CENTRAL MARIN FIRE AUTHORITY

a Joint Powers Authority

California

Annual Financial Report

Year Ended
June 30, 2020

CENTRAL MARIN FIRE AUTHORITY

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MARCELLO & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Post Office Box 60127 / Sacramento, California 95860-0127

INDEPENDENT AUDITOR'S REPORT

To the Fire Council
Members of the Authority
Central Marin Fire Authority
Corte Madera, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Central Marin Fire Authority, California, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based upon our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 purposes 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 estimates made by management, as well as evaluating the overall financial statement presentation.

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

Honorable Mayor
Members of the Authority
Central Marin Fire Authority, California

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Central Marin Fire Authority, as of June 30, 2020, 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, and the respective budgetary comparison information of the general and major funds as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 historic 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.

Marcello & Company

Certified Public Accountants
Sacramento, California
November 2, 2020

MANAGEMENT’S DISCUSSION & ANALYSIS

As Prepared by Management

(unaudited)

This is a discussion and analysis of the Central Marin Fire Authority's financial activities and performance, and provides an overview for the fiscal year ended June 30, 2020. Please review it in conjunction with the basic financial statements, which begins on page 10.

OVERVIEW OF FINANCIAL STATEMENTS

The Authority's basic financial statements are comprised of three components: Government-wide financial statements, Funds financial statements, and Notes to the financial statements. Required Supplementary Information in addition to the basic financial statements is also presented.

Government-wide Financial Statements (pages 10-11)

The Government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private-sector business. There are two government-wide financial statements: the Statement of Net Position, and the Statement of Activities.

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

The Statement of Activities presents information showing how the Authority's net assets changed during the fiscal year. Accruals of revenue and expenses are taken into account regardless of when cash is received or disbursements.

Governmental Fund Financial Statements (pages 12-15)

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The major differences between fund financial statements and the government-wide financial statements are in the way debt proceeds, capital outlay, and compensated absences are recorded. Reconciliations between the two types of financial statements are found on pages 13 and 15.

Notes to the Financial Statements (pages 16-27)

The notes provide additional information that is essential for a full understanding of the data provided in the financial statements.

Required Supplementary Information (pages 28 and 29)

In addition to basic financial statements and accompanying notes, this report also presents a budgetary comparison schedule for the primary operating fund of the Authority, the general fund. The Defined Benefit Pension Plan and the Other Postemployment Benefits Plan also present schedules of funding contributions and net liability.

FINANCIAL HIGHLIGHTS

From the Statement of Net Position and Statement of Activities (pages 10-11)

- At the end of fiscal year ending June 30, 2020, the Authority's total net position was a negative ($6,580,520). The negative net position is mainly due to liabilities in the amount of $7,914,000 for the Other Postemployment Benefits Plan (OPEB). This liability is based on an estimate provided by Bartel Associates. A discount rate of 3.5% was used in the calculation of this liability, as the Fire Authority does not currently have a funding policy in place for OPEB benefits.

- The statement of net position, appearing as the first statement of the basic financial statements and summarized in Management's Discussion and Analysis, reports the Authority's total assets to be $1,713,391. The Authority's capital assets totaled $3,759,638, with accumulated depreciation of $2,790,962, providing $968,676 in net capital assets. The Authority's capital assets are in the form of vehicles and equipment. The Authority does not own any real property. The City of Larkspur and Town of Corte Madera own the Central Marin Fire Authority stations.

- The Authority's total program revenue was $9,855,118 and total program expenditures were $10,300,030, contributing to an overall net position decrease of $435,537. This decrease includes $358,266 for depreciation and $571,890 for insurance claims and premiums recorded in the Insurance Fund.

- The Authority's long-term debt and obligations totaled $8,584,595. The estimated OPEB liability of $7,914,000 is included in this total, as well as $379,521 for estimated insurance claims, and $291,074 for compensated absences.

From the Governmental Fund Financial Statements (pages 12-15)

- Total revenue was $9,864,493. This includes $9,424,420 in member contributions, $398,084 in state revenue to reimburse the Authority for out-of-county disaster response, a grant in the amount of $32,615 to purchase radios, and $9,374 in other miscellaneous revenue mainly related to resale reports.

- Total general fund revenue exceeded total general fund expenditures by $695,775 before $558,945 was transferred to the Authority's Insurance Fund for the purpose of funding the claims reserve and $136,830 was transferred to the Equipment Fund for the future purchase of equipment needed by the Authority.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

The Statement of Net Position is summarized on page 10 of this report.

The Authority's net position indicates that liabilities exceed assets by $6,580,520 as of June 30, 2020. This is due largely to the application of Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75) which requires that net OPEB liabilities be included in the government-wide statements. As of that March 25, 2019, the date that Fire Authority employees from the City of Larkspur and the Town of Corte Madera transferred to Central Marin Fire Authority, Central Marin Fire Authority is responsible for providing OPEB benefits to employees who retire from the Authority. The level of benefits is based on hire date. Employees who retired from the City of Larkpur or Town of Corte Madera prior to March 25, 2019 remain the responsibility of the agency from which they retired.

An actuarial valuation was prepared by Bartel Associates to determine OPEB liability. This actuarial valuation was in accordance with GASB 75. A discount rate of 3.5% was used due to the Fire Authority not having an OPEB funding policy in place. The actuarial report will be presented to the Fire Council at a future meeting for consideration of a funding policy.

In addition to GASB 75, Governmental Accounting Standards Board Statement No. 68 *Accounting and Financial Reporting for Pensions* (GASB 68) is also in effect and requires the reporting of the net pension liability. As Central Marin Fire Authority is a new entity as of March 25, 2019 with a new CalPERS retirement plan, unfunded liability is an immaterial amount. Bartel Associates determined that a GASB 68 report was not necessary due to the minimal unfunded pension liability. Pension liability for service prior to March 25, 2019 remains the responsibility of the City of Larkspur and the Town of Corte Madera.

In addition to the OPEB liability, which accounts for the vast majority of the total $8,680,911 liabilities, other liabilities include a workers compensation claim liability based on an actuarial report, and employee compensated absences. Also included in this total is a current liability of $96,316, which includes services and supplies purchased prior to June 30, 2020 but not paid for until after the end of the fiscal year.

Total assets were $1,713,391 at fiscal year end. Of this total, $968,676 consists of capital assets net of depreciation. Based on the recommendations from the Authority's auditor, capital assets in excess of $25,000 are depreciated. As noted above, the Authority's capital assets consist mostly of vehicles and some other equipment. The Authority does not own any real property.

Other assets include cash of $744,014 and receivables of $701 as of June 30, 2020.

Statement of Activities

The Statement of Activities is summarized on page 11. Personnel costs account for approximately 82% of total expenditures. This includes salaries, benefits, and retirement, as well as overtime costs reimbursed by the State for out-of-county response. Services, supplies, the dispatch contract with the County, and other contract services total approximately 9% of total expenditures. Included in this 9% are items such as utilities, training, vehicle and equipment maintenance, memberships in various Joint Powers Authorities and other services and supplies. Expenditures related to Property, Liability and Workers' Compensation insurance accounts for approximately 6% of total expenditures. Insurance related expenditures include premiums and claims. The remaining 3% of expenditures is depreciation expense.

FUNDS FINANCIAL STATEMENTS

Government Funds

There were three active funds for the Authority during the 2019-2020 fiscal year: the General Fund, the Insurance Fund, and the Equipment Fund.

The General Fund is the primary operating fund of the Authority, and is used to record the day to day operations.

The Insurance Fund is used to record revenue and expenditures related to the Authority's payments to its liability and workers' compensation self-insurance programs. The revenue source is primarily a *transfer in* from the General Fund.

The Equipment Fund is used for revenue and expenditures related to the replacement of capital equipment. The fund is expected to be funded primarily from the General Fund and from intergovernmental grants that the Authority receives.

A summary of fund activity, as well as the reconciliation to the government-wide financial statements, can be found on pages 12 to 15.

HISTORY AND ECONOMIC FACTORS

The Central Marin Fire Authority is a Joint Powers Authority formed in 2018 by the City of Larkspur and the Town of Corte Madera. The governing board is the Fire Council which consists of two Councilmembers from the City of Larkspur and two Councilmembers from the Town of Corte Madera. One of the four Fire Councilmembers is selected as Authority Chair. The Town Manager of the Town of Corte Madera serves as Executive Officer. The Fire Chief is responsible for the day to day operations of the organization. Please see Note 1 on page 18 for more information regarding formation of the Central Marin Fire Authority reporting entity.

The Authority is dependent upon funding from each of its member agencies. Each agency is responsible for providing 50% of the Authority's annual budgeted expenditures.

Staff prepares the annual budget in concert with the Executive Manager. The budget is adopted in June of each year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fire Chief, Central Marin Fire Authority, 342 Tamalpais Drive, Corte Madera, California 94925.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CENTRAL MARIN FIRE AUTHORITY

Government-wide Financial Statements

Statement of Net Position

June 30, 2020

	Governmental Activities
ASSETS	
Current Assets:	
Cash and investments	$ 744,014
Receivables	701
Total current assets	744,715
Noncurrent Assets:	
Capital assets, net of depreciation	968,676
Total assets	1,713,391
Deferred Outflows of Resources:	
Deferred outflows of OPEB resources	387,000
Total Assets and Deferred Outflows	2,100,391
LIABILITIES	
Current Liabilities	
Accounts payables	92,322
Accrued expenses	3,994
Total current liabilities	96,316
Noncurrent Liabilities	
Due within one year	162,233
Due after one year	8,422,362
Total noncurrent liabilities	8,584,595
Total Liabilities	8,680,911
NET POSITION	
Net investment in capital assets	968,676
Unrestricted	(7,549,196)
Total Net Position	$ (6,580,520)

The accompanying notes to financial statements are an integral part of this financial statement

CENTRAL MARIN FIRE AUTHORITY

Government-wide Financial Statements

Statement of Activities

Year Ended June 30, 2020

	Governmental Activities
Program Expenses	
Personnel costs	$ 8,411,776
Services and supplies	498,557
Dispatch contract service	189,251
Other contract services	270,290
Insurance claims	571,890
Depreciation	358,266
Total program expenses	10,300,030
Program Revenue	
Charge for services	9,424,419
Operating grants and contributions	398,084
Capital grants and contributions	32,615
Total program revenue	9,855,118
Net revenue over (under) expenses	(444,912)
General Revenue (Expenses)	
Permits and fees	9,290
Other revenue	85
Transfers in	695,775
Transfers (out)	(695,775)
Net general revenue (expenses)	9,375
Change in Net Position	(435,537)
Net Position - beginning	(6,144,983)
Net Position - end of year	$ (6,580,520)

The accompanying notes to financial statements are an integral part of this financial statement

FUND FINANCIAL STATEMENTS

CENTRAL MARIN FIRE AUTHORITY

Balance Sheet

Governmental Funds

June 30, 2020

	General Fund	Insurance Fund	Equipment Fund	Total Governmental Funds
ASSETS				
Cash and investments	$ 122,063	$ 485,282	$ 136,669	$ 744,014
Receivables	701	-	-	701
Total assets	$ 122,764	$ 485,282	$ 136,669	$ 744,715
LIABILITIES				
Accounts payable	$ 91,562	$ 760	$ -	$ 92,322
Accrued expenses	3,994	-	-	3,994
Claims payable	-	379,521	-	379,521
Total liabilities	95,556	380,281	-	475,837
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	105,001	136,669	241,670
Unassigned	27,208	-	-	27,208
Total fund balances	27,208	105,001	136,669	268,878
Total liabilities and fund balances	$ 122,764	$ 485,282	$ 136,669	$ 744,715

The accompanying notes to financial statements are an integral part of this financial statement

CENTRAL MARIN FIRE AUTHORITY

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

Total Fund Balances - Governmental Funds	$	268,878
(1) Capital assets, net of depreciation, are not current financial resources and therefore are not reported in the governmental funds balance sheet.		968,676
(2) Other post-retirement employee medical benefit plan contributions are reported as deferred outflows of resources in the statement of net position.		387,000
(3) Long-term liabilities and obligations are not due and payable in current period and therefore are not reported in the governmental funds balance sheet:		
Compensated absences		(291,074)
Other postemployment benefits		(7,914,000)
	$	(6,580,520)

The accompanying notes to financial statements are an integral part of this financial statement

CENTRAL MARIN FIRE AUTHORITY

Statement of Revenue, Expenditures, and Change in Fund Balances

Governmental Funds

Year Ended June 30, 2020

	General Fund	Insurance Fund	Equipment Fund	Total Governmental Funds
REVENUE				
Member contributions	$ 9,424,419	$ -	$ -	$ 9,424,419
State revenue	398,084	-	-	398,084
Local agencies revenue	-	-	32,615	32,615
Permits and fees	9,290	-	-	9,290
Other revenue	85	-	-	85
Totals	9,831,878	-	32,615	9,864,493
EXPENDITURES				
Personnel	8,210,781	-	-	8,210,781
Outside services	459,541	-	-	459,541
Training and education	7,609	-	-	7,609
Dues and subscriptions	8,567	-	-	8,567
Equipment maintenance	29,312	-	-	29,312
Building maintenance	11,120	-	-	11,120
Vehicle maintenance	48,647	-	-	48,647
Utilities	77,682	-	-	77,682
Supplies	280,442	-	32,776	313,218
Equipment	2,402	-	-	2,402
Insurance claims	-	571,890	-	571,890
Totals	9,136,103	571,890	32,776	9,740,769
Excess Revenue over Expenditures	695,775	(571,890)	(161)	123,724
Other Financing Sources (Uses)				
Transfers in	-	558,945	136,830	695,775
Transfers (out)	(695,775)	-	-	(695,775)
Totals	(695,775)	558,945	136,830	-
Change in Fund Balances	-	(12,945)	136,669	123,724
Fund Balances - beginning	27,208	117,946	-	145,154
Fund Balances - end of year	$ 27,208	$ 105,001	$ 136,669	$ 268,878

The accompanying notes to financial statements are an integral part of this financial statement

CENTRAL MARIN FIRE AUTHORITY

Reconciliation of the Statement of Revenue, Expenditures, and Change in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2020

Change in Fund Balances - Governmental Funds	$	123,724
Amounts reported for governmental activities in the statement of activities are different because:		
Capital Assets		
(1) The acquisition of capital assets uses current financial resources but has no effect on net position.		-
(2) The cost of capital assets is allocated over their estimated useful lives and and reported as depreciation expense in the statement of activities.		(358,266)
Measurement focus		
(3) Certain 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:		
Change in compensated absences expense liability		(18,995)
Change in net pension plan expense liability and deferrals		-
Change in net OPEB plan expense liability and deferrals		(182,000)
Change in Net Position - Governmental Activities	$	(435,537)

The accompanying notes to financial statements are an integral part of this financial statement

CENTRAL MARIN FIRE AUTHORITY

Statement of Fiduciary Assets

Agency Funds

Year Ended June 30, 2020

	OPEB Prefunding and Stabilization Trust
ASSETS	
Cash with trustee	$ 33,969

The accompanying notes to financial statements are an integral part of this financial statement

CENTRAL MARIN FIRE AUTHORITY
Notes to Financial Statements
June 30, 2020

The notes to the financial statements include a summary of significant accounting policies and other notes considered essential to fully disclose and fairly present the transactions and financial position of the Authority as follows:

Note 1 - Defining the Reporting Entity

The Town of Corte Madera (Town) and the City of Larkspur (City) began implementing shared services agreements between their respective fire departments in 2012. These agreements, which included sharing a single command staff and cross-staffing fire stations, resulted in two legally distinct departments functioning as one operation. The two fire departments have operated under one Fire Chief since 2016.

In 2016, the Town and the City initiated a formal process to study the possibility of consolidating their fire protection and prevention services within a joint powers authority (JPA). This process involved councilmembers as well as management and labor from both agencies. In 2017, all of the parties involved recommended the formation of a Joint Powers Authority (JPA). Following this recommendation, Central Marin Fire Authority (the Authority) was formed in August 2017, with the intention for staff to resolve various administrative matters so that all fire department personnel from both agencies could transfer to the new agency as of January 1, 2018.

The January 1, 2018 effective date was delayed due to issues regarding the retirement contract with the California Public Employees Retirement System (CalPERS), resulting in employees continuing to be paid by the Town and the City while Central Marin Fire Authority operated as a single agency. The Town of Corte Madera and the City of Larkspur shared all costs equally. CalPERS approved the contract in March 2019 and all fire department employees transferred to the new agency as of March 25, 2019. Prior to the consolidation, Town of Corte Madera fire department employees enrolled in the classic CalPERS safety plan were enrolled in the 3% at 50 plan while City of Larkspur fire department employees enrolled in the classic CalPERS plan were enrolled in the 3% at 55 plan. After consolidation, all classic employees were enrolled in the 3% at 55 plan, resulting in significant pension savings. As a new agency, Central Marin Fire Authority does not have any unfunded pension liability. The Town of Corte Madera and City of Larkspur each retain pension liability for service incurred prior to March 25, 2019.

The City of Larkspur and Town of Corte Madera each retain ownership of their fire station real estate, while all other assets were transferred to the new agency. All operating costs, including salaries, are shared equally by the two agencies.

Note 2 - Summary of Significant Accounting Policies

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Authority are described as follows:

<u>Financial Statements</u>
The Authority's basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

The government-wide financial statements (ie, the statement of net position and the statement of activities) report information on all of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenue. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment taxes.

Separate fund financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund Accounting
The accounts of the Authority are organized on the basis of funds, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue, and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds are organized as follows:

Governmental Funds

The General Fund is the Authority's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Capital Projects Funds are used to account for revenue and expenditures restricted to the acquisition or construction of major capital facilities.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, governmental fund long-term debt, both principal and interest.

Basis of Accounting and Measurement Focus
Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

In the fund financial statements, all Governmental Funds are accounted for using the modified accrual basis of accounting. Revenue is recognized when it becomes both measurable and available to finance the expenditures of the current period (susceptible to accrual). Major revenue sources susceptible to accrual include taxpayer-assessed taxes, interest, special assessments levied, state and federal grants, and charges for current services. Revenue from licenses, permits, fines and forfeits is recorded as received. Expenditures are recorded when the related fund liability is incurred.

All Governmental Funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available spendable resources."

Governmental Fund operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

The government-wide financial statement is accounted for on a flow of economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statement of net position.

Cash and Investments

Deposits in financial institutions, money market funds, and the State Treasurer's investment pool are reported as cash and investments since funds can spend cash at any time without prior notice or penalty. Investments are stated at fair value.

Restricted Assets

When applicable, certain cash and investments of the Authority are classified as restricted because their uses are limited by revenue sources. When an expense is incurred for purposes for which there are both restricted and unrestricted cash assets available, restricted cash is used first, then unrestricted cash as it is needed.

Use of Estimates

Financial statement preparation in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Receivables and Payables

Receivables related to the current fiscal year are accrued as revenue and accounts receivable, and are considered available if received within 60 days of fiscal year end. Federal and State grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and available. The Authority considers these taxes available if they are received during the period when settlement of prior fiscal year accounts payable and payroll charges normally occur. Grants, entitlements or shared revenue are recorded as receivables and revenue in the general, special revenue, and capital projects funds when they are received or susceptible to accrual.

Allowance for Doubtful Accounts

Management has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Capital Assets

Capital assets are reported in the government-wide statement of net position. Capital assets are stated at historical cost, when available and at estimated replacement cost when original cost was not available. Donated assets are stated at estimated market value at date of donation. The Authority's policy is to capitalize all capital assets with costs exceeding a minimum threshold of $25,000. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, which range from 5 to 25 years.

Compensated Absences
Compensated absences represent the vested portion of accumulated vacation and sick leave. The Authority's method of calculating the liability is in accordance with GASB Statement No. 16, except that additional accruals for salary-related payments associated with the payment of compensated absences, for example, the employer's share of pension contributions, social security and medicare taxes, have not been accrued as that amount is not considered significant or material to the financial statements taken as a whole.

Long-term Obligations
In the government-wide financial statements, long-term debt and obligations are reported as liabilities in the statement of net position.

Pension Plan
In government-wide financial statements, defined benefit pension plan overfunded or underfunded liabilities are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting. Because this is the second year of the Authority's participation in a new defined pension plan, there is no historic data to determine whether the Authority has an overfunded or underfunded pension plan liability, deferred pension outflows or deferred pension inflows.

In general, the Authority recognizes a net pension liability, which represents the Authority's proportionate share of the excess of the total pension liability over the fiduciary net position (*plan assets owned*) of the pension reflected in the actuarial report provided by the California Public Employees Retirement System (CalPERS). Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the Authority's pension plan with CalPERS 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 benefits terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

Other Postemployment Benefits Plan (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 Authority's Retiree Benefits 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 Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost. The Authority's OPEB plan is described in Note 10.

Major Funds

The Authority's Major Funds are as follows:

- *General Fund* - this fund is the Authority's primary operating fund. It accounts for all financial resources of general operations, except those required to be accounted for in another fund.

- *Insurance Fund* - this fund is used to maintain and account for the insurance claim expenses of the Authority.

Net Position and Fund Balances

The government-wide financial statements utilize a net position presentation. Net position represents the difference between assets plus deferred outflow of resources, as compared to liabilities plus deferred inflow of resources, and is displayed in the following three components:

- *Net Investment in Capital Assets* - this component groups all capital assets, reduced by accumulated depreciation, and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of the assets.

- *Restricted Net Position* - this component represents net position that is subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Position* - this component represents net position of the Authority that is not restricted for any other purpose.

When both restricted and unrestricted net position is available, restricted resources are used first, then unrestricted resources as they are needed.

Governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned, based primarily on the extent to which the Authority is bound to honor constraints on how specific amounts can be spent and are described as follows:

- Nonspendable Fund Balances - amounts that cannot be spent because they are either (a) legally or contractually required to be maintained intact or (b) not in spendable form such as long-term notes receivable.

- Restricted Fund Balances - amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.

- Committed Fund Balances - amounts that can be used only for the *specific purposes* determined by a formal action of the Central Marin Fire Authority Council (the Council), to establish, modify or rescind a fund balance commitment.

- Assigned Fund Balances - amounts that are constrained by the government's *intent* to be used for specific purposes but do not meet the criteria to be classified as restricted or committed, as determined by a formal action or policy of the Council or its appointed official.

- Unassigned Fund Balances - the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Authority's policy to expend *restricted* fund balances first. When expenditures are incurred for purposes for which committed, assigned, or unassigned amounts are available, it is the Authority's policy to expend *committed*, then *assigned*, then *unassigned* amounts in that order.

Note 3 - Stewardship, Compliance and Accountability

Budgetary Information

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

1. Management submits to the Council a proposed draft budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.

2. The Council reviews the proposed budget at special scheduled sessions which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.

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

4. From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various Authority departments. The Council may amend the budget by resolution during the fiscal year. Management authorizes transfers from one object or purpose to another within the same department, and between departments within the General Fund. All appropriations lapse at year end.

Economic Dependency

The Authority receives the majority of its total general fund revenue from its two members. Any reduction in the members' ability to fund the Authority's annual budget requirements could impair the Authority's ability to fund its own operating budget.

Revenue Limitations Imposed By California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the Authority's ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in future years by the voters.

Accounts and Records

Records of the Authority are maintained in Corte Madera, California. These records include cash receipts and disbursements journals, a general ledger, complete minutes of Council meetings, Resolutions, Ordinances and files of supporting documents. Investment funds of the Authority are on deposit with the State of California's investment pool.

Note 4 - Cash and Investments

Cash and investments at fiscal year-end are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	$ 744,014
Cash and investments are comprised of the following:	
On deposit with checking accounts and the California State investment pool, pooled with the Town of Corte Madera	$ 744,014

Investments Authorized by the Authority's Investment Policy
The Authority does not have a specific investment policy but follows the guidelines of the Town of Corte Madera's Investment Policy. All funds invested are managed to meet the guidelines stated in both California Code Section 53600, et. seq. and the Town's investment policy.

Note 5 - Receivables

Receivables at year end consist of the following:

Reimbursement receivable	$ 701

Note 6 - Capital Assets

Capital assets activity for the year consists of the following:

Depreciable Assets	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Vehicles & equipment	$ 3,759,638	$ -	$ -	$ 3,759,638
Accumulated depreciation	(2,432,696)	(358,266)	-	(2,790,962)
Net capital assets	$ 1,326,942	$ (358,266)	$ -	$ 968,676

Note 7 - Payables

Payables at year end consist of the following:

Professional contract services	$	61,569
Supplies		10,177
Utilities		5,854
Personnel costs		3,314
Equipment maintenance		3,286
Building maintenance		2,701
Vehicles maintenance		5,421
	$	92,322

Note 8 - Long-term Obligations

Long-term obligation activity for the year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 272,079	$ 18,995	$ -	$ 291,074	$ 29,107
Claims payable	171,860	207,661	-	379,521	133,126
Net pension liability	-	-	-	-	-
Net OPEB liability	7,345,000	569,000	-	7,914,000	-
	$ 7,788,939	$ 795,656	$ -	$ 8,584,595	$ 162,233

Compensated Absences
The accrued compensated absences amounts will be paid from available resources and are classified as current or noncurrent, based upon expected payment dates.

Workers Compensation Claims
The accrued claims payable are based upon an actuarial review of the program’s discounted and undiscounted liability for outstanding claims. The claims are classified as current or noncurrent, based upon expected payment dates, and will be paid from available resources.

Note 9 - Deferred Compensation Plan

The Authority contracts with the ICMA Retirement Corporation, and with CalPERS, to provide deferred compensation plans. Employees may defer up to the IRS established limits each year through payroll deductions. For employees in the management unit only, there is a mandatory 1% of salary contribution and a 1% of salary employer match to the employee’s choice of the two plans. The plan is in conformity with Section 457 of the Internal Revenue Code.

Note 10 - Other Postemployment Benefits Plan

Overview of the Plan
Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* (GASB 75), requires public employers to comply with new accounting and financial reporting standards. Under GASB 75, employers that participate in an OPEB plan administered as a trust or equivalent arrangement are required to record their portion of the net OPEB liability, OPEB expense, and deferred outflows/deferred inflows of resources related to OPEB plans in their financial statements as part of their financial position. Net OPEB liability is the plan's total OPEB liability less the plan's fiduciary net position (assets owned). This may be a net OPEB asset when the Plan's fiduciary net position exceeds its total OPEB liability. OPEB expense is the change in net OPEB liability from the previous reporting period to the current reporting period less adjustments. This may be a negative expense (OPEB income), which should be reported as a credit in OPEB expense. Deferred outflows of resources and deferred inflows of resources related to OPEB plans are certain changes in total OPEB liability and fiduciary net position that are to be recognized in future OPEB expense.

Plan Description and Eligibility
The Authority provides retiree medical benefits to employees who retire directly from the Authority and are eligible for a CalPERS pension. The amount and type of benefit is contingent upon date of hire.

California Public Employees Retirement System Trust
In fiscal year 2019-20, the Authority began prefunding its OPEB obligation through the use of an irrevocable trust established with the California Employers' Retiree Benefit Trust Fund (CERBT). This trust fund is an agent multiple-employer plan which is administered by the CalPERS Board of Administration.

Contributions
The obligation of the Authority to contribute to the Plan is established and may be amended by the Authority Council. The trust is used to accumulate and invest funds necessary to pay for future retiree benefits. Authority employees contribute to the trust through payroll deduction withholdings.

Actuarial Methods and Assumptions
The June 30, 2019 valuation was used to determine total OPEB liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Measurement Period	June 30, 2018 to June 30, 2019
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Implied Subsidy	Employer cost for allowing retirees to participate in the medical plans at active rates. Implied subsidy included.
Discount Rate	3.50% at June 30, 2019 3.79% at March 25, 2019
General Inflation	2.75%
Salary Increases	Aggregate - 3.00% annually

	Merit - CalPERS 1997-2015 Experience Study
Medical Trend	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076.
	Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076.
PEMHCA Minimum Increase	4.25% annually
Participation at Retirement	Tier 1 Actives: 100%
	Tier 2 Actives: 70%
Mortality Factors	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2018

Funded Status

Total OPEB Plan Liability	$ 7,914,000
Plan Fiduciary Net Position	-
Net OPEB Plan Liability	7,914,000
OPEB plan expense for the fiscal year	$ 224,000

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50% which the Actuary has determined is a reasonable long-term assumption of the Authority's expected return on its investments. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

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

The following presents the net OPEB liability of the Authority calculated using the discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. The impact of a 1% increase or decrease in these assumptions is shown in the chart below:

	Discount Rate -1% 2.50%	Current Rate 3.50%	Discount Rate +1% 4.50%
Net OPEB liability / (asset)	$ 9,530,000	$ 7,914,000	$ 6,658,000

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability calculated using the Healthcare Cost Trend discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. The impact of a 1% increase or decrease in these assumptions is shown in the chart below:

	Discount Rate -1% 2.50%	Current Rate 3.50%	Discount Rate +1% 4.50%
Net OPEB liability / (asset)	$ 6,395,000	$ 7,914,000	$ 9,934,000

Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ -	$ -
Differences between projected and actual experience	-	-
Changes of assumptions	387,000	-
Net difference between projected and actual earnings of OPEB Plan investments	-	-
Totals	$ 387,000	$ -

The Authority will recognize the Deferred Contributions in the next fiscal year. In addition, future recognition of these deferred resources is shown below:

Year Ending June 30:	
2021	$ 30,000
2022	30,000
2023	30,000
2024	30,000
2025	30,000
Thereafter	237,000

Note 11 - Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Overview of the Pension Plan

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68), requires public employers that participate in a defined benefit pension plan administered as a trust or equivalent arrangement to record their portion of the net pension liability, pension expense, and deferred outflows/deferred inflows of resources related to pensions in their financial statements as part of their financial position. Net pension liability is the plan's total pension liability based on the entry age normal actuarial cost method less the plan's fiduciary net position. This may be a net pension asset when the Plan's fiduciary net position exceeds its total pension liability. Pension expense is the change in net pension liability from the previous reporting period to the current reporting period less adjustments. This may be a negative expense (pension income), which should be reported as a credit in pension expense. Deferred outflows of resources and deferred inflows of resources related to pensions are certain changes in total pension liability and fiduciary net position that are to be recognized in future pension expense.

Summary of Significant Accounting Policies

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 Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are estimated as follows:

Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019
Actuarial Valuation Date	June 30, 2019

Plan Description, Benefits Provided and Employees Covered

The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information will be listed in the Plan's June 30, 2020 Annual Actuarial Valuation Report (funding valuation) which will be prepared and released in year 2021. Details of the benefits provided will be provided in that report since the Authority is a new member with CalPERS, and actuary information will not be provided until Fiscal Year 2020-21, due to a one year delay in providing such information which is allowed by the GASB.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

General Information about the Plan

Plan Description

Starting March 25, 2019, the Authority provides pension benefits to eligible employees through a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and Authority ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50-55 with statutorily reduced benefits. Death benefits are the pre-retirement Optional Settlement 2W Death Benefit, and the post-retirement death benefit lump sum. The cost of living adjustments for each plan are applied as specified by the Public Employees Retirement Law.

<u>Contributions</u>
The Authority makes partial contributions required of Authority employees on their behalf and for their account depending upon date of hire. Employee members are required to make contributions of their annual covered salary in an amount depending upon date of hire. The contribution requirements of plan are established and may be amended by CalPERS. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2020, employer pension plan contributions were $769,898.

Note 12 - Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Authority is a member of the Bay Cities Joint Powers Insurance Authority (BCJPIA), an established public entity risk pool that operates as a common risk management and insurance program for government members. The Authority pays an annual premium to the pool for property and general coverage, and for workers compensation insurance. Risk of loss is retained for general liability claims. The agreement with the risk pool provides that it will be self-sustaining through member premiums and additional policies purchased from commercial insurance companies for general liability claims, and for excess workers' compensation claims.

BCJPIA was created as a California Public Agency by an agreement between certain public agencies in the San Francisco Bay Area to provide workers' compensation coverage. BCJPIA is governed by a Board of Directors which is comprised of officials appointed by each member town, city or agency. Financial statements may be obtained from BCJPIA, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

Note 13 - Subsequent Events

The management of the Authority has reviewed the results of operations for the period from its year end June 30, 2019 through October 26, 2020, the date the draft financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

Note 14 - New Pronouncements

The Governmental Accounting Standards Board (GASB) has released the following new pronouncements, which can be read in their entirety at http://www.gasb.org.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are 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. The requirements in this Statement are effective for fiscal years beginning after June 30, 2019.

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 by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and a right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for fiscal years beginning after June 30, 2020.

In June 2018, GASB issued Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period.* The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement established accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement.

This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Note 15 - Fund Balance Designations Section of the Balance Sheet

Governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned, based primarily on the extent to which the Authority is bound to honor constraints on how specific amounts can be spent. Fund balances in the governmental fund balance sheet are designated as follows:

Assigned:		
Insurance reserve	$	105,001
Equipment purchases		136,669
		241,670
Unassigned		27,208
Total Fund Balances	$	268,878

REQUIRED SUPPLEMENTARY INFORMATION

(unaudited)

CENTRAL MARIN FIRE AUTHORITY
Required Supplementary Information (unaudited)
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
As of June 30, 2020

Schedule of Proportionate Share of the Net Pension Liability

The proportion (*percentage*) of the collective net pension liability represents the Authority's share of the cost-sharing plan assets offset against the actuarial determined collective pension liability.

The proportionate share (*dollar amount*) of the collective net pension liability represents the Authority's share of the cost-sharing plan assets offset against the actuarial determined collective pension liability.

The employer's covered-employee payroll represents the payroll of employees that are provided with pensions through the plan.

Schedule of Contributions

The employer's contributions to the plan is actuarially determined or based on statutory or contractual requirements which comprise the following: (1) the agent employer's actuarially determined contribution to the pension plan (its statutorily/contractually required contribution), (2) the employer's actual contributions, the difference between the actual and actuarially determined contributions (its statutorily/contractually required contributions), and (3) a ratio of the actual contributions divided by covered-employee payroll.

CENTRAL MARIN FIRE AUTHORITY

Required Supplementary Information (unaudited)

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Last Fiscal Year*

Schedule of the Town's Proportionate Share of the Plan's Net Pension Liability	Measurement Date - Fiscal Year Ending June 30: 2019
Town's proportion of the net pension liability	0.00000%
Town's proportionate share of the net pension liability	$ -
Town's covered-employee payroll **	$ 359,619
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	n/a
Plan fiduciary net position as a percentage of the total pension liability	n/a

Schedule of the Town's Contributions	Fiscal Year Ending June 30: 2019
Contractually required employer contribution	$ -
Contributions in relation to the contractually required employer contribution	-
Contribution (excess) deficiency	$ -
Town's covered-employee payroll **	$ 359,619
Contributions as a percentage of covered employee payroll	0%

* Fiscal year 2019 was the first year of implementation, therefore only one year is shown

** for the measurement date fiscal year

CENTRAL MARIN FIRE AUTHORITY

Required Supplementary Information (unaudited)

Schedule of Changes in Net OPEB Liability and Related Ratios

Last Two Fiscal Years*

For Reporting at Fiscal Year Ended June 30:	2020	2019
Measurement Date - Fiscal Year Ending June 30:	2019	2019
Total OPEB Liability		
Service cost	$ 140,000	$ -
Interest on the total OPEB liability	75,000	-
Changes of benefit terms	-	7,303,000
Differences between expected and actual experience	-	-
Changes of assumptions	396,000	-
Benefit payments	-	-
Net Change in Total OPEB Liability	611,000	7,303,000
Total OPEB Liability - beginning	7,303,000	-
Total OPEB Liability - ending (a)	$ 7,914,000	$ 7,303,000
Plan Fiduciary Net Position		
Contributions - employer	$ -	$ -
Net investment income	-	-
Administrative expenses	-	-
Benefit payments	-	-
Net Change in Plan Fiduciary Net Position	-	-
Plan Fiduciary Net Position - beginning	-	-
Plan Fiduciary Net Position - ending (b)	$ -	$ -
Net OPEB Liability - ending (a) - (b)	$ 7,914,000	$ 7,303,000
Covered-employee payroll	$ 1,270,000	n/a
Net OPEB liability as a percentage of covered-employee payroll	623%	n/a

*Fiscal year 2019 was the first year of implementation, therefore only two years are shown