



**KENSINGTON FIRE PROTECTION DISTRICT
MEETING OF THE FINANCE COMMITTEE
AGENDA**

Tuesday, June 6, 2023 12:00pm
Kensington Community Center, 59 Arlington Avenue,
Kensington, CA 94707 (and hybrid)

This meeting will be held in-person in the Kensington Community Center, 59 Arlington Avenue, Kensington CA 94707. Members of the public not in attendance may provide public comment by emailing the Board Clerk prior to the meeting at the following address: public.comment@kensingtonfire.org. Such comments will be noted as received and their contents orally summarized. Members of the public who attend the meeting either In-person or via Zoom are allowed to provide public comment verbally with a maximum allowance of 3 minutes per individual comment, subject to the Chair's discretion.

Instructions on how to make a public comment during the meeting: At points in the meeting when the meeting chair requests public comment, members of the public participating in the live meeting can simply raise their hand to be recognized. If participating via internet, please click the "raise hand" feature located within the Zoom application screen. If connected via telephone, please dial "*"9" (star, nine). Public comment will be taken on each agenda item, and comment on issues not on the agenda will be taken at the beginning of the meeting. Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair, except that public speakers using interpretation assistance will be allowed to testify for twice the amount of the public testimony time limit (California Government Code section 54954.3(a)).

Any member of the public who needs special accommodations should email public.comment@kensingtonfire.org 48 hours prior to the meeting. This will enable the Kensington Fire Protection District to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title 1).

This agenda is available on the KFPD website under the relevant meeting date at: <https://www.kensingtonfire.org/finance-committee>. Please note that supplemental materials will be posted on the website with the agenda as soon as they are available prior to the meeting. Additional information and/or materials may be presented at the meeting itself.

Internet Address:

<https://us06web.zoom.us/j/84382992099?pwd=RktKUXJKWnEvY3VZb3V4N1RaZXdWZz09>

Telephone Access:

(720) 707-2699 or (346) 248-7799 or (253) 215-8782

Zoom Webinar ID: 843 8299 2099

Passcode: 112233

TIMING OF AGENDA ITEMS: *Approximate times are included below but may vary to accommodate appropriate discussion time and attention to the individual items.*

1. (12:00pm) CALL TO ORDER/ROLL CALL

President Stein and Director Watt

2. (12:01pm) PUBLIC COMMENT

Under "Public Comment," the public may address the committee on any subject not listed on the agenda. Each speaker may address the committee once under Public Comment for a limit

of three minutes. The public will be given an opportunity to speak on each agenda item and once the public comment portion of any item on this agenda has been closed by the committee, no further comment from the public will be permitted unless authorized by the committee. The committee cannot act on items not listed on the agenda and, therefore, cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

3. (12:06pm) ADOPTION OF CONSENT ITEMS

Items listed below are consent items, which are considered routine by the committee and will be enacted by one motion. The committee has received and considered reports and recommendations prior to assigning consent item designations to the various items. Copies of the reports are available to the public. The disposition of the item is indicated. There will be no separate discussion of consent items. If discussion is requested for an item, that item will be removed from the list of consent items and considered separately on the agenda.

a. Approval of the General Manager's Timesheets (02/01/2023 thru 05/31/2023)

b. Approval of Finance Committee Meeting Minutes of 2/8/2023

4. (12:10pm) OLD BUSINESS - None

5. (12:10pm) NEW BUSINESS

a. (12:10pm) FY 2023-24 Fee Schedule for El Cerrito-Kensington Fire Department Contract – Karen Pinkos/City of El Cerrito (Supporting Material)

Action = Review, Discuss, and Direct Staff

b. (12:55pm) FY 2021-22 Annual Audit – Justin Williams/MUN CPAs (Supporting Material)

Action = Presentation and Discussion

c. (1:15pm) FY 2021-22 and 2022-23 OPEB Actuarial Reports (Supporting Material)

Action = Review and Discuss

d. (1:25pm) Updated Financial Forecast – Bill Zenoni, Consultant (Supporting Material)

Action = Review, Discuss, and Direct Staff

e. (1:50pm) FY 2023-2024 Draft Budget (Supporting Material)

Action = Review, Discuss, and Direct Staff

f. (2:30pm) Format of Monthly Financial Reports (Supporting Material)

Action = Review, Discuss, and Direct Staff

6. (2:40pm) FUTURE AGENDA ITEMS

Action = Request agenda items for the next meeting.

7. (2:50pm) ADJOURNMENT

The next meeting of the KFPD Finance Committee will be held on a date to be listed on the District's website and posted at two public locations 72-hours prior to the meeting.



Kensington Fire Protection District Employee Timesheet

Employee Name: Mary Morris-Mayorga
 Title: Interim General Manager
 Pay Period Start: 2/1/2023
 Pay Period End: 2/15/2023

Program Areas	
GA	General Administration
FN	Finance
EP	Emergency Preparedness
PS	Public Safety Bldg
PL	Policies & Legal

Date	Task/Project	Hours	GA	FN	EP	PS	PL
2/1/2023	See Separate Task Sheet	1.00	0.50	0.00	0.00	0.50	0.00
2/2/2023	"	5.00	0.50	2.75	0.00	1.75	0.00
2/3/2023	"	5.00	0.50	4.50	0.00	0.00	0.00
2/4/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
2/5/2023	"	1.50	0.50	0.50	0.00	0.50	0.00
2/6/2023	"	6.50	3.50	0.00	1.00	2.00	0.00
2/7/2023	"	3.25	0.75	1.00	0.00	1.50	0.00
2/8/2023	"	7.00	2.50	3.50	0.00	0.00	1.00
2/9/2023	"	3.50	1.75	0.00	0.00	1.00	0.75
2/10/2023	"	9.00	7.00	1.25	0.00	0.00	0.75
2/11/2023	"	2.00	1.25	0.00	0.00	0.75	0.00
2/12/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
2/13/2023	"	3.75	1.75	0.00	0.00	2.00	0.00
2/14/2023	"	3.25	0.00	0.00	1.00	0.00	2.25
2/15/2023	"	9.00	0.00	2.00	0.00	2.25	0.00
	Total Hours	59.75	20.50	15.50	2.00	12.25	4.75
	Rate	\$ 116.88					
	Total Gross Pay	\$ 6,983.58					

Mary Morris-Mayorga 2/16/2023
 Employee Signature Date

 Finance Signature Date

Date/Day	Subject	Description	Hours	
1	W	General Mgmt	emails-read/respond	0.50
		Finance		0.00
		EPC		0.00
		PSB	letter of intent research/submit to committee	0.50
		Legal		0.00
2	Th	General Mgmt	emails-read/respond	0.50
		Finance	FC agenda/post; payroll; invoice pmts; financial	2.75
		EPC		0.00
		PSB	emails-review/respond; call w/BH	1.75
		Legal		0.00
3	F	General Mgmt	call w/TP-CCC risk mgmt; emails-read/respond	0.50
		Finance	FC packet-distrib/post; OPEB emails/docs	4.50
		EPC		0.00
		PSB		0.00
		Legal		0.00
4	Sa	General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
5	Su	General Mgmt	emails-read/respond	0.50
		Finance	CERBT disbursement	0.50
		EPC		0.00
		PSB	temp committee mtg sched/prep	0.50
		Legal		0.00
6	M	General Mgmt	mtg agenda; emails-read/respond; call-JS	3.50
		Finance	invoice review/approve, files	0.00
		EPC	follow-up; CERT shed	1.00
		PSB	temp committee mtg; gather info; call w/KM	2.00
		Legal		0.00
7	T	General Mgmt	emails-read/respond; filing	0.75
		Finance	invoices review/approval	1.00
		EPC		0.00
		PSB	temp bldg committee	1.50
		Legal		0.00
8	W	General Mgmt	emails-read/respond; filing; update agenda; poll	2.50
		Finance	FC mtg+after activities; BZ agmnt; invoice pmts	3.50
		EPC		0.00
		PSB		0.00
		Legal	prep/call re: constr contractor; review updates	1.00
9	Th	General Mgmt	emails-read/respond; agenda update	1.75
		Finance		0.00
		EPC		0.00
		PSB	call-BH; docs/emails	1.00
		Legal	closed session; call follow-up	0.75
10	F	General Mgmt	emails-read/respond/; agenda pkt; call-JS	7.00

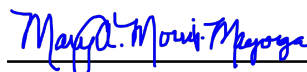


Kensington Fire Protection District Employee Timesheet

Employee Name: Mary Morris-Mayorga
 Title: Interim General Manager
 Pay Period Start: 2/16/2023
 Pay Period End: 2/28/2023

Program Areas	
GA	General Administration
FN	Finance
EP	Emergency Preparedness
PS	Public Safety Bldg
PL	Policies & Legal

Date	Task/Project	Hours	GA	FN	EP	PS	PL
2/16/2023	See Separate Task Sheet	3.00	2.25	0.75	0.00	0.00	0.00
2/17/2023	"	3.50	2.50	1.00	0.00	0.00	0.00
2/18/2023	"	1.00	1.00	0.00	0.00	0.00	0.00
2/19/2023	"	2.00	0.00	0.00	0.50	1.50	0.00
2/20/2023	"	4.00	1.50	0.00	0.75	1.75	0.00
2/21/2023	"	6.25	1.75	2.50	0.00	1.50	0.50
2/22/2023	"	6.50	5.00	0.00	0.00	1.50	0.00
2/23/2023	"	6.00	4.00	0.00	2.00	0.00	0.00
2/24/2023	"	1.00	0.50	0.00	0.00	0.50	0.00
2/25/2023	"	0.75	0.00	0.00	0.00	0.75	0.00
2/26/2023	"	0.75	0.00	0.00	0.00	0.75	0.00
2/27/2023	"	2.50	0.75	1.00	0.00	0.75	0.00
2/28/2023	"	1.25	0.00	0.00	0.00	1.25	0.00
Total Hours		38.50	19.25	5.25	3.25	10.25	0.50
Rate		\$ 116.88					
Total Gross Pay		\$ 4,499.88					


3/2/2023

 Employee Signature Date

 Finance Signature Date

	February 2023
Max monthly hours prior to FC approval = 30/wk avg:	<u>120.00</u>
Hours worked:	<u>98.25</u>
Hour (over)/under:	<u>21.75</u>

Date/Day	Subject	Description	Hours	
16	Th	General Mgmt	emails; after mtg activities; polling	2.25
		Finance	transmittal	0.75
		EPC		0.00
		PSB		0.00
		Legal		0.00
17	F	General Mgmt	polling-special mtgs; emails	2.50
		Finance	transmittal; invoice pmts	1.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
18	Sa	General Mgmt	emails-read/respond	1.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
19	Su	General Mgmt		0.00
		Finance		0.00
		EPC	mtg agenda	0.50
		PSB	draft letter response	1.50
		Legal		0.00
20	M	General Mgmt	special mtg agenda; emails	1.50
		Finance		0.00
		EPC	agenda posted/distributed	0.75
		PSB	temp station gen cords; emails/doc review	1.75
		Legal		0.00
21	T	General Mgmt	emails-read/respond; Exec Asst emails	1.75
		Finance	invoice review/approve, files	2.50
		EPC		0.00
		PSB	temp committee mtg	1.50
		Legal	confirm spec mtg	0.50
22	W	General Mgmt	emails/PRA; Exec Asst training; spec mtg	5.00
		Finance		0.00
		EPC		0.00
		PSB	emails/doc review; call w/BH	1.50
		Legal		0.00
23	Th	General Mgmt	emails-read/respond; spec mtg	4.00
		Finance		0.00
		EPC	EPC mtg	2.00
		PSB		0.00
		Legal	call re: constr contractor; review updates	0.00
24	F	General Mgmt	emails-read/respond	0.50
		Finance		0.00
		EPC		0.00
		PSB	emails/doc review	0.50
		Legal		0.00
25	Sa	General Mgmt		0.00

		Finance		0.00
		EPC		0.00
		PSB	emails/doc review	0.75
		Legal		0.00
26	Su	General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB	emails/doc review-Cos; prep for call	0.75
		Legal		0.00
27	M	General Mgmt	emails-read/respond; PRA	0.75
		Finance	invoice review/approve; OPEB emails/follow-up	1.00
		EPC		0.00
		PSB	emails/doc review	0.75
		Legal		0.00
28	T	General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB	emails/doc review; sched CO mtg	1.25
		Legal		0.00
				0.00
				<hr/>
		Total		38.50



Kensington Fire Protection District Employee Timesheet

Employee Name: Mary Morris-Mayorga
 Title: Interim General Manager
 Pay Period Start: 3/1/2023
 Pay Period End: 3/15/2023

Program Areas	
GA	General Administration
FN	Finance
EP	Emergency Preparedness
PS	Public Safety Bldg
PL	Policies & Legal

Date	Task/Project	Hours	GA	FN	EP	PS	PL	
3/1/2023	See Separate Task Sheet	0.75	0.75	0.00	0.00	0.00	0.00	
3/2/2023	"	1.75	1.75	0.00	0.00	0.00	0.00	
3/3/2023	"	3.25	2.00	0.00	0.00	1.25	0.00	
3/4/2023	"	0.00	0.00	0.00	0.00	0.00	0.00	
3/5/2023	"	2.50	1.25	1.25	0.00	0.00	0.00	
3/6/2023	"	1.50	1.50	0.00	0.00	0.00	0.00	
3/7/2023	"	3.50	1.25	1.25	0.00	0.50	0.00	
3/8/2023	"	2.25	1.00	0.75	0.00	0.50	0.00	
3/9/2023	"	4.00	3.00	0.00	0.50	0.50	0.00	
3/10/2023	"	6.50	4.00	2.50	0.00	0.00	0.00	
3/11/2023	"	0.75	0.75	0.00	0.00	0.00	0.00	
3/12/2023	"	0.00	0.00	0.00	0.00	0.00	0.00	
3/13/2023	"	0.00	0.00	0.00	0.00	0.00	0.00	
3/14/2023	"	6.50	3.00	0.50	0.00	3.00	0.00	
3/15/2023	"	10.75	10.25	0.00	0.00	0.50	0.00	
3/16/2023	"	0.00	0.00	0.00	0.00	0.00	0.00	
	Total Hours	44.00	30.50	6.25	0.50	6.25	0.00	#
	Rate		\$	116.88				
	Total Gross Pay		\$	5,142.72				

Mary Morris-Mayorga 3/17/2023
 Employee Signature Date

 Finance Signature Date



Kensington Fire Protection District

Employee Timesheet

Employee Name: Mary Morris-Mayorga
 Title: Interim General Manager
 Pay Period Start: 3/16/2023
 Pay Period End: 3/31/2023

Program Areas	
GA	General Administration
FN	Finance
EP	Emergency Preparedness
PS	Public Safety Bldg
PL	Policies & Legal

Date	Task/Project	Hours	GA	FN	EP	PS	PL
3/16/2023	See Separate Task Sheet	5.50	1.00	0.50	0.00	4.00	0.00
3/17/2023	"	4.75	0.00	0.75	1.00	3.00	0.00
3/18/2023	"	1.75	0.00	1.25	0.00	0.50	0.00
3/19/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
3/20/2023	"	4.75	0.00	4.25	0.00	0.50	0.00
3/21/2023	"	4.75	0.50	1.50	0.00	2.75	0.00
3/22/2023	"	7.00	2.75	1.00	0.50	2.75	0.00
3/23/2023	"	7.50	1.50	0.00	5.00	1.00	0.00
3/24/2023	"	5.25	0.00	1.00	0.00	4.25	0.00
3/25/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
3/26/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
3/27/2023	"	5.50	0.00	1.00	0.00	4.50	0.00
3/28/2023	"	3.00	1.00	1.00	0.00	1.00	0.00
3/29/2023	"	2.75	0.00	0.00	0.00	2.75	0.00
3/30/2023	"	5.50	1.00	0.00	0.50	4.00	0.00
3/31/2023	"	3.50	2.50	1.00	0.00	0.00	0.00
Total Hours		61.50	10.25	13.25	7.00	31.00	0.00
Rate		\$ 116.88					
Total Gross Pay		\$ 7,188.12					

Mary D. Morris-Mayorga 4/3/2023
 Employee Signature Date

 Finance Signature Date

March 2023
 Max monthly hours prior to FC approval = 30/wk avg: 132.86
 Hours worked: 105.50
 Hour (over)/under: 27.36

Date	Project	Description	Duration
03/16/2023	Finance	Bill payments	0.50
03/16/2023	General Administration	Call w/DA; gen adm emails/documents;	1.00
03/16/2023	Public Safety Building	Call-BH re CWS mtg; project emails/documents;	3.00
03/16/2023	Public Safety Building	Call-Mack5; project emails/documents;	1.00
03/16/2023 Total			5.50
03/17/2023	Emergency Preparedness	EPC mtg agenda/sched location/posting	1.00
03/17/2023	Finance	Transmittal/invoices	0.75
03/17/2023	Public Safety Building	PSB emails/documents/PRA	3.00
03/17/2023 Total			4.75
03/18/2023	Finance	Bill payments	1.25
03/18/2023	Public Safety Building	PSB emails/documents	0.50
03/18/2023 Total			1.75
03/20/2023	Finance	Transmittal, payroll, prep-call bond counsel re project, bill payments	4.25
03/20/2023	Public Safety Building	PSB emails/documents, RFP to Marjang	0.50
03/20/2023 Total			4.75
03/21/2023	Finance	Bill payments, invoices, CalPERS	1.50
03/21/2023	General Administration	emails-gen admin	0.50
03/21/2023	Public Safety Building	PSB calls/mtgs-BH, Marjang/ZFA/BH	2.75
03/21/2023 Total			4.75
03/22/2023	Emergency Preparedness	EPC-emails/questions-mtg attendance	0.50
03/22/2023	Finance	Invoices, bill payments	1.00
03/22/2023	General Administration	Brown Act hybrid mtg/attendance research/memo	2.75
03/22/2023	Public Safety Building	PSB emails/documents, mtg-JB/DM/BH	2.75
03/22/2023 Total			7.00
03/23/2023	Emergency Preparedness	Calls-PM, LN; EPC mtg setup/attend/lockup	5.00
03/23/2023	General Administration	Prep/mtg w/CED-BOD mtg debrief, review position/duties/access	1.50
03/23/2023	Public Safety Building	PSB talking points; call w/BH	0.50
03/23/2023	Public Safety Building	Call w/BH-updates	0.50
03/23/2023 Total			7.50
03/24/2023	Finance	Invoices, bill payments	1.00
03/24/2023	Public Safety Building	PSB emails/documents; sched mtg w/Mack5	0.50
03/24/2023	Public Safety Building	Prep/call w/MB; emails/documents-CWS req, mtg notes	3.75
03/24/2023 Total			5.25
03/27/2023	Finance	Call w/BZ-financial forecast questions	1.00
03/27/2023	Public Safety Building	PSB emails/documents	0.50
03/27/2023	Public Safety Building	PSB letter, emails, call-BH, const mgmt proposal review	4.00
03/27/2023 Total			5.50
03/28/2023	Finance	Invoices, bill payments	1.00
03/28/2023	General Administration	Gen adm emails, intro CED	1.00
03/28/2023	Public Safety Building	PSB emails/documents	1.00
03/28/2023 Total			3.00
03/29/2023	Public Safety Building	PSB emails/documents/review	2.75
03/29/2023 Total			2.75
03/30/2023	Emergency Preparedness	Call w/JV-updates, emails	0.50
03/30/2023	General Administration	Emails, call w/DA-updates	1.00
03/30/2023	Public Safety Building	Call w/BH, emails/project updates	2.25
03/30/2023	Public Safety Building	Emails/project documents, Mack5 mtg coverage	1.75
03/30/2023 Total			5.50
03/31/2023	Finance	Invoices/bill payments	1.00
03/31/2023	General Administration	emails-gen adm review/respond/file	2.50
03/31/2023 Total			3.50
Grand Total			61.50



Kensington Fire Protection District Employee Timesheet

Employee Name: Mary Morris-Mayorga
 Title: Interim General Manager
 Pay Period Start: 4/1/2023
 Pay Period End: 4/15/2023

Program Areas	
GA	General Administration
FN	Finance
EP	Emergency Preparedness
PS	Public Safety Bldg
PL	Policies & Legal

Date	Task/Project	Hours	GA	FN	EP	PS	PL
4/1/2023	See Separate Task Sheet	0.00	0.00	0.00	0.00	0.00	0.00
4/2/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
4/3/2023	"	7.00	2.00	1.25	0.75	3.00	0.00
4/4/2023	"	4.25	1.75	1.00	0.50	1.00	0.00
4/5/2023	"	5.50	1.75	0.75	1.00	2.00	0.00
4/6/2023	"	3.25	2.00	0.00	0.50	0.75	0.00
4/7/2023	"	6.00	2.00	3.00	0.00	1.00	0.00
4/8/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
4/9/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
4/10/2023	"	6.00	1.75	0.00	0.00	4.00	0.25
4/11/2023	"	2.00	0.50	0.00	0.75	0.75	0.00
4/12/2023	"	3.00	2.00	0.00	0.00	1.00	0.00
4/13/2023	"	11.50	6.00	3.50	0.00	2.00	0.00
4/14/2023	"	7.50	3.00	4.50	0.00	0.00	0.00
4/15/2023	"	3.00	1.50	1.50	0.00	0.00	0.00
	"	0.00	0.00	0.00	0.00	0.00	0.00
	Total Hours	59.00	24.25	15.50	3.50	15.50	0.25
	Rate	\$	116.88				
	Total Gross Pay	\$	6,895.92				

Mary Morris-Mayorga 4/17/2023
 Employee Signature Date

 Finance Signature Date

Date/Day	Subject	Description	Hours
1	Sa	General Mgmt	0.00
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
2	Su	General Mgmt	0.00
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
3	M	General Mgmt	2.00
		Gen admin-emails, Form 700s	
		Finance	1.25
		invoices, audit, financial forecast	
		EPC	0.75
		JV-shred event; magnet order	
		PSB	3.00
		Correspondence; project/docs review	
		Legal	0.00
4	T	General Mgmt	1.75
		Gen admin-emails, website notes, Form 700s	
		Finance	1.00
		Timesheets/payroll, reports to BC	
		EPC	0.50
		CERT Shed-HG	
		PSB	1.00
		call w/BH, emails-review docs	
		Legal	0.00
5	W	General Mgmt	1.75
		Gen admin-emails, BOD mtg video storage	
		Finance	0.75
		invoices-review/pmt	
		EPC	1.00
		Call w/HG & DD-CERT Shed, emails	
		PSB	2.00
		Emails-review docs	
		Legal	0.00
6	Th	General Mgmt	2.00
		Draft BOD agenda,	
		Finance	0.00
		EPC	0.50
		Call w/DD-CERT Shed, emails	
		PSB	0.75
		emails/review docs	
		Legal	0.00
7	F	General Mgmt	2.00
		call w/DA, gen adm-emails, PRA	
		Finance	3.00
		emails/audit-OPEB census/bill pmt-filing	
		EPC	0.00
		PSB	1.00
		Emails-review docs	
		Legal	0.00
8	Sa	General Mgmt	0.00
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
9	Su	General Mgmt	0.00
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
10	M	General Mgmt	1.75
		emails, mtg sched, rev minutes, agenda, AV	

Date/Day	Subject	Description	Hours
	Finance		0.00
	EPC		0.00
	PSB	emails/docs, call w-JB/DM/BH, mtg-KM/BH	4.00
	Legal	call w-JB	0.25
11	T	General Mgmt emails-BOD mtg, AV	0.50
	Finance		0.00
	EPC	orders/review/pmt	0.75
	PSB	emails/review docs	0.75
	Legal		0.00
12	W	General Mgmt emails/gen adm	2.00
	Finance		0.00
	EPC		0.00
	PSB	Emails-review docs	1.00
	Legal		0.00
13	Th	General Mgmt calls-JW/LN/DA, agenda/items/minutes	6.00
	Finance	invoices-review/pmt, financial forecast-call w/BZ	3.50
	EPC		0.00
	PSB	Emails-review docs	2.00
	Legal		0.00
14	Fr	General Mgmt agenda items/reports, post agenda	3.00
	Finance	invoices-review/pmt, transmittal	4.50
	EPC		0.00
	PSB		0.00
	Legal		0.00
15	Sa	General Mgmt agenda items-complete/post/distrib	1.50
	Finance	invoices-reivew/pmt	1.50
	EPC		0.00
	PSB		0.00
	Legal		0.00
	General Mgmt		0.00
	Finance		0.00
	EPC		0.00
	PSB		0.00
	Legal		0.00
			59.00

Date/Day	Subject	Description	Hours	
16	Su	General Mgmt	0.00	
		Finance	0.00	
		EPC	0.00	
		PSB	0.00	
		Legal	0.00	
17	M	General Mgmt	Website-consolidation/general; BOD calendar; emails	1.00
		Finance	Payroll processing/rpts to BC; AP research/pmts	2.00
		EPC	EPC orders/pmts	0.75
		PSB	PSB-emails/reviews docs; temp facil water leak	1.00
		Legal		0.00
18	T	General Mgmt	Emails-intro CED; spec mtg agenda	4.25
		Finance	AP pmts-to BC; transmittal update; invoices to CCC	2.25
		EPC		0.00
		PSB	emails/resview docs	0.50
		Legal		0.00
19	W	General Mgmt	Jt mtg agenda/coord; BOD mtg prep/attend; call DA	9.00
		Finance		0.00
		EPC		0.00
		PSB	emails/review docs; call-BH	1.50
		Legal		0.00
20	Th	General Mgmt	spec mtg agenda final/post;	2.25
		Finance	transmittal; invoices	0.75
		EPC		0.00
		PSB	KPPCSD letter; emails/review docs	1.00
		Legal		0.00
21	F	General Mgmt	LAFCO vote; call DL	1.00
		Finance	invoice payments; email BC	2.00
		EPC		0.00
		PSB	CO review mtg	1.00
		Legal		0.00
22	Sa	General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
23	Su	General Mgmt		0.00
		Finance	invoice payments	1.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
24	M	General Mgmt	call DA; PRA; BOD mtg coord/prep/attend	5.75
		Finance		0.00
		EPC	agenda final/post	1.50
		PSB	emails/review docs; call-BH	0.50
		Legal		0.00
25	T	General Mgmt	emails read/respond	1.75

		Finance		0.00
		EPC	JC agreement	0.25
		PSB	emails/review docs	0.50
		Legal		0.00
26	W	General Mgmt	gen emails; call-DL; PRA-CED	3.75
		Finance		0.00
		EPC		0.00
		PSB	emails/doc review; call-BH	3.75
		Legal		0.00
27	Th	General Mgmt	emails-read/respond; BHI	1.75
		Finance	CCC auth doc; invoices	1.75
		EPC	prep/attend EPC mtg	3.00
		PSB	emails/review docs	1.00
		Legal		0.00
28	Fr	General Mgmt		0.00
		Finance	invoice payments; budget	2.50
		EPC		0.00
		PSB	emails/review docs	1.00
		Legal		0.00
29	Sa	General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
30	Su	General Mgmt		0.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
				<hr/> 60.00



Kensington Fire Protection District Employee Timesheet

Employee Name: Mary Morris-Mayorga
 Title: Interim General Manager
 Pay Period Start: 5/1/2023
 Pay Period End: 5/15/2023

Program Areas	
GA	General Administration
FN	Finance
EP	Emergency Preparedness
PS	Public Safety Bldg
PL	Policies & Legal

Date	Task/Project	Hours	GA	FN	EP	PS	PL
5/1/2023	See Separate Task Sheet	3.00	3.00	0.00	0.00	0.00	0.00
5/2/2023	"	4.50	1.25	1.75	0.00	1.50	0.00
5/3/2023	"	4.25	1.50	2.00	0.00	0.75	0.00
5/4/2023	"	5.50	2.00	3.00	0.00	0.50	0.00
5/5/2023	"	3.00	0.50	1.25	0.00	1.25	0.00
5/6/2023	"	0.50	0.50	0.00	0.00	0.00	0.00
5/7/2023	"	0.00	0.00	0.00	0.00	0.00	0.00
5/8/2023	"	5.75	1.25	2.00	0.50	2.00	0.00
5/9/2023	"	6.75	3.00	1.25	0.50	2.00	0.00
5/10/2023	"	3.75	2.25	1.50	0.00	0.00	0.00
5/11/2023	"	7.25	1.50	2.50	0.50	2.75	0.00
5/12/2023	"	1.75	1.75	0.00	0.00	0.00	0.00
5/13/2023	"	4.00	4.00	0.00	0.00	0.00	0.00
5/14/2023	"	1.25	1.25	0.00	0.00	0.00	0.00
5/15/2023	"	4.50	1.50	1.50	0.00	1.50	0.00
	"	0.00	0.00	0.00	0.00	0.00	0.00
	Total Hours	55.75	25.25	16.75	1.50	12.25	0.00
	Rate	\$	116.88				
	Total Gross Pay	\$	6,516.06				

Mary Morris-Mayorga 5/17/2023
 Employee Signature Date

 Finance Signature Date

Date/Day	Subject	Description	Hours
1	M	General Mgmt emails-gen admin; annual item planning/prep	3.00
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
2	T	General Mgmt Website-consolidation/general; BOD calendar; emails	1.25
		Finance Payroll processing/rpts to BC; AP research/pmts	1.75
		EPC EPC orders/pmts	0.00
		PSB PSB-emails/reviews docs; temp facil water leak	1.50
		Legal	0.00
3	W	General Mgmt Emails-intro CED; spec mtg agenda	1.50
		Finance AP pmts-to BC; transmittal update; invoices to CCC	2.00
		EPC	0.00
		PSB emails/review docs	0.75
		Legal	0.00
4	Th	General Mgmt call-DL; CED prep/mtg; emails-gen admin	2.00
		Finance invoice pmts; budget	3.00
		EPC	0.00
		PSB emails/review docs	0.50
		Legal	0.00
5	F	General Mgmt emails-spc mtg, BHI	0.50
		Finance invoice pmts; budget updates	1.25
		EPC	0.00
		PSB updates; emails/docs	1.25
		Legal	0.00
6	Sa	General Mgmt BHI emails/call	0.50
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
7	Su	General Mgmt	0.00
		Finance	0.00
		EPC	0.00
		PSB	0.00
		Legal	0.00
8	M	General Mgmt emails-read/respond; spec mtg agenda	1.25
		Finance audit status; invoice payments; send pd to BC	2.00
		EPC EPC coord contract renewal	0.50
		PSB permit update fees; emails/review docs	2.00
		Legal	0.00
9	T	General Mgmt emails; file organization; BOD rpts	3.00
		Finance invoice payments	1.25
		EPC EPC contract renewal review/research	0.50
		PSB emails/review docs; call BH	2.00
		Legal	0.00
10	W	General Mgmt BOD pkt items; gen admin	2.25

		Finance	CCC transmittal files; invoices	1.50
		EPC		0.00
		PSB		0.00
		Legal		0.00
11	Th	General Mgmt	BOD pkt items; call JF-training; emails-gen, pkt	1.50
		Finance	invoice pmts; file	2.50
		EPC	CERT shed	0.50
		PSB	call-KM; emails/review docs; cm fee	2.75
		Legal		0.00
12	Fr	General Mgmt	agenda/packet	1.75
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
13	Sa	General Mgmt	pkt items; agenda/packet-post/distribute	4.00
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
14	Su	General Mgmt	emails-confirm positng, gen admin	1.25
		Finance		0.00
		EPC		0.00
		PSB		0.00
		Legal		0.00
15	Mo	General Mgmt	emails-gen admin	1.50
		Finance	invoice payments/file/send to BC	1.50
		EPC		0.00
		PSB	emails/review docs-safety audit	1.50
		Legal		0.00

 55.75



**KENSINGTON FIRE PROTECTION DISTRICT
FINANCE COMMITTEE MEETING MINUTES**

DATE/TIME: February 8, 2023, 11:30 a.m.

LOCATION: Zoom Teleconference

PRESENT: Directors: President Julie Stein, Director Jim Watt
Staff: Interim GM Mary Morris-Mayorga

1. CALL TO ORDER/ROLL CALL:

President Stein called the meeting to order at 11:30 a.m. and confirmed the roll call.

2. PUBLIC COMMENT (00:00:44)

There was no public comment.

3. ADOPTION OF CONSENT ITEMS (00:01:27)

a. Approval of the General Manager's Timesheets (09/01/2022 thru 01/31/2023)

b. Approval of Finance Committee Meeting Minutes of 9/11/2022

Moved/Seconded: Stein/Watt

Action: Approval of the GM timesheets as submitted.

Ayes: Stein, Watt

Nays: None

Absent: None

Motion Passed: 2-0-0

Video Time Stamped: 00:02:27

4. OLD BUSINESS – None

4. NEW BUSINESS (00:02:54)

a. FY 2022-2023 Mid-Year Budget Review

Interim GM Mary Morris-Mayorga presented this item as included in the packet, highlighting those which are recommended for change and noting the reasons for line-item variances. She noted the property tax revenue was higher than estimated and reviewed information from Contra Costa County which had projected a 6% increase and is in line with the County as a whole. This is largely a result of home sales. She also reviewed the District's history of property tax revenue which shows increases have been higher than 2% over the prior 12 years.

Director Watt inquired about the property tax increase and whether there is any other revenue included in this due to the 2% limit on annual tax increase. He also inquired about several expenditure components. President Stein inquired about the El Cerrito contract reconciliation and which year it applies to. She also inquired about the allowable use of OPEB funds. Interim GM Mayorga responded that the El Cerrito contract reconciliation is being amortized for the current year, and OPEB fund use is regulated by the Internal Revenue Code. Director Watt also inquired about the remaining funds at the end of the public safety building project. Interim GM Mayorga responded that this will be assessed as part of the financial forecast.

b. FY 2023-2024 Budget Development

Interim GM Mayorga presented this item as included in the packet.

c. Public Safety Building Renovation Costs-to-Date

Interim GM Mayorga presented this item as included in the packet noting that while some categories of costs were higher and others were lower than estimated, the overall project remains within budget. This will be incorporated into the financial forecast.

d. Updated Financial Forecast

Interim GM Mayorga reviewed the factors that are being considered as part of the updated financial forecast which will be brought back to the committee and incorporated as part of the budget. The committee discussed that the format of this could be made more user friendly and staff will make improvements for the next update.

5. FUTURE AGENDA ITEMS

These were no additional future agenda items as they were covered in other items already discussed.

- 6. ADJOURNMENT:** The meeting adjourned at 12:41 p.m.. The next Finance Committee Meeting will be determined at a future date and listed on the district's website with the minimum notice required by the Brown Act.

MINUTES PREPARED BY: Mary Morris-Mayorga, Interim General Manager

These minutes were approved at the Finance Committee Meeting on June 6, 2023.

Attest:

Finance Committee Chair

Line item	Description	Adopted FY 22-23 Budget	FTY 23-24 Budget	%	Proposed FY23-24 Fee
<i>Personnel</i>					
<i>Salaries & Wages</i>					
51110	Regular Salaries & Wages	\$ 5,778,026.00	\$ 6,204,983.22	27.75%	\$ 1,721,882.84
51120	Part-Time Permanent Salaries & Wages	\$ 51,500.00	\$ 80,000.00	27.75%	\$ 22,200.00
<i>Totals</i>		\$ 5,829,526.00	\$ 6,284,983.22		\$ 1,744,082.84
<i>Taxes & Benefits</i>					
51210	PERS	\$ 1,037,132.00	\$ 1,037,132.00	27.75%	\$ 287,804.13
51211	PERS UAL	\$ 2,323,883.00	\$ 2,323,883.00	27.75%	\$ 644,877.53
51220	FICA/MEDICARE	\$ 91,094.00	\$ 131,000.00	27.75%	\$ 36,352.50
51230	Medical Benefits	\$ 877,761.00	\$ 985,628.00	27.75%	\$ 273,511.77
51235	Life & LTD Insurance	\$ 42,726.00	\$ 42,843.00	27.75%	\$ 11,888.93
51240	Worker Comp Premiums	\$ 371,505.20	\$ 229,534.00	27.75%	\$ 63,695.69
51242	Worker Comp Pay	\$ 100,000.00	\$ 100,000.00	27.75%	\$ 27,750.00
<i>Totals</i>		\$ 4,844,101.20	\$ 4,850,020.00		\$ 1,345,880.55
<i>Personnel - Non Position Budgeting</i>					
51140	Overtime	\$ 1,155,050.00	\$ 800,000.00	27.75%	\$ 222,000.00
51145	FLSA Constant Staffing Back fill @ 1.5 (\$ 104,656.00	\$ 114,075.04	27.75%	\$ 31,655.82
51146	Fire Non-Supp OT	\$ 90,000.00	\$ 90,000.00	27.75%	\$ 24,975.00
51147	Fire OES Response	\$ 600,000.00	\$ 600,000.00	0.00%	\$ -
51155	One Time Payouts	\$ 50,000.00	\$ 50,000.00	0.00%	\$ -
51237	Allowances and Other Benefits	\$ 156,800.00	\$ 243,556.00	27.75%	\$ 67,586.79
51990	Salary Savings	\$ -	\$ -		\$ -
<i>Totals</i>		\$ 2,156,506.00	\$ 1,897,631.04		\$ 346,217.61
<i>Totals (51***)</i>		\$ 12,830,133.20	\$ 13,032,634.26		\$ 3,436,181.01
<i>Professional Services</i>					
52190	Miscellaneous Prof Svcs	\$ 299,500.00	\$ 318,200.00	33.33%	\$ 106,056.06
<i>Totals</i>		\$ 299,500.00	\$ 318,200.00		\$ 106,056.06
<i>Technical Services</i>					
52220	Medical Services	\$ 20,000.00	\$ 22,000.00	33.33%	\$ 7,332.60
52230	Other Technical Services	\$ 8,700.00	\$ 26,700.00	33.33%	\$ 8,899.11
52260	OES Equipment & Apparatus	\$ 100,000.00	\$ 100,000.00	0.00%	\$ -
<i>Totals</i>		\$ 128,700.00	\$ 148,700.00		\$ 16,231.71
<i>Purchased Professional & Technical Services Totals</i>		\$ 428,200.00	\$ 466,900.00		\$ 122,287.77
<i>Purchased Property Services</i>					
<i>Utilities</i>					
53110	Utilities-Energy	\$ 28,700.00	\$ 33,866.00	0.00%	\$ -
<i>Utilities Totals</i>		\$ 28,700.00	\$ 33,866.00		\$ -
<i>Repair & Maintenance Services</i>					
53230	Building Maint Services	\$ 25,000.00	\$ 25,000.00	33.33%	\$ 8,332.50
53240	Landscape/Park Maint Svcs	\$ 55,000.00	\$ 55,000.00	0.00%	\$ -
53250	Vehicle & Equip Maint Svc	\$ 150,000.00	\$ 150,000.00	25.00%	\$ 37,500.00

53270	Weed Abatement	\$ 100,000.00	\$ 100,000.00	0.00%	\$ -
53290	Miscellaneous R&M Svcs	\$ 120,000.00	\$ 194,000.00	33.33%	\$ 64,660.20
<i>Repair & Maintenance Services Totals</i>		\$ 450,000.00	\$ 524,000.00		\$ 110,492.70
<i>Leases & Rentals</i>					
53330	Vehic Replacement Rental Chrg	\$ 201,000.00	\$ 201,000.00	18.83%	\$ 37,848.30
<i>Leases & Rentals Totals</i>		\$ 201,000.00	\$ 201,000.00		\$ 37,848.30
<i>Other Property Services</i>		\$ -			
53910	Solid Waste Services	\$ 8,000.00	\$ 8,000.00	33.33%	\$ 2,666.40
		\$ 8,000.00	\$ 8,000.00		\$ 2,666.40
<i>Totals (53***)</i>		\$ 687,700.00	\$ 766,866.00		\$ 151,007.40
<i>Other Purchased Services</i>					
<i>Communications</i>					
54210	Telephone Expenses	\$ 18,700.00	\$ 19,635.00	20.00%	\$ 3,927.00
54220	Mobile/Wireless Expenses	\$ 12,400.00	\$ 13,020.00	20.00%	\$ 2,604.00
55230	Internet Services	\$ 15,000.00	\$ 15,750.00	33.33%	\$ 5,249.48
54240	Software Licenses & Maintenance	\$ 5,000.00	\$ 17,500.00	33.33%	\$ 5,832.75
<i>Communications Totals</i>		\$ 51,100.00	\$ 65,905.00		\$ 17,613.23
<i>Legal Notices & Advertisements</i>					
54310	Legal Notices & Advertise	\$ 2,500.00	\$ 2,500.00	25.00%	\$ 625.00
<i>Legal Notices & Advertisements Totals</i>		\$ 2,500.00	\$ 2,500.00		\$ 625.00
<i>Printing Services</i>					
54410	Printing & Binding	\$ 10,000.00	\$ 10,000.00	25.00%	\$ 2,500.00
<i>Printing Services Totals</i>		\$ 10,000.00	\$ 10,000.00		\$ 2,500.00
<i>Totals</i>					
<i>Transportation & Training</i>					
54610	Travel & Training	\$ 100,000.00	\$ 100,000.00	25.00%	\$ 25,000.00
<i>Transportation & Training Totals</i>		\$ 100,000.00	\$ 100,000.00		\$ 25,000.00
<i>Other Administrative Services</i>					
54910	Dues & Subscriptions	\$ 16,000.00	\$ 16,000.00	25.00%	\$ 4,000.00
54990	Other Administrative Svcs	\$ 9,500.00	\$ 9,500.00	25.00%	\$ 2,375.00
<i>Other Administrative Services Totals</i>		\$ 25,500.00	\$ 25,500.00		\$ 6,375.00
<i>Totals (54***)</i>		\$ 189,100.00	\$ 203,905.00		\$ 52,113.23
<i>Supplies</i>					
<i>Office Supplies</i>					
55110	General Office Supplies	\$ 6,000.00	\$ 6,000.00	25.00%	\$ 1,500.00
55120	Postage & Delivery	\$ 3,700.00	\$ 3,700.00	25.00%	\$ 925.00
55130	Postage & Delivery	\$ 1,000.00	\$ 1,000.00	25.00%	\$ 250.00
<i>Office Supplies Totals</i>		\$ 10,700.00	\$ 10,700.00		\$ 2,675.00
<i>Operating Supplies</i>					
55210	Fuel	\$ 54,600.00	\$ 60,060.00	27.00%	\$ 16,216.20
55220	Safety Supplies			30.00%	
55230	Medical Supplies	\$ 25,000.00	\$ 27,500.00	30.00%	\$ 8,250.00
55240	Clothing & Uniform Supply	\$ 75,000.00	\$ 75,000.00	33.33%	\$ 24,997.50

55250	Vehicle & Equip Supplies	\$ 18,500.00	\$ 18,500.00	25.00%	\$ 4,625.00
55290	Other Operating Supplies	\$ 10,000.00	\$ 10,000.00	25.00%	\$ 2,500.00
<i>Operating Supplies Totals</i>		\$ 183,100.00	\$ 191,060.00		\$ 56,588.70
<i>Maintenance Supplies</i>					
55520	Building Supplies	\$ 10,000.00	\$ 11,000.00	25.00%	\$ 2,750.00
<i>Maintenance Supplies Totals</i>		\$ 10,000.00	\$ 11,000.00		\$ 2,750.00
<i>Totals (55***)</i>		\$ 203,800.00	\$ 212,760.00		\$ 59,263.70
<i>Improvements-Other than Buildings</i>					
56310	Improvements, not Bldgs	\$ 20,000.00	\$ 20,000.00	0.00%	\$ -
<i>Improvements-Other than Buildings Totals</i>		\$ 20,000.00	\$ 20,000.00		\$ -
<i>Office Equipment</i>					
56410	Office Equipment <\$10K	\$ 22,000.00	\$ 10,000.00	0.00%	\$ -
<i>Office Equipment Totals</i>		\$ 22,000.00	\$ 10,000.00		\$ -
<i>Other Equipment</i>					
56710	Other Equipment <\$10K	\$ 7,100.00	\$ 7,100.00	0.00%	\$ -
<i>Other Equipment Totals</i>		\$ 7,100.00	\$ 7,100.00		\$ -
<i>Totals (56***)</i>		\$ 49,100.00	\$ 37,100.00		\$ -
Financing Costs					
<i>Licenses, Fees & Charges</i>					
58220	Licenses & Permits	\$ 2,500.00	\$ 2,500.00	25.00%	\$ 625.00
<i>Licenses, Fees & Charges Totals</i>		\$ 2,500.00	\$ 2,500.00		\$ 625.00
<i>Totals (58***)</i>		\$ 2,500.00	\$ 2,500.00		\$ 625.00
<i>Expense Totals</i>		\$ 14,390,533.20	\$ 14,722,665.26		\$ 3,821,478.10

Overhead charges (9% of Personnel) \$ 1,172,937.08 27.75% \$ 325,490.04

Kensington's Unreconciled Contract Amount \$ 4,146,968.14

Kensington's Reconciliation FY 2021-2022 Budget to Actual \$ 77,553.80

Kensington's Proposed Contract Fee FY 2022-2023 \$ 4,224,521.94



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 6, 2023
TO: Finance Committee
RE: FY 2021-22 ANNUAL AUDIT
SUBMITTED BY: Mary A. Morris-Mayorga, Interim General Manager

Recommended Action

This item is provided for presentation, review, and discussion prior to providing to the Board of Directors.

Background

Each year the District engages the services of a certified public accountant, currently MUN (Mann, Urrutia, and Nelson) CPAs, to audit the financial statements. The District's accounting firm, Maze & Associates, prepared the financial statements for the fiscal year ending June 30, 2022 and provided supporting financial schedules as requested by the auditors. Normally, the audit would be presented to the Board of Directors by the end of December; however, the last several years have posed staffing challenges for auditing firms which was also combined with the District's staff transition and Public Safety Building Renovation Project activity.

The audit is now complete with the audit report included in the packet and Justin Williams from MUN CPAs here to present it to the Finance Committee prior to presentation to the Board of Directors. Based upon the audit procedures performed, MUN CPAs has rendered their opinion that the District's financial statements present fairly, in all material respects, the District's financial position as of June 30, 2022, and the results of the governmental activities and the budgetary comparison information for the year then ended, in accordance with generally accepted accounting principles. This is commonly referred to as a "clean" or "unqualified" audit opinion and is the desired opinion.

Following review and input of the committee, staff will update the draft budget for discussion and approval by the Board of Directors in June.

Fiscal Impact

The cost of the annual audit was included in the budget.

Attachments: Fiscal Year 2021-22 Annual Audit Report



**KENSINGTON FIRE
PROTECTION DISTRICT**

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

DRAFT

**MANN, URRUTIA, NELSON, CPAs & ASSOCIATES, LLP
1760 CREEKSIDE OAKS DRIVE, SUITE 160
SACRAMENTO, CALIFORNIA 95833**

**KENSINGTON FIRE PROTECTION DISTRICT
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to the District's net OPEB asset, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2023, on our consideration of the Kensington Fire Protection 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 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 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 Kensington Fire Protection District's internal control over financial reporting and compliance.

Sacramento, California
May 18, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT

**KENSINGTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

The following discussion and analysis of the section of the Kensington Fire Protection District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ending June 30, 2022. This information is presented in conjunction with the audited financial statements.

FINANCIAL HIGHLIGHTS

- At the close of the fiscal year, June 30, 2022, assets of the District exceeded its liabilities by \$13,037,239 (net position). Of this amount, \$9,629,238 (unrestricted net position) may be used to meet the District's ongoing obligations to the citizens that the District serves.
- The District's total net position increased by \$1,242,991.
- At the close of the fiscal year, June 30, 2022, the District's general fund reported an ending fund balance of \$6,483,498, a decrease of \$(1,306,594) when compared with prior year.
- At the close of the fiscal year, June 30, 2022, the District's special revenue fund reported an ending fund balance of \$208,191, a decrease of \$(201,249) when compared with the prior year.
- At the close of the fiscal year, June 30, 2022, the District's capital project fund reported an ending fund balance of \$3,312,275, a decrease of \$(509,677) when compared with the prior year.
- At the end of the fiscal year, June 30, 2022, unassigned fund balance for the governmental funds was \$3,050,065.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

The financial section of this report consists of four parts: Government-wide financial statements, fund financial statements, the notes to the financial statements, and required supplementary information.

The government-wide financial statements are the statement of net position and the statement of activities, which are prepared using the economic resource measurement focus and the accrual basis of accounting. These statements provide both long-term and short-term information about the District's overall financial status. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of whether cash is received or paid. The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively. 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.

The fund financial statements are the balance sheet and statement of revenues, expenditures and changes in fund balance, and are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Fund financial statements keep track of specific sources of funding and spending for particular purposes. The District has three funds: general fund, special revenue fund, and capital project fund, which are all components of the governmental funds. The fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Changes in fund balance are reported if they will have an effect on the near-term cash flow of the District.

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

The required supplementary information presents the District's progress in funding its obligations to provide other post employee benefits as well as the District's budgetary comparison schedules.

**KENSINGTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

NET POSITION

The Statement of Net Position presents the financial position of the District on a full accrual basis and provides information about the nature and amount of resources and obligations at year-end. It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

The following table summarizes the Statement of Net Position for the fiscal years ending June 30, 2022 and June 30, 2021:

STATEMENT OF NET POSITION		
	2022	2021
ASSETS		
Current and other assets	\$ 11,229,363	\$ 9,887,381
Capital assets	2,662,896	2,280,680
Total Assets	13,892,259	12,168,061
DEFERRED OUTFLOW OF RESOURCES		
Net OPEB asset	-	6,527
LIABILITIES		
Accounts payable and other accruals	480,294	58,980
Long-term liability	233,481	321,360
Total Liabilities	713,775	380,340
DEFERRED INFLOW OF RESOURCES		
Net OPEB asset	141,245	-
NET POSITION		
Net investment in capital assets	2,662,896	2,280,680
Restricted	745,105	420,105
Unrestricted	9,629,238	9,093,463
Total Net Position	\$ 13,037,239	\$ 11,794,248

This table summarizes the net position of the District and reflects the net position increase of \$1,242,991 to \$13,037,239 in fiscal year 2022 from \$11,794,248 in fiscal year 2021. Net investment in capital assets increased \$382,216 reflecting the net of assets additions/disposals and depreciation on capital assets. Approximately 20% of the District's net position reflects its investment in capital assets (e.g., land, building, machinery, equipment and rolling stock). The District uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. The largest portion of the District's net position, 74%, reflects its investment in unrestricted net position. The unrestricted net position is a resource that can be used for transactions relating to the general operations of the District and increased by \$535,775 primarily due to conservative spending in anticipation of new building construction.

**KENSINGTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

CHANGES IN NET POSITION

The Statement of Net Position is a snapshot that shows assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position at a specific point in time. The Statements of Activities provides information on the nature and source of these assets and liabilities represented on the Statement of Net Position. This statement shows that revenues exceeded expenses by \$1,242,991 for fiscal year 2022. Ending net position totaled \$13,037,239 as of June 30, 2022. This is a 6.07% increase over June 30, 2021.

The following table summarizes the Statement of Activities for the fiscal years ending June 30, 2022 and June 30, 2021:

STATEMENT OF ACTIVITIES		
	2022	2021
REVENUES		
General Revenues		
Property taxes	\$ 4,783,334	\$ 4,525,850
Other revenues	708,262	378,222
Total Revenue	5,491,596	4,904,072
EXPENSES		
Public safety-fire protection operation	4,248,605	4,155,699
Total Expenses	4,248,605	4,155,699
Change in net position	1,242,991	748,373
Net position - beginning	11,794,248	11,045,875
Net position - ending	\$ 13,037,239	\$ 11,794,248

Total revenues increased by \$587,524 or 12% during the fiscal year 2022 compared to 2021, totaling \$5,491,596. Property tax revenue increased in fiscal year 2022 compared to 2021 by \$257,484 or 6%. Total expenditures increased by \$92,906 or 2% to \$4,248,605 in 2022.

**KENSINGTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

CAPITAL ASSETS

The District's investment in capital assets, net of accumulated depreciation, as of June 30, 2022 and 2021 was \$2,111,295 and \$2,280,680 respectively. The increase in capital assets is due to the purchase of a new Type III engine.

CAPITAL ASSETS		
	2022	2021
Land	\$ 5,800	\$ 5,800
Building and improvements	2,391,581	2,391,581
Equipment and furniture	547,192	547,192
Rolling stock	1,246,698	1,246,698
Subtotal	4,191,271	4,191,271
Less accumulated depreciation	(2,079,976)	(1,910,591)
Total net capital assets	\$ 2,111,295	\$ 2,280,680

Additional information about the District's capital assets can be found in Note 3 in the Notes to the Basic Financial Statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total revenues were higher than budgeted by \$93,366 largely due to property tax revenues in excess of budget by \$140,581 which was offset by actual interest income which was below budget by \$21,077.

Total expenses were above budget by \$79,176. Items significantly below budget were \$68,240 for outside professional service fees due primarily due to Emergency Preparedness Coordinator and Grant Writing consultants starting later than anticipated and \$34,530 for building utilities and services that could not be completed during the pandemic due to related COVID19 restrictions. Items significantly exceeding budget were \$13,582 for the El Cerrito contract reconciliation, \$17,210 for insurance increase, \$16,401 for Contra Costa County Fees, and \$37,050 for a Capital outlay adjustment from the prior year.

General fund: The general fund's revenue is derived from County of Contra Costa property taxes, which are used to run daily operations of the District.

Special revenue fund: The special revenue fund receives the special assessment tax voted in by the Kensington taxpayers in 1980 to be used for fire protection and prevention operations as determined by the District. The revenue received remains consistent with prior years.

Capital project fund: The capital project fund receives no tax revenue of its own, and is funded by the general fund on an as-needed basis. The District's Board of Directors votes annually on an amount to transfer and invest from the general fund to the capital project fund for long-term expected replacements.

The final budget was adopted by the Board of Directors at the September 2021 meeting. A revised version was adopted by the Board of Directors at the February 2022 meeting.

**KENSINGTON FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The primary factor affecting expenditures in the District's fiscal year 2021-22 budget is the City of El Cerrito service contract fee.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances for the Kensington Fire Protection District. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Kensington Fire Protection District, 217 Arlington Avenue, Kensington, CA 94707.

FINANCIAL STATEMENTS

**KENSINGTON FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and investments (Note 2)	\$ 10,411,735
Accounts receivable	6,020
Advance on taxes	63,746
Prepaid expenses and other assets	2,757
Net OPEB asset (Note 6)	745,105
Capital assets (Note 3)	
Nondepreciable capital assets	557,401
Depreciable capital assets, net	<u>2,105,495</u>
TOTAL ASSETS	<u>13,892,259</u>
<u>LIABILITIES</u>	
Accounts payable and other accruals	480,294
Long-term liabilities (Note 8)	<u>233,481</u>
TOTAL LIABILITIES	<u>713,775</u>
<u>DEFERRED INFLOW OF RESOURCES</u>	
Deferred inflow of resources - OPEB (Note 6)	<u>141,245</u>
<u>NET POSITION</u>	
Net investment in capital assets	2,662,896
Restricted	745,105
Unrestricted	<u>9,629,238</u>
TOTAL NET POSITION	<u>13,037,239</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	<u>\$ 13,892,259</u>

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See accompanying notes to the basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
<u>Governmental Activities</u>	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities
General Government	\$ 4,248,605	\$ -	\$ -	\$ (4,248,605)
Total Governmental Activities	\$ 4,248,605	\$ -	\$ -	\$ (4,248,605)

General Revenues:

Taxes	\$ 5,012,364
Lease income	36,603
Investment income	14,188
Other revenue	428,441
Total General Revenues	5,491,596
Change in Net Position	1,242,991
Net Position - July 1, 2021	11,794,248
Net Position - June 30, 2022	\$ 13,037,239

See accompanying notes to the basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022**

	General Fund	Special Revenue Fund	Capital Project Fund	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 6,800,416	\$ 208,191	\$ 3,403,128	\$ 10,411,735
Advance on supplemental taxes	63,746	-	-	63,746
Accounts receivable	6,020	-	-	6,020
Prepaid expenses and other assets	2,757	-	-	2,757
Total Assets	\$ 6,872,939	\$ 208,191	\$ 3,403,128	\$ 10,484,258
<u>LIABILITIES</u>				
Accounts payable and other accruals	\$ 383,016	\$ -	\$ 90,853	\$ 473,869
Wages payable	6,425	-	-	6,425
Total Liabilities	389,441	-	90,853	480,294
<u>FUND BALANCE</u>				
Non-spendable	2,757	-	-	2,757
Committed	409,043	208,181	3,309,515	3,926,739
Assigned	3,021,643	-	2,760	3,024,403
Unassigned	3,050,055	10	-	3,050,065
Total Fund Balance	6,483,498	208,191	3,312,275	10,003,964
Total Liabilities and Fund Balances	\$ 6,872,939	\$ 208,191	\$ 3,403,128	\$ 10,484,258

See accompanying notes to the basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total fund balances of governmental funds	\$	10,003,964
<p>Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the Governmental Funds because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds, net of accumulated depreciation of \$2,079,976.</p>		2,662,896
<p>Other long-term assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p> <p style="padding-left: 20px;">Net other post employment benefit (OPEB) asset</p>		745,105
<p>Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p> <p style="padding-left: 20px;">Long-term liabilities</p> <p style="padding-left: 20px;">Deferred inflows related to changes in the net OPEB asset</p>		(233,481) <u>(141,245)</u>
Net position of governmental activities	\$	<u><u>13,037,239</u></u>

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See accompanying notes to the basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Special Revenue Fund	Capital Project Fund	Total Governmental Funds
<u>REVENUES</u>				
Property taxes	\$ 4,783,334	\$ -	\$ -	\$ 4,783,334
Special taxes	3,815	200,603	-	204,418
Other taxes	24,612	-	-	24,612
Other revenues	428,441	-	-	428,441
Lease income	36,603	-	-	36,603
Interest income	8,923	359	4,906	14,188
	<u>5,285,728</u>	<u>200,962</u>	<u>4,906</u>	<u>5,491,596</u>
Total Revenues				
<u>EXPENDITURES</u>				
Current expenditures/expenses:				
City of El Cerrito service contract	3,525,871	-	-	3,525,871
City of El Cerrito reconciliation(s)	204,642	-	-	204,642
Firefighter's apparel/expenses	9,141	-	-	9,141
Insurance	49,030	-	-	49,030
Office wages and related expenses	176,838	-	-	176,838
Contra Costa county expenses	51,401	2,211	32	53,644
Wildland vegetation management	4,000	-	-	4,000
LAFCO	2,078	-	-	2,078
Professional development	3,324	-	-	3,324
Outside professional service fees	207,020	-	-	207,020
Public education	17,762	-	-	17,762
Office expense and supplies	9,457	-	-	9,457
Building utilities/services	39,170	-	-	39,170
Memberships	7,615	-	-	7,615
Community service activities	8,697	-	-	8,697
Staff appreciation	543	-	-	543
Repairs and maintenance	5,501	-	-	5,501
Debt service - principal (CalPERS settlement)	19,994	-	-	19,994
Capital outlay	37,050	-	514,551	551,601
	<u>4,379,134</u>	<u>2,211</u>	<u>514,583</u>	<u>4,895,928</u>
Total Expenditures				
Excess (Deficiency) of Revenues over Expenditures	<u>906,594</u>	<u>198,751</u>	<u>(509,677)</u>	<u>595,668</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	400,000	-	-	400,000
Transfers out	-	(400,000)	-	(400,000)
	<u>400,000</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
Change in Fund Balances	<u>1,306,594</u>	<u>(201,249)</u>	<u>(509,677)</u>	<u>595,668</u>
Fund Balances - July 1, 2021	<u>5,176,904</u>	<u>409,440</u>	<u>3,821,952</u>	<u>9,408,296</u>
Fund Balances - June 30, 2022	<u>\$ 6,483,498</u>	<u>\$ 208,191</u>	<u>\$ 3,312,275</u>	<u>\$ 10,003,964</u>

See accompanying notes to the basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities:

Change in fund balances - governmental funds	\$	595,668
The governmental funds report capital outlays as expenditures while governmental activities report depreciation as expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		551,601
Depreciation expense		(169,385)
Repayment of debt principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the Statement of Net Position:		
Debt principal payments		19,994
True up of El Cerrito liability		67,885
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund:		
Change in other post employment benefits (OPEB)		177,228
Change in net position of governmental activities	\$	1,242,991

See accompanying notes to the basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The Kensington Fire Protection District (District) is a special district empowered to take all the necessary steps to provide for fire protection and prevention services including enforcement of California State (State) laws applicable to fire codes. The financial statements of the District include all funds of the District. An elected Board of Directors governs the District, and exercises powers granted by State statutes.

In August 1995, the District entered into a contract with the City of El Cerrito (City) under which the City provides fire suppression and emergency medical services for the District. The contract provides that the District will pay the City an annual fee as defined in the contract (paid on a monthly basis) that expired June 30, 2022. The annual fee that the District paid under this contract for the fiscal year ended June 30, 2022 totaled \$3,229,643. In June 2022, the District's contract with the City was subsequently renewed through June 30, 2023.

B. Basis of Presentation

The basic financial statements of the Kensington Fire District have been prepared in conformity with accounting principals generally accepted in the United States of America. The Government Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing governmental accounting and financial reporting standards followed by governmental entities in the United States of America.

These standards require that the financial statements described below be presented.

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the activities of the District's overall government. The District's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes and other nonexchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational needs of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. A fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's funds, all of which are considered to be major governmental funds, are reported as separate columns in the fund financial statements. The District uses the following funds:

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

The *General Fund* is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

The *Special Revenue Fund* accounts for the special tax authorized by Section 53978 of the Government Code and approved by the District's electorate on April 8, 1980.

The *Capital Project Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities and rolling stock.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources, and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported.

All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." "Measurable" means knowing or being able to reasonably estimate the amount and "available" means that revenues are collectible within the current period or soon enough thereafter to pay current liabilities. For this purpose, the District considers special and other taxes to be available if they are collected within 90 days of year-end. The District considers property taxes to be available if they are collected within 60 days of year-end. Revenues not considered available are recorded as deferred revenues. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, such as vacation and sick leave, which are recognized when due.

D. Cash and Investments

Cash and investments include amounts in demand deposits as well as short-term and long-term investments with the county investment pool. Substantially all of the District's cash and investments are held by the County of Contra Costa (County) as its fiscal agent. The District's investments are reported at fair value. The fair value represents the amount the District could reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller. The fair value of investments is obtained by using quotations obtained from independent published sources. The District also maintains a general checking account to facilitate the processing of small transactions.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As permitted by the California Government Code, contracts and agreements, the District is permitted to invest in the County's cash and investment pool, obligations of the U.S. Treasury or its agencies; certificates of deposits; mutual funds invested in U.S. Government securities; and other permitted investments.

Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on quarter-end balances and is adjusted at fiscal year-end.

E. Accounts and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities include amounts due from county, advance on supplemental taxes, and interest receivable.

In the fund financial statements, material receivables in governmental funds include amounts due from county, advance on supplemental taxes, and interest receivable. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

F. Capital Assets

In the government-wide financial statements, capital assets are defined as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Capital assets, which include land, buildings, rolling stock (vehicles), and equipment/ furniture, are valued at historical cost, or an estimate of historical cost if actual cost is unavailable. Donated capital assets are valued at their estimated fair market value on the date received. Depreciation is computed for financial statement purposes using the straight-line method. The estimated useful lives for these depreciated assets are as follows:

Building and improvements	15 to 40 years
Rolling stock, equipment and furniture	5 to 15 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

G. Property Taxes

Revenue is recognized in the fiscal year for which the tax and assessment are levied. The County levies, bills and collects property taxes and special assessments for the District. Under the County's "Teeter Plan", the County remits the entire amount levied and handles all delinquencies while retaining related interest and penalties.

Taxes are levied for each fiscal year on taxable real and personal property situated in the County. The levy is based on the assessed values as of the preceding January 1st, which is also the lien date. Property taxes on the secured roll are due in two installments: November 1st and February 1st and become delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales or construction completion and the preceding assessment date. The additional supplemental property taxes are prorated from the first day of the month following the date of such occurrence.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Capital Project Fund. There are no appropriations or encumbrances in the Special Revenue Fund. All appropriations lapse at fiscal year-end.

I. Long-term Liabilities

In the government-wide financial statements, long-term liabilities, and other long-term obligations are reported as liabilities in the applicable governmental activities. In the governmental fund financial statements, issuance of new debt is recorded as other financing sources and principal payments as debt service expenditures.

J. Interfund Transactions

All interfund transactions are treated as transfers. The general fund is the main operating fund for the District. Annually, tax revenues recorded in the special revenue fund are transferred to the general fund to fund the District's operations. Transfers between governmental funds are eliminated as part of the adjustments to the government-wide presentation.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position, or balance sheet, will sometimes report a section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets or fund balance that applies to a future period(s) and so will be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position, or balance sheet, will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

L. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Equity Classifications

Government-Wide Statements

Net position is the excess of all the District's assets and deferred outflows of resources over all of its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the government-wide level, and are described below:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, constructions, or improvements of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "net investment in capital assets," or "restricted."

Fund Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the district's highest level of decision-making authority. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).
- d. Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed. *Intent* is expressed by (a) the District's Board or (b) a body (for example: a budget or finance committee) or (c) official to which the District's Board has delegated the authority to assign amounts to be used for specific purpose.
- e. Unassigned - Amounts representing the residual classification for the general fund, and includes all amounts not contained in the other classifications.

Further detail about the District's fund balance classification is described in Note 4.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Budgets and Budgetary Accounting

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

- a. At the June Board of Directors (Board) meeting, the Finance Committee submits to the Board proposed operating and capital improvement draft budgets for the fiscal year commencing the following July 1. The operating and capital improvement budgets include proposed expenditures and the means of financing them.
- b. The Draft budget is legally enacted through the adoption of a resolution by the Board.
- c. A final operating and capital improvement budget is submitted to the Board at the September Board meeting. The budget is legally enacted through the adoption of a resolution by the Board.
- d. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund. The Capital Project Fund is budgeted over the life of the project.
- e. Budgets for the General Fund, Special Revenue Fund and the Capital Project Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- f. The Special Revenue Fund is only used to accumulate special tax revenues, which are then transferred to the other funds as needed.

O. Use of Estimates

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

P. Subsequent Events

Subsequent events have been evaluated through May 18, 2023, which is the date the financial statements were issued.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2021, the District implemented the following accounting and financial reporting standards:

Government Accounting Standards Board 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 by governments. This statement requires 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 an intangible 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. Application of this statement has had no material impact on the District's financial statements for the fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires interest costs incurred before the end of a construction period to be recorded as an expenditure in the applicable period. 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. Application of this statement has had no material impact on the District's financial statements for the fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Application of this statement has had no material impact on the District's financial statements for the fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). Application of this statement has had no material impact on the District's financial statements for the fiscal year ending June 30, 2022.

Government Accounting Standards Board Statement No. 97

In June 2020, 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 Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a partial 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. Application of this statement has had no material impact on the District's financial statements for the fiscal year ending June 30, 2022.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2022 or later and may be applicable to the District. However, the District has not determined the effects, if any, on the financial statements.

Government Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The purpose of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial assets, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023.

Government Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023.

Governmental Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for guarantees. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to leases, PPPs and SBITAs are effective for the District's fiscal year ending June 30, 2023 and the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the District's fiscal year ending June 30, 2024.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Accounting Standards Board Statement No. 100

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the District's fiscal year ending June 30, 2024.

Governmental Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for the District's fiscal year ending June 30, 2025.

NOTE 2: CASH AND INVESTMENTS

Cash and investments at June 30, 2022 consisted of the following:

Deposits		\$	97,746
Cash held by the county			3,557,699
Petty cash			200
Total cash			3,655,645
Local Agency Investment Fund			6,756,090
Total investments			6,756,090
Total Cash and Investments		\$	10,411,735

Deposits

At year-end, the carrying amount of the District's demand deposits was \$97,746 with a commercial bank which is covered by federal depository insurance.

Cash held by the County

The District's cash is included in the Contra Costa County (County) Treasurer cash and investments pool. Investments made by the Treasurer are regulated by California Government Code and by a County investment policy approved annually by the County Treasury Oversight Committee. Adherence to the statutes and policies is monitored by the County Board of Supervisors and by the Treasury Oversight Committee via monthly reports and an annual audit. Investment income earned on the District's cash is allocated quarterly to the District. Changes in fair value are included in investment income. Redeemed or sold shares are priced at book value, which includes realized investment earnings such as interest income, realized gains or losses upon sale of investments, and amortized premiums and discounts. This number may differ from the shares' fair value, which would include unrealized gains or losses based on market conditions. Additional information regarding insurance, collateralization, and custodial risk categorization of the County's cash and investments is presented in the notes of the County's basic financial statements.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Separately Held Investments

The County also has investments in the State Treasurer's Local Agency Investment Fund (LAIF) separately held for the District. As of June 30, 2022, the District's investment in LAIF is \$6,756,090 which is approximately 4.88% of total Contra Costa County LAIF. The total amount invested by all public agencies under the County Pool in LAIF at June 30, 2022 is \$264,033,275. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designed by State Statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different from the fair value of the District's position in the pool.

Authorized Investments of the District

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that addresses interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligation	5 years	None	None
Banker's Acceptances	180 days	10%	5%
Commercial Paper	270 days	25%	5%
Certificates of Deposit	5 years	30%	None
Collateralized Bank Deposits	5 years	None	None
Medium-Term Corporate Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	10%
CD Placement Services	5 years	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Funds (CalTRUST)	N/A	None	None
U.S. Agency Obligations	5 years	None	None

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk in the market rate changes that could adversely affect the fair values 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. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for District operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2022:

	Remaining Maturity		Fair Value
	12 months or less	1-5 years	
Local Agency Investment Fund	\$ 6,756,090	\$ -	\$ 6,756,090
	<u>\$ 6,756,090</u>	<u>\$ -</u>	<u>\$ 6,756,090</u>

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 an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the investment policy, or debt agreements, and the actual rating as of the fiscal year for each investment type.

	Total	Rating as of Fiscal Year End		
		S&P	Moody's	N/A
Local Agency Investment Fund	\$ 6,756,090			Not rated
	<u>\$ 6,756,090</u>			

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2022 there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represented 5% or more of the total District investments.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3: CAPITAL ASSETS

The District's capital asset activity during the year was as follows:

Governmental activities:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2022</u>
Capital assets not being depreciated				
Land	\$ 5,800	\$ -	\$ -	\$ 5,800
Work in progress	<u>-</u>	<u>551,601</u>	<u>-</u>	<u>551,601</u>
Total capital assets not being depreciated	<u>5,800</u>	<u>551,601</u>	<u>-</u>	<u>557,401</u>
Capital assets being depreciated				
Building and improvements	2,391,581	-	-	2,391,581
Equipment and furniture	547,192	-	-	547,192
Rolling stock equipment	<u>1,246,698</u>	<u>-</u>	<u>-</u>	<u>1,246,698</u>
Total capital assets being depreciated	<u>4,185,471</u>	<u>-</u>	<u>-</u>	<u>4,185,471</u>
Less accumulated depreciation				
Building and improvements	(1,208,878)	(67,331)	-	(1,276,209)
Equipment and furniture	(423,249)	(31,758)	-	(455,007)
Rolling stock equipment	<u>(278,464)</u>	<u>(70,296)</u>	<u>-</u>	<u>(348,760)</u>
Total accumulated depreciation	<u>(1,910,591)</u>	<u>(169,385)</u>	<u>-</u>	<u>(2,079,976)</u>
Total capital asset being depreciated, net	<u>2,274,880</u>	<u>(169,385)</u>	<u>-</u>	<u>2,105,495</u>
Total capital assets, net	<u>\$ 2,280,680</u>	<u>\$ 382,216</u>	<u>\$ -</u>	<u>\$ 2,662,896</u>

Depreciation expense totaled \$169,385 for the year ended June 30, 2022.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4: FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The Board of Directors, as the District's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal action. Committing fund balance is accomplished by approval of an action item by the Board of Directors. These committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use through the same type of formal action taken to establish the commitment.

Assigned fund balance are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted or committed.

The accounting policies of the District consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, and unassigned amounts.

As of June 30, 2022, fund balances were comprised of the following:

	General Fund	Special Revenue Fund	Capital Project Fund	Total Governmental Funds
Nonspendable				
Prepays and other assets	\$ 2,757	\$ -	\$ -	\$ 2,757
Subtotal	<u>2,757</u>	<u>-</u>	<u>-</u>	<u>2,757</u>
Committed				
Public protection	-	208,181	-	208,181
Capital projects	-	-	3,309,515	3,309,515
City of El Cerrito contract reserve	<u>409,043</u>	<u>-</u>	<u>-</u>	<u>409,043</u>
Subtotal	<u>409,043</u>	<u>208,181</u>	<u>3,309,515</u>	<u>3,926,739</u>
Assigned				
Public protection	3,021,643	-	-	3,021,643
Capital projects	<u>-</u>	<u>-</u>	<u>2,760</u>	<u>2,760</u>
Subtotal	<u>3,021,643</u>	<u>-</u>	<u>2,760</u>	<u>3,024,403</u>
Unassigned				
	<u>3,050,055</u>	<u>-</u>	<u>-</u>	<u>3,050,055</u>
Total Fund Balances	<u>\$ 6,483,498</u>	<u>\$ 208,181</u>	<u>\$ 3,312,275</u>	<u>\$ 10,003,954</u>

The Board's financial planning aims to help reduce the negative impact on the District in times of economic uncertainty and potential losses of funding from federal or state governmental agencies. District funds are restricted, committed and assigned as part of a multi-year financial plan to balance the budget and avoid operating deficits.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5: INTERFUND TRANSFERS TO/FROM OTHER FUNDS

Transfers between funds during the fiscal year ended June 30, 2022 were as follows:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Description of Transfers</u>	<u>Amount</u>
Special Revenue Fund	General Fund	To clear fund to a minimum balance.	\$ <u>400,000</u>
Total Interfund Transfers			\$ <u>400,000</u>

NOTE 6: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Description of the Plan

The District provides post-retirement health benefits (medical, dental and vision) to a closed group of former employees who have retired from the District and to their surviving spouses and dependent children. The District pays 100% of the annuitants' health plan premiums. Currently, a total of 9 family units (13 individuals including 4 former employees, 5 widows and 4 spouses) are receiving post-retirement health benefits. There are no separate financial statements issued for the OPEB plan.

The District participates in the California Employer's Retiree Benefit Trust (CERBT). CERBT is an irrevocable trust fund that allows public employers to prefund the future cost of their retiree health insurance benefits and other post employment benefits (OPEB) for their covered retirees. The District elected to participate in CERBT and contributed a total of \$1,165,000 in October 2008 to CalPERS, the CERBT's administrator. The prefunding was intended to reduce and stabilize the District's annual required contribution to its OPEB plan in future years at an expected level for budgeting purposes. CalPERS issued a publicly available financial report that includes financial statements and required supplementary information for CERBT in aggregate. The report may be obtained by writing to CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

Employees Covered

As of the June 30, 2021 actuarial valuation, the following former employees were covered by the benefit terms under the Plan:

Active employees	-
Inactive employees currently receiving benefits	<u>9</u>
Total	<u>9</u>

Contributions

The contribution requirements of plan members and the District are established and may be amended by the Board. The District's policy is to fully fund the actuarially determined contribution, when required. The District makes the contributions on behalf of the participants. For the fiscal year ended June 30, 2022, there were no contributions, since the plan is fully funded and benefit payments are made from the Trust.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Net OPEB Asset

The District's net OPEB asset was measured as of June 30, 2021 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2021 based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Funding Method	Entry Age Normal Cost, level percent pay
Discount Rate	6.73%
Inflation	2.26% annual inflation
Payroll increases	3.25% annual increases.
Net Investment Return	6.73%
Mortality Rates	The mortality rates used are those used in the most recent CalPERS valuations: <i>Pre-Retirement:</i> CalPERS 2017 Mortality pre-retirement <i>Post-Retirement:</i> CalPERS 2017 Mortality post-retirement
Healthcare Trend Rate	<i>Pre-65:</i> 6.74% <i>Post-65:</i> 5.08%
Health Plan Participation	Assumed that 100% of eligible participants will participate.
Medicare Coverage	Assumed that all retirees under 65 will be eligible for Medicare when they reach age 65.

Changes in Assumptions

The average per capita cost was updated to reflect actual 2021 and 2022 premiums. The health care cost trend rate was updated to reflect 2022 industry survey data and used the 2022 Getzen model to project long-term trend.

There have been no other assumptions changes for the measurement period June 30, 2021.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2021 was 6.73%. This discount rate was based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Long-term Expected Rate of Return

The expected long-term return on assets takes into account the time horizon of the plan, the asset allocation, and the expected long-term real rates of return by asset class. Below are the arithmetic long-term expected real rates of return by asset class for the next 10 years as provided in a report by JP Morgan. For years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.26% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Bond Buyer 20-Bond General Obligation index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate. The expected long-term real rates of return for each major investment class in the Plan's portfolio are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.00%	5.43%
Fixed Income	49.00%	1.63%
Real Estate Investment Trusts	8.00%	5.06%
Total	<u>100.00%</u>	

Changes in the OPEB Asset

To determine the June 30, 2021 (measurement period) net OPEB asset, the District used a roll-forward technique for the total OPEB liability. The fiduciary net position is based on the actual June 30, 2021 fiduciary net position. The following table shows the results of the roll-forward.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) (b)
Balance at June 30, 2021	\$ 1,005,564	\$ 1,425,669	\$ (420,105)
Interest cost	64,309	-	64,309
Differences between expected and actual experience	13,722	-	13,722
Net investment income	-	278,361	(278,361)
Assumption changes	(125,183)	-	(125,183)
Benefit payments, including refunds of employee contribution	(101,648)	(101,648)	-
Administrative expenses	-	(513)	513
Net change during 2021-22	<u>(148,800)</u>	<u>176,200</u>	<u>(325,000)</u>
Balance at June 30, 2022	<u>\$ 856,764</u>	<u>\$ 1,601,869</u>	<u>\$ (745,105)</u>

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

The following represents the net OPEB Asset of the District if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2021:

	1% Decrease 5.73%	Current Discount Rate 6.73%	1% Increase 7.73%
Net OPEB Asset	\$ (664,645)	\$ (745,105)	\$ (813,519)

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rates

The following represents the net OPEB asset of the District if it were calculated using health care cost trend rates that are one percentage-point lower or one percentage-point higher than the current rate, for measurement period ended June 30, 2021:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Asset	\$ (811,797)	\$ (745,105)	\$ (667,974)

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB asset and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments 5 year straight-line recognition

All other amounts Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period.

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the District recognized OPEB benefit of \$177,228. As of fiscal year ended June 30, 2022, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	141,245
Total	\$ 141,245

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

For the Fiscal Year Ending June 30,	Recognized Deferred Inflows of Resources
2023	\$ (34,574)
2024	\$ (35,433)
2025	\$ (34,079)
2026	\$ (37,159)

NOTE 7: RISK MANAGEMENT

The Kensington Fire Protection District is a member of Contra Costa County Fire District's Joint Power of Authority Insurance Pool (CSAC). The District is exposed to various risks of loss related to torts, theft damages, destruction of assets, public officials' errors and omissions, injuries to employees, and natural disasters. The District carries commercial insurance for risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any recent fiscal year, and there has been no significant reduction in insurance coverage over the past three fiscal years.

The District's deductibles and maximum coverage are as follows:

Coverage Description	Deductibles	Insurance Coverage
General and Auto Liability	None	\$50,000,000
All Risk Property	\$500 (all other property)	\$600,000,000 (all other property)
	\$100,000 (flood)	\$600,000 (flood)
	\$500 (mobile equipment)	None
	\$50,000 (terrorism)	\$750,000,000
Earthquake	2% per unit	\$540,000,000
	\$100,000 minimum	None
Pollution Liability	\$250,000	\$10,000,000
Boiler and Machinery	\$5,000	\$100,000,000

**KENSINGTON FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8: LONG TERM LIABILITIES

The District pays a true-up of expenses to the City of El Cerrito for fire protection services. The City of El Cerrito liability represents the "true-up" or reconciling costs for fire protection costs incurred from prior years. At the end of every year, these expenses are totaled by City of El Cerrito and the final true-up of expenses is provided to the District in the following year cost proposal. There is roughly a two year lag in information, so the District pays for the true-up expenses from two years ago. As of June 30, 2022, the long-term liability is \$233,481 which consists of \$123,165 related to actual reconciling costs for services performed in FY 20/21 and \$110,316 related to estimated costs for services performed in FY 21/22.

NOTE 9: CONTINGENCIES AND COMMITMENTS

The District is subject to litigation arising in the normal course of business. In the opinion of the management, there is no pending litigation which is likely to have a material adverse effect on the financial position of the District.

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

**KENSINGTON FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL FOR THE GENERAL FUND AND SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund			Special Revenue Fund		
	Final Budget	Actual	Variance with Final Budget Under (Over)	Final Budget	Actual	Variance with Final Budget Under (Over)
REVENUES						
Property taxes	\$ 4,642,753	\$ 4,783,334	\$ (140,581)	\$ -	\$ -	\$ -
Special taxes	-	3,815	3,815	204,418	200,603	3,815
Other taxes	24,000	24,612	(612)	-	-	-
Other revenues	468,159	428,441	39,718	-	-	-
Lease income	27,450	36,603	(9,153)	-	-	-
Interest income	30,000	8,923	21,077	-	359	(359)
Total Revenues	5,192,362	5,285,728	(93,366)	204,418	200,962	3,456
EXPENDITURES						
Current expenditures/expenses:						
City of El Cerrito service contract	3,525,860	3,525,871	(11)	-	-	-
City of El Cerrito reconciliation(s)	191,060	204,642	(13,582)	-	-	-
Firefighter's apparel/ expenses	15,300	9,141	6,159	-	-	-
Insurance	31,820	49,030	(17,210)	-	-	-
Office wages and related expenses	198,559	176,838	21,721	-	-	-
Contra Costa county expenses	35,000	51,401	(16,401)	-	2,211	(2,211)
Wildland vegetation management	7,600	4,000	3,600	-	-	-
Fire abatement contract	5,000	-	5,000	-	-	-
LAFCO	4,254	2,078	2,176	-	-	-
Professional development	-	3,324	(3,324)	-	-	-
Outside professional service fees	291,850	207,020	84,830	-	-	-
Public education	28,649	17,762	10,887	-	-	-
Office expense and supplies	10,565	9,457	1,108	-	-	-
Building utilities/services	73,700	39,170	34,530	-	-	-
Memberships	8,720	7,615	1,105	-	-	-
Community service activities	14,996	8,697	6,299	-	-	-
Staff appreciation	3,000	543	2,457	-	-	-
Repairs and maintenance	-	5,501	(5,501)	-	-	-
Debt service - principal (CalPERS settlement)	12,377	19,994	(7,617)	-	-	-
Capital outlay	-	37,050	(37,050)	-	-	-
Total Expenditures	4,458,310	4,379,134	79,176	-	2,211	(2,211)
Subtotal - Revenues Less Expenditures	734,052	906,594	(172,542)	204,418	198,751	5,667
OTHER FINANCING SOURCES (USES)						
Transfers in	-	400,000	400,000	-	-	-
Transfers out	-	-	-	-	(400,000)	(400,000)
Total other financing sources (uses)	-	400,000	400,000	-	(400,000)	(400,000)
Change in Fund Balance	734,052	1,306,594	572,542	204,418	(201,249)	(405,667)
Fund Balance - July 1, 2021		5,176,904			409,440	
Fund Balance - June 30, 2022		\$ 6,483,498			\$ 208,191	

**KENSINGTON FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB ASSET AND RELATED RATIOS
For the Measurement Period Ended June 30

Last 10 Years*

	2021	2020	2019	2018	2017
Total OPEB Liability					
Interest	\$ 64,309	\$ 68,428	\$ 81,835	\$ 84,260	\$ 99,977
Difference between expected and actual experience	13,722	(22,395)	(167,556)	(14,315)	146,389
Assumption changes	(125,183)	-	(4,722)	-	(373,443)
Benefit payments, including refunds of employee contribution	(101,648)	(112,644)	(105,006)	(106,929)	(105,986)
Net change in total OPEB liability	(148,800)	(66,611)	(195,449)	(36,984)	(233,063)
Total OPEB liability, beginning	1,005,564	1,072,175	1,267,624	1,304,608	1,537,671
Total OPEB liability, ending (a)	<u>\$ 856,764</u>	<u>\$ 1,005,564</u>	<u>\$ 1,072,175</u>	<u>\$ 1,267,624</u>	<u>\$ 1,304,608</u>
Plan Fiduciary Net Position					
Net investment income	\$ 278,361	\$ 79,104	\$ 101,767	\$ 91,709	\$ 112,865
Benefit payments, including refunds of employee contributions	(101,648)	(112,644)	(105,006)	(106,929)	(105,986)
Administrative expenses	(513)	(722)	(313)	(772)	(739)
Net change in plan fiduciary net position	176,200	(34,262)	(3,552)	(15,992)	6,140
Plan fiduciary net position, beginning	1,425,669	1,459,931	1,463,483	1,479,475	1,473,335
Plan fiduciary net position, ending (b)	<u>\$ 1,601,869</u>	<u>\$ 1,425,669</u>	<u>\$ 1,459,931</u>	<u>\$ 1,463,483</u>	<u>\$ 1,479,475</u>
District's net OPEB asset, ending (a) - (b)	<u>\$ (745,105)</u>	<u>\$ (420,105)</u>	<u>\$ (387,756)</u>	<u>\$ (195,859)</u>	<u>\$ (174,867)</u>
Plan Fiduciary net position as a percentage of the total OPEB liability	187 %	142 %	136 %	115 %	113 %
Covered-employee payroll**	-	-	-	-	-
District's net OPEB asset as a percentage of covered-employee payroll**	-	-	-	-	-

Notes to Schedule:

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only five years are shown. Additional years' information will be displayed as it becomes available.

**Covered employee payroll is annual compensation paid (or expected to be paid) to active employees covered by an OPEB plan, in aggregate. The District provides post-retirement health benefits (medical, dental and vision) to a closed group of former employees who have retired from the District and to their surviving spouses and dependent children, thus there is no covered-employee payroll.

**KENSINGTON FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
For the Fiscal Year Ended June 30**

Last 10 Years*

	2022**	2021**	2020**	2019**	2018**
Actuarially Determined Contribution (ADC) Contributions in relation to the ADC	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll****	-	-	-	-	-
Contributions as a percentage of covered-employee payroll****	-	-	-	-	-

Notes to Schedule:

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only five years are shown. Additional years' information will be displayed as it becomes available.

** The District's policy is to fully fund the actuarially determined contribution, when required. The District makes the contributions on behalf of the participants. For the fiscal year ended June 30, 2022 and prior years presented, there were no contributions, since the plan is fully funded and benefit payments are made from the Trust.

*** Covered employee payroll is annual compensation paid (or expected to be paid) to active employees covered by an OPEB plan, in aggregate. The District provides post-retirement health benefits (medical, dental and vision) to a closed group of former employees who have retired from the District and to their surviving spouses and dependent children, thus there is no covered-employee payroll.

OTHER REPORTS

DRAFT

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund, of the Kensington Fire Protection District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Kensington Fire Protection District's basic financial statements, and have issued our report thereon dated May 18, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Kensington Fire Protection District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Kensington Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Kensington Fire Protection District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Kensington Fire Protection District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sacramento, California
May 18, 2023

DRAFT

KENSINGTON FIRE PROTECTION DISTRICT

MANAGEMENT REPORT
FOR THE YEAR ENDED
JUNE 30, 2022

DRAFT

MANN, URRUTIA, NELSON, CPAS & ASSOCIATES, LLP
1760 CREEKSIDE OAKS DRIVE, SUITE 160
SACRAMENTO, CALIFORNIA 95833

MANAGEMENT REPORT

To the Board of Directors and Management
of Kensington Fire Protection District

In planning and performing our audit of the financial statements of Kensington Fire Protection District as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered Kensington Fire Protection District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kensington Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comment and suggestion regarding the matter. This letter does not affect our report dated **May 31, 2023**, on the financial statements of Kensington's Fire Protection District.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the District's management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Directors, and others within Kensington Fire Protection District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Mann, Urrutia, Nelson, CPAs & Associates, LLP
Sacramento, California
May 31, 2023

**KENSINGTON FIRE PROTECTION DISTRICT
SUMMARY OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS
JUNE 30, 2022**

Accounts Receivable (Repeat Finding)

We noted during our testing of Accounts Receivable a large volume of activity dating back to at least calendar year 2001 that should be cleared from the District's general ledger. We recommend that District's management review Accounts Receivable sub-ledger for stale activity.

Management Response: The GM is working with Maze & Associates to clear any stale activity.

Accounts Payable (Repeat Finding)

We noted during our testing of Accounts Payable a large volume of activity dating back to at least calendar year 2000 that should be cleared from the District's general ledger. We recommend that District's management review Accounts Payable sub-ledger for stale activity.

Management Response: The GM is working with Maze & Associates to clear any stale activity.

Capital Assets

During our testing of the District's capital assets we identified an asset that had been disposed but was still included in the asset listing and included as part of the fixed asset general ledger balance. We recommend that management implement a process to review and update the fixed asset listing monthly.

Management Response: Maze & Associates has been directed to update the fixed asset listing for asset disposals which will then be reviewed by the General Manager.

DRAFT

**KENSINGTON FIRE PROTECTION DISTRICT
STATUS OF PRIOR YEAR AND RECOMMENDATIONS
JUNE 30, 2021**

Accounts Receivable

We noted during our testing of Accounts Receivable a large volume of activity dating back to at least calendar year 2001 that should be cleared from the District's general ledger. We recommend that District's management review Accounts Receivable sub-ledger for stale activity.

Status: Repeat finding in current year.

Accounts Payable

We noted during our testing of Accounts Payable a large volume of activity dating back to at least calendar year 2000 that should be cleared from the District's general ledger. We recommend that District's management review Accounts Payable sub-ledger for stale activity.

Status: Repeat finding in current year.

Capital Assets

During our testing of the District's capital assets we identified an asset that had been disposed but was still included in the asset listing and included as part of the fixed asset general ledger balance. We recommend that management implement a process to review and update the fixed asset listing monthly.

Status: Implemented in the current year.

DRAFT



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 6, 2023
TO: Finance Committee
RE: FY 2021-2022 AND 2022-23 OPEB ACTUARIAL REPORTS
SUBMITTED BY: Mary A. Morris-Mayorga, Interim General Manager

Recommended Action

This item is provided for review, discussion, and for any staff direction prior to submitting to the Board of Directors.

Background

Prior to the 1995 agreement with El Cerrito for fire protection services, the District had firefighter employees. The District provides post-retirement health benefits (medical, dental and vision) to this group of former employees who have retired from the District and to their surviving spouses and dependent children. All of the retiree's health plan premiums are paid by the District. There are currently nine participants receiving post-retirement health benefits.

This post-retirement benefit represents a liability which the District funds through an OPEB Trust which has been established with the California Employers' Retiree Benefit Trust (CERBT). This is an irrevocable trust fund that allows public employers to prefund the future cost of their retiree health insurance benefits and other post-employment benefits (OPEB) for their covered retirees.

As a participating agency of CERBT and as required for the annual audit, the OPEB Actuarial GASB 75 Report for Fiscal Year 2021-22 has been completed by Nicolay Consulting. The required information was included in the audit and provided to CERBT for their annual reporting. The District contributed funding to CERBT in 2008 so the OPEB liability is fully funded as of the date of the Actuarial Valuation.

As part of preparing for the Fiscal Year 2022-2023 audit, Nicolay had previously been retained to complete the required GASB 75 Report and provided the cost as \$3,000 which will be included in the budget.

Fiscal Impact

The District's OPEB liability is 187% funded, so no additional funding is needed. The cost of the GASB 75 Report will be included in the Fiscal Year 2023-24 Budget.

Attachments: Fiscal Year 2021-22 OPEB Actuarial GASB 75 Report

**Kensington Fire Protection District
OPEB Plan**

**Governmental Accounting Standards Board
(GASB) Statement 75
Actuarial Valuation Date: June 30, 2021
Measurement Date: June 30, 2021
Fiscal Year End: June 30, 2022**

March 23, 2023



March 23, 2023

OPEB CONSULTANTS AND ACTUARIES
231 SANSOME STREET, SUITE 300
SAN FRANCISCO, CALIFORNIA 94104
TEL: 415-512-5300
FAX: 415-512-5314

Ms. Brenda Navellier
Administrator
Kensington Fire Protection District
217 Arlington Avenue
Kensington, CA 94707

Re: Kensington Fire Protection District GASB 75 Report for FYE June 30, 2022

Dear Ms. Navellier,

Kensington Fire Protection District (the "District") has retained Nicolay Consulting Group to complete this valuation of the District's postemployment medical program (the "Plan") as of June 30, 2021 measurement date compliant under Governmental Accounting Standards Board (GASB) Statement 75.

The purpose of this valuation is to determine the value of the expected postretirement benefits for current and future retirees and the Net OPEB Liability and OPEB Benefit Cost for the fiscal year ending June 30, 2022. The amounts reported herein are not necessarily appropriate for use for a different fiscal year without adjustment.

Based on the foregoing, the cost results and actuarial exhibits presented in this report were determined on a consistent and objective basis in accordance with applicable Actuarial Standards of Practice and generally accepted actuarial procedures. We believe they fully and fairly disclose the actuarial position of the Plan based on the plan provisions, employee and plan cost data submitted.

The actuarial calculations were completed under the supervision of Sue Simon and Earlene Young. They are members of the American Academy of Actuaries who meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. In our opinion, assumptions as approved by the plan sponsor are reasonably related to the experience of and expectations for the Plan.

We would be pleased to answer any questions on the material contained in this report or to provide explanation or further detail as may be appropriate.

NICOLAY CONSULTING GROUP



Earlene L Young EA, FCA, MAAA
Senior Actuary



Sue Simon ASA, MAAA, EA, FCA
Vice President & Senior Actuary

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Section I Management Summary

A) Highlights

Summary of Key Valuation Results

	2021	2020
Disclosure elements as of measurement period ending June 30:		
<u>Present Value of Future Benefits:</u>		
Active	\$0	\$0
Retiree	856,764	1,005,564
Total	\$856,764	\$1,005,564
<u>Actuarial Accrued Liability or Total OPEB Liability (TOL)</u>		
Active	\$0	\$0
Retiree	856,764	1,005,564
Total	\$856,764	\$1,005,564
Plan Fiduciary Net Position (i.e. Fair Value of Assets)	1,601,869	1,425,669
Net OPEB Liability (NOL)	(\$745,105)	(\$420,105)
Plan Fiduciary Net Position as a percentage of the TOL	187%	142%
Aggregate OPEB Expense (Exhibit 4)	(\$177,228)	(\$48,607)
Covered Payroll	N/A	N/A
Schedule of contributions for measurement period ending June 30:		
Actuarially determined contributions (Exhibit 7)	\$0	\$0
Actual contributions ⁽¹⁾	0	0
Contribution deficiency/(excess)	\$0	\$0
Employer's Share of Benefit Payments	\$101,648	\$112,644
Demographic data for measurement period ending June 30⁽²⁾:		
Number of active members	0	0
Number of retired members and beneficiaries	9	9
Inactive Participants with deferred benefits	0	0
Total Participants	9	9
Key assumptions as of the Measurement Date:		
Discount rate	6.73%	6.73%
<u>Initial Trend Rate</u>		
Pre-65	6.74%	7.00%
Post-65	5.08%	5.00%
Ultimate Rate	4.00%	5.00%
Year Ultimate Rate is Reached	2069	2029

(1) Includes payments to trust and amounts paid directly by the plan sponsor

(2) Census data as of June 30, 2021 is used in the measurement of the TOL as of June 30, 2021. See Section III for additional details on the demographic data.

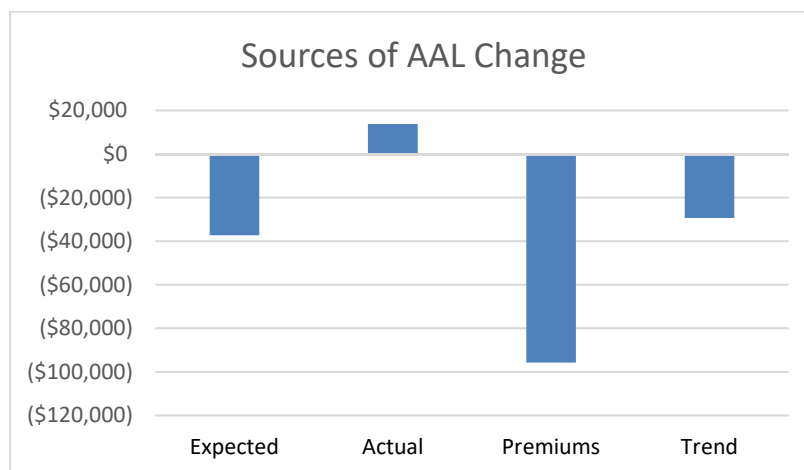
Section I Management Summary

B) Gap Analysis

The Total OPEB Liability has decreased \$148,800 from \$1,005,564 as of June 30, 2020 to \$856,764 as of June 30, 2021. A breakdown of the sources of this change in liability is shown below (thousands; amounts may not add due to rounding):

Change in TOL	Amount	Percentage
Liability Experience		
Expected Benefits Earned, Benefit Payments and Interest	(\$37)	(4%)
Actual Demographic and Other Experience*	<u>14</u>	<u>1%</u>
Total Liability Experience	(\$23)	(2%)
Changes in Assumptions		
New Premiums	(\$96)	(10%)
Change in Trend	(29)	(3%)
Other	<u>0</u>	<u>0%</u>
Total Assumption Change	(\$125)	(12%)
Changes in Benefit Terms		
Benefit Change	<u>\$0</u>	<u>0%</u>
Total Benefit Change	\$0	0%

Total Change in TOL	Amount	Percentage
Liability Experience	(\$23)	(2%)
Changes in Assumptions	(125)	(12%)
Amendments	<u>0</u>	<u>0%</u>
Total	(\$148)	(15%)

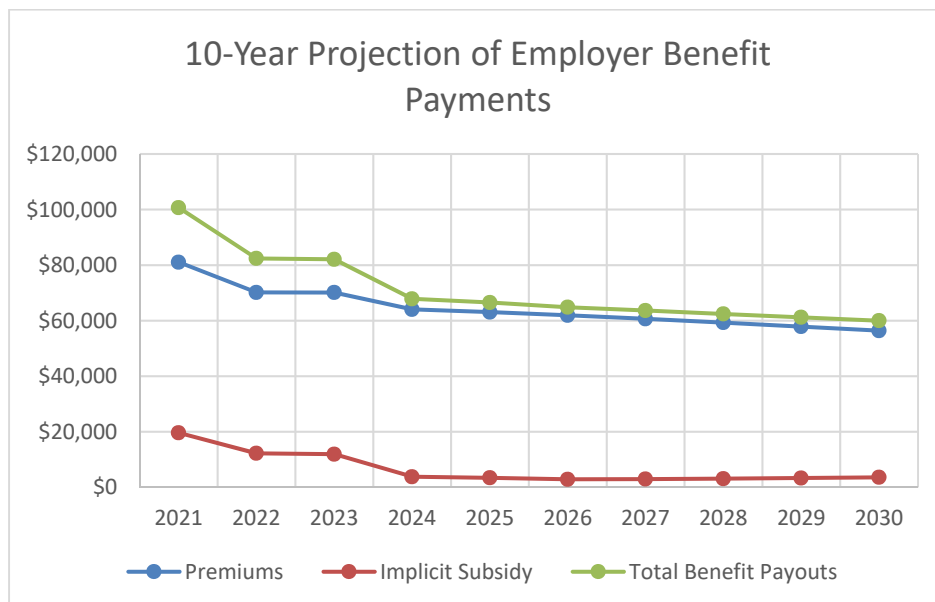


Section I Management Summary

C) 10-Year Projection of Employer's Benefit Payments

In this table we show the projected pay-as-you-go costs (employer's share of premiums), the implicit subsidy, and total expected benefit payments. The implicit subsidy reflects the shortfall of premiums versus the true cost of coverage. The shortfall exists because claims for active employees are combined with claims of retirees (who generally are older and cost more) to develop a single flat premium paid by both groups.

Plan Year Beginning 7/1	Employer's Share of Premiums	Implicit Subsidy	Total
2021	\$81,064	\$19,624	\$100,688
2022	\$70,178	\$12,244	\$82,422
2023	\$70,154	\$11,947	\$82,101
2024	\$64,064	\$3,809	\$67,873
2025	\$63,087	\$3,442	\$66,529
2026	\$61,948	\$2,901	\$64,849
2027	\$60,677	\$2,981	\$63,658
2028	\$59,299	\$3,130	\$62,429
2029	\$57,866	\$3,343	\$61,209
2030	\$56,398	\$3,617	\$60,015



Section I Management Summary

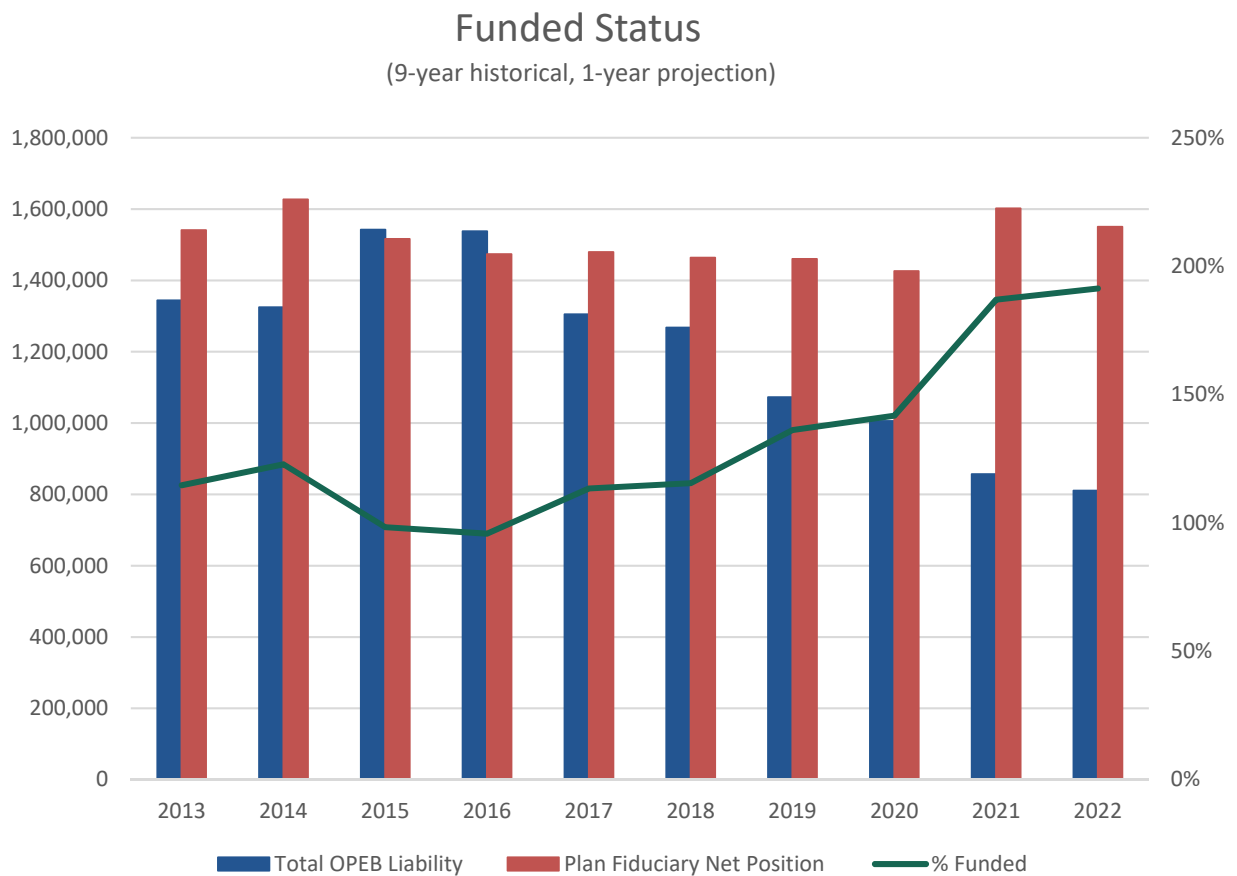
D) Breakdown of Explicit and Implicit Liabilities

	Explicit	Implicit	Total
Present Value of Future Benefits			
Actives	\$0-	\$0-	\$0
Retirees	<u>759,299</u>	<u>97,465</u>	<u>856,764</u>
Total	\$759,299	\$97,465	\$856,764
Actuarial Accrued Liability			
Actives	\$0-	\$0-	\$0
Retirees	<u>759,299</u>	<u>97,465</u>	<u>856,764</u>
Total	\$759,299	\$97,465	\$856,764
Normal Cost (BOY) 2021-22	\$0-	\$0-	\$0-

Section I Management Summary

E) Funding Progress

Below is an illustration of the funded status of the Plan for the past 9 years, and a projection of the next year looking forward:



Section II GASB 75 Exhibits

A) Schedule of Changes in Net OPEB Liability (Exhibit 1)

	2021	2020
<u>Total OPEB Liability</u>		
Service cost	\$0	\$0
Interest	64,309	68,428
Change of benefit terms	0	0
Differences between expected and actual experience	13,722	(22,395)
Changes of assumptions	(125,183)	0
Benefit payments	<u>(101,648)</u>	<u>(112,644)</u>
Net change in Total OPEB Liability	(\$148,800)	(\$66,611)
Total OPEB Liability – beginning (a)	\$1,005,564	\$1,072,175
Total OPEB Liability – ending (b)	\$856,764	\$1,005,564
<u>Plan Fiduciary Net Position</u>		
Contributions – employer	\$0	\$0
Contributions – employee	0	0
Net investment income	278,361	79,104
Benefit payments	(101,648)	(112,644)
Administrative expense	(513)	(722)
Other	<u>0</u>	<u>0</u>
Net change in Plan Fiduciary Net Position	\$176,200	(\$34,262)
Plan Fiduciary Net Position – beginning (c)	\$1,425,669	\$1,459,931
Plan Fiduciary Net Position – ending (d)	\$1,601,869	\$1,425,669
Net OPEB Liability - beginning (a) – (c)	(\$420,105)	(\$387,756)
Net OPEB Liability – ending (b) – (d)	(\$745,105)	(\$420,105)
Plan Fiduciary Net Position as a percentage of the TOL	187%	142%
Covered employee payroll	N/A	N/A
NOL as percentage of covered employee payroll	N/A	N/A

Section II GASB 75 Exhibits

B) Summary of Changes in Net OPEB Liability (Exhibit 2)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Measurement as of June 30, 2020:	\$1,005,564	\$1,425,669	(\$420,105)
Recognized Changes Resulting from:			
▪ Service cost	-	-	-
▪ Interest	64,309	-	64,309
▪ Diff. between expected and actual experience	13,722	-	13,722
▪ Changes of assumptions	(125,183)	-	(125,183)
▪ Net investment income	-	278,361	(278,361)
▪ Benefit payments	(101,648)	(101,648)	-
▪ Contributions – employer	-	-	-
▪ Contributions – employee	-	-	-
▪ Administrative expense	-	(513)	513
▪ Change of benefit terms	-	-	-
Net Changes	(\$148,800)	\$176,200	(\$325,000)
Measurement as of June 30, 2021:	\$856,764	\$1,601,869	(\$745,105)

Section II GASB 75 Exhibits

C) Derivation of Significant Actuarial Assumptions

Long-term Expected Rate of Return – As of June 30, 2021, the long-term expected rates of return for each major investment class in the Plan’s portfolio are as follows:

Investment Class	Target Allocation	Long-Term Expected Real Rate of Return ¹
Equity	43.00%	5.43%
Fixed Income	49.00%	1.63%
REITs	8.00%	5.06%

¹JPMorgan arithmetic Long Term Capital Market assumptions and expected inflation of 2.26%.

The above table shows the target asset allocation in the CERBT Strategy 2 investment policy.

Discount rate – The discount rate is based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets.

Above are the arithmetic long-term expected real rates of return by asset class for the next 10 years as provided in a report by JP Morgan. For years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.26% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Bond Buyer 20-Bond General Obligation index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

	June 30, 2021	June 30, 2020
Discount Rate	6.73%	6.73%
Bond Buyer 20-Bond GO Index	2.16%	2.21%

Section II GASB 75 Exhibits

D) Sensitivity Analysis (Exhibit 3)

Sensitivity of the Net OPEB Liability to changes in the discount rate – The following presents the District’s Net OPEB Liability if it were calculated using a discount rate that is 1% point lower (5.73%) or 1% point higher (7.73%) than the current rate:

Sensitivity of the Net OPEB Liability to changes in the Trend rate – The following presents the District’s Net OPEB Liability if it were calculated using a trend table that has rates that are 1% point lower or 1% point higher than the current set of rates:

Net OPEB Liability as of the June 30, 2021 measurement date: (\$745,105)

Sensitivity Analysis:

	NOL(A)	\$ Change	%Change
Discount Rate			
+1%	(\$813,519)	(\$68,414)	9%
Base	(\$745,105)	-	-
-1%	(\$664,645)	\$80,460	(11%)
Trend Rate			
+1%	(\$667,974)	\$77,131	(10%)
Base	(\$745,105)	-	-
-1%	(\$811,797)	(\$66,692)	9%

Section II GASB 75 Exhibits

E) Schedule of OPEB Expense (Exhibit 4)

Measurement Period Ending:	June 30, 2021	June 30, 2020
Components of OPEB Expense:		
Service Cost	\$0	\$0
Interest on the Total OPEB Liability (Exhibit 5)	64,309	68,428
Projected Earnings on OPEB Plan Investments (Exhibit 6)	(92,566)	(94,500)
Employee Contributions	0	0
Administrative Expense	513	722
Changes on Benefit Terms	0	0
Recognition of Deferred Resources Due to:		
▪ Changes of Assumptions	(125,183)	0
▪ Differences between Expected and Actual Experience	13,722	(22,395)
▪ Differences Between Projected Actual Earnings on Assets	<u>(38,023)</u>	<u>(862)</u>
Aggregate OPEB Expense	<u>(\$177,228)</u>	<u>(\$48,607)</u>

Section II GASB 75 Exhibits

F) Interest on the Total OPEB Liability (Exhibit 5)

	Amount for Period a	Portion of Period b	Interest Rate c	Interest on the Total OPEB Liability a*b*c
Beginning Total OPEB Liability	\$1,005,564	100%	6.73%	\$67,674
Service Cost	\$0	100%	6.73%	0
Benefit payments	(\$101,648)	50%	6.73%	<u>(3,365)</u>
Total Interest on the TOL				\$64,309

Section II GASB 75 Exhibits

G) Earnings on Plan Fiduciary Net Position (Exhibit 6)

Total Projected Earnings	Amount for Period a	Portion of Period b	Projected Rate of Return c	Projected Earnings a*b*c
Beginning Plan Fiduciary Net Position	\$1,425,669	100%	6.73%	\$95,948
Employer Contributions	\$0	50%	6.73%	0
Employee Contributions	\$0	50%	6.73%	0
Benefits payments	(\$101,648)	50%	6.73%	(3,365)
Administrative Expense and Other	(\$513)	50%	6.73%	(17)
Total Projected Earnings				\$92,566

Comparison of Projected and Actual Earnings On Investments

Total Projected Earnings	\$92,566
Actual Net Investment Income	<u>278,361</u>
Difference Between Projected and Actual Earnings on Assets	(\$185,795)

Section II GASB 75 Exhibits

H) Schedule of Contributions¹ (Exhibit 7)

Measurement Period Ending:	June 30, 2021	June 30, 2020
Actuarially Determined Contribution ²	\$0	\$0
Contributions to the Trust	\$0	\$0
Pay-go Payments by Employer Unreimbursed by the Trust	0	0
Active Implicit Rate Subsidy Transferred to OPEB	0	0
Total OPEB Contributions ¹	\$0	\$0
Covered-employee payroll ³	N/A	N/A
Contributions as a percentage of covered-employee payroll ³	N/A	N/A

¹ ADC and Contributions are for the measurement period July 1, 2020 to June 30, 2021.

² Employers setting a discount rate based on the assumption that assets will be sufficient to cover all future benefit payments under the plan are assumed to annually make contributions equal to the actuarially determined contribution. Annual contributions made that are substantially less than the ADC would require additional support for use of a discount rate equal to the long-term expected return on trust assets.

³ Covered-Employee Payroll represented above is based on covered-employee payroll provided by the employer. GASB 75 defines covered-employee payroll as the total payroll of employees that are provided benefits through the OPEB plan. Accordingly, if OPEB covered-employee payroll shown above is different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Section II GASB 75 Exhibits

I) Deferred Inflows/Outflows of Resources (Exhibit 8)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Unrecognized Deferred Resources due to:		
▪ Differences between expected and actual experience	\$0	\$0
▪ Changes in assumptions	0	0
▪ Net difference between projected and actual earnings	0	141,245
Contribution to OPEB plan after measurement date ¹	<u>0</u>	<u>0</u>
Total	\$0	\$141,245

¹ To be determined as of the fiscal year ending 2022

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

Fiscal Year Ended June 30	Recognized Deferred Outflows/(Inflows) of Resources
2023	(\$34,574)
2024	(35,433)
2025	(34,079)
2026	(37,159)
2027	-
Thereafter	<u>-</u>
Total Deferred Resources:	(\$141,245)

Section II GASB 75 Exhibits

J) Schedule of Deferred Inflows/Outflows of Resources (Exhibit 9)

Fiscal Year Established	Initial Amount	Initial Years	Years Left	Amount Recognize In FY 2022	Balances as of 06/30/22 of Deferred	
					Outflows	Inflows
Difference Between Expected and Actual Plan Experience						
2018	\$146,389	0.000	0.000	\$0	\$0	\$0
2019	(14,315)	0.000	0.000	0	0	0
2020	(167,556)	0.000	0.000	0	0	0
2021	(22,395)	0.000	0.000	0	0	0
2022	13,722	0.000	0.000	13,722	0	0
Total	(\$44,155)			\$13,722	\$0	\$0
Change in Assumptions						
2018	(\$373,443)	0.000	0.000	\$0	\$0	\$0
2019	0	0.000	0.000	0	0	0
2020	(4,722)	0.000	0.000	0	0	0
2021	0	0.000	0.000	0	0	0
2022	(125,183)	0.000	0.000	(125,183)	0	0
Total	(\$503,348)			(\$125,183)	\$0	\$0
Net Difference Between Projected and Actual Earnings On Investments						
2018	(\$17,242)	5.000	0.000	(\$3,448)	\$0	\$0
2019	4,294	5.000	1.000	859	858	0
2020	(6,761)	5.000	2.000	(1,352)	0	(2,705)
2021	15,396	5.000	3.000	3,079	9,238	0
2022	(185,795)	5.000	4.000	(37,159)	0	(148,636)
Total	(\$190,108)			(\$38,023)	\$10,096	(\$151,341)
Sub-Total						(\$141,245)
Totals:				(\$149,484)	\$0	(\$141,245)

Section II GASB 75 Exhibits

K) Reconciliation of the Net Position (Exhibit 10)

Measurement as of:	June 30, 2021	June 30, 2020
Total OPEB Liability (TOL)	\$856,764	\$1,005,564
Plan Fiduciary Net Position (PFNP)	<u>1,601,869</u>	<u>1,425,669</u>
Net OPEB Liability (NOL)	(\$745,105)	(\$420,105)
Deferred Inflows of resources (CR):		
▪ Differences between expected and actual experience	0	0
▪ Changes in assumptions	0	0
▪ Net difference between projected and actual earnings	141,245	0
Deferred Outflows of resources (DR):		
▪ Differences between expected and actual experience	0	0
▪ Changes in assumptions	0	0
▪ Net difference between projected and actual earnings	0	6,527
▪ Est. contributions post measurement date ¹	<u>0</u>	<u>0</u>
Net Position	(\$603,860)	(\$426,632)

¹ Actual post-measurement date contributions should be reported in the financial disclosures

Reconciliation of Net Position

Net Position at June 30, 2020 ¹	(\$426,632)
Aggregate OPEB Expense	(177,228)
Total OPEB Contributions	0
Difference in Post-Measurement Contributions	<u>0</u>
Net Position at June 30, 2021 ¹	(\$603,860)

¹ Difference between FY20 and FY21 Post-Measurement date Contributions

Post-Measurement Date Contributions Breakdown	7/1/20-6/30/21	7/1/19-6/30/20
Direct Contributions to the Trust	\$0	\$0
Employer Share of Retiree Premiums Unreimbursed by the Trust ¹	0	0
Administration Fees Unreimbursed by the Trust ¹	0	0
Implied Subsidy Unreimbursed by the Trust	<u>0</u>	<u>0</u>
Total Post-Measurement Date Contributions	\$0	\$0

¹ Administration fees can be included in premium costs shown.

Section III Data

A) Summary of Demographic Information

The participant data used in the valuation was provided by the District as of June 30, 2021. It is assumed that this data is representative of the population as of June 30, 2021. While the participant data was checked for reasonableness, the data was not audited. The valuation results presented in this report are dependent upon the accuracy of the participant data provided. The table below presents a summary of the basic participant information for the active and retired participants covered under the terms of the Plan.

	2021	2020
<u>Actives</u>		
Counts		
▪ Total	0	0
Averages		
▪ Age	N/A	N/A
▪ Service	N/A	N/A
<u>Retirees</u>		
Counts		
▪ Under age 65	2	3
▪ Age 65 and over	<u>7</u>	<u>6</u>
▪ Total	9	9
Averages		
▪ Age	77.8	75.8
▪ Age at Retirement	44.2	44.2
▪ Service at Retirement	0.0	0.0
Inactive Participants with deferred benefits	0	0
Total Participants	9	9
<u>Covered Dependents of Retirees</u>		
Counts		
▪ Spouses / Domestic Partners	4	4
▪ Children	<u>0</u>	<u>0</u>
▪ Total	4	4
Total Participants and Dependents	13	13

Section III Data

B) Distribution of Participants by Age and Service

Age Group	Retired* Participants	Active Participant – Years of Service						Total
		0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25+	
< 25	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0
30 - 34	0	0	0	0	0	0	0	0
35 - 39	0	0	0	0	0	0	0	0
40 - 44	0	0	0	0	0	0	0	0
45 - 49	0	0	0	0	0	0	0	0
50 - 54	0	0	0	0	0	0	0	0
55 - 59	0	0	0	0	0	0	0	0
60 - 64	2	0	0	0	0	0	0	0
65 - 69	1	0	0	0	0	0	0	0
> 70	6	0	0	0	0	0	0	0
Total	9	0	0	0	0	0	0	0

* Retired participants include retirees, disabled participants, and surviving family members. Does not include covered dependents.

Section IV Plan Provision Summary

A) Plan Description

Eligibility and Contribution Requirements

The District has assumed responsibility for providing the entire cost of postretirement medical, dental and vision benefits to a closed group of retirees and their dependents. Retirees may enroll in any of the plans offered by the District. Retirees are currently enrolled in Blue Shield, PERS Care, and Kaiser Plans. The District also provides postretirement dental coverage through Delta Dental and postretirement vision coverage through VSP.

2019 and 2020 calendar year monthly medical premium rates for the District's plans are shown below:

		2021 CalPERS Region 1 Plans		
		EE	EE+SP	EE+Fam
Pre-Medicare Premiums	Kaiser	813.64	1,627.28	2,115.46
	PERS Care	1,294.69	2,589.38	3,366.19
	UnitedHealthCare	941.17	1,882.34	2,447.04
		2022 CalPERS Region 1 Plans		
		EE	EE+SP	EE+Fam
		857.06	1,714.12	2,228.36
		1,057.01	2,114.02	2,748.23
		1,020.28	2,040.56	2,652.73
		2021 CalPERS Region 1 Plans		
		EE	EE+SP	
Medicare Premiums	Kaiser	324.48	648.96	
	PERS Care	381.25	762.50	
	UnitedHealthCare	311.56	623.12	
		2022 CalPERS Region 1 Plans		
		EE	EE+SP	
		302.53	605.06	
		381.94	763.88	
		294.65	589.30	
Dental Premiums	\$64.41 for retiree, \$60.07 for spouse			
Vision Premiums	\$32.31 composite			

Duration of Benefits

Benefits continue for the life of the retiree and/or dependent(s).

Surviving Spouse Coverage

Surviving spouses of deceased retirees receive lifetime coverage.

Plan Provision Changes

There have been no plan amendments since the last measurement date.

Section V Actuarial Assumption, Methods, & Considerations

A) Actuarial Assumptions

Discount Rate	6.73%, based on the CERBT Strategy 2 investment policy.
Net Investment Return	6.73%, based on the CERBT Strategy 2 investment policy.
Inflation	We assumed 2.26% annual inflation.
Payroll increases	3.25% annual increases.
Administrative Expenses	The administrative expense was \$513 for the measurement period ending June 30, 2021.

Pre-Excise Tax Health Care Trend	Year	Increase in Premium Rates	
	Beginning	Pre-65	Post-65
	2022	Actual	Actual
	2023	6.74%	5.08%
	2024	6.24%	5.00%
	2025	6.03%	5.00%
	2026	5.82%	5.00%
	2027	5.61%	5.00%
	2028	5.40%	5.00%
	2029	5.19%	5.00%
	2030	5.00%	5.00%
	2031-2037	5.00%	5.00%
	2038-2050	4.75%	4.75%
	2051-2068	4.50%	4.50%
	2069 and later	4.00%	4.00%

Section V Actuarial Assumption, Methods, & Considerations

A) Actuarial Assumptions (continued)

Plan Distribution for Calculating Baseline Cost	Plan	
	United Health Care	11%
	Kaiser	22%
	PERS Care	<u>57%</u>
	Total	100%
Average Per Capita Claims Cost (Baseline Cost)	Pre-Medicare: \$765.08 per month	
	Post-Medicare: \$356.55 per month	
Health Plan Participation	We assumed that 100% of eligible participants will participate.	
Medicare Coverage	We assumed that all future retirees will be eligible for Medicare when they reach age 65.	
Morbidity Factors	CalPERS 2017 study	
Population for Curving	CalPERS 2017 study	
Age-Weighted Claims Costs (per month)	Age	Claim
	50	\$813
	55	\$971
	60	\$1,163
	65	\$359
	70	\$313
	75	\$363
	80	\$414
85	\$442	

Section V Actuarial Assumption, Methods, & Considerations

A) Actuarial Assumptions (continued)

Mortality* The mortality rates used in this valuation are those from the CalPERS 2017 experience study.

Pre-Retirement: CalPERS 2017 Mortality

Post-Retirement: CalPERS 2017 Mortality

Age	Sample Mortality Rates		Retired Employees	
	Active Employees Male	Active Employees Female	Male	Female
55	0.17%	0.12%	0.44%	0.41%
60	0.26%	0.17%	0.67%	0.48%
65	0.36%	0.23%	0.93%	0.64%
70	0.62%	0.39%	1.34%	0.93%
75	1.06%	0.62%	2.32%	1.63%
80	1.66%	0.94%	3.98%	3.01%
85	0.00%	0.00%	7.12%	5.42%
90	0.00%	0.00%	13.04%	10.09%

Disability* None

Percent Married Active employees and retirees are assumed to continue to cover their current spouse through retirement

Participation We assumed 100% of retirees will participate upon retirement.

**Source: NCG has not performed an experience study to select these assumptions. NCG has not observed materially consistent gains or consistent losses associated with these assumptions*

Assumption Changes

The average per capita claims cost was updated to reflect actual 2021 and 2022 premiums. The health care cost trend rate was updated to reflect 2022 industry survey data and used the 2022 Getzen model to project long-term trend.

There have been no other assumption changes since the last measurement date.

Section V Actuarial Assumption, Methods, & Considerations

B) Actuarial Methods

Actuarial Cost Method	<p>Entry Age Normal</p> <p>An actuarial cost method under which the Actuarial Present Value of the Projected Benefits of each individual included in the valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost.</p>
Amortization Methodology	<p>We used straight-line amortization. For assumption changes and experience gains/losses, we assumed Average Future Working Lifetime, averages over all actives and retirees (retirees are assumed to have no future working years). For asset gains and losses, we assumed 5 years.</p>
Financial and Census Data	<p>The District provided the participant data, financial information and plan descriptions used in this valuation. The actuary has checked the data for reasonableness, but has not independently audited the data. The actuary has no reason to believe the data is not complete and accurate, and knows of no further information that is essential to the preparation of the actuarial valuation.</p>
Plan Fiduciary Net Position	<p>Market value of assets as of the measurement date</p>
Measurement Date	<p>June 30, 2021</p>
Valuation Date	<p>June 30, 2021</p>
Funding Policy	<p>The District intends to contribute the full ADC to the Plan each year. Contributions would be made up of cash contributions made to the trust as well as any benefit payments (implicit and explicit) unreimbursed by the trust.</p> <p>When the Plan is fully-funded, the District's ADC is \$0, since there are only retirees in the Plan.</p>
Valuation Model	<p>Results in this report were calculated with the assistance of ProVal actuarial valuation software. ProVal model was developed in 1994 and maintained by Winklevoss Technologies (WinTech). WinTech provides valuation and projection software for both pension and other postemployment benefit plans. We utilize ProVal in accordance with its intended purpose and have not identified any material inconsistencies in ProVal's assumptions nor outputs that would affect this valuation.</p>

Section VI Glossary

A) Key Terms

Annual OPEB Expense	The amount recognized by an employer in each accounting period for contributions to a defined benefit OPEB plan on the modified accrual basis of accounting.
Deferred outflows and inflows of resources related to OPEB	Deferred outflows of resources and deferred inflows of resources related to OPEB arising from certain changes in the collective net OPEB liability or collective total OPEB liability
Covered Payroll	Annual compensation paid (or expected to be paid) to active employees covered by an OPEB plan, in aggregate.
Net OPEB Liability (NOL)	The liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria of the GASB Statements.
Normal Cost or Service Cost	The portion of the Total Present Value of Future Benefits attributed to employee service during the current fiscal year by the actuarial cost method. These terms are used interchangeably.
Other Postemployment Benefits (OPEB)	Retiree health care benefits and post-employment benefits provided separately from a pension plan (excluding termination offers and benefits).
Plan Fiduciary Net Position (FNP)	Set equal to the market value of assets as of the measurement date.
Present Value of Future Benefits (PVFB)	The value, as of the valuation date, of the projected benefits payable to all members for their accrued service and their expected future service, discounted to reflect the time value (present value) of money and adjusted for the probabilities of retirement, withdrawal, death and disability.
Total OPEB Liability (TOL)	The portion of the actuarial present value of projected benefit payments that is attributed to past period of member service in conformity with the GASB Statements. The total OPEB liability is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria of the GASB Statements.



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 6, 2023
TO: Finance Committee
RE: UPDATED FINANCIAL FORECAST
SUBMITTED BY: Mary A. Morris-Mayorga, Interim General Manager

Recommended Action

This item is provided for review, discussion, and for any staff direction prior to presenting to the Board of Directors.

Background

In conjunction with the Public Safety Building financing, NHA Advisors developed a long-term financial analysis to determine the project feasibility and sustainability of District funds. As a part of budget preparation, the District has been working to update this long-term financial forecast internally with the assistance of Bill Zenoni, Financial Consultant. This will allow staff, the Finance Committee, and the Board to assess the short and long-term impact of financial decisions on District funds.

The draft has been completed and is being presented to the Finance Committee for review and discussion. Feedback will be incorporated as warranted to then provide the updated long-term financial forecast to the Board in June along with the budget.

Each component of the financial forecast contains notes on the assumed escalation factor or any anticipated changes that would impact future years. For example, property taxes are the District's major funding source and the escalation factor used has been assessed using historical data along with information from Contra Costa County in their budget planning. Expenditure escalations vary depending upon the nature and type which will be reviewed with the committee.

As with any financial forecast, it is important to remain reasonably conservative; however, not to the extent that any revenue or expenditure would be significantly understated or overstated to the degree possible. By its very nature, a financial forecast is an estimate or projection based upon data which has been derived through review of historical information and evaluation of economic factors. Incorporating data using arbitrary estimates is not considered a sound financial practice, so we have avoided that here.

Fiscal Impact

There is no fiscal impact at this time.

Attachments: Long-Term Financial Forecast (draft)

KENSINGTON FIRE PROTECTION DISTRICT
GENERAL FUND FIVE YEAR FINANCIAL FORECAST - Summary
April 2023

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Prelim Budget	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected
REVENUE								
Property Taxes	\$ 4,783,334	\$ 4,739,500	\$ 5,112,228	\$ 5,316,717	\$ 5,529,386	\$ 5,750,561	\$ 5,980,584	\$ 6,219,807
Special Taxes	204,418	200,752	200,752	201,000	201,000	201,000	201,000	201,000
Other Taxes (HOPTR)	24,612	24,000	24,000	25,000	25,000	25,000	25,000	25,000
Lease Income	36,603	3,050	3,050	3,050	3,050	3,050	3,050	3,050
Investment Income	20,294	20,000	250,000	216,959	147,705	155,657	159,887	159,376
CERBT Disbursement	40,282	80,000	80,000	68,000	68,000	68,000	68,000	68,000
Other Revenue	388,159	-	-	2,000	2,000	2,000	2,000	2,000
Grant Revenue	-	-	-	-	-	-	-	-
TOTAL REVENUE	\$ 5,497,702	\$ 5,067,302	\$ 5,670,030	\$ 5,832,726	\$ 5,976,141	\$ 6,205,268	\$ 6,439,520	\$ 6,678,233
EXPENDITURES								
<u>Salaries and Benefits</u>								
Office Wages and Related Costs	176,838	196,052	172,266	177,606	188,085	193,727	199,539	205,525
Retiree Medical Benefits	87,859	90,600	67,144	68,000	68,000	68,000	68,000	68,000
Total Salaries and Benefits	\$ 264,697	\$ 286,652	\$ 239,410	\$ 245,606	\$ 256,085	\$ 261,727	\$ 267,539	\$ 273,525
<u>Outside Professional Services</u>								
El Cerrito Contract Fees	3,525,871	3,843,483	3,843,483	4,146,968	4,478,725	4,837,023	5,223,985	5,641,904
El Cerrito Reconciliation	123,165	123,165	123,165	77,554	125,000	125,000	125,000	125,000
Other Outside Professional Services	271,120	348,925	361,258	313,933	301,800	309,492	322,159	330,896
Total Outside Professional Services	\$ 3,920,156	\$ 4,315,573	\$ 4,327,906	\$ 4,538,455	\$ 4,905,525	\$ 5,271,515	\$ 5,671,145	\$ 6,097,800
Community Service Activities	\$ 26,909	\$ 72,200	\$ 63,262	\$ 38,120	\$ 33,294	\$ 33,521	\$ 33,702	\$ 33,912
District Activities	\$ 27,371	\$ 61,500	\$ 60,105	\$ 23,500	\$ 29,380	\$ 24,500	\$ 30,674	\$ 25,000
Office Expenses	\$ 13,261	\$ 15,500	\$ 15,500	\$ 72,785	\$ 15,279	\$ 15,737	\$ 16,209	\$ 16,695
Building Maintenance	\$ 14,480	\$ 24,000	\$ 19,665	\$ 6,400	\$ 13,685	\$ 13,805	\$ 14,495	\$ 14,495
Building Utilities/Service	\$ 15,970	\$ 17,000	\$ 19,123	\$ 22,360	\$ 23,914	\$ 25,614	\$ 27,475	\$ 29,514
Contingency	\$ -	\$ 25,000	\$ 25,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
TOTAL OPERATING EXPENDITURES	\$ 4,282,843	\$ 4,817,425	\$ 4,769,971	\$ 4,967,226	\$ 5,297,161	\$ 5,666,419	\$ 6,081,239	\$ 6,510,941
NET OPERATING SURPLUS/(SHORTFALL)	\$ 1,214,859	\$ 249,877	\$ 900,059	\$ 865,500	\$ 678,980	\$ 538,849	\$ 358,281	\$ 167,291

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Prelim Budget	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected
REVENUE								
Capital Expenditures - Rolling Stock Set-aside	\$ -	\$ 3,606,440	\$ 2,864,856	\$ 5,473,856	\$ 219,348	\$ 228,122	\$ 237,247	\$ 246,737
Capital Expenditures - Equip/Furniture		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Expenditures - Public Safety Building								
Debt Service	\$ (19,994)	\$ -	\$ -	\$ 87,912	\$ 141,570	\$ 141,525	\$ 141,478	\$ 141,428
TOTAL EXPENDITURES	\$ 4,262,850	\$ 8,423,865	\$ 7,634,827	\$ 10,528,994	\$ 5,658,079	\$ 6,036,066	\$ 6,459,964	\$ 6,899,106
CHANGE IN FUND BALANCE	\$ 1,234,852	\$ (3,356,563)	\$ (1,964,797)	\$ (4,696,268)	\$ 318,062	\$ 169,202	\$ (20,443)	\$ (220,874)
Building Loan Drawdown	-	-	1,926,120	-	-	-	-	-
FUND BALANCE (June 30)	\$ 10,643,148	\$ -	\$ 10,604,471	\$ 5,908,203	\$ 6,226,265	\$ 6,395,467	\$ 6,375,024	\$ 6,154,150

April 26, 2023

KENSINGTON FIRE PROTECTION DISTRICT
FIVE YEAR FINANCIAL FORECAST - Line Item Detail

April 2023

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected
REVENUE								
Property Taxes	4,783,334	4,739,500	5,112,228	5,316,717	5,529,386	5,750,561	5,980,584	6,219,807
Special Taxes	204,418	200,752	200,752	201,000	201,000	201,000	201,000	201,000
Other Taxes (HOPTR)	24,612	24,000	24,000	25,000	25,000	25,000	25,000	25,000
Lease Income	36,603	3,050	3,050	3,050	3,050	3,050	3,050	3,050
Investment Income	20,294	20,000	250,000	216,959	147,705	155,657	159,887	159,376
CERBT Disbursement	40,282	80,000	80,000	68,000	68,000	68,000	68,000	68,000
Other Revenue	388,159	-	-	2,000	2,000	2,000	2,000	2,000
Grant Revenue	-	-	-	-	-	-	-	-
TOTAL REVENUE	\$ 5,497,702	\$ 5,067,302	\$ 5,670,030	\$ 5,832,726	\$ 5,976,141	\$ 6,205,268	\$ 6,439,520	\$ 6,678,233
EXPENDITURES								
SALARIES AND BENEFITS								
<u>Office Wages & Related</u>								
Regular Wages	139,936	144,416	144,355	148,686	153,146	157,741	162,473	167,347
Vacation/Holiday/Sick Leave	9,182	23,182	4,687	5,000	10,300	10,609	10,927	11,255
Medical/Dental Insurance	13,000	12,000	6,000	6,180	6,365	6,556	6,753	6,956
Payroll Taxes	11,990	13,304	12,992	13,382	13,783	14,197	14,623	15,061
Workers Compensation/Life Insurance	759	650	1,760	1,813	1,867	1,923	1,981	2,040
Payroll Processing	1,971	2,500	2,472	2,546	2,623	2,701	2,782	2,866
Total Office Wages & Related Costs	176,838	196,052	172,266	177,606	188,085	193,727	199,539	205,525
<u>Retiree Medical Benefits</u>								
PERS Medical	54,507	72,500	51,450	52,000	52,000	52,000	52,000	52,000
CalPERS Settlement	18,090	-	-	-	-	-	-	-
Delta Dental	11,385	14,000	11,817	12,000	12,000	12,000	12,000	12,000
Vision Care	3,877	4,100	3,877	4,000	4,000	4,000	4,000	4,000
Total Retiree Medical Benefits	87,859	90,600	67,144	68,000	68,000	68,000	68,000	68,000
TOTAL SALARIES AND BENEFITS	\$ 264,697	\$ 286,652	\$ 239,410	\$ 245,606	\$ 256,085	\$ 261,727	\$ 267,539	\$ 273,525
<u>Outside Professional Services</u>								
Accounting	37,045	36,000	36,000	37,080	38,192	39,338	40,518	41,734
Actuarial Valuation	3,000	5,600	5,600	2,800	5,600	2,800	5,600	2,800
Audit	16,000	16,000	16,000	16,800	16,800	17,640	17,640	18,522
Bank Fees	37	25	25	50	50	50	50	50

KENSINGTON FIRE PROTECTION DISTRICT
FIVE YEAR FINANCIAL FORECAST - Line Item Detail

April 2023

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected
Contra Costa County Expenses	53,644	38,000	38,000	39,520	41,101	42,745	44,455	46,233
El Cerrito Contract Fees	3,525,871	3,843,483	3,843,483	4,146,968	4,478,725	4,837,023	5,223,985	5,641,904
El Cerrito Reconciliation	123,165	123,165	123,165	77,554	125,000	125,000	125,000	125,000
IT Services and Equipment	723	15,000	15,000	2,500	2,575	2,652	2,732	2,814
Fire Abatement Contract	-	5,000	5,000	5,250	5,250	5,513	5,513	5,788
Fire Engineer Plan Review	688	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Risk Management Insurance	1,159	19,000	21,258	23,384	25,722	28,294	31,124	34,236
LAFCO Fees	2,078	5,000	2,100	2,100	2,100	2,100	2,100	2,100
Legal Fees	10,595	20,000	20,000	20,600	12,000	12,360	12,731	13,113
Operational Consultant	-	-	19,000	5,000	5,000	5,000	5,000	5,000
Recruitment	-	-	23,975	14,925	-	-	-	-
Temporary Services	-	-	-	-	-	-	-	-
Water System Improvements	-	10,000	-	-	-	-	-	-
Website Development/Maintenance	3,227	4,500	3,500	3,120	3,120	3,120	3,120	3,120
Wildland Vegetation Maintenance	4,000	7,600	7,600	7,828	8,063	8,305	8,554	8,810
Other Outside Professional Services	-	-	-	-	-	-	-	-
Emergency Preparedness Coordinator	100,000	105,200	105,200	108,356	111,607	114,955	118,404	121,956
Grant Writer/Coordinator	6,548	50,000	31,000	15,000	15,000	15,000	15,000	15,000
Nixle (Everbridge) Fees	3,183	4,000	4,000	4,120	4,120	4,120	4,120	4,120
Long-Term Financial Planner	29,194	5,000	5,000	2,500	2,500	2,500	2,500	2,500
Total Outside Professional Services	\$ 3,920,156	\$ 4,315,573	\$ 4,327,906	\$ 4,538,455	\$ 4,905,525	\$ 5,271,515	\$ 5,671,145	\$ 6,097,800
<u>Community Service Activities</u>								
Public Education	17,762	30,000	20,000	20,000	15,000	15,000	15,000	15,000
EP Coordinator Expense Account	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Community Pharmaceutical Drop-Off	-	2,500	2,500	2,500	2,500	2,500	2,500	2,500
CERT Emergency Kits/Sheds/Prep	-	4,000	4,000	4,120	4,244	4,371	4,502	4,637
Open Houses	-	1,800	1,800	2,000	2,000	2,000	2,000	2,000
Community Shredder	5,608	5,000	5,000	5,500	5,500	5,500	5,500	5,500
DFSC Matching Grants	-	-	-	-	-	-	-	-
Firesafe Planting Grants	1,360	25,000	25,000	-	-	-	-	-
Demonstration Garden	-	-	-	-	-	-	-	-
Community Sandbags	1,729	1,900	2,962	2,000	2,000	2,000	2,000	2,000
Volunteer Appreciation	450	500	500	500	550	600	650	700
Community Service - Other	-	500	500	500	500	550	550	575

KENSINGTON FIRE PROTECTION DISTRICT
FIVE YEAR FINANCIAL FORECAST - Line Item Detail

April 2023

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected
Total Community Service Activities	\$ 26,909	\$ 72,200	\$ 63,262	\$ 38,120	\$ 33,294	\$ 33,521	\$ 33,702	\$ 33,912
<u>District Activities</u>								
Equipment	1,697	-	-	-	-	-	-	-
Vehicle Maintenance	5,501	-	-	-	-	-	-	-
Professional Development	3,324	10,000	10,000	5,000	5,000	5,000	5,000	5,000
Election	-	7,500	5,600	-	5,880	-	6,174	-
Firefighter's Apparel & PPE	-	2,000	2,000	1,500	1,500	2,000	2,000	2,000
Firefighter's Expenses	9,141	30,000	30,000	5,000	5,000	5,000	5,000	5,000
Staff Appreciation	93	3,000	3,000	2,500	2,500	3,000	3,000	3,500
Memberships	7,615	9,000	9,505	9,500	9,500	9,500	9,500	9,500
Total District Activities	\$ 27,371	\$ 61,500	\$ 60,105	\$ 23,500	\$ 29,380	\$ 24,500	\$ 30,674	\$ 25,000
<u>Office</u>								
Office Expenses	3,846	5,000	4,811	58,000	5,200	5,356	5,517	5,682
Office Supplies	694	2,000	1,000	1,030	1,061	1,093	1,126	1,159
Telephones	8,720	8,000	8,000	8,240	8,487	8,742	9,004	9,274
Office - Other	-	500	500	515	530	546	563	580
Office - Equipment	-	-	1,189	5,000	-	-	-	-
Total Office	\$ 13,261	\$ 15,500	\$ 15,500	\$ 72,785	\$ 15,279	\$ 15,737	\$ 16,209	\$ 16,695
<u>Building Maintenance</u>								
Gardening Services	2,275	4,000	500	500	2,400	2,520	2,646	2,646
Building Alarm	1,264	1,500	1,500	1,500	1,575	1,575	1,654	1,654
Medical Waste Disposal	2,141	7,500	7,500	2,200	2,310	2,310	2,426	2,426
Janitorial Services	2,208	2,000	800	200	2,400	2,400	2,520	2,520
Miscellaneous Maintenance	6,592	9,000	9,365	2,000	5,000	5,000	5,250	5,250
Total Building Maintenance	\$ 14,480	\$ 24,000	\$ 19,665	\$ 6,400	\$ 13,685	\$ 13,805	\$ 14,495	\$ 14,495
<u>Building Utilities/Service</u>								
Gas and Electric	11,852	13,000	13,000	14,300	15,730	17,303	19,033	20,937
Water/Sewer	4,118	4,000	4,000	4,120	4,244	4,371	4,502	4,637
Building Utilities/Services - Other	-	-	2,123	3,940	3,940	3,940	3,940	3,940
Total Building Utilities/Service	\$ 15,970	\$ 17,000	\$ 19,123	\$ 22,360	\$ 23,914	\$ 25,614	\$ 27,475	\$ 29,514

KENSINGTON FIRE PROTECTION DISTRICT
FIVE YEAR FINANCIAL FORECAST - Line Item Detail

April 2023

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected
Contingency	\$ -	\$ 25,000	\$ 25,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
TOTAL OPERATING EXPENDITURES	\$ 4,282,843	\$ 4,817,425	\$ 4,769,971	\$ 4,967,226	\$ 5,297,161	\$ 5,666,419	\$ 6,081,239	\$ 6,510,941
NET OPERATING SURPLUS/(SHORTFALL)	\$ 1,214,859	\$ 249,877	\$ 900,059	\$ 865,500	\$ 678,980	\$ 538,849	\$ 358,281	\$ 167,291
CAPITAL EXPENDITURES								
Rolling Stock Set-aside <i>(Transfer from General Fund to Capital Fund)</i>		-	202,800	210,912	219,348	228,122	237,247	246,737
Equipment and Furniture		-	-	-	-	-	-	-
PSB - Temporary Facilities		848,607	828,934	-	-	-	-	-
PSB Renovation		2,757,833	1,833,122	5,262,944	-	-	-	-
Total Capital Expenditures	\$ -	\$ 3,606,440	\$ 2,864,856	\$ 5,473,856	\$ 219,348	\$ 228,122	\$ 237,247	\$ 246,737
DEBT SERVICE*	\$ (19,994)	\$ -	\$ -	\$ 87,912	\$ 141,570	\$ 141,525	\$ 141,478	\$ 141,428
TOTAL EXPENDITURES	\$ 4,262,850		\$ 7,634,827	\$ 10,528,994	\$ 5,658,079	\$ 6,036,066	\$ 6,459,964	\$ 6,899,106
CHANGE IN FUND BALANCE	\$ 1,234,852	\$ (3,356,563)	\$ (1,964,797)	\$ (4,696,268)	\$ 318,062	\$ 169,202	\$ (20,443)	\$ (220,874)
Building Loan Drawdown	-	-	1,926,120	-	-	-	-	-
ENDING FUND BALANCE	10,643,148		10,604,471	5,908,203	6,226,265	6,395,467	6,375,024	6,154,150

Debt Service - FY 2019-20, 2020-21, 2021-22 - CalPERS Repayment; Beginning FY 2022-23 Debt Service = Facility Loan Repayment (\$2,160,000 25 year term @ 4.07%)

Fund Balance Projection

	<u>Revenue</u>	<u>Expenditures</u>	<u>Transfers In/ (Transfers Out)</u>	<u>Other Financing Sources</u>	<u>Change in Fund Balance</u>	<u>Beginning Fund Balance</u>	<u>Ending Fund Balance</u>
<i>FY 2022-23 (Projected)</i>							
General Fund	5,469,278	4,972,771	611,810	-	1,108,317	6,207,339	7,315,655
Special Tax Fund	200,752	-	(814,610)	-	(613,858)	613,858	-
Capital Fund - PSB	-	<u>2,662,056</u>	<u>202,800</u>	<u>1,926,120</u>	<u>(533,136)</u>	<u>3,821,952</u>	<u>3,288,816</u>
Total	5,670,030	7,634,827	-	1,926,120	(38,677)	10,643,148	10,604,471
<i>FY 2023-24 (Projected)</i>							
General Fund - Operating	5,631,726	8,105,072	(9,912)	-	(2,483,258)	7,315,655	4,832,397
General Fund - PSB	-	<u>2,839,022</u>					
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund - PSB	-	<u>2,423,922</u>	<u>210,912</u>	-	<u>(2,213,010)</u>	<u>3,288,816</u>	<u>1,075,806</u>
Total	5,832,726	13,368,016	-	-	(4,696,268)	3,288,816	5,908,203
<i>FY 2024-25 (Projected)</i>							
General Fund	5,775,141	5,658,079	(18,348)	-	98,714	4,832,397	4,931,111
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund	-	-	<u>219,348</u>	-	<u>219,348</u>	<u>1,075,806</u>	<u>1,295,154</u>
Total	5,976,141	5,658,079	-	-	318,062	5,908,203	6,226,265
<i>FY 2025-26 (Projected)</i>							
General Fund	6,004,268	6,036,066	(27,122)	-	(58,920)	4,931,111	4,872,191
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund	-	-	<u>228,122</u>	-	<u>228,122</u>	<u>1,295,154</u>	<u>1,523,276</u>
Total	6,205,268	6,036,066	-	-	169,202	6,226,265	6,395,467
<i>FY 2026-27 (Projected)</i>							
General Fund	6,238,520	6,459,964	(36,247)	-	(257,690)	4,872,191	4,614,501
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund	-	-	<u>237,247</u>	-	<u>237,247</u>	<u>1,523,276</u>	<u>1,760,523</u>
Total	6,439,520	6,459,964	-	-	(20,443)	6,395,467	6,375,024
<i>FY 2027-28 (Projected)</i>							
General Fund	6,477,233	6,899,106	(45,737)	-	(467,611)	4,614,501	4,146,890
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund	-	-	<u>246,737</u>	-	<u>246,737</u>	<u>1,760,523</u>	<u>2,007,260</u>
Total	6,678,233	6,899,106	-	-	(220,874)	6,375,024	6,154,150



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 6, 2023
TO: Finance Committee
RE: FY 2023-2024 DRAFT PRELIMINARY BUDGET
SUBMITTED BY: Mary A. Morris-Mayorga, Interim General Manager

Recommended Action

This item is provided for review, discussion, and for any staff direction prior to presenting to the Board of Directors.

Background

As discussed with the Finance Committee in February, the draft budget has been developed based on the Guiding Principles which are listed on Page 3 of the budget document. An updated long-term financial forecast serves as the financial foundation of the budget with information tables incorporated into the document.

The budget narrative document has been updated a bit to incorporate more graphical information to ensure the information is user-friendly. Feedback from the committee is appreciated for additional improvements that will enhance the document.

The budget process is comprised of the following:

Action	When
Long-Term Financial Plan (update following EC contract)	February/March
Review with Finance Committee	May
Presentation to BOD	June
Approval	June
Adoption	September
Monitoring	Ongoing

Following review and input of the committee, staff will update the draft budget for discussion and approval by the Board of Directors in June.

Fiscal Impact

The Fiscal Year 2023-24 Budget demonstrates there is adequate funding for District operations and capital projects.

Attachments: Fiscal Year 2023-24 Draft Preliminary Budget



Kensington Fire Protection District Fiscal Year 2023-2024 Draft Preliminary Budget



Presented by
Mary A. Morris-Mayorga, Interim General Manager
to
KFPD Finance Committee on June 6, 2023
and
KFPD Board of Directors on June 21, 2023



Kensington Fire Protection District Fiscal Year 2023-2024 Preliminary Budget

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Budget Message

June 21, 2023

To: Board of Directors,
Kensington Fire Protection District

Members of the Board:

It is my pleasure to present to you the Kensington Fire Protection District (“KFPD”) Preliminary Budget for Fiscal Year 2023-2024. This budget serves as the foundation for KFPD’s commitment to serving the Kensington community in protecting the lives, property, and environment of the community from the disastrous effects of fires, medical emergencies, natural disasters, and other hazardous conditions.

KFPD has continued to make significant improvements in service delivery over the past fiscal year, including:

- Updated long-term financial forecast for operational, emergency, and capital reserves;
- Embarking on the Public Safety Building Seismic Renovation Project and completion of the Temporary Fire Station 65;
- Broadening emergency preparedness with establishment of subcommittees that focus on public outreach and volunteering;
- Returning to in-person meetings and Implementing hybrid meeting options in accordance with the Brown Act; and
- Continuing the cooperative administrative relationship between the KFPD and KPPCSD.

To further expand on those achievements, the FY 2023-24 Preliminary Budget will enable further improvements while providing responsible stewardship of the district’s resources. The budget is developed in accordance with the Guiding Principles which were developed several years ago which are listed on Page 8.

I would like to express my appreciation to the Board for their continued support and tireless leadership of such a critical organization. As always, we welcome and encourage public input and feedback on the budget to ensure that it is reader-friendly and provides useful information on the District’s programs and services.

Respectfully submitted,

Mary A. Morris-Mayorga
Interim General Manager

Elected and Appointed Officials

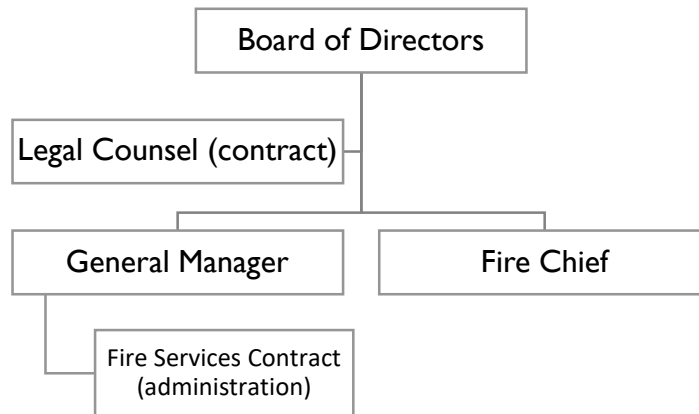
Board of Directors

	<u>Term Expires</u>
Julie Stein, President	December 2027
Daniel Levine, Vice President	December 2027
Larry Nagel, Secretary	December 2024
Don Dommer	December 2024
Jim Watt	December 2027

Appointed

General Manager (Interim) Mary Morris-Mayorga
Fire Chief Eric Saylor

Organization Chart



Committees

Emergency Preparedness Committee:

Directors: Larry Nagel and Don Dommer
Public Members: Lisa Caronna, Katie Gluck, Peter Guerrero, Peter Liddell, Danielle Madugo, Paul Moss, David Spath

Finance Committee:

Directors: Julie Stein and Jim Watt

Mission

Our mission is to provide the highest level of service to Kensington in order to protect the lives, property, and environment of the community from the disastrous effects of fires, medical emergencies, natural disasters, and other hazardous conditions.

District Profile

The unincorporated town of Kensington began a volunteer fire department in 1928. Twenty-four years later, the Kensington Fire Protection District (formed in 1937) hired a staff of professional firefighters under the supervision of a fire chief. The district is organized under the State's Health & Safety Code Section 13800, commonly known as the Bergeson Fire District Law. In 1995, the district entered into a contract with the City of El Cerrito whereby El Cerrito would provide all fire prevention, fire suppression and emergency services within Kensington for an annual fee. As a result, the district's only current employee is its Interim General Manager (GM), Mary Morris-Mayorga while the search is in progress for a permanent General Manager. Salary information for the District's GM can be found at: www.publicpay.ca.gov

The early fire department was housed in a small, quaint English country-style building next to the Chevron Oil gas station on the Arlington. The current public safety building, owned by the district, was constructed in 1970 and substantially renovated in 1999 and 2004. The district owns two fire engines, one specifically engineered for the steep, narrow streets of Kensington and the other a "Type III" or wildland engine for use during high fire season.

In recent years the district embarked on a series of water system improvements by contract with the East Bay Municipal Utility District to enhance the provision of water along the wildland interface and to optimize the placement of hydrants throughout the community. The district initiated paramedic service in 2001. It offers the first engine-based Advanced Life Support service in West Contra Costa County, bringing medications and equipment to a patient's side in under 5 minutes on average.

The district is able to provide a timely and appropriate level of response by active participation with other West Contra Costa County fire agencies in automatic response agreements that use the combined resources of all agencies to serve the area irrespective of jurisdictional lines.

The district operates a Community Emergency Response Team Training (CERT) program. For more information on CERT, see our "CERT Training" tab or at: www.el-cerrito.org/index.aspx?nid=133

Funding for District expenses is provided by property tax revenues as well as a special tax approved by the voters in 1980.

District Services (pending update)

Kensington Fire Protection District provides emergency medical, fire education, prevention and suppression services to the town of Kensington, California.

Training 2020:

- *Medical - EMS* = 864 Hours
- *Operations* = 10,583 Hours
- *Physical Fitness* = 1,325 Hours
- *Internet-Based Safety Training* = 2,452 Hours

Fire Prevention and Public Education 2020:

- *Fire Inspections (Fire Company)* = 48
- *Mandatory (Schools/Jails/Convalescent)* = 02
- *Self Inspections* = 10
- *Vegetation Management Inspections* = 1,254
- *Vegetation Management Re-Inspections* = 82
- *Construction Plan Checks* = 05
- *Construction Inspections* = 11

Certifications Currently Held:

- *Chief Officers* = 02
- *Fire Officers* = 19
- *Firefighter II* = 32
- *Firefighter I* = 36
- *Driver Operator* = 32
- *Rescue Systems* = 35
- *Paramedic* = 19
- *Technical Rescue* = 14
- *CERT Instructors* = 08

Community Programs (NOTE: Some postponed due to COVID-19):

- *Car Seat Installation Program*
- *CERT (Community Emergency Response Team)*
- *CPR / First Aid Training*
- *Free Smoke Detectors for Elderly, Disabled and Low-Income Resident*
- *Parking Flyer for Neighbors*
- *Pharmaceutical Drop Off Program*
- *School Tours*
- *Shredding Event (semi-annual)*

Service Area Map



Strategic Planning and Goals

The District's last goal setting session was held on January 20, 2021 as part of establishing the goals and objectives for the first year with the new General Manager. Prior to that, at a strategy planning session held on May 6, 2015, the following objectives were identified:

1. *Reducing loss of life and property and safeguarding the environment by effectively responding to fire, rescue and medical emergencies, hazardous material incidents and major disasters;*
2. *Helping members of the community reduce the frequency and severity of fires, accidents and natural disasters by providing public education programs;*
3. *Reducing threats to public safety by enforcing laws, codes and ordinances covering fire and life safety and by abating identified fire hazards on City, private and other agencies' property; and*
4. *Maintaining personnel, apparatus, equipment and facilities in a constantly ready condition.*

Long-term goals are contained within *Policy 0010 – Goals*:

- Establish a wildland/urban interface fire prevention effort through an emphasis on public education while establishing vegetation management standards and legal enforcement procedures of implementation in subsequent years.
- Maintain a Fire Hazard Reduction Program to work with the East Bay Regional Park District along the Kensington interface.
- Maintain enhanced personnel skill levels in wildland firefighting and incident command by continued participation in area-wide wildland fire response training exercises.
- Maintain Fire Station No. 65's functional adequacy and seismic structural integrity.
- Manage and implement capital projects to provide adequate fire flow throughout Kensington.
- Provide a comprehensive maintenance and certification test program to ensure readiness of complex fire apparatus and equipment.
- Provide hazardous materials response training to meet annual mandated requirements and to ensure efficient operations with the Richmond Fire Department Hazardous Materials Response Team.
- Maintain the earthquake and disaster preparedness program by supporting the Community Emergency Response Team (CERT).
- Continuously update disaster planning by utilizing support from the City of El Cerrito and their planning process.
- Continued implementation of upgraded computer-based systems for records and reports.
- Continuously improve access to and utilization of fire service weather information network.
- Fully implement the fire protection contract with the City of El Cerrito and respond to other cost-saving and service-enhancing opportunities for functional integration of fire services with surrounding jurisdictions.
- Maintain a program to identify and obtain grant funding to support and enhance the District's fire protection services.
- Prudently manage District funds.

Fund Structure

District financial activities are recorded in three major governmental funds:

General Fund - Operating fund of the district; Used for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - Accounts for the special tax authorized by Section 53978 of the Government Code and approved by the district's electorate on April 8, 1980.

Capital Project Fund - Used to account for financial resources in the acquisition, construction, or rehabilitation of major capital facilities and inventory.

Budget Development

Guiding Principles

1. Open and transparent – all components of the budget are available to the public with reporting that supports and enhances.
2. Strategic – delivery of District services and programs aligns with the mission and strategic goals and priorities.
3. Sustainable – a ten-year long-term financial plan demonstrates availability of resources for service delivery.
4. Resilience – future fiscal contingencies and risks are identified, assessed and prudently planned for through reserves or other measures.
5. Realistic – budget amounts are based upon the best information available.
6. Integrity and quality – budgetary forecasts and actual results are subject to quality assurance including independent audit.
7. Performance – evaluation of services and programs will be integral to the budget process.

Budget Schedule

In general, the annual budget schedule is as follows:

Action	When
<i>Strategic Plan</i>	<i>As determined by the BOD</i>
<i>Long-Term Financial Plan (update)</i>	<i>April</i>
<i>Review with Finance Committee</i>	<i>May</i>
<i>Presentation to BOD</i>	<i>June</i>
<i>Approval</i>	<i>June</i>
<i>Adoption</i>	<i>September</i>
<i>Mid-Year Review</i>	<i>February</i>
<i>Monitoring</i>	<i>Ongoing</i>

Budget Detail

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Prelim Budget
REVENUE				
Property Taxes	4,783,334	4,739,500	5,112,228	5,316,717
Special Taxes	204,418	200,752	200,752	201,000
Other Taxes (HOPTR)	24,612	24,000	24,000	25,000
Lease Income	36,603	3,050	3,050	3,050
Investment Income	20,294	20,000	250,000	216,959
CERBT Disbursement	40,282	80,000	80,000	68,000
Other Revenue	388,159	-	-	2,000
Grant Revenue	-	-	-	-
TOTAL REVENUE	\$ 5,497,702	\$ 5,067,302	\$ 5,670,030	\$ 5,832,726
EXPENDITURES				
SALARIES AND BENEFITS				
<u>Office Wages & Related</u>				
Regular Wages	139,936	144,416	144,355	148,686
Vacation/Holiday/Sick Leave	9,182	23,182	4,687	5,000
Medical/Dental Insurance	13,000	12,000	6,000	6,180
Payroll Taxes	11,990	13,304	12,992	13,382
Workers Compensation/Life Insurance	759	650	1,760	1,813
Payroll Processing	1,971	2,500	2,472	2,546
Total Office Wages & Related Costs	176,838	196,052	172,266	177,606
<u>Retiree Medical Benefits</u>				
PERS Medical	54,507	72,500	51,450	52,000
CalPERS Settlement	18,090	-	-	-
Delta Dental	11,385	14,000	11,817	12,000
Vision Care	3,877	4,100	3,877	4,000
Total Retiree Medical Benefits	87,859	90,600	67,144	68,000
TOTAL SALARIES AND BENEFITS	\$ 264,697	\$ 286,652	\$ 239,410	\$ 245,606
<u>Outside Professional Services</u>				
Accounting	37,045	36,000	36,000	37,080
Actuarial Valuation	3,000	5,600	5,600	2,800
Audit	16,000	16,000	16,000	16,800
Bank Fees	37	25	25	50
Contra Costa County Expenses	53,644	38,000	38,000	39,520
El Cerrito Contract Fees	3,525,871	3,843,483	3,843,483	4,146,968
El Cerrito Reconciliation	123,165	123,165	123,165	77,554
IT Services and Equipment	723	15,000	15,000	2,500
Fire Abatement Contract	-	5,000	5,000	5,250
Fire Engineer Plan Review	688	3,000	3,000	3,000
Risk Management Insurance	1,159	19,000	21,258	23,384
LAFCO Fees	2,078	5,000	2,100	2,100
Legal Fees	10,595	20,000	20,000	20,600
Operational Consultant	-	-	19,000	5,000
Recruitment	-	-	23,975	14,925
Temporary Services	-	-	-	-
Water System Improvements	-	10,000	-	-
Website Development/Maintenance	3,227	4,500	3,500	3,120
Wildland Vegetation Maintenance	4,000	7,600	7,600	7,828
Other Outside Professional Services	-	-	-	-
Emergency Preparedness Coordinator	100,000	105,200	105,200	108,356
Grant Writer/Coordinator	6,548	50,000	31,000	15,000
Nixle (Everbridge) Fees	3,183	4,000	4,000	4,120
Long-Term Financial Planner	29,194	5,000	5,000	2,500
Total Outside Professional Services	\$ 3,920,156	\$ 4,315,573	\$ 4,327,906	\$ 4,538,455

Budget Detail (cont'd)

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Prelim Budget
<u>Community Service Activities</u>				
Public Education	17,762	30,000	20,000	20,000
EP Coordinator Expense Account	-	1,000	1,000	1,000
Community Pharmaceutical Drop-Off	-	2,500	2,500	2,500
CERT Emergency Kits/Sheds/Prep	-	4,000	4,000	4,120
Open Houses	-	1,800	1,800	2,000
Community Shredder	5,608	5,000	5,000	5,500
DFSC Matching Grants	-	-	-	-
Firesafe Planting Grants	1,360	25,000	25,000	-
Demonstration Garden	-	-	-	-
Community Sandbags	1,729	1,900	2,962	2,000
Volunteer Appreciation	450	500	500	500
Community Service - Other	-	500	500	500
Total Community Service Activities	\$ 26,909	\$ 72,200	\$ 63,262	\$ 38,120
<u>District Activities</u>				
Equipment	1,697	-	-	-
Vehicle Maintenance	5,501	-	-	-
Professional Development	3,324	10,000	10,000	5,000
Election	-	7,500	5,600	-
Firefighter's Apparel & PPE	-	2,000	2,000	1,500
Firefighter's Expenses	9,141	30,000	30,000	5,000
Staff Appreciation	93	3,000	3,000	2,500
Memberships	7,615	9,000	9,505	9,500
Total District Activities	\$ 27,371	\$ 61,500	\$ 60,105	\$ 23,500
<u>Office</u>				
Office Expenses	3,846	5,000	4,811	58,000
Office Supplies	694	2,000	1,000	1,030
Telephones	8,720	8,000	8,000	8,240
Office - Other	-	500	500	515
Office - Equipment	-	-	1,189	5,000
Total Office	\$ 13,261	\$ 15,500	\$ 15,500	\$ 72,785
<u>Building Maintenance</u>				
Gardening Services	2,275	4,000	500	500
Building Alarm	1,264	1,500	1,500	1,500
Medical Waste Disposal	2,141	7,500	7,500	2,200
Janitorial Services	2,208	2,000	800	200
Miscellaneous Maintenance	6,592	9,000	9,365	2,000
Total Building Maintenance	\$ 14,480	\$ 24,000	\$ 19,665	\$ 6,400
<u>Building Utilities/Service</u>				
Gas and Electric	11,852	13,000	13,000	14,300
Water/Sewer	4,118	4,000	4,000	4,120
Building Utilities/Services - Other	-	-	2,123	3,940
Total Building Utilities/Service	\$ 15,970	\$ 17,000	\$ 19,123	\$ 22,360
Contingency	\$ -	\$ 25,000	\$ 25,000	\$ 20,000
TOTAL OPERATING EXPENDITURES	\$ 4,282,843	\$ 4,817,425	\$ 4,769,971	\$ 4,967,226
NET OPERATING SURPLUS/(SHORTFALL)	\$ 1,214,859	\$ 249,877	\$ 900,059	\$ 865,500

Budget Detail (cont'd)

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Prelim Budget
CAPITAL EXPENDITURES				
Rolling Stock Set-aside (<i>Transfer from General Fund</i>)		-	202,800	210,912
Equipment and Furniture		-	-	-
PSB - Temporary Facilities		848,607	828,934	-
PSB Renovation		2,757,833	1,833,122	5,262,944
Total Capital Expenditures	\$ -	\$ 3,606,440	\$ 2,864,856	\$ 5,473,856
DEBT SERVICE*	\$ (19,994)	\$ -	\$ -	\$ 87,912
TOTAL EXPENDITURES	\$ 4,262,850		\$ 7,634,827	\$10,528,994
CHANGE IN FUND BALANCE	\$ 1,234,852	\$ (3,356,563)	\$ (1,964,797)	\$ (4,696,268)
Building Loan Drawdown	-	-	1,926,120	-
ENDING FUND BALANCE	10,643,148		10,604,471	5,908,203

Debt Service - FY 2019-20, 2020-21, 2021-22 - CalPERS Repayment; Beginning FY 2022-23 Debt Service = Facility Loan Repayment (\$2,160,000 25 year term @ 4.07%)

Capital Outlay – Public Safety Building

<u>PSB Renovation Cost Category</u>	<u>Original Budget</u>	<u>As Amended for COs</u>	<u>FY 2022-2023 (projected)</u>	<u>FY 2023-2024 Budget</u>
PSB Renovation Construction	\$ 5,475,000	\$ 5,746,231	\$ 1,025,484	\$ 4,720,747
Temp Fire Station Construction	740,000	590,749	590,749	-
PSB Renovation Design/Engineer	600,000	1,100,325	807,638	292,687
Temp Fire Station Design/Engineering	90,000	205,675	205,675	-
Relocation/FFE/Etc Estimate	300,000	32,510	32,510	-
Sub-Total	<u>\$ 7,205,000</u>	<u>\$ 7,675,489</u>	<u>\$ 2,662,056</u>	<u>\$ 5,013,433</u>
<u>Project Contingency Allowance</u>	<u>720,000</u>	<u>249,511</u>	<u>-</u>	<u>249,511</u>
Total Project Cost	<u>\$ 7,925,000</u>	<u>\$ 7,925,000</u>	<u>\$ 2,662,056</u>	<u>\$ 5,262,944</u>

Five-Year Financial Forecast

	FY 2021-22 Actual	FY 2022-23 Budget	FY 2022-23 Projected	FY 2023-24 Prelim Budget	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected
REVENUE								
Property Taxes	\$ 4,783,334	\$ 4,739,500	\$ 5,112,228	\$ 5,316,717	\$ 5,529,386	\$ 5,750,561	\$ 5,980,584	\$ 6,219,807
Special Taxes	204,418	200,752	200,752	201,000	201,000	201,000	201,000	201,000
Other Taxes (HOPTR)	24,612	24,000	24,000	25,000	25,000	25,000	25,000	25,000
Lease Income	36,603	3,050	3,050	3,050	3,050	3,050	3,050	3,050
Investment Income	20,294	20,000	250,000	216,959	147,705	155,657	159,887	159,376
CERBT Disbursement	40,282	80,000	80,000	68,000	68,000	68,000	68,000	68,000
Other Revenue	388,159	-	-	2,000	2,000	2,000	2,000	2,000
Grant Revenue	-	-	-	-	-	-	-	-
TOTAL REVENUE	\$ 5,497,702	\$ 5,067,302	\$ 5,670,030	\$ 5,832,726	\$ 5,976,141	\$ 6,205,268	\$ 6,439,520	\$ 6,678,233
EXPENDITURES								
<u>Salaries and Benefits</u>								
Office Wages and Related Costs	176,838	196,052	172,266	177,606	188,085	193,727	199,539	205,525
Retiree Medical Benefits	87,859	90,600	67,144	68,000	68,000	68,000	68,000	68,000
Total Salaries and Benefits	\$ 264,697	\$ 286,652	\$ 239,410	\$ 245,606	\$ 256,085	\$ 261,727	\$ 267,539	\$ 273,525
<u>Outside Professional Services</u>								
El Cerrito Contract Fees	3,525,871	3,843,483	3,843,483	4,146,968	4,478,725	4,837,023	5,223,985	5,641,904
El Cerrito Reconciliation	123,165	123,165	123,165	77,554	125,000	125,000	125,000	125,000
Other Outside Professional Services	271,120	348,925	361,258	313,933	301,800	309,492	322,159	330,896
Total Outside Professional Services	\$ 3,920,156	\$ 4,315,573	\$ 4,327,906	\$ 4,538,455	\$ 4,905,525	\$ 5,271,515	\$ 5,671,145	\$ 6,097,800
Community Service Activities	\$ 26,909	\$ 72,200	\$ 63,262	\$ 38,120	\$ 33,294	\$ 33,521	\$ 33,702	\$ 33,912
District Activities	\$ 27,371	\$ 61,500	\$ 60,105	\$ 23,500	\$ 29,380	\$ 24,500	\$ 30,674	\$ 25,000
Office Expenses	\$ 13,261	\$ 15,500	\$ 15,500	\$ 72,785	\$ 15,279	\$ 15,737	\$ 16,209	\$ 16,695
Building Maintenance	\$ 14,480	\$ 24,000	\$ 19,665	\$ 6,400	\$ 13,685	\$ 13,805	\$ 14,495	\$ 14,495
Building Utilities/Service	\$ 15,970	\$ 17,000	\$ 19,123	\$ 22,360	\$ 23,914	\$ 25,614	\$ 27,475	\$ 29,514
Contingency	\$ -	\$ 25,000	\$ 25,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
TOTAL OPERATING EXPENDITURES	\$ 4,282,843	\$ 4,817,425	\$ 4,769,971	\$ 4,967,226	\$ 5,297,161	\$ 5,666,419	\$ 6,081,239	\$ 6,510,941
NET OPERATING SURPLUS/(SHORTFALL)	\$ 1,214,859	\$ 249,877	\$ 900,059	\$ 865,500	\$ 678,980	\$ 538,849	\$ 358,281	\$ 167,291
Capital Expenditures - Rolling Stock Set-aside	\$ -	\$ 3,606,440	\$ 2,864,856	\$ 5,473,856	\$ 219,348	\$ 228,122	\$ 237,247	\$ 246,737
Capital Expenditures - Equip/Furniture	-	-	-	-	-	-	-	-
Capital Expenditures - Public Safety Building	-	-	-	-	-	-	-	-
Debt Service	\$ (19,994)	-	-	\$ 87,912	\$ 141,570	\$ 141,525	\$ 141,478	\$ 141,428
TOTAL EXPENDITURES	\$ 4,262,850	\$ 8,423,865	\$ 7,634,827	\$ 10,528,994	\$ 5,658,079	\$ 6,036,066	\$ 6,459,964	\$ 6,899,106
CHANGE IN FUND BALANCE	\$ 1,234,852	\$(3,356,563)	\$(1,964,797)	\$(4,696,268)	\$ 318,062	\$ 169,202	\$(20,443)	\$(220,874)
Building Loan Drawdown	-	-	1,926,120	-	-	-	-	-
FUND BALANCE (June 30)	\$ 10,643,148	\$ -	\$ 10,604,471	\$ 5,908,203	\$ 6,226,265	\$ 6,395,467	\$ 6,375,024	\$ 6,154,150

Fund Balance Projection

	<u>Revenue</u>	<u>Expenditures</u>	<u>Transfers In/ (Transfers Out)</u>	<u>Other Financing Sources</u>	<u>Change in Fund Balance</u>	<u>Beginning Fund Balance</u>	<u>Ending Fund Balance</u>
<i>FY 2022-23 (Projected)</i>							
General Fund	5,469,278	4,972,771	611,810	-	1,108,317	6,207,339	7,315,655
Special Tax Fund	200,752	-	(814,610)	-	(613,858)	613,858	-
Capital Fund - PSB	-	<u>2,662,056</u>	<u>202,800</u>	<u>1,926,120</u>	<u>(533,136)</u>	<u>3,821,952</u>	<u>3,288,816</u>
Total	5,670,030	7,634,827	-	1,926,120	(38,677)	10,643,148	10,604,471
<i>FY 2023-24 (Projected)</i>							
General Fund - Operating	5,631,726	8,105,072	(9,912)	-	(2,483,258)	7,315,655	4,832,397
General Fund - PSB	-	<u>2,839,022</u>	-	-	-	-	-
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund - PSB	-	<u>2,423,922</u>	<u>210,912</u>	-	<u>(2,213,010)</u>	<u>3,288,816</u>	<u>1,075,806</u>
Total	5,832,726	13,368,016	-	-	(4,696,268)	3,288,816	5,908,203
<i>FY 2024-25 (Projected)</i>							
General Fund	5,775,141	5,658,079	(18,348)	-	98,714	4,832,397	4,931,111
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund	-	-	<u>219,348</u>	-	<u>219,348</u>	<u>1,075,806</u>	<u>1,295,154</u>
Total	5,976,141	5,658,079	-	-	318,062	5,908,203	6,226,265
<i>FY 2025-26 (Projected)</i>							
General Fund	6,004,268	6,036,066	(27,122)	-	(58,920)	4,931,111	4,872,191
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund	-	-	<u>228,122</u>	-	<u>228,122</u>	<u>1,295,154</u>	<u>1,523,276</u>
Total	6,205,268	6,036,066	-	-	169,202	6,226,265	6,395,467
<i>FY 2026-27 (Projected)</i>							
General Fund	6,238,520	6,459,964	(36,247)	-	(257,690)	4,872,191	4,614,501
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund	-	-	<u>237,247</u>	-	<u>237,247</u>	<u>1,523,276</u>	<u>1,760,523</u>
Total	6,439,520	6,459,964	-	-	(20,443)	6,395,467	6,375,024
<i>FY 2027-28 (Projected)</i>							
General Fund	6,477,233	6,899,106	(45,737)	-	(467,611)	4,614,501	4,146,890
Special Tax Fund	201,000	-	(201,000)	-	-	-	-
Capital Fund	-	-	<u>246,737</u>	-	<u>246,737</u>	<u>1,760,523</u>	<u>2,007,260</u>
Total	6,678,233	6,899,106	-	-	(220,874)	6,375,024	6,154,150

Fire Protection Contract

Fire protection is provided pursuant to the contract between the Kensington Fire Protection District and the City of El Cerrito, originally signed in 1995 with updates in 2005, 2009, 2019, and 2022. The full contract is available here: [Kensington-El Cerrito Fire Services Contract](#)

Financial Plan

The district engaged NHA Advisors in October 2021 for strategic financial planning of the district's operational, capital, and emergency reserves. The final projection for the Public Safety Building Renovation Project, and associated costs, is attached.

Code/Enabling Act

California Health & Safety Code Section 13800, commonly known as the Bergeson Fire District Law.

Gann Limit

Fiscal Year 2022-2023 Limit	\$ 5,507,566
Per Capita Personal Income Ratio	1.0444
Population % Change Ratio	0.9965
Fiscal Year 2023-2024 Limit	<u>\$ 5,731,970</u>

Resources

[KFPD District Policies](#)

[Districts Make the Difference](#)

[California Special Districts Association](#)



KENSINGTON FIRE PROTECTION DISTRICT

DATE: June 6, 2023
TO: Finance Committee
RE: FORMAT OF MONTHLY FINANCIAL REPORTS
SUBMITTED BY: Mary A. Morris-Mayorga, Interim General Manager

Recommended Action

This item is provided for review, discussion, and for any staff direction.

Background

District policies are contained within three documents which have been approved by the Board of Directors: Policy Handbook, Employee Handbook, and Operations Manual. In order to update a policy contained within one of the aforementioned, the District Board must hold a first and second reading prior to adoption. While this makes sense for Board policies, it creates an unnecessary delay in updating operational policies and procedures. A review including proposed updates is on the list of items for staff to work on in the coming months which would then be presented to the Board.

In Operations Manual *Policy 6 - Monthly Financial Reports*, the reports specifically listed are: Balance Sheet, Revenue & Expense Budget vs. Actual, and Revenue & Expense Previous Year Comparison with the sample format included. While the Balance Sheet is listed, the format provided is actually the Trial Balance which can be less user friendly. Up until September 2020, the Balance Sheet had been provided; however, I recall that the Board at the time may have wanted the increased detail so the Trial Balance was then provided going forward.

Beginning with the June meeting, the Balance Sheet will be provided rather than the Trial Balance. This will remain within policy as it is named and the format of the report shown is simply referenced as a sample.

As part of updating the monthly financial reports, I am collecting feedback from the committee on what information is or would be most useful so have provided the current report formats to facilitate that discussion.

Fiscal Impact

There is no fiscal impact.

Attachment: Monthly Financial Reports

**Kensington Fire Protection District
Cash and Investment Balance Sheet
As of April 30, 2023**

Current Cash and Investments

Cash Balance		Comments
Petty Cash	200.00	
KFPD Revolving Acct - Gen Fund	62,416.11	Balance as of 4/30/2023
General Fund	1,272,190.09	Balance as of 4/30/2023, Pending Reconciliations
Special Tax Fund	116,340.87	Balance as of 4/30/2023, Pending Reconciliations
Capital Fund	1,539,886.22	Balance as of 4/30/2023, Pending Reconciliations
Total Cash Balance	2,991,033.29	
Investments		
US T-Bills - 4/20/23	3,000,000.00	Balance as of 4/30/2023, Pending Reconciliations
Fed Home Lon Bk Fixed Securities - 9/27/23	3,500,000.00	Balance as of 4/30/2023, Pending Reconciliations
LAIF Balance	18,366.98	Balance as of 4/30/2023, Pending Reconciliations
Total Investments	6,518,366.98	
Total Current Cash and Investments	9,509,400.27	

Kensington Fire Protection District Profit & Loss Budget vs. Actual July 2022 through April 2023

	<u>Jul '22 - Apr 23</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Property Taxes	5,113,488.61	4,739,500.00	373,988.61	107.89%
Special Taxes	200,436.70	200,752.00	-315.30	99.84%
Other Tax Income	12,079.28	24,000.00	-11,920.72	50.33%
Lease Agreement	3,050.25	3,050.00	0.25	100.01%
Interest Income	37,040.85	20,000.00	17,040.85	185.2%
CERBT Reimbursement	18,088.02	80,000.00	-61,911.98	22.61%
Miscellaneous Income	163.18	0.00	163.18	100.0%
Total Income	<u>5,384,346.89</u>	<u>5,067,302.00</u>	<u>317,044.89</u>	<u>106.26%</u>
Expense				
Staff				
Wages	121,510.83	144,416.00	-22,905.17	84.14%
Vacation Wages	5,271.36	5,272.00	-0.64	99.99%
Medical/dental ins compensation	7,000.00	7,000.00	0.00	100.0%
Payroll Taxes	9,689.22	13,000.00	-3,310.78	74.53%
Workers Compensation/Life Ins	1,760.33	1,761.00	-0.67	99.96%
Payroll Processing	2,041.30	2,500.00	-458.70	81.65%
Total Staff	<u>147,273.04</u>	<u>173,949.00</u>	<u>-26,675.96</u>	<u>84.66%</u>
RETIREE MEDICAL BENEFITS				
PERS Medical	40,251.94	51,450.00	-11,198.06	78.24%
Delta Dental	9,487.90	11,817.00	-2,329.10	80.29%
Vision Care	2,907.90	3,877.00	-969.10	75.0%
CalPERS Settlement	0.00	0.00	0.00	0.0%
Total RETIREE MEDICAL BENEFITS	<u>52,647.74</u>	<u>67,144.00</u>	<u>-14,496.26</u>	<u>78.41%</u>
OUTSIDE PROFESSIONAL SERVICES				
Operational Consultant	2,362.50	19,000.00		
Crime Insurance Policy	689.22			
Nixle Fee	0.00	4,000.00	-4,000.00	0.0%
Long Term Financial Planner	3,162.50	5,000.00	-1,837.50	63.25%
Emergency Prep Coordinator	78,899.94	105,200.00	-26,300.06	75.0%
Accounting	24,000.00	36,000.00	-12,000.00	66.67%
Actuarial Valuation	0.00	5,600.00	-5,600.00	0.0%
Audit	12,500.00	16,000.00	-3,500.00	78.13%
Bank Fee	25.00	25.00	0.00	100.0%
Contra Costa County Expenses	55,919.09	38,000.00	17,919.09	147.16%
El Cerrito Contract Fee	3,202,902.59	3,843,483.00	-640,580.41	83.33%
El Cerrito Reconciliation(s)	102,637.59	123,165.00	-20,527.41	83.33%
IT Services and Equipment	2,910.00	15,000.00	-12,090.00	19.4%
Fire Abatement Contract	0.00	5,000.00	-5,000.00	0.0%
Fire Engineer Plan Review	1,000.13	3,000.00	-1,999.87	33.34%
Grant Writer/Coordinator	0.00	31,000.00	-31,000.00	0.0%
Risk Management Insurance	0.00	21,258.00	-21,258.00	0.0%
LAFCO Fees	1,558.61	5,000.00	-3,441.39	31.17%

Kensington Fire Protection District Profit & Loss Budget vs. Actual July 2022 through April 2023

	Jul '22 - Apr 23	Budget	\$ Over Budget	% of Budget
Legal Fees	15,374.34	20,000.00	-4,625.66	76.87%
Recruitment	20,935.00	38,900.00	-17,965.00	53.82%
Water System Improvements	0.00	10,000.00	-10,000.00	0.0%
Website Development/Maintenance	2,719.88	4,500.00	-1,780.12	60.44%
Wildland Vegetation Mgmt	2,500.00	7,600.00	-5,100.00	32.9%
Total OUTSIDE PROFESSIONAL SERVICES	3,530,096.39	4,356,731.00	-826,634.61	81.03%
COMMUNITY SERVICE ACTIVITIES				
Public Education	11,417.37	30,000.00	-18,582.63	38.06%
EP Coord Expense Account	0.00	1,000.00	-1,000.00	0.0%
Comm. Pharmaceutical Drop-Off	0.00	2,500.00	-2,500.00	0.0%
CERT Emerg Kits/Sheds/Prepared	0.00	4,000.00	-4,000.00	0.0%
Open Houses	718.88	1,800.00	-1,081.12	39.94%
Community Shredder	5,755.45	5,000.00	755.45	115.11%
Firesafe Planting Grants	0.00	25,000.00	-25,000.00	0.0%
Community Sandbags	3,940.05	1,900.00	2,040.05	207.37%
Volunteer Appreciation	0.00	500.00	-500.00	0.0%
Community Center Contribution	0.00	500.00	-500.00	0.0%
Total COMMUNITY SERVICE ACTIVITIES	21,831.75	72,200.00	-50,368.25	30.24%
DISTRICT ACTIVITIES				
Professional Development	595.00	10,000.00	-9,405.00	5.95%
Office				
Mtg Room Rentals	80.00			
Internet	1,750.80			
Office Equipment	1,189.03			
Office Expense	3,870.12	5,000.00	-1,129.88	77.4%
Office Supplies	268.28	2,000.00	-1,731.72	13.41%
Telephone	8,457.87	8,695.00	-237.13	97.27%
Office- Other	0.00	500.00	-500.00	0.0%
Total Office	15,616.10	16,195.00	-578.90	96.43%
Election	5,579.18	5,580.00	-0.82	99.99%
Firefighter's Apparel & PPE	1,264.02	2,000.00	-735.98	63.2%
Firefighters' Expenses	28,581.68	30,000.00	-1,418.32	95.27%
Staff Appreciation	0.00	3,000.00	-3,000.00	0.0%
Memberships	9,505.00	9,505.00	0.00	100.0%
Building Maintenance				
Gardening service	140.00	4,000.00	-3,860.00	3.5%
Building alarm	-396.10	1,500.00	-1,896.10	-26.41%
Medical Waste Disposal	0.00	7,500.00	-7,500.00	0.0%
Janitorial Service	806.24	2,000.00	-1,193.76	40.31%
Miscellaneous Maint.	9,364.70	9,000.00	364.70	104.05%
Total Building Maintenance	9,914.84	24,000.00	-14,085.16	41.31%
Building Utilities/Service				
Refuse Collection	1,654.24			
Gas and Electric	8,138.83	13,000.00	-4,861.17	62.61%

Kensington Fire Protection District Profit & Loss Budget vs. Actual July 2022 through April 2023

	<u>Jul '22 - Apr 23</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Water/Sewer	2,223.42	4,000.00	-1,776.58	55.59%
Building Utilities/Service - Other	349.95			
Total Building Utilities/Service	<u>12,366.44</u>	<u>17,000.00</u>	<u>-4,633.56</u>	<u>72.74%</u>
Total DISTRICT ACTIVITIES	83,422.26	117,280.00	-33,857.74	71.13%
Contingency				
General	0.00	25,000.00	-25,000.00	0.0%
Total Contingency	<u>0.00</u>	<u>25,000.00</u>	<u>-25,000.00</u>	<u>0.0%</u>
Total Expense	<u>3,835,271.18</u>	<u>4,812,304.00</u>	<u>-977,032.82</u>	<u>79.7%</u>
Net Ordinary Income	1,549,075.71	254,998.00	1,294,077.71	607.49%
Other Income/Expense				
Other Income				
Discount on US TBills	61,625.00			
Discount on Fixed Security	143,060.07			
Total Other Income	<u>204,685.07</u>			
Net Other Income	<u>204,685.07</u>	<u>0.00</u>	<u>204,685.07</u>	<u>100.0%</u>
Net Income	<u><u>1,753,760.78</u></u>	<u><u>254,998.00</u></u>	<u><u>1,498,762.78</u></u>	<u><u>687.76%</u></u>

Kensington Fire Protection District

Profit & Loss

July 2022 through April 2023

05/10/23

Accrual Basis

	Jul '22 - Apr 23	Jul '21 - Apr 22	\$ Change	% Change
Ordinary Income/Expense				
Income				
Property Taxes	5,113,488.61	4,640,921.96	472,566.65	10.2%
Special Taxes	200,436.70	204,417.70	-3,981.00	-2.0%
Other Tax Income	12,079.28	12,233.76	-154.48	-1.3%
Lease Agreement	3,050.25	33,552.75	-30,502.50	-90.9%
Interest Income	37,040.85	20,294.31	16,746.54	82.5%
CERBT Reimbursement	18,088.02	40,282.11	-22,194.09	-55.1%
Miscellaneous Income	163.18	388,159.01	-387,995.83	-100.0%
Total Income	5,384,346.89	5,339,861.60	44,485.29	0.8%
Expense				
Staff				
Wages	121,510.83	106,752.75	14,758.08	13.8%
Vacation Wages	5,271.36	9,182.25	-3,910.89	-42.6%
Medical/dental ins compensation	7,000.00	10,000.00	-3,000.00	-30.0%
Payroll Taxes	9,689.22	9,222.17	467.05	5.1%
Workers Compensation/Life Ins	1,760.33	576.40	1,183.93	205.4%
Payroll Processing	2,041.30	1,631.42	409.88	25.1%
Total Staff	147,273.04	137,364.99	9,908.05	7.2%
RETIREE MEDICAL BENEFITS				
PERS Medical	40,251.94	46,905.61	-6,653.67	-14.2%
Delta Dental	9,487.90	9,487.90	0.00	0.0%
Vision Care	2,907.90	3,231.00	-323.10	-10.0%
CalPERS Settlement	0.00	10,472.88	-10,472.88	-100.0%
Total RETIREE MEDICAL BENEFITS	52,647.74	70,097.39	-17,449.65	-24.9%
OUTSIDE PROFESSIONAL SERVICES				
Operational Consultant	2,362.50	0.00	2,362.50	100.0%
Crime Insurance Policy	689.22	0.00	689.22	100.0%
Nixle Fee	0.00	3,182.70	-3,182.70	-100.0%
Long Term Financial Planner	3,162.50	14,981.25	-11,818.75	-78.9%
Emergency Prep Coordinator	78,899.94	83,333.30	-4,433.36	-5.3%
Accounting	24,000.00	31,045.00	-7,045.00	-22.7%
Actuarial Valuation	0.00	3,000.00	-3,000.00	-100.0%
Audit	12,500.00	16,000.00	-3,500.00	-21.9%
Bank Fee	25.00	25.00	0.00	0.0%
Contra Costa County Expenses	55,919.09	53,552.53	2,366.56	4.4%
EI Cerrito Contract Fee	3,202,902.59	2,938,225.42	264,677.17	9.0%
EI Cerrito Reconciliation(s)	102,637.59	159,208.01	-56,570.42	-35.5%
IT Services and Equipment	2,910.00	22.78	2,887.22	12,674.4%
Fire Engineer Plan Review	1,000.13	688.00	312.13	45.4%
Grant Writer/Coordinator	0.00	6,547.50	-6,547.50	-100.0%
LAFCO Fees	1,558.61	0.00	1,558.61	100.0%
Legal Fees	15,374.34	5,802.14	9,572.20	165.0%
Recruitment	20,935.00	0.00	20,935.00	100.0%
Website Development/Maintenance	2,719.88	2,707.40	12.48	0.5%
Wildland Vegetation Mgmt	2,500.00	0.00	2,500.00	100.0%
Total OUTSIDE PROFESSIONAL SERVICES	3,530,096.39	3,318,321.03	211,775.36	6.4%
COMMUNITY SERVICE ACTIVITIES				
Public Education	11,417.37	14,136.96	-2,719.59	-19.2%
Open Houses	718.88	0.00	718.88	100.0%
Community Shredder	5,755.45	4,142.19	1,613.26	39.0%
Community Sandbags	3,940.05	1,728.57	2,211.48	127.9%
Volunteer Appreciation	0.00	449.69	-449.69	-100.0%
Total COMMUNITY SERVICE ACTIVITIES	21,831.75	20,457.41	1,374.34	6.7%
DISTRICT ACTIVITIES				
Equipment	0.00	1,696.98	-1,696.98	-100.0%
Professional Development	595.00	3,323.58	-2,728.58	-82.1%

Kensington Fire Protection District

Profit & Loss

July 2022 through April 2023

05/10/23

Accrual Basis

	Jul '22 - Apr 23	Jul '21 - Apr 22	\$ Change	% Change
Office				
Mtg Room Rentals	80.00	0.00	80.00	100.0%
Internet	1,750.80	0.00	1,750.80	100.0%
Office Equipment	1,189.03	0.00	1,189.03	100.0%
Office Expense	3,870.12	3,251.86	618.26	19.0%
Office Supplies	268.28	694.33	-426.05	-61.4%
Telephone	8,457.87	5,706.36	2,751.51	48.2%
Total Office	15,616.10	9,652.55	5,963.55	61.8%
Election	5,579.18	0.00	5,579.18	100.0%
Firefighter's Apparel & PPE	1,264.02	0.00	1,264.02	100.0%
Firefighters' Expenses	28,581.68	0.00	28,581.68	100.0%
Staff Appreciation	0.00	93.49	-93.49	-100.0%
Memberships	9,505.00	7,615.00	1,890.00	24.8%
Building Maintenance				
Gardening service	140.00	2,275.00	-2,135.00	-93.9%
Building alarm	-396.10	1,264.44	-1,660.54	-131.3%
Medical Waste Disposal	0.00	2,140.61	-2,140.61	-100.0%
Janitorial Service	806.24	1,816.79	-1,010.55	-55.6%
Miscellaneous Maint.	9,364.70	5,498.72	3,865.98	70.3%
Total Building Maintenance	9,914.84	12,995.56	-3,080.72	-23.7%
Building Utilities/Service				
Refuse Collection	1,654.24	0.00	1,654.24	100.0%
Gas and Electric	8,138.83	9,346.09	-1,207.26	-12.9%
Water/Sewer	2,223.42	3,256.92	-1,033.50	-31.7%
Building Utilities/Service - Other	349.95	0.00	349.95	100.0%
Total Building Utilities/Service	12,366.44	12,603.01	-236.57	-1.9%
Total DISTRICT ACTIVITIES	83,422.26	47,980.17	35,442.09	73.9%
Total Expense	3,835,271.18	3,594,220.99	241,050.19	6.7%
Net Ordinary Income	1,549,075.71	1,745,640.61	-196,564.90	-11.3%
Other Income/Expense				
Other Income				
Discount on US TBills	61,625.00	0.00	61,625.00	100.0%
Discount on Fixed Security	143,060.07	0.00	143,060.07	100.0%
Total Other Income	204,685.07	0.00	204,685.07	100.0%
Net Other Income	204,685.07	0.00	204,685.07	100.0%
Net Income	1,753,760.78	1,745,640.61	8,120.17	0.5%

Kensington Fire Protection District
Trial Balance
As of April 30, 2023

05/10/23
 Accrual Basis

	Apr 30, 23	
	Debit	Credit
Petty Cash	200.00	
KFPD Revolving Acct - Gen Fund	84,546.95	
General Fund	1,272,190.09	
Special Tax Fund	116,340.87	
Capital Fund	1,539,886.22	
Accounts Receivable	4,805.80	
Advance on Taxes	2,406,187.12	
Advance on Supplemental Taxes	86,245.26	
Prepaid Services - EC	0.07	
Prepaid Exp.	2,587.29	
Prepaid CERBT - Retiree Trust	420,105.48	
Investments:LAIF Balance	18,366.98	
Investments:US TBills - 4/20/23	3,000,000.00	
Investments:Fed Home Loan Bk - 9/27/23	3,500,000.00	
Land	5,800.00	
Equipment	1,793,886.43	
Accumulated Depreciation-Equip		813,762.41
Building and Improvements	2,391,581.26	
Accumulated Depreciation - Bldg		1,276,205.07
Current Capital Outlay:PSB Renovation Soft Costs	790,675.11	
Current Capital Outlay:PSB Renovation Hard Cost	716,963.78	
Current Capital Outlay:Temp Facilities - Soft Costs	207,544.62	
Current Capital Outlay:Temp Facilities - Hard Costs	595,392.92	
Current Capital Outlay:Temp Facilities - Lot Rental	9,900.00	
Current Capital Outlay:Temp Facilities - Modular	24,699.52	
Current Capital Outlay:Temp Facilities - Admin Sublet	21,946.95	
Current Capital Outlay:Temp Facilities - Relocation	32,509.54	
Current Capital Outlay:Fire Engine Type I	104.40	
Current Capital Outlay:Firefighters Qtrs/Equip	210.00	
Deferred Outflow of Res. - OPEB	6,527.00	
Due to Revolving Acct - Gen Fnd		517,792.44
Due to Other - Issued by CCC		21,880.77
Accounts Payable		1,605.34
PSB Renovation Loan		1,539,460.63
Wages & PR Taxes Payable		6,424.55
EI Cerrito Reconciliation Liab.		233,481.39
Postretirement Health Ben Liab		0.14
Fund Equity - General		3,889,496.00
Fund Equity - Capital Projects		3,213,698.00
Fund Equity - Special Revenue		109,075.00
Fund Equity - Gen Fixed Asset		2,212,997.01
Fund Equity		3,459,564.13
Property Taxes		5,113,488.61
Special Taxes		200,436.70
Other Tax Income		12,079.28
Lease Agreement		3,050.25
Interest Income		37,040.85
CERBT Reimbursement		18,088.02
Miscellaneous Income		163.18
Staff:Wages	121,510.83	
Staff:Vacation Wages	5,271.36	
Staff:Medical/dental ins compensation	7,000.00	
Staff:Payroll Taxes	9,689.22	
Staff:Workers Compensation/Life Ins	1,760.33	
Staff:Payroll Processing	2,041.30	
RETIREE MEDICAL BENEFITS:PERS Medical	40,251.94	
RETIREE MEDICAL BENEFITS:Delta Dental	9,487.90	
RETIREE MEDICAL BENEFITS:Vision Care	2,907.90	
OUTSIDE PROFESSIONAL SERVICES:Operational Consultant	2,362.50	
OUTSIDE PROFESSIONAL SERVICES:Crime Insurance Policy	689.22	
OUTSIDE PROFESSIONAL SERVICES:Long Term Financial Planner	3,162.50	
OUTSIDE PROFESSIONAL SERVICES:Emergency Prep Coordinator	78,899.94	
OUTSIDE PROFESSIONAL SERVICES:Accounting	24,000.00	
OUTSIDE PROFESSIONAL SERVICES:Audit	12,500.00	
OUTSIDE PROFESSIONAL SERVICES:Bank Fee	25.00	
OUTSIDE PROFESSIONAL SERVICES:Contra Costa County Expenses	55,919.09	

**Kensington Fire Protection District
Trial Balance
As of April 30, 2023**

05/10/23

Accrual Basis

	Apr 30, 23	
	Debit	Credit
OUTSIDE PROFESSIONAL SERVICES:El Cerrito Contract Fee	3,202,902.59	
OUTSIDE PROFESSIONAL SERVICES:El Cerrito Reconciliation(s)	102,637.59	
OUTSIDE PROFESSIONAL SERVICES:IT Services and Equipment	2,910.00	
OUTSIDE PROFESSIONAL SERVICES:Fire Engineer Plan Review	1,000.13	
OUTSIDE PROFESSIONAL SERVICES:LAFCO Fees	1,558.61	
OUTSIDE PROFESSIONAL SERVICES:Legal Fees	15,374.34	
OUTSIDE PROFESSIONAL SERVICES:Recruitment	20,935.00	
OUTSIDE PROFESSIONAL SERVICES:Website Development/Maintenance	2,719.88	
OUTSIDE PROFESSIONAL SERVICES:Wildland Vegetation Mgmt	2,500.00	
COMMUNITY SERVICE ACTIVITIES:Public Education	11,417.37	
COMMUNITY SERVICE ACTIVITIES:Open Houses	718.88	
COMMUNITY SERVICE ACTIVITIES:Community Shredder	5,755.45	
COMMUNITY SERVICE ACTIVITIES:Community Sandbags	3,940.05	
DISTRICT ACTIVITIES:Professional Development	595.00	
DISTRICT ACTIVITIES:Office:Mtg Room Rentals	80.00	
DISTRICT ACTIVITIES:Office:Internet	1,750.80	
DISTRICT ACTIVITIES:Office:Office Equipment	1,189.03	
DISTRICT ACTIVITIES:Office:Office Expense	3,870.12	
DISTRICT ACTIVITIES:Office:Office Supplies	268.28	
DISTRICT ACTIVITIES:Office:Telephone	8,457.87	
DISTRICT ACTIVITIES:Election	5,579.18	
DISTRICT ACTIVITIES:Firefighter's Apparel & PPE	1,264.02	
DISTRICT ACTIVITIES:Firefighters' Expenses	28,581.68	
DISTRICT ACTIVITIES:Memberships	9,505.00	
DISTRICT ACTIVITIES:Building Maintenance:Gardening service	140.00	
DISTRICT ACTIVITIES:Building Maintenance:Building alarm		396.10
DISTRICT ACTIVITIES:Building Maintenance:Janitorial Service	806.24	
DISTRICT ACTIVITIES:Building Maintenance:Miscellaneous Maint.	9,364.70	
DISTRICT ACTIVITIES:Building Utilities/Service	349.95	
DISTRICT ACTIVITIES:Building Utilities/Service:Refuse Collection	1,654.24	
DISTRICT ACTIVITIES:Building Utilities/Service:Gas and Electric	8,138.83	
DISTRICT ACTIVITIES:Building Utilities/Service:Water/Sewer	2,223.42	
Discount on US TBills		61,625.00
Discount on Fixed Security		143,060.07
TOTAL	22,884,870.94	22,884,870.94

KENSINGTON FIRE PROTECTION DISTRICT OPERATIONS MANUAL

POLICY TITLE: Monthly Financial Reports
POLICY NUMBER: 6

6.10 After recording monthly Contra Costa County ledger activity, the Manager shall create three financial reports in QuickBooks for the Board's monthly meeting packet. The three reports shall coincide with the County's ledger ending date and shall be: Balance Sheet, Revenue & Expense Budget vs. Actual, and Revenue & Expense Previous Year Comparison. A sample of the three reports are attached and incorporated into this policy.

6.20 After receiving monthly bank statements for District accounts, the Manager shall reconcile each account on Quickbooks and print a reconciliation statement. The reconciliation statement shall be kept with the bank statements for accountant and auditor review.

Kensington Fire Protection District
Trial Balance
As of November 13, 2018

	Nov 13, 18	
	Debit	Credit
Petty Cash	200.00	
MCI Fund - Mechanics	0.00	
KFPD Revolving Acct - Gen Fund	17,148.31	
General Fund	691,085.21	
Special Tax Fund	6,886.68	
Capital Fund	6,806.77	
Grants Receivable	0.00	
Accounts Receivable - Year End	0.00	
Due from County for Reimb.	18,434.01	
Due From Other Funds	0.00	
Accounts Receivable	52,669.01	
Interest Receivable	5,479.19	
Advance on Taxes	3,879,591.60	
Advance on Supplemental Taxes	59,827.33	
KPPCSD Note Receivable	0.00	
Undeposited Funds	0.00	
Deposits on Fixed Assets	0.00	
Prepaid Services - EC	2,052,619.72	
Prepaid Exp.	0.00	
Prepaid CERBT - Retiree Trust	976,043.56	
Investments		557,558.33
Investments:Capital Replacement Funds	3,186,299.00	
Investments:Fire Protect. Contract Reserves	2,826,907.24	
Land	5,800.00	
Equipment	1,444,675.55	
Accumulated Depreciation-Equip		746,405.15
Building and Improvements	2,391,581.26	
Accumulated Depreciation - Bldg		1,000,180.00
Water System Improvements	0.00	
Current Capital Outlay:Engine Defibrillators	0.00	
Current Capital Outlay:Public Education	0.00	
Current Capital Outlay:Water System Cistern	0.00	
Current Capital Outlay:Engine	0.00	
Current Capital Outlay:P/S Building Repair/Replace	0.00	
Current Capital Outlay:P/S Bldg Bay Doors	0.00	
Current Capital Outlay:Bay Lighting	0.00	
Current Capital Outlay:Computers/Computerized Equip.	0.00	
Current Capital Outlay:Office Equipment-Copier	0.00	
Current Capital Outlay:P/S Building - MCI Fund	0.00	
Current Capital Outlay:EBRICS Radios	0.00	
Current Capital Outlay:FF High Band Radios	0.00	
Current Capital Outlay:B/C Command Vehicle	0.00	
Current Capital Outlay:Thermal Imager	0.00	
Current Capital Outlay:Water System Improvements	0.00	
Current Capital Outlay:Fire Engine Type I	0.00	
Current Capital Outlay:Firefighters Qtrs/Equip	5,318.05	
Current Capital Outlay:Apparatus Bay Construction	0.00	
Current Capital Outlay:Holmatro Tool	0.00	
Current Capital Outlay:Computers/Furniture	0.00	
Prop 1A Loan - State of CA	0.00	
Suspense	0.00	
Due to Revolving Acct - Gen Fnd		18,434.01
Due to Other - Issued by CCC		78,342.64
Due To Other Funds	0.00	
Accounts Payable		1,653.88
Surety Bond Claim Held	0.00	
EI Cerrito Service Contract Pay		2,052,619.65
Wages & PR Taxes Payable		2,992.32
Deferred Comp Payable	0.00	
KPPCSD MCI Deposit Payable	0.00	
GASB 45 Accrual	0.00	
Postretirement Health Ben Liab	0.00	
Postretirement Health Ben-Prior	0.00	
Fund Equity - General		4,848,934.26

KFPD OPERATIONS MANUAL
Policy #6 - "Monthly Financial Reports"

Kensington Fire Protection District
Trial Balance
As of November 13, 2018

	Nov 13, 18	
	Debit	Credit
Fund Equity - Capital Projects		1,219,288.00
Fund Equity - Special Revenue		12,769.00
Fund Equity - Gen Fixed Asset		2,403,012.00
Fund Equity		1,836,110.75
Opening Bal Equity	0.00	
Property Taxes		3,804,059.17
Special Taxes		200,453.30
Lease Agreement		11,822.68
Interest Income		26,681.09
Salary Reimbursement Agreement		21,173.56
OUTSIDE PROFESSIONAL SERVICES:LAFCO Fees	2,278.47	
OUTSIDE PROFESSIONAL SERVICES:Contra Costa County Expenses	2,522.98	
OUTSIDE PROFESSIONAL SERVICES:EI Cerrito Contract Fee	1,026,309.89	
OUTSIDE PROFESSIONAL SERVICES:Fire Abatement Contract	665.00	
OUTSIDE PROFESSIONAL SERVICES:Risk Management Insurance	12,507.00	
OUTSIDE PROFESSIONAL SERVICES:Professional Fees:Accounting	225.00	
OUTSIDE PROFESSIONAL SERVICES:Professional Fees:Audit	12,500.00	
OUTSIDE PROFESSIONAL SERVICES:Professional Fees:Legal Fees	47,619.16	
OUTSIDE PROFESSIONAL SERVICES:Website Development/Maintenance	1,000.00	
OUTSIDE PROFESSIONAL SERVICES:Wildland Vegetation Mgmt	2,500.00	
RETIREE MEDICAL BENEFITS:PERS Medical	28,722.76	
RETIREE MEDICAL BENEFITS:Delta Dental	3,026.58	
RETIREE MEDICAL BENEFITS:Vision Care	969.30	
COMMUNITY SERVICE ACTIVITIES:Public Education	6,075.78	
COMMUNITY SERVICE ACTIVITIES:Comm. Pharmaceutical Drop-Off	371.40	
COMMUNITY SERVICE ACTIVITIES:Open Houses	261.28	
COMMUNITY SERVICE ACTIVITIES:Community Shredder	1,155.00	
COMMUNITY SERVICE ACTIVITIES:Demonstration Garden	2,097.11	
DISTRICT ACTIVITIES:Firefighters' Expenses	71.32	
DISTRICT ACTIVITIES:Professional Development	1,600.90	
DISTRICT ACTIVITIES:Building Maintenance:Janitorial Service	525.00	
DISTRICT ACTIVITIES:Building Maintenance:Medical Waste Disposal	1,626.80	
DISTRICT ACTIVITIES:Building Maintenance:Gardening service	360.00	
DISTRICT ACTIVITIES:Building Maintenance:Miscellaneous Maint.	998.40	
DISTRICT ACTIVITIES:Building Utilities/Service:Gas and Electric	2,685.98	
DISTRICT ACTIVITIES:Building Utilities/Service:Water/Sewer	1,311.19	
DISTRICT ACTIVITIES:Memberships	7,390.00	
DISTRICT ACTIVITIES:Office:Office Expense	1,342.27	
DISTRICT ACTIVITIES:Office:Office Supplies	590.60	
DISTRICT ACTIVITIES:Office:Telephone	3,043.55	
Staff:Wages	31,693.36	
Staff:Longevity Pay	1,000.00	
Staff:Overtime Wages	137.13	
Staff:Medical/dental ins compensation	3,352.00	
Staff:Retirement Contribution	2,408.64	
Staff:Payroll Taxes	2,767.96	
Staff:Workers Compensation/Life Ins	824.99	
Staff:Payroll Processing	580.50	
Transfers In - Capital		9,969.12
Transfers In - General		108,665.14
Transfers Out - Capital	18,634.26	
Transfers Out - Special	100,000.00	
TOTAL	18,961,124.05	18,961,124.05