

**SUISUN RESOURCE
CONSERVATION DISTRICT**

**ANNUAL FINANCIAL REPORT
With
Independent Auditor's Report Thereon**

JUNE 30, 2021

SUISUN RESOURCE CONSERVATION DISTRICT

Financial Statements June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Suisun Resource Conservation District

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

To the Board of Directors
Suisun Resource Conservation District

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-8, budgetary comparison information on pages 32-33, and schedules of the District's proportionate share of Net Pension Liability and pension plan contributions on pages 34-35 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.

Fechter & Company
Certified Public Accountants


Sacramento, California
July 13, 2022

SUISUN RESOURCE CONSERVATION DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2021

The following discussion and analysis of the financial performance of the Suisun Resource Conservation District (the District) provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the District's financial statements.

Financial Highlights

- The District's net position totaled \$2,967,880 at June 30, 2021. Of this amount, \$1,159,370 was available for spending at the District's discretion.
- Total net position increased by \$27,454, or 0.9% because of this year's operations.
- Governmental funds of the District's reported a total ending fund balance of \$1,576,676 at June 30, 2021, of which, \$1,490,425 was available for spending at the District's discretion.

Overview of the Financial Statements

The discussion and analyses provided here are intended to serve as an introduction to the Suisun Resource Conservation District's basic financial statements. The Suisun Resource Conservation District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Suisun Resource Conservation District's finances, in a manner like a private-sector business.

The statement of net position presents financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Suisun Resource Conservation District is improving or deteriorating.

The statement of activities presents information showing how the Suisun Resource Conservation District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the Suisun Resource Conservation District that are principally supported by intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Suisun Resource Conservation District include general government and wetland conservation. The District has no business-type activities at June 30, 2021.

The government-wide financial statements can be found on pages 9-10 of this report.

SUISUN RESOURCE CONSERVATION DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2021

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Suisun Resource Conservation District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Suisun Resource Conservation District are classified as governmental funds.

Governmental Funds. Governmental funds are used to accounting for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds, the general fund, and the special revenue fund. Information is presented separately in the governmental fund balance sheets and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of these funds.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 – 31 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, the report also presents required supplementary information concerning the District's funding progress for the retirement program. Required supplementary information can be found on pages 32 – 35 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$2,967,880 at the close of the most recent fiscal year.

SUISUN RESOURCE CONSERVATION DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2021

The largest portion of the District's net position (58.39%) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles, and infrastructure), less any outstanding related debt used to acquire those assets. The District uses these capital assets to provide services to its landowners. As such, these assets are not available for future spending.

The remaining portions of the District's net position is comprised of \$75,551 which is subject to external restrictions on how it may be used and \$1,159,370 of unrestricted position, which may be used to meet the District's ongoing obligations to its landowners and creditors.

Suisun Resource Conservation District's Net Position

	June 30, 2021	June 30, 2020	Amount Change	Percent Change
Assets:				
Current assets	\$ 1,927,205	\$ 1,793,751	\$ 133,454	7.4%
Capital assets	1,732,959	1,729,005	3,954	0.2%
Total assets	<u>3,660,164</u>	<u>3,522,756</u>	<u>137,408</u>	<u>3.9%</u>
Deferred outflows of resources	148,143	150,394	(2,251)	-1.5%
Liabilities:				
Current liabilities	350,529	285,184	65,345	22.9%
Long-Term liabilities	476,487	430,208	46,279	10.8%
Total liabilities	<u>827,016</u>	<u>715,392</u>	<u>111,624</u>	<u>15.6%</u>
Deferred inflows of resources	13,411	17,332	(3,921)	-22.6%
Net Position:				
Net investment in capital assets	1,732,959	1,729,005	3,954	0.2%
Restricted	75,551	417,289	(341,738)	-81.9%
Unrestricted	1,159,370	794,132	365,238	46.0%
Total net position	<u><u>\$ 2,967,880</u></u>	<u><u>\$ 2,940,426</u></u>	<u><u>\$ 27,454</u></u>	<u><u>0.9%</u></u>

At the end of the current fiscal year, the District can report positive fund balances in all reported categories of net position; the same situation held true for the prior fiscal year. However, the District's overall net position increased \$27,454 from the prior fiscal year. The reasons for this increase are discussed in the following sections.

SUISUN RESOURCE CONSERVATION DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2021

Governmental Activities. During the current fiscal year, net position increased \$27,454 from the prior year ending balance of \$2,940,426. This increase is largely due to increased revenue from intergovernmental sources.

	June 30, 2021	June 30, 2020	Amount Change	Percent Change
Revenues				
Program revenues:				
Charges for services	\$ 517,341	\$ 552,733	\$ (35,392)	-6.4%
Operating grants and contributic	1,713,422	1,941,437	(228,015)	-11.7%
General revenues				
Property taxes	7,380	6,818	562	8.2%
Donations not restricted	36,310	16,612	19,698	118.6%
Investment income	7,146	18,202	(11,056)	-60.7%
Other	969	22,889	(21,920)	100.0%
Total revenues	<u>2,282,568</u>	<u>2,558,691</u>	<u>(276,123)</u>	-10.8%
Expenses				
SMPA cost sharing	712,158	998,086	(285,928)	-28.6%
Landowner pump usage	23,554	45,454	(21,900)	-48.2%
Lower Joice Island	171,555	150,977	20,578	13.6%
Fish screen maintenance	7,095	7,795	(700)	-9.0%
National Fish & Wildlife Found:	56,917	24,974	31,943	127.9%
Mosquito abatement	25,252	24,798	454	1.8%
Pest weed control	63,060	44,656	18,404	41.2%
Department of Water Resources	18,972	9,646	9,326	96.7%
PAI	379,111	501,215	(122,104)	-24.4%
DWR Meins Landing support	29,413	7,460	21,953	294.3%
Fish screen retrofit grant	138,604	-	138,604	0.0%
Unallocated depreciation	-	4,899	(4,899)	-100.0%
General Government	599,744	604,662	(4,918)	-0.8%
Total expenses	<u>2,225,435</u>	<u>2,424,622</u>	<u>(199,187)</u>	-8.2%
Change in net position	57,133	134,069	(76,936)	-57.4%
Beginning net position, restated	<u>2,910,747</u>	<u>2,806,357</u>	<u>104,390</u>	3.7%
Ending net position	<u>\$ 2,967,880</u>	<u>\$ 2,940,426</u>	<u>\$ 27,454</u>	0.9%

SUISUN RESOURCE CONSERVATION DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2021

Financial Analysis of Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance- related legal requirements.

Governmental Funds. The focus of the District's two governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use by particular purposes by the District's Board of Directors.

At June 30, 2021, the District's governmental funds reported combined fund balances of \$1,576,676 an increase of \$68,109 from the prior year. Approximately 71.53% of this amount (\$1,127,836) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either non-spendable (\$10,700) or restricted for special projects (\$438,140).

Total governmental revenues including, charges for services, donations, licenses and permits, interest income, taxes and miscellaneous totaled \$2,282,568 in fiscal 2021, a decrease of \$260,771 from fiscal year 2020. Expenditures totaled \$2,143,639 in fiscal 2021, a decrease of \$261,433 from the prior fiscal year.

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets as of June 30, 2021 amount to \$1,732,959 (net of accumulated depreciation). This investment includes land, buildings, machinery, equipment, vehicles, and improvements. The net investment in capital assets increased \$3,954 from the prior year due primarily to equipment purchased in the fiscal year.

Suisun Resource Conservation District's Capital Assets (net of depreciation)

	June 30, 2021
Land	\$ 1,200,000
Buildings and improvements	139,686
Equipment	393,273
Total cost	<u>\$ 1,732,959</u>

Additional information on the District's capital assets can be found in Note 1D on page 23 of this report.

SUISUN RESOURCE CONSERVATION DISTRICT

Management's Discussion and Analysis For the Year Ended June 30, 2021

Long-term obligations. At June 30, 2021, the District had \$476,487 in long-term obligations. Of this amount, \$410,738 is the net pension liability shown because of the implementation of GASB Statements No. 68 and 71 (see Note 5 on page 25 of this report). The remaining \$65,749 of long-term debt is owed for accrued compensated absences. The amount is entirely backed by the full faith and credit of the District. For more information, see Note 3 on page 25 of this report.

Economic Factors and Next Year's Operating Activities

The District's management anticipates increases in general and program revenue sources in the upcoming fiscal year. Specifically, intergovernmental revenues such as new grants and Covid 19 fiscal relief for Special Districts from the California Department of Finance, are likely to increase in FY 2021/2022. The District intends to continuously monitor operating costs to ensure they remain consistent with approved budgeted amounts.

REQUESTS FOR INFORMATION

This financial report is designed to provide our customers and creditors with a general overview of District finances and demonstrate District accountability for the money it receives. If you have any questions about this report, or need additional financial information, contact the District's Board of Directors, 2544 Grizzly Island Road, Suisun City, California 94585.

BASIC FINANCIAL STATEMENTS

SUISUN RESOURCE CONSERVATION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021
(With comparative totals for 2020)

	2021	2020
ASSETS		
Cash and investments	\$ 1,355,866	\$ 910,883
Accounts receivable, net	553,536	865,547
Prepaid items	11,142	13,465
Inventory	6,661	3,856
Capital assets:		
Capital assets, not being depreciated	1,200,000	1,200,000
Capital assets, being depreciated	532,959	529,005
Total Assets	<u>3,660,164</u>	<u>3,522,756</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows	148,143	150,394
Total Deferred Outflows of Resources	<u>148,143</u>	<u>150,394</u>
LIABILITIES		
Accounts payable and accrued expenses	104,022	185,749
Due to other agencies	12,779	360
Amount due to qualified landowners	229,712	95,059
Refundable deposits	4,016	4,016
Net pension liability	410,738	370,486
Accrued compensated absences due in more than one year	65,749	59,722
Total Liabilities	<u>827,016</u>	<u>715,392</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows	13,411	17,332
Total Deferred Inflow of Resources	<u>13,411</u>	<u>17,332</u>
NET POSITION		
Net investment in capital assets	1,732,959	1,729,005
Restricted for:		
Special projects	438,140	417,289
Unrestricted (deficit)	796,781	794,132
Total Net Position	<u>\$ 2,967,880</u>	<u>\$ 2,940,426</u>

The accompanying notes are an integral part of these financial statements.

SUISUN RESOURCE CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(With comparative totals for 2020)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Total Program Revenues	Totals	
					Governmental Activites 2021	Governmental Activites 2020
PRIMARY GOVERNMENT:						
Governmental activities:						
SMPA cost sharing	\$ 712,158	\$ -	\$ 652,086	\$ 652,086	\$ (60,072)	\$ 42,552
Landowner pump usage	23,554	23,191	-	23,191	(363)	(32,588)
Lower Joice Island	171,555	52,861	119,271	172,132	577	(2,193)
Fish screen maintenance	7,095	1,877	-	1,877	(5,218)	(2,433)
National Fish & Wildlife Foundation	56,917	-	59,846	59,846	2,929	-
Mosquito abatement	25,252	25,252	-	25,252	-	5,675
Pest weed control	63,060	19,760	63,743	83,503	20,443	27,704
Department of Water Resources grant	18,972	-	29,777	29,777	10,805	(1,003)
PAI	379,111	-	431,976	431,976	52,865	92,770
DWR Meins Landing support	29,413	-	42,144	42,144	12,731	3,492
Fish screen retrofit grant	138,604	-	226,786	226,786	88,182	-
Unallocated depreciation	-	-	-	-	-	(4,899)
General Government	599,744	394,400	87,793	482,193	(117,551)	(59,529)
Total governmental activities	<u>2,225,435</u>	<u>517,341</u>	<u>1,713,422</u>	<u>2,230,763</u>	<u>5,328</u>	<u>69,548</u>
Total primary government	<u>\$ 2,225,435</u>	<u>\$ 517,341</u>	<u>\$ 1,713,422</u>		<u>5,328</u>	<u>69,548</u>
General revenues:						
Property taxes					7,380	6,818
Donations not restricted					36,310	16,612
Investment income					7,146	18,202
Other					969	22,889
Total general revenues					<u>51,805</u>	<u>64,521</u>
Change in net position					57,133	134,069
Net position - beginning					2,940,426	2,806,357
Prior period adjustment					(29,679)	-
Net position - beginning, restated					<u>2,910,747</u>	<u>2,806,357</u>
Net position - ending					<u>\$ 2,967,880</u>	<u>\$ 2,940,426</u>

The accompanying notes are an integral part of these financial statements.

SUISUN RESOURCE CONSERVATION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Special Revenue	Total
ASSETS			
Cash and investments	985,098	370,768	\$ 1,355,866
Accounts receivable	540,103	13,433	553,536
Due from other funds	49,773	97,051	146,824
Prepaid items	11,142	-	11,142
Inventory	-	6,661	6,661
TOTAL ASSETS	<u><u>\$ 1,586,116</u></u>	<u><u>\$ 487,913</u></u>	<u><u>\$ 2,074,029</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	\$ 104,022	\$ -	\$ 104,022
Amounts due to qualified landowners	229,712	-	229,712
Due to other funds	97,051	49,773	146,824
Due to other agencies	12,779	-	12,779
Refundable deposits	4,016	-	4,016
Total liabilities	<u><u>447,580</u></u>	<u><u>49,773</u></u>	<u><u>497,353</u></u>
FUND BALANCES			
Nonspendable:			
Imprest cash	10,700	-	10,700
Restricted for special projects	-	438,140	438,140
Unassigned	1,127,836	-	1,127,836
Total fund balances	<u><u>1,138,536</u></u>	<u><u>438,140</u></u>	<u><u>1,576,676</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,586,116</u></u>	<u><u>\$ 487,913</u></u>	<u><u>\$ 2,074,029</u></u>

The accompanying notes are an integral part of these financial statements.

**SUISUN RESOURCE CONSERVATION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total fund balances -governmental funds	\$ 1,576,676
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In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	2,625,902	
Less: Accumulated depreciation	(892,943)	
Net		1,732,959

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Compensated absences	(65,749)	
Net pension liability	(410,738)	
Total		(476,487)

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources relating to pensions		148,143
Deferred inflows of resources relating to pensions		(13,411)

Net position of governmental activities	\$ 2,967,880
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The accompanying notes are an integral part of these financial statements.

SUISUN RESOURCE CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue	Totals
REVENUES:			
Intergovernmental	\$ 1,665,875	\$ -	\$ 1,665,875
Charges for services	342,425	23,193	365,618
Donations	83,856	-	83,856
Licenses and permits	151,724	-	151,724
Interest income	7,146	-	7,146
Taxes	7,380	-	7,380
Miscellaneous	969	-	969
	<hr/>	<hr/>	<hr/>
Total revenues	2,259,375	23,193	2,282,568
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Employee related	908,950	-	908,950
Professional services	321,990	-	321,990
Administrative overhead	242,674	-	242,674
Maintenance	61,998	1,023	63,021
Insurance	24,231	-	24,231
Transportation and travel	17,847	8,252	26,099
Supplies	55,408	-	55,408
Utilities	7,220	-	7,220
Communications	16,419	-	16,419
Rents and leases	21,455	-	21,455
Education and training	1,999	-	1,999
Reimbursable expenses	387,357	-	387,357
Miscellaneous	13,244	50	13,294
Capital outlay	53,522	-	53,522
	<hr/>	<hr/>	<hr/>
Total expenditures	2,134,314	9,325	2,143,639
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	125,061	13,868	138,929
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	125,061	13,868	138,929
Fund balances - beginning	1,024,841	483,726	1,508,567
Prior period adjustment	(11,366)	(59,454)	(70,820)
	<hr/>	<hr/>	<hr/>
Fund balances - beginning, restated	1,013,475	424,272	1,437,747
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Fund balances - ending	\$ 1,138,536	\$ 438,140	\$ 1,576,676
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The accompanying notes are an integral part of these financial statements.

**SUISUN RESOURCE CONSERVATION DISTRICT
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Net change in fund balances - total governmental funds		\$ 138,929
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for general capital assets, infrastructure, and other related capital asset adjustments	52,026	
Less: current year depreciation	<u>(89,209)</u>	(37,183)
Expenditures in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds:		
Change in the liability for compensated absences		(6,027)
Change in net pension liability and related accounts		<u>(38,586)</u>
Change in net position of governmental activities		<u><u>\$ 57,133</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's financial accounts are maintained in accordance with generally accepted accounting principles (GAAP) and the uniform accounting system for districts prescribed by the State Controller in compliance with the Government Code of the State of California. The more significant of the District's accounting policies are described below.

A. Financial Reporting Entity

The Suisun Resource Conservation District (District) of Solano County was organized on June 6, 1963 and operates under Division 9 of the Public Resources Code, *Resource Conservation*. The District's primary purpose is to regulate and improve water management practices related to the wetlands and wildlife habitat in the Suisun Marsh.

The Board of Directors consisting of five (5) members, serving four-year terms, governs the District. The Board of Supervisors of Solano County approves the appointment of each Director.

B. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity, except fiduciary funds (at June 30, 2021, the District does not have any fiduciary funds). The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, debt issuances, and other non-exchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balance, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary (business type), and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered *major* if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined.

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (continued)

Fund Financial Statements (continued)

The funds of the financial reporting entity are described below:

Governmental funds

General Fund

The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes. The District has only one special revenue fund at June 30, 2021. Therefore, it is considered major.

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” transactions are recorded regardless of the measurement focus applied.

Measurement focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “*current financial resources*” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “*current financial resources*” measurement focus. Only current financial assets and liabilities are generally 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.

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (continued)

Basis of Accounting

Government-Wide Financial Statements

These basic financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the District in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to inter fund activities, payables and receivables. The following internal balances in the Statement of Net Position have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

The District applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued GASBS No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. This includes pronouncements by the Financial Accounting Standards Board (FASB), Accounting Principles Board Opinions (APB), and the Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure, unless those pronouncements conflict with or contradict with GASB pronouncements.

Governmental Fund Financial Statement

Governmental fund financial statements included a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements. The District has presented all major funds that met the applicable criteria.

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (continued)

Basis of Accounting (continued)

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis for accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The availability period for these revenues is 60 days.

Revenues are recorded when received in cash, except those revenues subject to modified accrual are recognized when due. The primary revenue sources accrued by the District are property tax, intergovernmental revenues, and donations. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unearned revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unearned revenue is removed, and revenue is recognized.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

D. Assets, Liabilities, and Equity Cash and Cash Equivalents

The District’s cash resides in the Solano County Treasury and a commercial bank account.

The bank account is funded on a reimbursement basis with the District’s cash in the County Treasury. The District uses the commercial bank account to safely its obligations resulting from day to day operations. As of June 30, 2021, the carrying amount and the bank balance was \$10,700 which is covered by federal depository insurance.

The District’s cash in the County Treasury is pooled with the County of Solano. The District is a non-mandatory depositor pursuant to Health & Safety Code §13854. The District’s ability to withdraw large sums of cash from the County Treasury may be subject to certain restrictions set by the County Treasurer.

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Equity Cash and Cash Equivalents (continued)

The cash and equivalents shown on the Statement of Net Position and Government Funds Balance sheet are net of outstanding warrants. Outstanding warrants represent the number of warrants issued but not yet presented to the County for payment. When warrants are issued, expenditures are recorded and an outstanding warrant liability is created, pending payment of the warrant.

The County's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the County Board of Supervisors. The objectives of the policy are (in order of priority): legality, preservation of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code, and the percentage of the portfolio which may be invested in certain instruments with longer terms of maturity. A detailed breakdown of cash and investments and a categorization of risk factors are presented in the County of Solano Comprehensive Annual Financial Report. A detailed breakdown of cash and investments and a categorization of risk factors per GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, are presented in the County of Solano Comprehensive Annual Financial Report.

Accounts Receivable

Accounts receivable represents the balance due to the District for services rendered.

Due to/from other Funds

Due to/due from other funds represents amounts owed to/from funds within the reporting entity that are due within one year.

Due to/from other Agencies

Due to/due from other agencies represents amounts owed *to/by* governmental entities outside the reporting entity.

Inventory

The District inventory consists of fuel, which is valued at average cost at the end of each year.

Capital Assets

Capital assets which include land, equipment, and structures and improvements, are reported in the government-wide financial statements. Capital assets are defined by the District's capitalization policy as assets with an initial cost of more than \$2,500 and an estimated useful life of 5 years or more. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. Donated capital assets are valued at their estimated fair value on the date of donation.

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Equity Cash and Cash Equivalents (continued)

Capital Assets (continued)

Equipment, and structures and improvements of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Useful Life (Years)</u>
Computer equipment	5
Office equipment	7
Specialty equipment and vehicles	5 – 10
Buildings and improvements	10 – 40
Land, easements, and right of way	N/A

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Outstanding Warrants

Outstanding warrants represent the amount of warrants issued but not yet presented to the County for payment. When warrants are issued, expenditures are recorded and an outstanding warrant liability is created, pending payment of the warrant. Outstanding warrants are not shown as a separate item in the financial statements but are netted against cash and cash equivalents.

Accounts Payable

Account payable represents the amounts owed for goods received and/or services rendered.

Due to Qualified Landowners

Amounts due to qualified landowners represent funds that will be disbursed to landowners in future periods.

Compensated Absences

It is the District's policy to permit permanent employees to accumulate earned, but unused compensatory time and vacation pay benefits. Accrued compensatory time and vacation leave is paid at the *time* of the employee's termination based on established District limitations. Compensated absences leave is accrued when incurred in the government-wide financial statements. A liability is reported in the governmental fund only if unused compensatory time or vacation leave after limitations are expected to be liquidated (paid out due to an employee separating from service with the District) with expendable available financial resources.

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Equity Cash and Cash Equivalents (continued)

Pensions

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

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position includes separate sections for deferred outflows and inflows of resources. These separate sections represent a consumption (outflow) or acquisition (inflow) of net position that applies to future periods and will not be recognized as an expense (outflow) or revenue (inflow) until that time.

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. *Invested in capital assets, net of related debt* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – Consists of net position with constraints placed on the use either by (1) external groups such as creditors granters contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – All other portions of net position of the District that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Balance Policy

Under GASB Statement No. 54 fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Board of Directors, as the highest level of decision-making authority of the District, has the power to commit and rescind the commitment of fund balances through resolutions. The Board has designated certain

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Equity Cash and Cash Equivalents (continued)

Equity Classifications (continued)

members of management staff to assign funds balances. Those staff members can assign fund balances when the District intends to use those funds for specific projects/purposes. These captions apply only to Fund Balance classifications:

As of June 30, 2021, fund balances were categorized as follows:

- a. *Nonspendable fund balances* are those amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
- b. *Restricted fund balances* are those amounts that should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- c. *Committed fund balances* are those amounts that cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- d. *Assigned fund balances* are those amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed.
- e. *Unassigned fund balances* are those residual funds that have not been assigned to other funds, are not nonspendable, restricted, committed or assigned to a specific purpose. The general fund should be the only fund that reports a positive unassigned fund balance.

In circumstances when an expenditure is made for a purpose in which amounts are available in multiple fund balance classifications, it is the District Spending Priority Policy is to use fund balances in order from restricted to unassigned, as listed above.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements
June 30, 2021

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNT ABILITY

A. Property Taxes

The State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100 percent of market value as defined by Article XIII and may be adjusted by no more than two percent per year unless the property is sold or transferred. The State Legislature has determined the method of distributing receipts from a one percent tax levy among the counties, cities school districts and other districts.

Secured, unitary, and supplemental property taxes are apportioned in advance of collection. Unsecured taxes are apportioned after collection.

B. GANN Appropriations Limit

Article XIII B of the California Constitution provides exceptions for some special districts for establishing an appropriations limit. As per Article XIII B, the District is not subject to the appropriations limit because the District was in existence on January 1, 1978, and/or the District's tax levy for fiscal year 1977-78 was below 12 ½ cents per \$100 of assessed valuation.

NOTE 3: DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. Accounts Receivable

Accounts receivable for the governmental activities consists of various reimbursement and fees dated June 30 and prior but received subsequent to June 30, 2021. They include:

Department of Water Resources	\$ 281,699
Cash sales	11,567
DFW	42,018
CWA	22,723
National Fish and Wildlife Foundation	22,309
San Francisco Bay Restoration Authority	81,242
SCF	47,546
Miscellaneous under \$10,000	48,371
	<u>\$ 557,475</u>

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements June 30, 2021

NOTE 3: DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)

B. Capital Assets

Government-Type Activities	Balance at June 30, 2020	Additions	Dispositions	Transfers/ Adjustments	Balance at June 30, 2021
Capital assets not being depreciated:					
Land	\$ 1,200,000	\$ -	\$ -	\$ -	\$ 1,200,000
Total capital assets not being depreciated	<u>\$ 1,200,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,200,000</u>
Capital assets being depreciated:					
Buildings, structures, and improvements	372,713	-	-	-	372,713
Equipment	960,024	52,026	-	41,141	1,053,191
Total capital assets being depreciated	<u>1,332,737</u>	<u>52,026</u>	<u>-</u>	<u>41,141</u>	<u>1,425,904</u>
Less: accumulated depreciation					
Buildings and improvements	(218,141)	(14,886)	-	-	(233,027)
Equipment	(585,595)	(74,323)	-	-	(659,918)
Total accumulated depreciation	<u>(803,736)</u>	<u>(89,209)</u>	<u>-</u>	<u>-</u>	<u>(892,945)</u>
Net capital assets being depreciated	<u>529,001</u>	<u>(37,183)</u>	<u>-</u>	<u>41,141</u>	<u>532,959</u>
Total net capital assets	<u>\$ 1,729,001</u>	<u>\$ (37,183)</u>	<u>\$ -</u>	<u>\$ 41,141</u>	<u>\$ 1,732,959</u>

C. Accounts Payable and Accrued Expenses

Accounts payable are comprised of payables to various vendors during the normal course of operations, as well as accrued payroll. At June 30, 2021, accounts payable were as follows:

Accrued payroll	\$ 41,614
Reclamation District 1607	12,278
Miscellaneous under \$10,000	50,130
	<u>\$ 104,022</u>

D. Refundable Deposits

Refundable deposits of \$4,016 at June 30 consist of \$16 from the Department of Fish and Wildlife due to be spent on the Grizzly Island Wildlife area and \$4,000 relating to a cleaning and damage deposit.

E. Accrued Compensated Absences

Activity for the fiscal year ended June 30, 2021, was as follows:

Balance at July 1, 2020	Additions	Reductions	Balance at June 30, 2021	Current Portion	Long-Term Portion
<u>\$ 59,722</u>	<u>\$ 38,888</u>	<u>\$ (32,861)</u>	<u>\$ 65,749</u>	<u>\$ -</u>	<u>\$ 65,749</u>

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements
June 30, 2021

NOTE 3: DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)

F. Amounts Due to Qualified Landowners

The balance of \$229,712 relates to drought response funds received from the California Department of Water Resources. This entire amount will be paid out to various properties located within District boundaries.

NOTE 4: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District continues to carry commercial insurance for all risks of loss, including general liability, workers' compensation, and, employee health and accident insurance.

NOTE 5: PENSION PLANS

General Information about the Pension Plan

Plan Descriptions – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes and membership information is listed in the June 30, 2014 Annual Actuarial Valuation Report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications. All qualified permanent and probationary employees are eligible to participate in the District's separate Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions assumptions and membership information that can be found on the CalPERS website.

General Information about the Pension Plan (continued)

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

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements
June 30, 2021

NOTE 5: PENSION PLANS (CONTINUED)

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

	Miscellaneous	
	Hired Prior to January 1, 2013	New Member Hired on or After January 1, 2013
Hire Date		
Benefit formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	6.91%	6.75%
Required employer contribution rates	10.48%	7.73%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the costs of benefits earned by employees during the year, with an additional amount to pay any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2021 the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous Plan
Contributions - employer	\$ 90,490

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

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

	Miscellaneous
Proportion - June 30, 2020	0.00925%
Proportion - June 30, 2021	0.00974%
Change - Increase (Decrease)	0.00049%

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements June 30, 2021

NOTE 5: PENSION PLANS (CONTINUED)

The District's net pension liability of \$410,738 is measured as the proportionate share of the net pension liability of \$10,247,039,422 (or .00378%). The net pension liability is measured as of June 30, 2020, and the total pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2021, the District recognized pension expense of \$46,546 for the Plan. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ 2,930
Differences between Expected and Actual Experience	21,167	-
Differences between Projected and Actual Investment Earnings	12,202	-
Differences between Employer's Contributions and Proportionate Share of Contributions	41	10,481
Change in Employer's Proportion	24,243	-
Pension Contributions Made Subsequent to Measurement Date	90,490	-
Total	<u>\$ 148,143</u>	<u>\$ 13,411</u>

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

Of the \$148,143 reported as deferred outflows of resources, \$77,642 is related to contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year June 30	Deferred Outflows/(Inflows) of Resources
2022	\$ 13,343
2023	15,009
2024	10,037
2025	5,853
Total	<u>\$ 44,242</u>

The amounts above are the net of outflows and inflows recognized in the fiscal 2020 measurement period.

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements
June 30, 2021

NOTE 5: PENSION PLANS (CONTINUED)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability – For the measurement period ending June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2020 total pension liability was determined using the following actuarial methods and assumptions:

	Miscellaneous
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15%
	Derived using CalPERS' Membership Data for all Funds. The mortality rates includes 15 years of projected on-going mortality improvement using
Mortality Rate Table	90% of Scale MP 2016 published by the Society of Actuaries
Post Retirement Benefit	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchase Power applies 2.50% thereafter.

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

Long-term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which ranges of expected future real rates of return (expected returns net of pension plan investment expenses and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements
June 30, 2021

NOTE 5: PENSION PLANS (CONTINUED)

The table below reflects the long-term expected real rate of return by asset class.

Asset Class	New Strategic Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	3.75%	-0.92%
	<u>100%</u>		

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

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

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

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

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
District's Net Pension Liability \$	732,267	\$ 410,738	\$ 145,068

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

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements
June 30, 2021

NOTE 6: COMMITMENTS AND CONTINGENCIES

Equipment Lease

The District has two equipment lease agreements for two copiers: first one was effective from August 7, 2018 for five years and the second one was effective from January 24, 2019 for five years. The following is the minimum commitment.

<u>Year</u>	<u>Annual Rent</u>
2022	\$ 4,559
2023	4,559
2024	1,193
	<u>\$ 10,311</u>

Building and Ground Space Lease

In July 2016, the District entered into a lease agreement for Building and Ground Space with the State of California through the Department of Fish and Wildlife. The agreement is for five years and the expiration date is June 30, 2021. This lease has been renewed as of July 1, 2021 for another five years. The following is the minimum lease commitment:

<u>Year</u>	<u>Annual Rent</u>
2022	\$ 9,600
2023	9,600
2024	9,600
2025	9,600
2026	9,600
	<u>\$ 48,000</u>

NOTE 7: LOWER JOICE ISLAND

As part of the agreement for maintaining Lower Joice Island (LJI), the District agreed not to fund District operations with LJI funds. The following is the reconciliation between the Statement of Activities, which is presented on a full accrual basis, and cash that was disbursed on behalf of LJI.

Revenue	\$ 172,132
Expenses	<u>(171,555)</u>
Net income, Statement of Activities	577
Prior year net loss (cumulative)	(1,070)
Add non-cash depreciation	<u>29,665</u>
Net income, cash basis	<u>\$ 29,172</u>

SUISUN RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements June 30, 2021

NOTE 8: COVID-19 CONSIDERATIONS

In January 2020, the virus SARS-CoV-2 was transmitted to the United States from overseas sources. This virus, responsible for the Coronavirus disease COVID-19, has proven to be extremely virulent with transmission rates as yet unknown. The economic impact in the State of California and the County of Solano, as yet has not been determined and therefore any potential impact on the District is not yet known.

NOTE 9: PRIOR PERIOD ADJUSTMENTS

The following table is a summary of the restatements of beginning fund balances/net position:

	<u>Fund Statements</u>		<u>Government- Wide Statements</u>
	<u>General</u>	<u>Special Revenue</u>	
Adjustments to due to/from other funds	\$ (11,366)	\$ (59,454)	(70,820)
To record capital asset purchased in fiscal year 2020	-	-	41,141
Total	<u>\$ (11,366)</u>	<u>\$ (59,454)</u>	<u>\$ (29,679)</u>

NOTE 10: SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 13, 2022, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**SUISUN RESOURCE CONSERVATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Intergovernmental	\$ 1,769,794	\$ 1,769,794	\$ 1,665,875	\$ (103,919)
Charges for services	325,232	325,232	342,425	17,193
Donations	83,788	83,788	83,856	68
Licenses and permits	151,100	151,100	151,724	624
Interest income	15,000	15,000	7,146	(7,854)
Taxes	3,700	3,700	7,380	3,680
Miscellaneous	300	300	969	669
Total revenues	2,348,914	2,348,914	2,259,375	(89,539)
EXPENDITURES:				
Employee related	951,357	951,357	908,950	42,407
Professional services	196,949	196,949	321,990	(125,041)
Administrative overhead	203,816	203,816	242,674	(38,858)
Maintenance	29,500	29,500	61,998	(32,498)
Insurance	15,304	15,304	24,231	(8,927)
Transportation and travel	16,004	16,004	17,847	(1,843)
Supplies	46,241	46,241	55,408	(9,167)
Utilities	8,500	8,500	7,220	1,280
Communications	14,800	14,800	16,419	(1,619)
Rents and leases	17,350	17,350	21,455	(4,105)
Education and training	6,804	6,804	1,999	4,805
Reimbursable expenses	750,500	750,500	387,357	363,143
Miscellaneous	19,032	19,032	13,244	5,788
Capital outlay	23,000	23,000	53,522	(30,522)
Total expenditures	2,299,157	2,299,157	2,134,314	164,843
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	49,757	49,757	125,061	75,304
Fund balances - beginning, restated	1,013,475	1,013,475	1,013,475	-
Fund balances - ending	\$ 1,063,232	\$ 1,063,232	\$ 1,138,536	\$ 75,304

The accompanying notes are an integral part of these financial statements.

**SUISUN RESOURCE CONSERVATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES:				
Charges for services	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 23,193</u>	<u>\$ 3,193</u>
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>23,193</u>	<u>3,193</u>
EXPENDITURES:				
Maintenance	13,000	13,000	1,023	11,977
Transportation and travel	5,000	5,000	8,252	(3,252)
Supplies	1,951	1,951	-	1,951
Miscellaneous	<u>49</u>	<u>49</u>	<u>50</u>	<u>(1)</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>9,325</u>	<u>10,675</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	13,868	13,868
Fund balances - beginning, restated	<u>424,272</u>	<u>424,272</u>	<u>424,272</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 424,272</u></u>	<u><u>\$ 424,272</u></u>	<u><u>\$ 438,140</u></u>	<u><u>\$ 13,868</u></u>

The accompanying notes are an integral part of these financial statements.

SUISUN RESOURCE CONSERVATION DISTRICT

Required Supplementary Information

Pensions - Miscellaneous Plan

June 30, 2021

The following table provides required supplementary information regarding the District's Pension Plan.

Last 10 Fiscal years ¹

	Fiscal Reporting Year Ended June 30,				
	2015	2016	2017	2018	2019
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Proportion of the net pension liability	0.00372%	0.00334%	0.00333%	0.00356%	0.00344%
Proportionate share of the net pension liability	231,655	229,497	288,328	352,680	331,969
Covered payroll ²	359,937	352,699	356,870	431,576	457,691
Proportionate share of the net pension liability as a percentage of its covered payroll	64.36%	65.07%	80.79%	81.72%	72.53%
Plan's fiduciary net position	823,488	896,853	938,327	1,340,269	1,597,001
Plan's fiduciary net position as a percentage of the plan's total pension liability	79.82%	78.40%	74.06%	73.31%	75.26%
	2020	2021			
Measurement Date	June 30, 2019	June 30, 2020			
Proportion of the net pension liability	0.00362%	0.00378%			
Proportionate share of the net pension liability	370,486	410,738			
Covered payroll ²	470,529	614,283			
Proportionate share of the net pension liability as a percentage of its covered payroll	78.74%	66.86%			
Plan's fiduciary net position	1,656,052	32,823			
Plan's fiduciary net position as a percentage of the plan's total pension liability	75.26%	83.00%			

¹ Fiscal year ended June 30, 2015 was the first year of implementation. Additional years will be presented as they become available.

SUISUN RESOURCE CONSERVATION DISTRICT

Required Supplementary Information

Pensions - Miscellaneous Plan

June 30, 2021

The following table provides required supplementary information regarding the District's Pension Plan.

Last 10 Fiscal Years ¹

	Fiscal Reporting Year Ended June 30,				
	2015	2016	2017	2018	2019
Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Actuarially determined contribution ²	\$ 33,603	\$ 48,743	\$ 54,280	\$ 61,024	\$ 69,577
Contributions in relation to the actuarially determined contribution ²	33,603	48,743	54,280	61,024	69,577
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ³	\$ 359,937	\$ 352,699	\$ 356,870	\$ 431,576	\$ 457,691
Contributions as a percentage of covered payroll	9.34%	13.82%	15.21%	14.14%	15.20%
Measurement Date	June 30, 2019	June 30, 2020			
	2020	2021			
Actuarially determined contribution ²	\$ 77,642	\$ 182,935			
Contributions in relation to the actuarially determined contribution ²	77,642	182,935			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>			
Covered payroll ³	\$ 470,529	\$ 614,283			
Contributions as a percentage of covered payroll	16.50%	29.78%			

¹ Fiscal year ended June 30, 2015 was the first year of implementation. Additional years will be presented as they become available.