As of June 30, 2021, the District's General Fund reported an ending fund balance of approximately \$32.0 million, compared to about \$28.6 million at June 30, 2020, an increase of about \$3.3 million over the prior year. As specified in the District's Fund Balance Reporting Policy, in addition to the various commitments and assignments of fund balance referenced herein, the District's Board of Directors has also specified that the minimum unassigned fund balance shall be equal to three months of General Fund expenditures or, if not sufficient to meet the three-month minimum, the remaining balance of funds not otherwise classified. At June 30, 2021, the amount in unassigned fund balance represented just over two months of General Fund expenditures, based on the FY22 adopted budget.

Notably, nonspendable deposits and prepaid items amounted to about \$70 thousand at June 30, 2021, a decrease of about \$2.7 million, as the prior year amount included \$2.7 million in prepayments for the four fire engines acquired in FY21. The committed portion of fund balance for equipment replacement, which had been temporarily drawn down to zero at June 30, 2020, due to the outlay of funds for the aforementioned four fire engines, was restored in FY21.

The assigned portion of fund balance at June 30, 2021, amounted to about \$740 thousand, representing budgetary encumbrances for continuing budget appropriations, one-time budget transfers and funds earmarked per policy for reduction of pension liabilities.

CHINO VALLEY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

General Fund Budgetary and Actual Variations

Original to Amended (Final) Budget Comparison (condensed)
Year Ended June 30, 2020

	General Fund Original Budget FYE June 30, 2021	General Fund Amended (Final) Budget FYE June 30, 2021	Variance Between Original and Amended Positive (Negative)
Taxes	\$34,507,355	\$34,920,012	\$412,657
Charges for current services	10,989,737	13,592,545	2,602,808
Other revenue	1,654,000	1,654,000	-
Total Revenue	\$47,151,092	\$50,166,557	\$3,015,465
Salaries and benefits	\$38,986,580	\$41,356,769	\$2,370,189
Services and supplies	6,557,240	6,500,160	(57,080)
Capital outlay	3,534,323	3,934,670	400,347
Total Operating & Capital Expenditures	\$49,078,143	\$51,791,599	\$2,713,456
Net Change in Fund Balance	(\$1,927,051)	(\$1,625,042)	\$302,009
Fund Balance, July 1	\$28,645,810	\$28,645,810	-
Fund Balance, June 30	\$26,718,759	\$27,020,768	\$302,009

Original to Amended (Final) Budget. For the year ended June 30, 2021, budgetary revenue amendments added about \$3.0 million, while additional budgetary appropriations aggregated to about \$2.7 million, for a net projected favorable change in Fund balance of about \$302 thousand.

Budgetary revenue amendments were as follows:

- Approximately \$413 thousand increase in tax revenues due to favorable trends in property tax growth.
- Over a \$2.6 million increase in charges for current services due to a nearly \$403 thousand favorable variance in projected revenues associated with Chino agreement, combined with a \$2.2 million increase in anticipated mutual aid recoveries, which are highly unpredictable from year-to-year, and therefore difficult to accurately budget.

Significant budgetary expenditure amendments were as follows:

- Nearly \$2.4 million in salary and benefit appropriations were added, primarily due to labor cost overages associated with additional mutual aid activity.
- About \$267 thousand in capital outlay was added to the FY22 budget associated with carryovers from the prior year for unfinished capital projects.

CHINO VALLEY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Budget to Current Year Actuals Summary Comparison (condensed)

	General Fund Amended (Final) Budget FYE June 30, 2021	General Fund Actuals FYE June 30, 2021	Variance Between Budget and Actuals Positive (Negative)
Taxes	\$34,920,012	\$35,001,556	\$81,544
Charges for current services	13,592,545	14,708,454	1,115,909
Other revenue	1,654,000	3,023,970	1,369,970
Total Revenue	\$50,166,557	\$52,733,980	\$2,567,423
Salaries and benefits	\$41,356,769	\$40,180,445	\$1,176,324
Services and supplies	6,500,160	5,408,428	1,091,732
Capital outlay	3,934,670	3,818,977	115,693
Total Operating & Capital Expenditures	\$51,791,599	\$49,407,850	\$2,389,749
Net Change in Fund Balance	(\$1,625,042)	\$3,326,130	\$4,951,172
Fund Balance, July 1	\$28,645,810	\$28,645,810	-
Fund Balance, June 30	\$27,020,768	\$31,971,940	\$4,951,172

Amended (Final) Budget to Actuals. The net change in fund balance varied favorably from amended budget by nearly \$5.0 million for the year ended June 30, 2021. Revenues varied favorably from budget by roughly \$2.6 million in aggregate, while expenditures netted to a favorable variance of almost \$2.4 million.

A summary of major variances between amended budget and actual revenues for the year ended June 30, 2021, is as follows:

- Charges for current services varied favorably from budget by about \$1.1 million due primarily to the receipt of additional mutual aid recoveries which were budgeted conservatively.
- Investment earnings in excess of \$1.4 million for the 115 Trust were unbudgeted, as the District's policy is not to provide for restricted earnings in the operating budget.

Significant expenditures variances between actual results and amended budget are summarized as follows:

Salaries and benefits (nearly \$1.2 million favorable budget variance):

- Most significantly, although there has been a decidedly increasing trend toward higher workers compensation illness and injury costs over the last number of years, workers compensation expense varied favorably from budget by about \$1 million due to conservative budgeting and favorable trends.

CHINO VALLEY FIRE DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2021

Services and supplies (\$1.1 million favorable budget variance):

- Notably, services – other, which includes contract and consulting services, varied favorably from amended budget by about \$412 thousand, due primarily to the continuing deferral of certain contractual arrangements and services due mainly to the pandemic.

See Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, in Required Supplementary Information for additional details.

Next Year’s Budget to Current Year Actuals Summary Comparison (condensed)

	General Fund Original Budget FYE June 30, 2022	General Fund Actuals FYE June 30, 2021	Variance Between FY22 Budget and FY21 Actuals Positive (Negative)
Taxes	\$36,283,011	\$35,001,556	\$1,281,455
Charges for current services	11,931,147	14,708,454	(\$2,777,307)
Other revenue	1,645,300	3,023,970	(1,378,670)
Total revenue	\$49,859,458	\$52,733,980	(\$2,874,522)
Salaries and benefits	\$39,930,889	\$40,180,445	\$249,556
Services and supplies	6,676,364	5,408,428	(1,267,936)
Capital outlay	475,380	3,818,977	\$3,343,597
Total operating & capital expenditures	\$47,082,633	\$49,407,850	\$2,325,217
Net Change in Fund Balance	\$2,776,825	\$3,326,130	(\$549,305)
Fund Balance, July 1	\$31,971,940	\$28,645,810	\$3,326,130
Fund Balance, June 30	\$34,748,765	\$31,971,940	\$2,776,825

Economic Factors and Next Year's Budgets and Rates

- The FY22 Original budget projects revenues of nearly \$49.9 million against expenditures of about \$47.1 million, for a \$2.8 million net increase in General Fund balance.
- Local property values are anticipated to remain relatively stable within the District's service area. Additionally, new construction is on the rise. Property tax revenues are conservatively budgeted to increase about 3.7% over FY21, or about \$1.3 million. By comparison, FY21 property tax revenues were about 6.4% higher than in the prior year.
- Charges for current services are budgeted to decrease by about \$2.8 million over FY21 actuals, which includes mutual aid revenues. Mutual aid recoveries are projected to decrease by nearly \$3.2 million in FY22 due to the assumption of a significantly lower number of out-of-area incidents in the next year.

Chino Valley Fire District
Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>
Assets	
Cash and investments	\$ 26,608,239
Restricted cash and investments	8,127,679
Accounts receivable	663,939
Note receivable	17,241
Deposits with other agencies	25,000
Prepaid items	45,134
Net investment in joint venture	121,193
Capital assets	
Non-depreciable capital assets	780,438
Depreciable capital assets, net	<u>15,013,583</u>
Total Assets	<u>51,402,446</u>
Deferred Outflows of Resources	
Deferred amounts related to OPEB	1,347,365
Deferred amounts related to pensions	<u>13,201,590</u>
Total Deferred Outflows Of Resources	<u>14,548,955</u>
Liabilities	
Accounts payable	534,105
Accrued payroll	1,154,690
Unearned revenue	995,571
Noncurrent liabilities:	
Due within one year	1,750,926
Due in more than one year	9,411,041
Net OPEB liability	5,593,266
Net pension liability	<u>50,644,738</u>
Total Liabilities	<u>70,084,337</u>
Deferred Inflows of Resources	
Deferred amounts related to OPEB	661,429
Deferred amounts related to pensions	<u>5,553,253</u>
Total Deferred Inflows of Resources	<u>6,214,682</u>
Net Position	
Investment in capital assets	15,794,021
Unrestricted	<u>(26,141,639)</u>
Total Net Position/(Deficit)	<u><u>\$ (10,347,618)</u></u>

Chino Valley Fire District
Statement of Activities
Year Ended June 30, 2021

	Expenses	Program Revenues Charges for Services	Operating Grants and Contributions	(Expenses) Revenues and change in Net Position
Governmental Activities				
Public Safety- Fire Protection	\$ 51,802,613	\$ 16,065,406	\$ 131,222	\$ (35,605,985)
General Revenues:				
Taxes:				
Property taxes				35,001,556
Investment income				1,535,796
Total General Revenues				36,537,352
Change in Net Position				931,367
Net Position/(Deficit), Beginning of Year				(11,278,985)
Net Position/(Deficit), End of Year				\$ (10,347,618)

Chino Valley Fire District
 Balance Sheet – General Fund
 June 30, 2021

Assets	
Cash and investments	\$ 26,608,239
Restricted cash and investments	8,127,679
Accounts receivable	663,939
Note receivable	17,241
Deposits with other agencies	25,000
Prepaid items	45,134
	<hr/>
Total Assets	\$ 35,487,232
	<hr/>
Liabilities and Fund Balance	
Liabilities	
Accounts payable and accrued liabilities	\$ 534,105
Accrued payroll	1,154,690
Unearned revenue	995,571
Current claims payable	830,926
	<hr/>
Total Liabilities	3,515,292
	<hr/>
Fund Balance	
Nonspendable	70,134
Restricted	8,127,679
Committed	15,074,091
Assigned	740,036
Unassigned	7,960,000
	<hr/>
Total Fund Balance	31,971,940
	<hr/>
Total Liabilities and Fund Balance	\$ 35,487,232
	<hr/>

Chino Valley Fire District

Reconciliation of the Balance Sheet of the General Fund to the Statement of Net Position

June 30, 2021

Fund Balance of the General Fund	\$ 31,971,940
Amounts reported for governmental activities in the Statement of Net Position is different because:	
Capital assets, net of depreciation, are not current financial resources and are not included in the governmental funds.	15,794,021
Net investment in joint venture is not a current financial resource and is not included in the governmental funds	121,193
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Compensated Absences	(7,085,402)
Workers' Compensation Claims	(3,245,639)
Net Pension Liability	(50,644,738)
Net OPEB Liability	(5,593,266)
Deferred outflows of resources related to pensions	13,201,590
Deferred outflows of resources related to OPEB	1,347,365
Deferred inflows of resources related to pensions	(5,553,253)
Deferred inflows of resources related to OPEB	<u>(661,429)</u>
Net Position of Governmental Activities	<u>\$ (10,347,618)</u>

Chino Valley Fire District

Statement of Revenues, Expenditures, and Changes in Fund Balances – General Fund Year Ended June 30, 2021

Revenues	
Taxes	\$ 35,001,556
Licenses and permits	1,356,952
Charges for current services	14,708,454
Use of money and property	1,535,796
Other	<u>131,222</u>
Total Revenues	<u>52,733,980</u>
Expenditures	
Current:	
Salaries and benefits	40,180,445
Services and supplies	5,408,428
Capital outlay	<u>3,818,977</u>
Total Expenditures	<u>49,407,850</u>
Net Change in Fund Balance	3,326,130
Fund Balance, Beginning of Year	<u>28,645,810</u>
Fund Balance, End of Year	<u><u>\$ 31,971,940</u></u>

Chino Valley Fire District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the General Fund to the Statement of Activities Year Ended June 30, 2021

Net Change in Fund Balance - General Fund \$ 3,326,130

Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense or are allocated to the public safety functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Cost of purchased assets capitalized	3,817,073
Depreciation expense	(1,396,910)
Decrease in net investment in joint venture	(111,106)

Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This amount represents the net change in the compensated absences liability. (392,364)

Worker's compensation claims do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This amount represents the net change in the workers' compensation liability. (1,557,284)

Governmental funds report OPEB contributions as expenditures. However, in the Statement of Activities, OPEB expense is measured as the change in net OPEB liability and the amortization of deferred outflows and inflows related to OPEB. This amount represent the net change in OPEB related amounts. 455,624

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represents the net change in pension related amounts. (3,209,796)

Change in Net Position of Governmental Activities \$ 931,367

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Chino Valley Fire District (District) conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles. The following is a summary of the significant policies.

A. Description of the Reporting Entity

The District was formed in 1932 by the County of San Bernardino to provide fire protection services to the unincorporated areas of the Chino Valley area. The District was consolidated with the Chino Valley Fire Department in 1972 and became self-governing in November 1990. The District is now governed by a five-member Board of Directors elected by the citizens of the District. No other governmental units are a part of the reporting entity.

The District serves the City of Chino, the City of Chino Hills and unincorporated areas of San Bernardino County within its boundaries.

B. Accounting and Reporting Policies

The District conforms to the pronouncements of the GASB, which are the primary authoritative statements of accounting principles generally accepted in the United States of America applicable to state and local governments.

C. New Accounting Pronouncements

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for reporting periods beginning after December 15, 2019. This Statement did not have a material impact on the District's financial statements.

GASB Statement No. 90 – In September 2018, the GASB issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for reporting periods beginning after December 15, 2019. This Statement did not have a material impact on the District's financial statements.

GASB Statement No. 98 – In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement established the term *annual comprehensive financial report* and its acronym ACFR. That new term and acronym replaces instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement is effective for fiscal years ending after December 15, 2021. The District has implemented this standard and accordingly is using the term annual comprehensive financial report or ACFR on a go forward basis.

Effective in Future Years

The District is currently evaluating the potential impact of the following issued, but not yet effective, accounting standards.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. This Statement is effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 89 – In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. The district has not determined the effect on the financial statements.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by users, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for reporting periods beginning or after December 15, 2021.

GASB Statement No. 92 – In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practices issues that have been identified during implementation and application of certain GASB Statements. The Statement is effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 93 – In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an IBOR. The Statement is effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 94 – In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The Statement is effective for reporting periods beginning after June 15, 2022. The District has not determined the effect of this Statement.

GASB Statement No. 96 – In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement is effective for reporting periods beginning after June 15, 2022.

Chino Valley Fire District

Notes to Financial Statements

June 30, 2021

GASB Statement No. 97 – In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No.14 and No.84 and A Supersession of GASB Statement No.32*. The objective of this Statement is (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Statement is effective for reporting periods beginning after June 15, 2021.

D. Description of Fund

The accounts of the District are organized in a fund, which is considered a separate accounting entity. The operations of the fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The following type of fund is used:

Governmental Fund Type

General Fund – The District provides only fire protection services. All resources are accounted for in this fund.

E. Basis of Accounting/Measurement Focus

Government – Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present the Governmental Activities for the District.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets as well as long-term debt, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function; the District's only function is fire protection. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Operating grants and contributions include revenues restricted to meeting the requirements of a particular operating function and may include state shared revenues and grants. Capital grants and contributions include revenues restricted to meeting the requirements of a particular capital function and may include grants or other contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and Statement of Revenue, Expenditures, and Changes in Fund Balance for the General Fund. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the Government-Wide Financial Statements.

All governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Accrued revenues include property taxes received within 60 days after year-end and earnings on investments. Grant funds earned but not received are recorded as a receivable, and grant funds received before the revenue recognition criteria have been met are reported as unearned revenues. Expenditures are recorded when the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due. Capital asset acquisitions under capital lease are reported as other financing sources.

F. Claims and Judgments

The District records a liability for claims, judgments, and litigation when it is probable that a liability has been incurred at year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated.

G. Capital Assets

Capital assets, which include land, buildings, improvements, and equipment, are reported in the Governmental Activities column of the Government-Wide Financial Statements. Capital assets are defined by the District as all land, buildings, vehicles, computers, equipment, and improvements, with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation or annexation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation is recorded in the Government-Wide Financial Statements on a straight-line basis over the useful life of the assets as follows:

Buildings	30 years
Improvements other than buildings	30 years
Equipment	5 to 15 years

H. Budgetary Practice

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The annual budget is adopted by the Board of Directors after the holding of a hearing and provides for the general operation of the District. The operating budget includes proposed expenditures and the means of financing them.
2. The Board of Directors approves total budgeted appropriations and any amendments to appropriations throughout the year. This appropriated budget covers District expenditures in the General Fund. Budget figures used in the accompanying financial statements present both original and final budget.
3. Formal budgetary integration at the fund level is employed as a management control device during the year.
4. The annual budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).

I. Deferred Compensation Plans

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The District has also established an Internal Revenue Code Section 401(a) Plan for the benefit of eligible employees. The plan is substantially similar to the 457 Plan except that the 401(a) Plan accepts only employer paid deferred compensation contributions.

The District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans*. Management believes that the District has no fiduciary role under the plans, and plan funds are not available to the District's general creditors. Accordingly, the District has not reported plan assets in the accompanying financial statements.

J. Cash and Investments

The District categorized the fair value measurements for its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets of identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments are included within the financial statement classifications of "Cash and investments" and "Restricted cash and investments" and are stated at fair value, the price the District would receive to sell an asset or pay to transfer a liability.

K. Restricted Cash and Investments

The District has created a Section 115 Trust (Trust). All assets in the Trust are irrevocably dedicated to funding obligations of the District's pension beneficiaries, other post-employment beneficiaries or costs of administering the Trust. The funds are not considered plan assets of either the pension plan or OPEB plan and are therefore considered restricted assets of the District.

L. Estimates

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

M. Use of Restricted Resources

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

N. Pensions

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

O. 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 as they are reported by the OPEB Plan. For this purpose, benefit payments are 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	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. 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 until then. The District reports deferred outflows related to pensions and OPEB.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. 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 until that time. The District reports deferred inflows related to pensions and OPEB.

Q. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County of San Bernardino bills and collects the property taxes and distributes them to the District in installments during the year. District property tax revenues are recognized when levied to the extent that they result in current receivables.

R. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of the prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

S. Classifications of Fund Balance

In the fund financial statements, the District's fund balance is classified into five components as follows:

- *Nonspendable* – resources that are not in spendable form or required to be maintained intact.
- *Restricted* – resources that are restricted to specific purpose; these restrictions are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources are constrained to specific purposes by a resolution of the District Board. The constraint remains binding unless removed in the same formal manner by the District Board. Board action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently.
- *Assigned* – amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The Board has delegated the authority to assign amounts, for specific purposes to the Fire Chief or the Fire Chief's designee.
- *Unassigned* – the residual classification of the General Fund.

Chino Valley Fire District
Notes to Financial Statements
June 30, 2021

Note 2 - Cash and Investments

Cash and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Cash and investments	\$ 26,608,239
Restricted cash and investments	8,127,679
	<hr/>
Total Cash and Investments	\$ 34,735,918
	<hr/> <hr/>

Cash and investments as of June 30, 2021, consist of the following:

Petty Cash	\$ 1,500
Cash Demand Deposits	1,583,771
	<hr/>
Total Cash	1,585,271
	<hr/>
Certificates of Deposit	499,786
Overnight Repurchase Agreements Sweep Account	1,110,886
JPA Beneficial Interest Shares - CalTRUST	1,170,133
Pooled Investments - Local Agency Investment Fund (LAIF)	22,242,163
	<hr/>
Total Investments	25,022,968
	<hr/>
Section 115 Trust	
Mutual Funds - Equity	4,701,346
Mutual Funds - Corporate Bonds	3,268,285
Money Market Mutual Fund	18,040
Exchange-Traded Fund - Bond	140,008
	<hr/>
Total Restricted Cash and Investments	8,127,679
	<hr/>
Total Cash And Investments	\$ 34,735,918
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Chino Valley Fire District

Notes to Financial Statements

June 30, 2021

Investments Authorized by California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code and the District's policy, where more restrictive. The table also identifies certain provisions of the California Government Code that address interest rate risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Money Market Mutual Funds	N/A	15%	10%
Local Agency Investment Fund (LAIF)	N/A	None	\$75 million
State of California Treasury Obligations	2 years	25%	None
Bankers Acceptances	180 days	30%	None
Commercial Paper	270 days	25%	10%
Certificates of Deposit	2 years	30%	None
Repurchase Agreements	90 days	25%	None
Time deposits	2 years	25%	None
Beneficial Interest Shares	N/A	15%	None
JPA Beneficial Interest Shares - CalTRUST	N/A	None	None
Medium Term Corporate Notes	5 years	30%	15%

Investments Authorized by the District Section 115 Trust

Investments of the Trust are governed by the provisions of the Chino Valley Fire District Section 115 Trust Agreement, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies investments authorized by the Investment Policy of the Trust:

Authorized Investment Type	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Domestic Equities	5%	40%
International Equities	5%	40%
Fixed Income	None	5%
Private Equity	20%	None
Real Estate	20%	None
Inflation Hedge	20%	None
Portfolio Risk Hedging	None	None

Chino Valley Fire District
Notes to Financial Statements
June 30, 2021

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investment by maturity:

Investment Type	Total Amount	12 Months or Less
Certificates of Deposit	\$ 499,786	\$ -
Overnight Repurchase Agreements Sweep Account	1,110,886	1,110,886
JPA Beneficial Interest Shares - CalTRUST	1,170,133	1,170,133
Pooled Investments - Local Agency Investment Fund (LAIF)	22,242,163	22,242,163
Section 115 Trust		
Mutual Funds - Equity	4,701,346	4,701,346
Mutual Funds - Corporate Bonds	3,268,285	3,268,285
Money Market Mutual Fund	18,040	18,040
Exchange-Traded Fund - Bond	140,008	140,008
Total Investments	\$ 33,150,647	\$ 32,650,861

Fair Value Classifications

Fair value measurements are categorized based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs such as observable information for similar items in active or inactive markets; Level 3 inputs are significant unobservable inputs. Investments categorized as Level 1 and Level 2, are valued using the market approach using quoted market prices.

Chino Valley Fire District
Notes to Financial Statements
June 30, 2021

Investments' fair value measurements are as follows as of June 30, 2021:

Investment Type	Fair Value	Level 1	Level 2
Certificates of Deposit	\$ 499,786	\$ 499,786	\$ -
Overnight Repurchase Agreements Sweep Account	1,110,886	-	1,110,886
Section 115 Trust			
Mutual Funds - Equity	4,701,346	4,701,346	-
Mutual Funds - Corporate Bonds	3,268,285	3,268,285	-
Money Market Mutual Fund	18,040	18,040	-
Exchange-Traded Fund - Bond	140,008	140,008	-
Total Leveled Investments		\$ 8,627,465	\$ 1,110,886
<i>Investments measured using uncategorized inputs:</i>			
Pooled Investments - Local Agency Investment Fund (LAIF)	22,242,163		
JPA Beneficial Interest Shares - CalTRUST	1,170,133		
Total Investment Portfolio	\$ 33,150,647		

Deposits to and withdrawals from LAIF are made on the basis of \$1 and not fair value and therefore the inputs used to determine fair value are uncategorized, not defined as Level 1, Level 2, or Level 3 inputs. Investments in CalTrust are valued on the basis of net asset value (NAV) and as such the inputs are uncategorized in the fair value hierarchy.

Disclosures Relating to Credit Risk

Generally, 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. LAIF and CalTRUST do not have ratings provided by a nationally recognized statistical rating organization. The amounts invested in the Overnight Repurchase Agreement Sweep account are collateralized by a pool comprised of direct obligations of the United States, Federal Agency or Government Sponsored Enterprises pursuant to the Master Repurchase Agreement. However, the pool is unrated. Presented below is the minimum rating required (where applicable) by the California Government Code or the District's investment policy, where more restrictive, and the actual Standard and Poor's rating as of year-end for each investment type.

Investment Type	Total Amount	Minimum Legal	Not Rated
Certificates of Deposit	\$ 499,786	N/A	\$ 499,786
Overnight Repurchase Agreements Sweep Account	1,110,886	N/A	1,110,886
JPA Beneficial Interest Shares - CalTRUST	1,170,133	N/A	1,170,133
Pooled Investments - Local Agency Investment Fund (LAIF)	22,242,163	N/A	22,242,163
Section 115 Trust			
Mutual Funds - Equity	4,701,346	N/A	4,701,346
Mutual Funds - Corporate Bonds	3,268,285	N/A	3,268,285
Money Market Mutual Fund	18,040	N/A	18,040
Exchange-Traded Fund - Bond	140,008		140,008
Total Investments	\$ 33,150,647		\$ 33,150,647

Chino Valley Fire District

Notes to Financial Statements

June 30, 2021

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

As of June 30, 2021, \$1,485,328 of the District's deposits with financial institutions was held in excess of FDIC limits in accounts collateralized by the pledging institution as described above.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF and CalTRUST). Pursuant to the Master Repurchase Agreement, the amounts in the Overnight Repurchase Agreement Sweep Account are collateralized at 102 percent with the collateral held by the financial institution's custodian but not in the District's name.

Securities purchased by the District are held by a third-party bank trust department, acting as agent for the District under the terms of a custody agreement executed by the bank and the District. All securities are purchased and delivered using standard delivery-versus-payment procedures through the District's safekeeping agent. No outside broker/dealer or advisor may have access to District funds, accounts or investments.

Investment in Investment Pools

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is not registered with the Securities and Exchange Commission. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

In addition, the District is a voluntary participant in CalTRUST, an investment pool administered by the California State Association of Counties (CSAC) Finance Corporation. CalTRUST was established under the provisions of the California Joint Exercise of Powers Act in accordance with California Government Code. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's fair value per share provided by CalTRUST applied to the number of shares held by the District. The balance available for withdrawal is based on the accounting records maintained for CalTRUST by U.S. Bank, N.A.

Note 3 - Capital Assets and Depreciation

The following table presents the capital assets activity for the year ended June 30, 2021:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 780,438	\$ -	\$ -	\$ 780,438
Total Capital Assets Not Being Depreciated	780,438	-	-	780,438
Capital Assets, Being Depreciated:				
Buildings	9,894,233	600,092	-	10,494,325
Improvements other than buildings	827,178	20,250	-	847,428
Equipment	14,422,289	3,198,635	1,231,360	16,389,564
Total Capital Assets Being Depreciated	25,143,700	3,818,977	1,231,360	27,731,317
Less Accumulated Depreciation For:				
Buildings	2,808,431	334,321	-	3,142,752
Improvements other than buildings	401,060	28,669	-	429,729
Equipment	9,340,789	1,033,920	1,229,456	9,145,253
Total Accumulated Depreciation	12,550,280	1,396,910	1,229,456	12,717,734
Total Capital Assets, Being Depreciated, Net	12,593,420	2,422,067	1,904	15,013,583
Governmental Activities Capital Assets, Net	\$ 13,373,858	\$ 2,422,067	\$ 1,904	\$ 15,794,021

Depreciation expense in the amount of \$1,396,910 was charged to the public safety function on the Statement of Activities for the year ended June 30, 2021.

Note 4 - Risk Management

Special District Risk Management Authority (SDRMA)

The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority, created pursuant to California Government Sections 6500 et seq and established in 1986. The Authority provides property, liability and worker's compensation coverage protection and risk management services statewide exclusively for California special districts, joint power authorities and other public agencies. The District has various policies of coverage with SDRMA.

Workers' Compensation Coverage and Employer's Liability

The District is self-insured up to the first \$250,000 per claim and is protected up to \$5 million per occurrence for Workers' Compensation and \$5 million per occurrence for Employer Liability, after the initial self-retention. Annual contributed premiums are to be paid annually based on estimated wages and subject to adjustment at the end of each year.

Chino Valley Fire District

Notes to Financial Statements

June 30, 2021

Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. As of June 30, 2021, the total liability of \$4,076,565 consists of open claims of \$3,383,884 and estimated incurred but not reported (IBNR) claims of \$692,681. This liability is the District's best estimate based on available information provided by the third-party claims administrator and analysis of prior claims history. Changes in the reported liability at June 30, 2021, resulted from the following:

Year	Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claims and Payments	Liability End of Year
2020	\$ 2,251,893	\$ 1,979,986	\$ (1,496,571)	2,735,308
2021	2,735,308	2,600,236	(1,258,979)	4,076,565

General Liability

The District is protected for General Liability, Public Officials' and Employees' Errors and Omission and Employment Practices Liability up to \$5 million per occurrence with a combined single limit of \$5 million and deductibles of \$500 per occurrence. The District does not have a self-insured retention level for its general and vehicle liability coverage; accordingly, no liability has been recorded. The Auto Liability policy has a single limit of \$5 million; with a deductible of \$1,000.

Property Loss

The District is covered per occurrence up to and a combined total of \$800 Million, subject to a \$1,000 deductible per occurrence.

Settlements have not exceeded coverages in each of the past three years.

Note 5 - Long-Term Liabilities

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due In 2020-21
Compensated absences	\$ 6,693,038	\$ 1,227,974	\$ 835,610	\$ 7,085,402	\$ 920,000
Workers' compensation claims	2,735,308	2,600,236	1,258,979	4,076,565	830,926
	<u>\$ 9,428,346</u>	<u>\$ 3,828,210</u>	<u>\$ 2,094,589</u>	11,161,967	<u>\$ 1,750,926</u>
Less amount due in 2021-22				<u>(1,750,926)</u>	
Total amount due in more than one year				<u>\$ 9,411,041</u>	

Compensated Absences

Accumulated vacation and sick leave benefits payable in future years when used by the District employees amounted to \$7,085,402 (\$2,290,570 vacation, \$4,782,951 sick leave and holiday time and \$11,881 comp) at June 30, 2021. Benefits will be recorded as an expenditure in the governmental funds when the related balance becomes due. Based on historical analysis, management estimates \$920,000 as the amount due during fiscal year 2021-22.

Note 6 - Classifications of Net Position and Fund Balance

In the Government-Wide financial statements net position is classified in the following categories:

Investment in Capital Assets

Investment in capital assets of \$15,794,021, represents the value of capital assets net of accumulated depreciation as of June 30, 2021.

Unrestricted Net Position/(Deficit)

Unrestricted net position/(deficit) of \$(26,141,639), represents the net amount of assets and deferred outflows less liabilities and deferred inflows.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balance are available, the District's policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the District's policy is to first apply committed fund balance, then assigned fund balance, and finally unassigned fund balance.

The District's fund balances at June 30, 2021, are presented below:

Fund Balance	
Nonspendable:	
Deposits with other agencies	\$ 25,000
Prepaid items	45,134
	<hr/>
Total Nonspendable	70,134
	<hr/>
Restricted:	
Section 115 Trust	8,127,679
	<hr/>
Committed:	
Workers compensation	4,076,565
Equipment replacement	754,438
Facilities acquisition and maintenance	57,799
Compensated absences	2,338,183
Emergency contingency	7,847,106
	<hr/>
Total Committed	15,074,091
	<hr/>
Assigned:	
Budgeted transfers committed in future year's budget	740,036
	<hr/>
Unassigned:	7,960,000
	<hr/>
Total Fund Balance	\$ 31,971,940
	<hr/> <hr/>

The Board approved resolution 2017-14 committing resources to the following:

<u>Commitment</u>	<u>Description</u>
Workers compensation	Established at a level equal to the estimated value of claims
Equipment replacement	Provides for vehicle, apparatus, and major equipment replacement
Facilities acquisition and maintenance	Provides for facility acquisition and maintenance
Compensated absences	Established at a level of 33% of employee accrued leave balances
Emergency contingency	Established at an amount of two months of the District's approved expenditure budget to be used for in the event of a declaration of a local, state or federal state of emergency

In addition, the Board approved a minimum fund balance policy whereby the District desires a general contingency reserve equal to three months approved budgeted expenditures. In the event that minimum fund balance is not sufficient to meet the three-month requirement, all remaining funds not otherwise classified shall be maintained for general contingency purposes. At June 30, 2021, the amount of \$7,960,000 was maintained pursuant to the policy and classified as part of unassigned fund balance.

Note 7 - Agreement

Revised Fire Protection Services Agreement with the City of Chino – Effective May 1, 1996, the District and the City of Chino (the City) entered into a revised fire protection services agreement (Agreement). The District and the City agreed to replace the funding method set forth in the adopted LAFCO conditions when the District became self-governing in 1990. The method change provided additional funding to the District, which is more consistent with the level of funding received from areas outside the City limits. The City agreed to pay the District an amount equal to the dispatch service cost incurred by the District.

First Amendment - Elimination of Dispatch Service Payments – On June 2, 2009, the City and the District agreed through a First Amendment to the Agreement, to eliminate the requirement of the City to pay or reimburse the District for dispatch services beginning with the first full month following the City's issuance of a certificate of occupancy for the first of two new fire stations to be constructed by the City for District use. Dispatch reimbursement terminated in August 2011.

Second Amendment - Revised Payments – Effective February 1, 2012, California State Assembly Bill AB x1 26 dissolved redevelopment agencies in California and provided for the creation of successor agencies for winding down the affairs of former redevelopment agencies. Pass-through tax increment payment obligations previously made by the City's Redevelopment Agency (RDA) to the District, are now being paid by the Successor Agency for the former Chino RDA, into a property tax trust fund administered by the County of San Bernardino. The District now receives these pass-through payments from the County property tax trust fund.

As a result of the dissolution of the City's RDA, on October 8, 2014, the City and the District agreed to a Second Amendment to the Agreement which resulted in changes in the calculation of the City's Annual Payment Obligation (APO) to the District. Under the terms of the Second Amendment, the City receives credits against its APO to the District equal to any residual payments of former RDA tax increment or other former RDA monies distributed to the District from the County property tax trust fund.

Prior to the Second Amendment and dissolution of the City’s RDA, the APO reflected a 20% set-aside in the calculation associated with RDA low and moderate income housing obligations. Commencing July 1, 2017, the District received 100% of the tax revenue that would have otherwise been deducted as the 20% set-aside in the APO calculation. For the five-year transitional period between fiscal year 2012-13 and 2016-17, the APO calculation was modified under the Second Amendment to reflect the District and the City sharing equally in the 20% set-aside of former RDA funds.

Note 8 - Cost Sharing Employer Pension Plan

Plan Description

Eligible employees participate in either the District’s safety or miscellaneous pension plan, a cost-sharing multiple employer defined benefit pension plan administered by the CalPERS. The CalPERS Plan consists of a miscellaneous pool and a safety pool (referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. The risk pools are included within the Public Employees’ Retirement Fund C. Benefit provisions under the plan are established by State statute and may be amended by District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information. These reports can be found on the CalPERS website.

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees or 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 with statutorily reduced benefits. 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.

The plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous		Safety	
	Classic	New Member	Classic	New Member
	Prior to January 1, 2013	On or after	Prior to January 1, 2013	On or after
Hire Date				
Formula	2.5% @ 55	2% @ 62	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	55	57
Monthly benefits, as a % of annual salary	2.5%	2%	3%	2.7%
Required employer contribution rates	11.43%	6.99%	21.75%	13.79%

Chino Valley Fire District
Notes to Financial Statements
June 30, 2021

Contributions

Section 20814(c) of the California Public Employees' Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1, following the notice of change in rate. Funding contributions for the plan 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 rates of employees. Contributions to the pension plan were \$5,693,195 for the year ended June 30, 2021.

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

As of June 30, 2021, the District reported a liability of \$50,644,738 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020 using roll forward procedures. The District's proportion of the collective 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 proportion of the collective net pension liability as of June 30, 2019 and 2020 is as follows.

Proportion- June 30, 2019	0.44008%
Proportion- June 30, 2020	0.46547%
Change- Increase (Decrease)	<u>0.02539%</u>

For the year ended June 30, 2021, the District recognized pension expense of \$8,902,760. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,854,827	\$ -
District contributions subsequent to the measurement date	5,693,195	-
Changes in assumptions	-	179,281
Change in employer's proportion	2,530,650	-
Change in proportion and differences between actual contributions and proportionate share of contributions	-	5,373,971
Net difference between projected and actual earnings	<u>1,122,918</u>	<u>-</u>
	<u>\$ 13,201,590</u>	<u>\$ 5,553,252</u>

Chino Valley Fire District
Notes to Financial Statements
June 30, 2021

The amount of \$5,693,195 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2022	\$ (257,760)
2023	804,929
2024	847,101
2025	<u>560,873</u>
Total	<u>\$ 1,955,143</u>

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions.

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Mortality	Derived using CalPERS's Membership data for all funds

(1) Net of pension plan investment and administrative expenses, including inflation

The underlying mortality assumption and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period of 1997 to 2015. Further details of the experience study can be found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the District's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Chino Valley Fire District

Notes to Financial Statements

June 30, 2021

In determining the long-term expected 7.15% rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Based on the expected benefit payments of the Public Employees' Retirement Fund, CalPERS indicated that a 19-year horizon was ideal in determining the level equivalent discount rate assumption. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for the Plan. These geometric rates of return are net of administrative expenses and are summarized in the following table:

Asset Class	Target	Long-Term (1)	Long-Term (2)
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Sensitive	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Estate	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
Total	<u>100%</u>		

(1) An expected inflation of 2.00% used for this period

(2) An expected inflation of 2.92% used for this period

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$ 80,013,125
Current Discount Rate	7.15%
Net Pension Liability	\$ 50,644,738
1% Increase	8.15%
Net Pension Liability	\$ 26,535,235

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

Note 9 - Other Postemployment Benefit Plan (OPEB)

The District participates in the California Employers’ Retiree Benefit Fund (CERBT), an agent multiple-employer defined benefit healthcare plan administered by the California Public Employees’ Retirement System (CalPERS). A summary of the OPEB amounts for the District’s plan is shown below:

Net OPEB Liability	\$ 5,593,266
Deferred Outflows related to OPEB	1,347,365
OPEB Expense	689,705

Plan Description

The District has established a Retiree Healthcare Plan (HC Plan) and participates in an agent multiple-employer defined benefit retiree healthcare plan administered by the CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the HC Plan are established through agreements and memorandums of understanding (MOU) between the District, its management and confidential employees and collective bargaining groups representing other full-time District employees. CalPERS issues a publicly available financial report that can be found on the CalPERS website.

Benefits Provided

Plan members include current retirees of the District. Eligible plan members are District employees who have retired from active employment with the District on or after the November 1990 date of formation and are receiving a retirement allowance from CalPERS. Employees covered under the Safety MOU, hired on or after January 1, 2007, as well as management employees, must complete five years of service in order to qualify for the benefit allowance. In addition, a Post Employment Health Plan (PEHP) was established with Nationwide Retirement Solutions (Nationwide) on April 26, 2012. Eligible employees retiring on or after the date the Nationwide plan was established receive the benefit allowance under the terms of the Nationwide plan.

The benefit allowance provides a fixed amount lifetime allowance to eligible plan members and their surviving spouses, if applicable. Employees hired on or after April 26, 2012, are not eligible for the PEHP benefit.

For eligible plan members, the District provides a monthly benefit allowance of \$500 per month for management and safety members. For confidential and miscellaneous members, the monthly allowance is based on the years of District service as follows:

<u>Between 5 and 10 Years</u>	<u>More than 10 Years</u>
\$250 per month	\$500 per month

Eligible PEHP plan members retiring on or after the establishment of the Nationwide plan will receive the applicable monthly postemployment benefit, offset by the employer minimum health plan contribution, if applicable.

Upon retirement, employees hired after the effective date of the PEHP will only be eligible to have the employer minimum health plan contribution paid on their behalf.

Chino Valley Fire District
Notes to Financial Statements
June 30, 2021

Employees Covered by Benefit Terms

At June 30, 2019, the most recent valuation date, the following current and former employees were covered by the benefit terms of the plan:

Active employees	137
Inactive employees or beneficiaries currently receiving benefits	<u>83</u>
Total	<u><u>220</u></u>

Contributions

The District participates in the CalPERS health plan. Under government code section 22892(c), the District is required to pay a minimum contribution toward the monthly insurance plan premium for any eligible retired member enrolled in the CalPERS health plan. As of June 30, 2021, the minimum employer contribution amount is \$139 per month. In addition, for employees who retired prior to October 1, 2006 and are enrolled in the CalPERS health plan, the District contributes an additional \$17.86 per month toward the insurance plan premium. The annual contribution total is based on the actuarially determined contribution. Employees are not required to contribute to the plan. Total contributions recognized by the Plan from the employer for the year ended June 30, 2021 were \$1,145,329.

Net OPEB Liability

The District's net OPEB liability for the HC Plan was measured as the total OPEB liability, less the OPEB plan's fiduciary net position. The net OPEB liability of the HC Plan was measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2020. A summary of principal assumptions and methods used to determine the net OPEB liability is shown below.

Actuarial Assumptions – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	2.75%
Payroll Growth	3.00%
Investment Rate of Return	6.75%
Mortality	(1)
Healthcare Trend Rate	Non-Medicare- 7.5% for 2021, decreasing to an ultimate rate of 4% in 2076 and later years; Medicare- 6.3% for 2021, decreasing to an ultimate 4% in 2076 and later years

(1) Derived using CalPERS Membership Data for all Funds

Mortality rates were based on the CalPERS 1997-2015 Experience Study, which assumed future mortality improvements using Society of Actuaries (SOA) Scale BB. The Experience Study report can be obtained on the CalPERS website under Forms and Publications.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study.

Chino Valley Fire District

Notes to Financial Statements

June 30, 2021

Discount Rate – The discount rate used to measure the total OPEB liability was 6.75 percent for the HC Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the District’s contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the HC Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected rate of return on the HC Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	59%	4.82%
Fixed Income	25%	1.47%
TIPS	5%	1.29%
Commodities	3%	0.84%
REITs	8%	3.76%
Total	100%	

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 11,385,014	\$ 5,601,999	\$ 5,783,015
Changes in the year:			
Service cost	329,362	-	329,362
Interest on the total OPEB liability	770,782	-	770,782
Changes in assumptions	-	-	-
Contribution - employer	-	1,101,779	(1,101,779)
Contribution - employee	-	-	-
Net investment income	-	192,760	(192,760)
Differences between projected and actual earning on plan investments	-	-	-
Benefit payments, including refunds of employee contributions	(590,762)	(590,762)	-
Administrative expenses	-	(4,646)	4,646
Net changes	509,382	699,131	(189,749)
Balance at June 30, 2021	\$ 11,894,396	\$ 6,301,130	\$ 5,593,266

Chino Valley Fire District

Notes to Financial Statements

June 30, 2021

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 (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current discount rate:

	<u>1% Decrease (5.75%)</u>	<u>Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net OPEB Liability	\$ 6,999,110	\$ 5,593,266	\$ 4,413,426

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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 5,012,912	\$ 5,593,266	\$ 6,479,358

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CalPERS financial reports.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OEPB:

For the year ended June 30, 2021, the District recognized OPEB expense of \$689,705. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 1,145,329	\$ -
Changes in assumptions	30,741	-
Differences between actual and expected experience	-	661,429
Net difference between projected and actual earnings on plan investments	<u>171,295</u>	<u>-</u>
Total	<u>\$ 1,347,365</u>	<u>\$ 661,429</u>

Chino Valley Fire District
Notes to Financial Statements
June 30, 2021

The \$1,145,329 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amortization</u>
2022	\$ (36,357)
2023	(63,175)
2024	(53,040)
2025	(58,365)
2026	(95,558)
Thereafter	<u>(152,898)</u>
Total	<u>\$ (459,393)</u>

Note 10 - Section 115 Trust

In fiscal year 2016-17, the District Board approved the creation of a Section 115 Trust Agreement with Wells Fargo Bank, Trustee, and PFM Asset Management LLC, Trust Administrator. The Section 115 Trust was established as a means to set aside monies to fund the District’s pension and OPEB obligations. Contributions to the Section 115 Trust are irrevocable, the assets are dedicated to providing benefits to plan members, and the assets are protected from creditors of the District. The purpose of the creation of the Section 115 Trust was to address the District’s pension obligations by accumulating assets to reduce the net pension liability. However, in accordance with generally accepted accounting principles, the assets in the Section 115 Trust are not considered to have present service capacity as plan assets and are therefore considered restricted assets of the District rather than pension plan assets. Accordingly, the Section 115 Trust’s assets are recorded as restricted for pension benefits in the District’s General fund rather than assets of the pension plan during the measurement of the net pension liability. The assets held in trust will be considered pension plan assets at the time they are transferred out of the Trust into the pension plan.

The District initially deposited \$5 million into the Trust. During fiscal year 2020-2021, the Trust earned \$1,452,524 in interest income and incurred \$9,000 in bank fees. The District also contributed an additional \$170,000 to the Trust during the year ended June 30, 2021. The Trust account balance at June 30, 2021 amounted to \$8,127,679.

The District currently funds its OPEB obligations through the CalPERS CERBT program, and although the Section 115 Trust is able to accept OPEB funds, the District has no immediate plans to fund OPEB obligations through the Section 115 Trust.

Note 11 - Joint Venture

West End Fire and Emergency Response Commission

The District is a member of the West End Fire and Emergency Response Commission (FERC), which was created under a joint powers agreement. It was formed to operate a hazardous materials response team serving the Cities of Montclair, Ontario, Upland, Rancho Cucamonga, and the Chino Valley Fire District. The FERC governing board is comprised of one representative from each member agency.

Members of FERC share equally (20 percent each) in the Commission's assets, to be distributed upon termination of the joint venture agreement. The members have no share of the Commission's debts, liabilities, and obligations.

The District's share of equity in FERC has been accounted for as a joint venture. Accordingly, 20 percent of FERC's equity has been included as an investment in joint venture amounting to \$121,193

Summarized audited financial information for FERC at June 30, 2021, the most recent information available, is presented below:

<u>Balance Sheet</u>	
Assets	<u>\$ 605,964</u>
Equity	<u>\$ 605,964</u>
Total liabilities and equity	<u>\$ 605,964</u>
<u>Revenues and Expenditures</u>	
Revenues	\$ 123,009
Expenditures	<u>31,757</u>
Excess of Revenues Over/(Under) Expenditures	<u>\$ 91,252</u>

Required Supplementary Information
June 30, 2021
Chino Valley Fire District

Chino Valley Fire District

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 34,507,355	\$ 34,920,012	\$ 35,001,556	\$ 81,544
Licenses and permits	1,300,000	1,300,000	1,356,952	56,952
Charges for current services	10,989,737	13,592,545	14,708,454	1,115,909
Use of money and property	200,000	200,000	1,535,796	1,335,796
Other	154,000	154,000	131,222	(22,778)
Total Revenues	<u>47,151,092</u>	<u>50,166,557</u>	<u>52,733,980</u>	<u>2,567,423</u>
Expenditures				
Current:				
Salaries and benefits	38,986,580	41,356,769	40,180,445	1,176,324
Services and supplies	6,557,240	6,500,160	5,408,428	1,091,732
Capital outlay	3,534,323	3,934,670	3,818,977	115,693
Total Expenditures	<u>49,078,143</u>	<u>51,791,599</u>	<u>49,407,850</u>	<u>2,383,749</u>
Net Change in Fund Balance	(1,927,051)	(1,625,042)	3,326,130	4,951,172
Fund Balance, Beginning of Year	<u>28,645,810</u>	<u>28,645,810</u>	<u>28,645,810</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 26,718,759</u>	<u>\$ 27,020,768</u>	<u>\$ 31,971,940</u>	<u>\$ 4,951,172</u>

Chino Valley Fire District
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last Ten Fiscal Years*
Year Ended June 30, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 329,362	\$ 356,699	\$ 352,179	\$ 341,921
Interest on the total OPEB liability	770,782	788,462	749,335	707,234
Differences between actual and expected experience	-	(861,861)	-	-
Changes in assumptions	-	40,057	-	-
Benefit payments, including refunds of employee contributions	(590,762)	(525,149)	(527,565)	(343,831)
Net change in total OPEB liability	509,382	(201,792)	573,949	705,324
Total OPEB liability - beginning	11,385,014	11,586,806	11,012,857	11,012,857
Total OPEB liability - ending (a)	<u>\$ 11,894,396</u>	<u>\$ 11,385,014</u>	<u>\$ 11,586,806</u>	<u>\$ 11,012,857</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,101,779	\$ 1,014,848	\$ 1,015,783	\$ 1,015,783
Net investment income	192,760	298,759	321,795	321,795
Benefit payments	(590,762)	(525,149)	(527,565)	(527,565)
Administrative expenses	(4,646)	(2,512)	(9,313)	(9,313)
Net change in plan fiduciary net position	699,131	785,946	800,700	800,700
Plan Fiduciary Net Position - Beginning	5,601,999	4,816,053	4,015,353	4,015,353
Plan Fiduciary Net Position - Ending (b)	<u>6,301,130</u>	<u>5,601,999</u>	<u>4,816,053</u>	<u>4,816,053</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 5,593,266</u>	<u>\$ 5,783,015</u>	<u>\$ 6,770,753</u>	<u>\$ 6,770,753</u>
Plan fiduciary net position as a percentage of the total OPEB liability	52.98%	49.20%	41.60%	41.60%
Covered employee payroll	\$ 23,591,066	\$ 22,578,230	\$ 14,722,066	\$ 14,722,066
Net OPEB liability as percentage of covered employee payroll	23.71%	25.61%	45.99%	45.99%

Notes to Schedule:

* - Fiscal year 2018 was the first year of implementation.

Chino Valley Fire District
Schedule of OPEB Contributions
Last Ten Fiscal Years*
Year Ended June 30, 2021

	2021	2020	2019	2018
Actuarially determined contribution	\$ 970,000	\$ 948,000	\$ 887,000	\$ 868,000
Contributions in relation to the actuarially determined contributions	<u>1,145,329</u>	<u>1,101,779</u>	<u>1,014,848</u>	<u>1,015,783</u>
Contribution deficiency (excess)	<u>\$ (175,329)</u>	<u>\$ (153,779)</u>	<u>\$ (127,848)</u>	<u>\$ (147,783)</u>
Covered employee payroll	\$ 27,035,729	\$ 23,591,066	\$ 22,578,230	\$ 22,006,164
Contributions as a percentage of covered employee payroll	4.24%	4.67%	4.49%	4.62%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of June 30 one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method
Amortization method
Amortization period
Asset valuation method
Inflation
Healthcare cost trend rates

Entry Age Normal Cost Method
Level percent of pay
16-year fixed period for 2020/21
Investment gains and losses spread over 5-year rolling period
2.75%
Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4% in 2076
Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4% in 2076
6.75%
55
Based on CalPERS 1997-2005 Experience Study

Investment rate of return
Retirement age
Mortality

* - Fiscal year 2018 was the first year of implementation.

Chino Valley Fire District
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Last Ten Fiscal Years*
 Year Ended June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Proportion of the collective net pension liability	0.46547%	0.44008%	0.42797%	0.41738%	0.40916%	0.37860%	0.40970%
Proportionate share of the collective net pension liability	\$ 50,644,738	\$ 45,094,793	\$ 41,239,907	\$ 41,392,401	\$ 35,405,262	\$ 25,984,527	\$ 25,451,158
Covered payroll	\$ 17,958,480	17,679,086	14,722,066	14,371,096	13,427,191	13,359,721	13,427,191
Proportionate share of the net pension liability as a percentage of covered payroll	282.01%	255.07%	280.12%	288.03%	263.68%	194.50%	189.55%
Plan fiduciary net position as a percentage of the total pension liability	77.71%	74.80%	75.26%	73.31%	74.06%	78.40%	79.82%

*Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2015 was the first year of implementation.

Change of Assumptions

The discount rate changed from 7.65 percent used for the June 30, 2016 measurement date to 7.15 percent used for the June 30, 2017 measurement date.

Chino Valley Fire District
Schedule of Pension Contributions
Last Ten Fiscal Years*
Year Ended June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 5,693,195	\$ 4,397,399	\$ 3,994,527	\$ 2,470,341	\$ 2,761,672	\$ 2,792,891	\$ 2,670,610
Contributions in relation to the actuarially determined contribution	<u>5,693,195</u>	<u>4,397,399</u>	<u>3,994,527</u>	<u>2,470,341</u>	<u>2,761,672</u>	<u>2,792,891</u>	<u>2,670,610</u>
Contribution deficiency (excess)	<u>\$ -</u>						
Covered payroll	\$ 19,270,369	\$ 17,958,480	\$ 17,679,086	\$ 14,722,066	\$ 14,371,096	\$ 13,427,191	\$ 13,359,721
Contributions as a percentage of covered payroll	29.54%	24.49%	22.59%	16.78%	19.22%	20.80%	19.99%

*- Fiscal year 2015 was the first year of implementation.

Note 1 - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

The amount reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been recorded. District budgets are adopted on a basis consistent with GAAP.

STATISTICAL



SECTION

STATISTICAL SECTION OVERVIEW

This part of the District's ACFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends	73-80
<i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	
Revenue Capacity	81-89
<i>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</i>	
Demographic and Economic Information	90-92
<i>These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the government's financial activities take place.</i>	
Operating Information	93-98
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</i>	

CHINO VALLEY FIRE DISTRICT
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis)
Fiscal Year Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental activities				
Net investment in capital assets	\$ 15,794,021	\$ 13,373,858	\$ 13,728,788	\$ 12,286,159
Unrestricted	<u>(26,141,639)</u>	<u>(24,652,843)</u>	<u>(22,024,285)</u>	<u>(22,989,631)</u>
Total Net Position/(Deficit)	<u><u>\$ (10,347,618)</u></u>	<u><u>\$ (11,278,985)</u></u>	<u><u>\$ (8,295,497)</u></u>	<u><u>\$ (10,703,472)</u></u>

¹ Prior period adjustment of (\$7,156,361) associated with recognition of net OPEB liability under GASB Stmt No. 75

² Prior period adjustment of (\$30,519,843) associated with recognition of net pension liability under GASB Stmt No. 68

Source: Chino Valley Fire Finance Department

CHINO VALLEY FIRE DISTRICT
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis)
Fiscal Year Ended June 30,

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 13,018,578 ¹	\$ 11,873,455	\$ 10,026,496	\$ 9,443,627	\$ 10,042,445	\$ 10,939,846
(21,324,621) ²	(11,566,271)	(13,405,457)	(14,839,695)	14,379,605	14,453,048
<u>\$ (8,306,043)</u>	<u>\$ 307,184</u>	<u>\$ (3,378,961)</u>	<u>\$ (5,396,068)</u>	<u>\$ 24,422,050</u>	<u>\$ 25,392,894</u>

CHINO VALLEY FIRE DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis)
Fiscal Year Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenses				
Governmental Activities:				
Public safety - fire protection	\$ 51,802,613	\$ 48,782,779	\$ 41,867,224	\$ 43,572,163
Interest	-	-	-	-
Total Government Activities	<u>51,802,613</u>	<u>48,782,779</u>	<u>41,867,224</u>	<u>43,572,163</u>
Program Revenues				
Governmental Activities:				
Charges for Services	16,065,406	11,968,554	12,181,087	11,818,763
Operating Grants and Contributions	131,222	193,790	391,409	262,573
Capital Grants and Contributions	-	-	-	-
Total Governmental Activities	<u>16,196,628</u>	<u>12,162,344</u>	<u>12,572,496</u>	<u>12,081,336</u>
Net (Expenses) Revenues	(35,605,985)	(36,620,435)	(29,294,728)	(31,490,827)
General Revenues				
Governmental Activities:				
Property Taxes	35,001,556	32,907,802	30,904,229	28,514,249
Investment Income	1,535,796	729,145	798,474	579,149
Special Item	-	-	-	-
Total General Revenues and Special Items	<u>36,537,352</u>	<u>33,636,947</u>	<u>31,702,703</u>	<u>29,093,398</u>
Change in Net Position	<u>\$ 931,367</u>	<u>\$ (2,983,488)</u>	<u>\$ 2,407,975</u>	<u>\$ (2,397,429)</u>

¹ District paid off retirement plan employer side fund obligations in a lump sum.

Source: Chino Valley Fire Finance Department

CHINO VALLEY FIRE DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis)
Fiscal Year Ended June 30,

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 38,373,649	\$ 31,178,009	\$ 30,969,098	\$ 30,348,100	\$ 28,918,711	\$ 29,674,192
-	-	8,022	7,948	-	-
<u>38,373,649</u>	<u>31,178,009</u>	<u>30,977,120</u>	<u>30,356,048</u>	<u>28,918,711</u>	<u>29,674,192</u>
9,880,690	9,708,815	7,564,375	9,047,645	7,723,894	7,624,044
170,371	187,907	286,168	331,377	138,768	242,587
-	-	473,465	-	-	-
<u>10,051,061</u>	<u>9,896,722</u>	<u>8,324,008</u>	<u>9,379,022</u>	<u>7,862,662</u>	<u>7,866,631</u>
(28,322,588)	(21,281,287)	(22,653,112)	(20,977,026)	(21,056,049)	(21,807,561)
26,657,137	24,767,156	24,510,534	21,563,612	19,985,776	20,076,881
208,585	200,276	159,685	115,139	99,429	85,154
-	-	-	-	-	(4,749,934) ¹
<u>26,865,722</u>	<u>24,967,432</u>	<u>24,670,219</u>	<u>21,678,751</u>	<u>20,085,205</u>	<u>15,412,101</u>
<u>\$ (1,456,866)</u>	<u>\$ 3,686,145</u>	<u>\$ 2,017,107</u>	<u>\$ 701,725</u>	<u>\$ (970,844)</u>	<u>\$ (6,395,460)</u>

CHINO VALLEY FIRE DISTRICT
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)
As of June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund				
Nonspendable	\$ 70,134	\$ 2,798,454	\$ 57,435	\$ 69,622
Restricted	8,127,679	6,514,158	6,159,623	5,406,956
Committed	15,074,091	13,178,184	13,529,583	11,863,690
Assigned	740,036	2,857,364	907,500	1,020,921
Unassigned	7,960,000	3,297,650	5,645,910	7,983,722
Total General Fund	<u>\$ 31,971,940</u>	<u>\$ 28,645,810</u>	<u>\$ 26,300,051</u>	<u>\$ 26,344,911</u>

¹ District invested \$5 million in a 115 Retirement Trust in FY17. Monies accumulated in this irrevocable trust are restricted to fund pension and other post employment benefits.

Source: Chino Valley Fire Finance Department

CHINO VALLEY FIRE DISTRICT
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)
As of June 30,

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 129,796	\$ 1,246,854	\$ 61,254	\$ 62,648	\$ 83,518	\$ 202,920
5,072,747 ¹	-	-	-	-	-
10,800,481	9,817,484	10,715,392	11,041,608	10,868,755	10,012,556
-	1,438,380	-	-	420,909	1,348,395
7,730,326	11,288,384	12,227,641	9,969,888	8,293,773	8,133,847
<u>\$ 23,733,350</u>	<u>\$ 23,791,102</u>	<u>\$ 23,004,287</u>	<u>\$ 21,074,144</u>	<u>\$ 19,666,955</u>	<u>\$ 19,697,718</u>

CHINO VALLEY FIRE DISTRICT
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)
Fiscal Year Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues				
Taxes	\$ 35,001,556	\$ 32,907,802	\$ 30,904,229	\$ 28,514,249
Licenses and permits	1,356,952	1,354,350	1,280,526	1,481,562
Intergovernmental	-	-	30,215	31,898
Charges for current services	14,708,454	10,614,204	10,900,561	10,337,201
Use of money and property	1,535,796	714,476	854,647	572,109
Other	131,222	193,790	361,194	230,675
Total Revenues	<u>52,733,980</u>	<u>45,784,622</u>	<u>44,331,372</u>	<u>41,167,694</u>
Expenditures				
Current:				
Salaries and benefits	40,180,445	36,806,449	35,600,506	32,863,912
Services and supplies	5,408,428	5,592,184	5,947,226	5,013,037
Capital outlay	3,818,977	1,040,230	2,828,500	679,184
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>49,407,850</u>	<u>43,438,863</u>	<u>44,376,232</u>	<u>38,556,133</u>
Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 3,326,130</u>	<u>\$ 2,345,759</u>	<u>\$ (44,860)</u>	<u>\$ 2,611,561</u>

¹ District paid off retirement plan employer side fund obligations in a lump sum.

Source: Chino Valley Fire Finance Department

CHINO VALLEY FIRE DISTRICT
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis)
Fiscal Year Ended June 30,

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 26,657,137	\$ 24,767,156	\$ 24,510,534	\$ 21,563,612	\$ 19,985,776	\$ 20,076,881
760,409	700,811	802,880	654,908	689,906	365,943
30,397	35,423	547,657	-	-	-
9,120,281	9,008,004	6,761,495	8,392,737	7,033,988	7,258,101
203,867	195,501	154,734	115,139	99,429	85,154
139,974	152,484	211,976	331,377	138,768	242,587
<u>36,912,065</u>	<u>34,859,379</u>	<u>32,989,276</u>	<u>31,057,773</u>	<u>27,947,867</u>	<u>28,028,666</u>
30,149,943	26,765,584	25,155,706	25,271,163	24,144,335	24,594,712
4,552,628	4,504,550	4,484,812	3,996,070	3,756,495	3,909,327
2,267,246	2,802,430	1,241,168	718,218	77,800	224,047
-	-	169,425	169,499	-	-
-	-	8,022	7,948	-	-
<u>36,969,817</u>	<u>34,072,564</u>	<u>31,059,133</u>	<u>30,162,898</u>	<u>27,978,630</u>	<u>28,728,086</u>
-	-	-	512,314	-	-
-	-	-	-	-	(4,749,934) ¹
<u>\$ (57,752)</u>	<u>\$ 786,815</u>	<u>\$ 1,930,143</u>	<u>\$ 1,407,189</u>	<u>\$ (30,763)</u>	<u>\$ (5,449,354)</u>

CHINO VALLEY FIRE DISTRICT
Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Secured	Unsecured	Nonunitary
2021	\$ 28,289,230,138	\$ 1,032,424,863	\$ 1,113,040
2020	26,849,912,707	1,003,873,389	1,113,040
2019	25,323,627,013	915,136,844	454,331
2018	23,476,040,134	858,556,171	456,218
2017	21,880,783,822	788,902,117	456,298
2016	20,730,162,389	873,281,186	456,510
2015	19,592,774,341	828,556,750	456,577
2014	18,158,498,438	766,240,217	643,432
2013	17,520,212,890	803,615,470	643,468
2012	17,366,144,814	847,033,973	643,448

¹ Exempt values are not included in totals.

² In 1978 the voters of the State of California passed Proposition 13, which limited taxes to a total maximum of 1%, based upon the assessed value of property being taxed. Each year, the assessed value of property may be increased by an "inflation factor," limited to 2%. With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

³ The District's total direct rate is the weighted average of all individual direct rates applied to the District and excludes revenues derived from aircraft.

Source: HdL Companies, San Bernardino County Assessor

CHINO VALLEY FIRE DISTRICT
Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

	Taxable Assessed Value ^{1,2}	Total Direct Tax Rate ³
\$	29,322,768,041	0.1070
	27,854,899,136	0.1085
	26,239,218,188	0.1068
	24,335,052,523	0.1073
	22,670,142,237	0.1078
	21,603,900,085	0.1079
	20,421,787,668	0.1086
	18,925,382,087	0.1085
	18,324,471,828	0.1082
	18,213,822,235	0.1082

CHINO VALLEY FIRE DISTRICT
Property Tax Levies and Tax Collections
Last Ten Fiscal Years
Fiscal Year Ended June 30,

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy	
		Amount	Percent of Levy
2021	\$ 31,368,050	\$ 31,324,169	99.9%
2020	29,884,674	29,700,359	99.4%
2019	28,028,268	27,922,146	99.6%
2018	26,118,608	25,810,952	98.8%
2017	24,430,730	24,343,181	99.6%
2016	23,239,766	22,922,296	98.6%
2015	22,110,866	21,650,626	97.9%
2014	20,475,397	20,416,058	99.7%
2013	19,746,015	19,060,834	96.5%
2012	19,598,814	18,818,908	96.0%

¹ Exempt values are not included in totals.

² In 1978 the voters of the State of California passed Proposition 13, which limited taxes to a total maximum of 1%, based upon the assessed value of property being taxed. Each year, the assessed value of property may be increased by an "inflation factor," limited to 2%. With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

³ The District's total direct rate is the weighted average of all individual direct rates applied to the District and excludes revenues derived from aircraft.

Source: HdL Companies, San Bernardino County Assessor

CHINO VALLEY FIRE DISTRICT
Property Tax Levies and Tax Collections
Last Ten Fiscal Years
Fiscal Year Ended June 30,

	Collections in Subsequent Years ^{1,2}	Supplemental Taxes Collected ³	Total Collections to Date		
			Amount ^{1,2}	Percent of Levy Collected	
\$	-	\$	598,330	\$ 31,922,499	101.8%
	964,168		461,434	31,125,961	104.2%
	785,199		630,061	29,337,406	104.7%
	789,939		528,430	27,129,321	103.9%
	914,072		406,206	25,663,459	105.0%
	830,489		275,418	24,028,203	103.4%
	810,929		277,829	22,739,384	102.8%
	828,747		201,930	21,446,735	104.7%
	878,793		45,777	19,985,404	101.2%
	979,976		17,597	19,816,481	101.1%

CHINO VALLEY FIRE DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
Fiscal Year Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000
Overlapping Rates: ²				
School Tax Rate				
Chaffey Community College Bond	0.01110	0.02410	0.01530	0.00880
Chaffey High School Bond	0.03520	0.03750	0.04020	0.02790
Chino Unified School Bond	0.08970	0.07900	0.08490	0.09340
Mt. View Elementary	0.01830	0.00350	0.02060	0.02630
Metropolitan Water Agency	0.00350	0.01800	0.00350	0.00350
Total Direct and Overlapping Tax Rates	<u>1.15780</u>	<u>1.16210</u>	<u>1.16450</u>	<u>1.15990</u>
District's Share of 1% Levy ³	0.06487	0.06487	0.06487	0.06487
District's Total Direct Rate ⁴	0.10698	0.10847	0.10682	0.10733

¹ In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within.

² In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

³ The District's share of the 1% levy is based on the District's share of the general fund tax rate area with the largest net taxable value within the jurisdiction.

⁴ The District's total direct rate is the weighted average of all individual direct rates applied to the District excludes revenues derived from aircraft.

Source: HdL Companies, San Bernardino County Assessor

CHINO VALLEY FIRE DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
Fiscal Year Ended June 30,

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.01130	0.01130	0.01090	0.01570	0.01110	0.01530
0.04090	0.04090	0.02940	0.03710	0.01010	0.01940
0.03310	0.03310	0.03310	0.03580	0.03570	0.03460
0.03140	0.03140	0.03360	0.03510	0.03280	0.03570
0.00350	0.00350	0.00350	0.00350	0.00350	0.00370
1.12020	1.12020	1.11050	1.12720	1.09320	1.10870
0.06487	0.06487	0.06487	0.06487	0.06487	0.06487
0.10777	0.10791	0.10858	0.10849	0.10817	0.10818

CHINO VALLEY FIRE DISTRICT
Direct and Overlapping Property Tax Rates - Tax Rate Area 001001¹
Last Ten Fiscal Years
Fiscal Year Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
District Basic Rate ²	<u>0.06487</u>	<u>0.06487</u>	<u>0.06487</u>
Overlapping Rates: ³			
School Tax Rate			
Chaffey Community College Bond	0.01110	0.02410	0.01530
Chaffey High School Bond	0.03520	0.03750	0.04020
Chino Unified School Bond	0.08970	0.07900	0.08490
Mt. View Elementary	0.01830	0.00350	0.02060
Metropolitan Water Agency	<u>0.00350</u>	<u>0.01800</u>	<u>0.00350</u>
	<u>0.15780</u>	<u>0.16210</u>	<u>0.16450</u>
County Rates:			
Chino Unified School District	0.31030	0.31030	0.31030
Education Revenue Augmentation Fund	0.22440	0.22440	0.22440
County General Fund	0.14820	0.14820	0.14820
Chino General Fund	0.10800	0.10800	0.10800
Chaffey Community College	0.04290	0.04290	0.04290
Inland Empire Utilities Agency - Imp C	0.02920	0.02920	0.02920
Flood Control Zone 1	0.02610	0.02610	0.02610
Inland Empire Utilities Agency - Original	0.01683	0.01683	0.01683
County Free Library	0.01435	0.01435	0.01435
Superintendent of Schools - Countywide	0.00508	0.00508	0.00508
Chino Basin Water Conservation District	0.00334	0.00334	0.00334
Superintendent of Schools - Physically Handicapped	0.00200	0.00200	0.00200
Flood Control Admin. 1 & 2	0.00185	0.00185	0.00185
Superintendent of Schools - Mentally Handicapped	0.00161	0.00161	0.00161
Inland Empire Joint Resources Cons. District	0.00057	0.00057	0.00057
Superintendent of Schools - Development Center	<u>0.00052</u>	<u>0.00052</u>	<u>0.00052</u>
	<u>0.93525</u>	<u>0.93525</u>	<u>0.93525</u>
Total Direct and Overlapping Tax Rates	<u>1.15792</u>	<u>1.16222</u>	<u>1.16462</u>

¹ In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within.

² The District's share of the 1% levy is based on the District's share of the general fund tax rate area with the largest net taxable value within the jurisdiction.

³ In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

Source: HdL Companies, San Bernardino County Assessor

CHINO VALLEY FIRE DISTRICT
Direct and Overlapping Property Tax Rates - Tax Rate Area 001001¹
Last Ten Fiscal Years
Fiscal Year Ended June 30,

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>0.06487</u>						
0.00880	0.01130	0.01130	0.01090	0.01570	0.01110	0.01530
0.02790	0.04090	0.04090	0.02940	0.03710	0.01010	0.01940
0.09340	0.03310	0.03310	0.03310	0.03580	0.03570	0.03460
0.02630	0.03140	0.03140	0.03360	0.03510	0.03280	0.03570
<u>0.00350</u>	<u>0.00350</u>	<u>0.00350</u>	<u>0.00350</u>	<u>0.00350</u>	<u>0.00350</u>	<u>0.00370</u>
<u>0.15990</u>	<u>0.12020</u>	<u>0.12020</u>	<u>0.11050</u>	<u>0.12720</u>	<u>0.09320</u>	<u>0.10870</u>
0.31030	0.31030	0.31030	0.31030	0.31030	0.31030	0.31030
0.22440	0.22440	0.22440	0.22440	0.22440	0.22440	0.22440
0.14820	0.14820	0.14820	0.14820	0.14820	0.14820	0.14820
0.10800	0.10800	0.10800	0.10800	0.10800	0.10800	0.10800
0.04290	0.04290	0.04290	0.04290	0.04290	0.04290	0.04290
0.02920	0.02920	0.02920	0.02920	0.02920	0.02920	0.02920
0.02610	0.02610	0.02610	0.02610	0.02610	0.02610	0.02610
0.01683	0.01683	0.01683	0.01683	0.01683	0.01683	0.01683
0.01435	0.01435	0.01435	0.01435	0.01435	0.01435	0.01435
0.00508	0.00508	0.00508	0.00508	0.00508	0.00508	0.00508
0.00334	0.00334	0.00334	0.00334	0.00334	0.00334	0.00334
0.00200	0.00200	0.00200	0.00200	0.00200	0.00200	0.00200
0.00185	0.00185	0.00185	0.00185	0.00185	0.00185	0.00185
0.00161	0.00161	0.00161	0.00161	0.00161	0.00161	0.00161
0.00057	0.00057	0.00057	0.00057	0.00057	0.00057	0.00057
<u>0.00052</u>						
<u>0.93525</u>						
<u>1.16002</u>	<u>1.12032</u>	<u>1.12032</u>	<u>1.11062</u>	<u>1.12732</u>	<u>1.09332</u>	<u>1.10882</u>

CHINO VALLEY FIRE DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2021		2012	
	Taxable Assessed Values	Percent of Total District Taxable Assessed Values	Taxable Assessed Values	Percent of Total District Taxable Assessed Values
Majestic Realty Company	\$ 467,525,000	1.59%	\$ 334,150,298	1.83%
Watson Land Company	305,780,071	1.04%	137,725,572	0.76%
Walmart/Sams	212,964,408	0.72%		
Homecoming I at the Preserve LLC	181,232,672	0.62%		
John Hancock Life Insurance Co.	172,680,161	0.59%	147,404,098	0.81%
Chino Dunhill LLC	159,342,804	0.54%		
MLM Chino Property Inc	142,037,441	0.48%		
Majestic Chino Gateway LLC	133,973,440	0.46%		
Spectrum South LLC	129,852,929	0.44%	116,495,600	0.64%
Chino Kimball Industrial LLC	129,533,880	0.44%		
Chino Hills Mall LLC			117,475,352	0.64%
VESTAR - CHINO LLC			114,281,767	0.63%
PK I Chino Town Square LP			102,678,311	0.56%
BRE Properties INC.			92,241,202	0.51%
CRCH LLC			78,878,464	0.43%
SY VENTURES LLC			74,556,561	0.41%
	<u>\$ 2,034,922,806</u>	<u>6.92%</u>	<u>\$ 1,315,887,225</u>	<u>7.22%</u>

Note: Zero value means the taxpayer was not in the top property owners based on net values in that particular year.

Source: HdL Companies, San Bernardino County Assessor

CHINO VALLEY FIRE DISTRICT
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population¹	Per Capita Personal Income²	Personal Income²	Unemployment Rate²
2021	176,868	\$ 31,947	\$ 2,646,252,898	6.2%
2020	177,564	30,194	2,485,046,138	9.8%
2019	180,363	29,678	2,567,318,394	3.3%
2018	175,991	28,081	2,376,042,507	3.5%
2017	174,786	28,789	2,408,844,354	4.1%
2016	170,845	29,056	2,376,750,794	4.7%
2015	169,405	28,080	2,265,952,694	4.9%
2014	164,956	26,809	2,112,825,175	6.0%
2013	162,583	30,276	2,358,445,738	7.4%
2012	161,183	26,672	2,066,497,920	8.7%

¹ Population includes City of Chino, Chino Hills and Unincorporated Areas of San Bernardino County.

² Cities of Chino and Chino Hills combined; Unincorporated Area statistics not available.

Source: CA Department of Finance
San Bernardino County Economic Development Agency
U.S Census Bureau
Bureau of Labor Statistics

CHINO VALLEY FIRE DISTRICT
Principal Employers
Current Year and Nine Years Ago

Employer	2021		Rank
	Number of Employees¹	Percent of Total Employment²	
Chino Valley Unified School District	2,678	3.03%	1
Walmart Fulfillment Center #8103	1,998	2.26%	2
FedEx Ground Package Systems Inc. (Flight Avenue)	1,400	1.58%	3
California Institution for Men	1,148	1.30%	4
Amazon.com Services Inc.	761	0.86%	5
California Institution for Women	734	0.83%	6
Chino Valley Medical Center	684	0.77%	7
FedEx Ground Package Systems Inc. (Fern Avenue)	662	0.75%	8
City of Chino	558	0.63%	9
Hussman Corporation	513	0.58%	10
	<u>11,135</u>	<u>12.59%</u>	

¹ Calculated by Chino Valley Fire District Finance Department based on percentages of the total employment provided by the cities of Chino and

² Total employment of Chino and Chino Hills provided by California Labor Market

Note: Data for FY12 not available.

Source: Cities of Chino and Chino Hills
Employment Development Department
Chino Valley Unified School District

CHINO VALLEY FIRE DISTRICT
Full-Time Equivalent District Employees
Last Ten Fiscal Years
Fiscal Year Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u> ¹
Administration	21.5	21.5	21.5	19.5
Community Risk Reduction				
Support Personnel	5.6	5.6	5.6	5.6
Inspection Personnel	11.0	11.0	11.0	11.0
Emergency Services				
Support Personnel	3.2	3.2	3.2	3.2
Fire Personnel	104.0	104.0	104.0	104.0
Total	<u>145.3</u>	<u>145.3</u>	<u>145.3</u>	<u>143.3</u>

¹ Certain positions reclassified between departments

Source: Chino Valley Fire Human Resources Department

CHINO VALLEY FIRE DISTRICT
Full-Time Equivalent District Employees
Last Ten Fiscal Years
Fiscal Year Ended June 30,

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
14.0	14.0	10.5	9.5	9.5	9.5
4.6	4.6	3.5	3.5	3.5	3.5
11.0	11.0	11.0	11.0	11.0	11.0
3.7	3.7	3.5	3.5	3.5	3.5
107.0	107.0	107.5	104.5	104.5	104.5
<u>140.3</u>	<u>140.3</u>	<u>136.0</u>	<u>132.0</u>	<u>132.0</u>	<u>132.0</u>

CHINO VALLEY FIRE DISTRICT
Capital Assets by Function
Last Ten Fiscal Years
Fiscal Year Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Facilities				
Fire Stations	7	7	7	7
Administration	1	1	1	1
Other District Facilities	3	3	3	3
Total Facilities	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>
Fire Apparatus				
Engines	15	15	14	13
Trucks	2	2	2	3
Paramedic Squads	6	6	6	6
Other (Ambulances Included)	12	8	8	8
Total Fire Appartus	<u>35</u>	<u>31</u>	<u>30</u>	<u>30</u>
Other Fleet & Support Services	<u>35</u>	<u>34</u>	<u>34</u>	<u>36</u>
Total Vehicles	<u>70</u>	<u>65</u>	<u>64</u>	<u>66</u>

Source: Chino Valley Fire Support Services Department

CHINO VALLEY FIRE DISTRICT
Capital Assets by Function
Last Ten Fiscal Years
Fiscal Year Ended June 30,

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
7	7	7	7	7	7
1	1	1	1	1	1
3	3	2	2	2	2
<u>11</u>	<u>11</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
13	13	13	13	12	12
3	2	2	2	2	2
6	5	5	5	-	-
8	6	6	6	6	6
<u>30</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>20</u>	<u>20</u>
33	29	29	27	24	21
<u>63</u>	<u>55</u>	<u>55</u>	<u>53</u>	<u>44</u>	<u>41</u>

CHINO VALLEY FIRE DISTRICT
Emergency Response Calls for Service
Last Ten Calendar Years

	<u>2020</u>	<u>2019</u>	<u>2018</u> ¹	<u>2017</u> ²
NUMBER OF TOTAL CALLS				
Incident Type				
Fire	325	308	298	265
Rupture/Explosion	8	2	8	-
Emergency Medical Service/Rescue	8,981	9,326	9,002	8,774
Hazardous Condition	263	203	192	-
Service Call	696	752	696	-
Good Intent	1,819	1,581	1,354	-
False Call	631	780	617	47
Mutual Aid		-	-	82
SevereWeather	1	4	1	-
Other	142	37	99	3,049
	<u>12,866</u>	<u>12,993</u>	<u>12,267</u>	<u>12,217</u>

PERCENTAGE OF TOTAL CALLS

Incident Type				
Fire	3%	2%	2%	2%
Rupture/Explosion	*	*	*	*
Emergency Medical Service/Rescue	70%	72%	73%	72%
Hazardous Condition	2%	2%	2%	*
Service Call	5%	6%	6%	*
Good Intent	14%	12%	11%	*
False Call	5%	6%	5%	*
Mutual Aid	*	*	*	1%
SevereWeather	-	-	-	*
Other	1%	*	1%	25%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

¹ In early 2018, the District transitioned to a new dispatch provider, resulting in some variance in classification of incident types versus in 2017.

² In 2017, the District switched to a new emergency response tracking system, resulting in a significant number of calls being classified in "Other."

*Less than 1%

Note: Calls compiled on a calendar year basis.

Source: Chino Valley Fire Emergency Services Division

CHINO VALLEY FIRE DISTRICT
Emergency Response Calls for Service
Last Ten Calendar Years

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
310	275	302	283	256	297
8	11	12	6	8	5
8,528	8,022	7,296	6,853	6,685	6,353
171	159	215	153	164	190
699	603	561	497	452	497
1,232	1,126	1,127	1,031	999	884
623	615	622	620	582	617
-	-	-	-	-	-
1	3	2	-	5	-
2	11	10	9	7	1
<u>11,574</u>	<u>10,825</u>	<u>10,147</u>	<u>9,452</u>	<u>9,158</u>	<u>8,844</u>
3%	3%	3%	3%	3%	3%
*	*	*	*	*	*
74%	74%	72%	73%	73%	72%
1%	1%	2%	1%	2%	2%
6%	6%	6%	5%	5%	6%
11%	10%	11%	11%	11%	10%
5%	6%	6%	7%	6%	7%
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>



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