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**SUISUN RESOURCE CONSERVATION DISTRICT**

**FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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## INDEPENDENT AUDITORS' 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, 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.

### **Auditors' 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information 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.

## 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 3-9, budgetary comparison information on pages 36-37, and schedules of the District's proportionate share of Net Pension liability and pension plan contributions on page 38 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.



CROPPER ACCOUNTANCY CORPORATION

Walnut Creek, California

October 21, 2021

## **SUISUN RESOURCE CONSERVATION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

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, 2020. Please read it in conjunction with the District's financial statements.

### **Financial Highlights**

- ◆ The District's net position totaled \$2,869,606 at June 30, 2020. Of this amount, \$723,313 was available for spending at the District's discretion.
- ◆ Total net position increased by \$63,249, or 2.25% because of this year's operations.
- ◆ Governmental funds of the District's reported a total ending fund balance of \$1,437,747 at June 30, 2020, of which, \$943,321 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, 2020.

The government-wide financial statements can be found on pages 12–13 of this report.

**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 19 – 34 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 36 – 38 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 \$2,869,606 at the close of the most recent fiscal year.

The largest portion of the District's net position (60.25%) 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 \$417,289 which is subject to external restrictions on how it may be used and \$723,313 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

Description	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Amount Increase / (Decrease)	Percent Increase/ (Decrease)
<b>Asset</b>				
Current Assets	\$1,793,751	\$1,684,351	\$109,400	6.5%
Capital Assets	\$1,729,004	\$1,680,059	\$48,945	2.91%
Total Assets	\$3,522,755	\$3,364,410	\$158,345	4.71%
<b>Deferred Outflows</b>	\$150,394	\$159,179	(\$8,785)	(5.52)%
Total Deferred Outflows	\$150,394	\$159,179	(\$8,785)	(5.52)%
Total Assets and Deferred Outflows	\$3,673,149	\$3,523,589	\$149,560	4.24%
Current Liabilities	\$356,003	\$314,051	\$41,952	13.36%
Long-Term Liabilities	\$430,208	\$385,093	\$45,115	11.72%
Total Liabilities	\$786,211	\$699,144	\$87,067	12.45%
<b>Deferred Inflows</b>				
Deferred Inflow	\$17,332	\$18,088	(\$756)	(4.18)%
Total Deferred Inflows	\$17,332	\$18,088	(\$756)	(4.18)%
Total Liabilities and Deferred Inflows	\$803,543	\$717,232	\$86,311	12.03%
<b>Net Position</b>				
Net investment in capital assets	\$1,729,004	\$1,680,059	\$48,945	2.91%
Restricted	\$417,289	\$417,289	-	00.0%
Unrestricted	\$723,313	\$709,009	\$14,304	2.02%
<b>Total Net Position</b>	\$2,869,606	\$2,806,357	\$63,249	2.25%

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 \$63,249 from the prior fiscal year. The reasons for this increase are discussed in the following sections.

**Governmental Activities.** During the current fiscal year, net position increased \$63,249 from the prior year ending balance of \$2,806,357. This increase is largely due to increased revenue from intergovernmental sources.

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## Suisun Resource Conservation District's Revenues, Expenses, and Changes in Net Position

Revenues:	Fiscal Year ended June 30, 2020	Fiscal Year ended June 30, 2019	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Program revenues				
Charges for services	552,733	491,264	61,469	12.51%
Operating grants and contributions	1,941,437	2,135,536	(194,099)	(9.09)%
General revenues:				
Property taxes	6,818	7,300	(482)	(6.60)%
Donations not restricted to specific programs	16,612	-	16,612	100%
Investment income	18,202	16,187	2,015	12.45%
Capital contributions	-	-	-	-
Other	22,889	11,025	11,864	107.61%
Total revenues	2,558,691	2,661,312	(102,621)	(3.86)%
Expenses:				6.33%
General government	604,662	568,643	36,019	
Depreciation	4,899	3,446	1,453	42.16%
SMPA cost sharing	998,086	659,840	338,246	51.26%
Landowner pump usage	45,454	22,150	23,304	105.21%
Lower Joice Island weed control	0	13,330	(13,330)	(100)%
ENXCO	0	97	(97)	(100)%
Lower Joice Island	150,977	191,692	(40,715)	(21.24)%
Fish screen maintenance	7,795	8,873	(1,078)	(12.15)%
Mosquito abatement	30,473	25,001	5,472	21.88%
Pest weed control	44,656	29,095	15,561	53.48%
National Fish & Wildlife Fund	24,974	-	\$24,974	100%
DWR grant	9,646	191,046	(181,400)	(94.95)%
DWR Meins Landing	7,460	-	7,460	100%
PAI	566,360	581,883	(15,523)	(2.67)%
CADC Funding Assistance	0	11,417	(11,417)	(100)%
Miscellaneous Grants	0	164,076	(164,076)	(100)%
Total expenses	2,495,442	2,470,589	24,583	(1.01)%
Increase (decrease) in net position	63,249	190,723	(127,474)	(66.84)%
Net position – beginning, as restated	2,806,357	2,615,634	190,723	7.29%
Net position – ending	2,869,606	2,806,357	63,249	2.25%

### 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, 2020, the District's governmental funds reported combined fund balances of \$1,437,747 an increase of \$67,448 from the prior year. Approximately 65.61% of this amount (\$943,321) constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$0), 2) legally required to be maintained intact (\$10,700), 3) restricted for purposes (\$0), 4) committed for particular purposes (\$0), or 5) assigned for particular purposes (\$483,726).

Total governmental revenues including, charges for services, donations, licenses and permits, interest income, taxes and miscellaneous totaled \$2,538,204 in fiscal 2020, a decrease of \$125,232 from fiscal year 2019. Expenditures totaled \$2,470,757 in fiscal 2020, a decrease of \$135,323 from the prior fiscal year.

### **Capital Assets and Debt Administration**

**Capital Assets.** The District's investment in capital assets as of June 30, 2020 amount to \$1,729,004 (net of accumulated depreciation). This investment includes land, buildings, machinery, equipment, vehicles, and improvements. The net investment in capital assets increased \$48,945 from the prior year due primarily to equipment purchased in the fiscal year.

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

	<u>6/30/2020</u>
Land	\$ 1,200,000
Buildings and improvements	372,713
Equipment	<u>156,291</u>
Total capital assets	<u>\$ 1,729,004</u>

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

**Long-term obligations.** At June 30, 2020, the District had \$430,207 in long-term obligations. Of this amount, \$370,486 is the net pension liability shown because of the implementation of GASB Statements No. 68 and 71 (see Note 5 on page 29 of this report). The remaining \$59,722 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 1D on page 29 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 grants, are set to increase in 2021. The District intends to continuously monitor operating costs to ensure they remain consistent with 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, CA 94585.

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## ***FINANCIAL STATEMENTS***

**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Statement of Net Position**  
**June 30, 2020**  
**(With comparative totals for 2019)**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 910,883	\$ 765,590
Accounts receivable	865,547	893,728
Prepays	13,465	18,546
Inventory	3,856	6,487
Capital assets not being depreciated		
Land	1,200,000	1,200,000
Capital assets being depreciated		
Buildings and improvements	372,713	354,763
Equipment	960,027	887,737
Less: accumulated depreciation	<u>(803,736)</u>	<u>(762,441)</u>
<b>Total Assets</b>	<u>3,522,755</u>	<u>3,364,410</u>
<b>DEFERRED OUTFLOWS</b>		
Deferred outflows	<u>150,394</u>	<u>159,179</u>
<b>Total Deferred Outflows</b>	<u>150,394</u>	<u>159,179</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 185,748	\$ 194,041
Due to other agencies	360	180
Amounts due to qualified landowners	95,059	115,814
Refundable deposits	4,016	4,016
Net pension liability	370,486	331,969
Accrued compensated absences due in more than one year	<u>59,722</u>	<u>53,124</u>
<b>Total Liabilities</b>	<u>715,391</u>	<u>699,144</u>
<b>DEFERRED INFLOWS</b>		
Deferred inflows	<u>17,332</u>	<u>18,088</u>
<b>Total Deferred Inflows</b>	<u>17,332</u>	<u>18,088</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,729,004	1,680,059
Restricted for:		
Special projects	417,289	417,289
Unrestricted	<u>794,133</u>	<u>709,009</u>
<b>Total Net Position</b>	<u>\$ 2,940,426</u>	<u>\$ 2,806,357</u>

The accompanying notes are an integral part of the financial statements

# SUISUN RESOURCE CONSERVATION DISTRICT

## Statement of Activities

For the year ended June 30, 2020  
(With comparative totals for 2019)

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Totals	
					Governmental Activities 2020	Governmental Activities 2019
<b>Primary government:</b>						
Governmental activities:						
SMPA cost sharing	\$998,086	\$ 1,499	\$ 1,039,139	\$ -	\$ 42,552	\$ 58,919
Landowner pump usage	45,454	-	12,866	-	(32,588)	8,236
Lower Joice Island weed control	-	-	-	-	-	(10,830)
ENXCO fund	-	-	-	-	-	(97)
Lower Joice Island	150,977	51,887	96,897	-	(2,193)	(25,184)
Fish screen maintenance	7,795	5,362	-	-	(2,433)	(5,305)
National Fish & Wildlife Foundation	24,974	-	24,974	-	-	-
Mosquito abatement	24,798	16,153	14,320	-	5,675	1
Pest weed control	44,656	18,406	53,954	-	27,704	90
Miscellaneous grants	-	-	-	-	-	17,144
Drought Response Fund	-	-	-	-	-	-
Department of Water Resources grant	9,646	-	8,643	-	(1,003)	157,239
PAI	501,215	-	593,985	-	92,770	28,992
CADC Funding Assistance	-	-	-	-	-	11,510
DWR Meins Landing support	7,460	-	10,952	-	3,492	-
Unallocated depreciation	4,899	-	-	-	(4,899)	(3,446)
General Government	604,662	459,426	85,707	-	(59,529)	(81,058)
Total governmental activities	2,424,622	552,733	1,941,437	-	69,548	156,211
<b>Total primary government</b>	<b>\$ 2,424,622</b>	<b>\$ 552,733</b>	<b>\$ 1,941,437</b>	<b>\$ -</b>	<b>69,548</b>	<b>156,211</b>
<b>General revenues:</b>						
Property taxes					6,818	7,300
Donations not restricted					16,612	-
Investment income					18,202	16,187
Other					22,889	11,025
<b>Total general revenues</b>					<b>64,521</b>	<b>34,512</b>
<b>Change in net position</b>					<b>134,069</b>	<b>190,723</b>
<b>Net position - beginning</b>					<b>2,806,357</b>	<b>2,615,634</b>
<b>Net position - ending</b>					<b>\$ 2,940,426</b>	<b>\$ 2,806,357</b>

The accompanying notes are an integral part of the financial statements

**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	General Fund	Special Revenue	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 870,705	\$ 40,177	\$ 910,882
Accounts receivable	286,754	578,793	865,547
Due from other funds	18,122	-	18,122
Prepaid expenses	9,526	3,939	13,465
Inventory	<u>-</u>	<u>3,856</u>	<u>3,856</u>
Total Assets	<u>\$ 1,185,107</u>	<u>\$ 626,765</u>	<u>\$ 1,811,872</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 60,831	\$ 124,917	\$ 185,748
Amounts due to qualified landowners	95,059	-	95,059
Due to other funds	-	18,122	18,122
Due to other agencies	360	-	360
Refundable deposits	<u>4,016</u>	<u>-</u>	<u>4,016</u>
Total Liabilities	<u>160,266</u>	<u>143,039</u>	<u>303,305</u>
<b>FUND BALANCE</b>			
Nonspendable			
Imprest cash	\$ 10,700	\$ -	\$ 10,700
Restricted	-		-
Assigned	-	483,726	483,726
Unassigned	<u>1,014,141</u>	<u>-</u>	<u>1,014,141</u>
Total Fund Balance	<u>1,024,841</u>	<u>483,726</u>	<u>1,508,567</u>
Total Liabilities and Fund Balance	<u>\$ 1,185,107</u>	<u>\$ 626,765</u>	<u>\$ 1,811,872</u>

The accompanying notes are an integral part of the financial statements



**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Reconciliation of the Balance Sheet**  
**of the Governmental Funds**  
**to the Statement of Net Position**  
**For the fiscal year ended June 30, 2020**

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Total fund balances — governmental funds	\$ 1,508,567
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets expensed for "governmental fund" activities, but capitalized as capital assets in the Statement of Net Position, net of accumulated depreciation of \$775,674.	1,729,004
Deferred outflows of resources reported in the Statement of Net Position	150,394
Deferred inflows of resources reported in the Statement of Net Position	(17,332)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.	<u>(430,207)</u>
Net position of governmental activities	<u>\$ 2,940,426</u>

The accompanying notes are an integral part of the financial statements

**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2020**

	General Fund	Special Revenue	Total
<b>REVENUES</b>			
Intergovernmental	\$ 792,621	\$ 1,039,139	\$ 1,831,760
Charges for services	372,344	12,866	385,210
Donations	113,509	-	113,509
Licenses and permits	149,989	-	149,989
Interest income	18,202	-	18,202
Taxes	6,732	-	6,732
Transfers in (out)	(85,000)	85,000	-
Miscellaneous	32,802	-	32,802
Total revenues	<u>1,401,199</u>	<u>1,137,005</u>	<u>2,538,204</u>
<b>EXPENDITURES</b>			
Employee related	\$ 514,016	\$ 352,810	\$ 866,826
Professional services	123,162	275,036	398,198
Administrative overhead	4,000	301,800	305,800
Maintenance	23,311	33,437	56,748
Insurance	13,064	5,546	18,610
Transportation and travel	9,446	15,065	24,511
Supplies	19,729	20,812	40,541
Utilities	6,791	1,865	8,656
Rents and leases	11,627	5,667	17,294
Communication	4,505	9,386	13,891
Education and training	1,661	1,521	3,182
Reimbursable expenses	537,509	-	537,509
Miscellaneous	18,965	(1,345)	17,620
Capital outlay	27,282	63,269	90,551
Total expenditures	<u>1,315,068</u>	<u>1,084,869</u>	<u>2,399,937</u>
Net change in fund balance	86,131	52,136	138,268
Total Fund Balance - Beginning	<u>938,709</u>	<u>431,590</u>	<u>1,370,299</u>
Total Fund Balance - Ending	<u>\$ 1,024,841</u>	<u>\$ 483,726</u>	<u>\$ 1,508,567</u>

The accompanying notes are an integral part of the financial statements

**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds to the Statement of Activities**  
**For the fiscal year ended June 30, 2020**

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Amounts reported for governmental activities in the statement of activities  
are different because:

Net change in fund balances - total governmental funds	\$ 138,268
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*Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.*

Cost of capital assets - additions	114,171	
Retirement of fixed assets and associated depreciation	-	
Depreciation expense	<u>(65,226)</u>	48,945

*Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.*

Pension revenue	(46,545)
Change in accrued compensated absences	<u>(6,598)</u>
Change in net position of governmental activities	<u>\$ 134,069</u>

The accompanying notes are an integral part of the financial statements

***NOTES TO THE FINANCIAL STATEMENTS***

**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2020**

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**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.

**1. 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.

**1. 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, 2020, 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 issuance, 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, 2020**

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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, 2020, therefore, it is considered major.

**1. 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.

**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.

**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Notes to Financial Statements**  
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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 interfund 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 Statements*

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.

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.

Revenues are recorded when received in cash, except that 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.



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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.

**1. 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 satisfy its obligations resulting from day to day operations. As of June 30, 2020, 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.

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 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.

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.



**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Notes to Financial Statements**  
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**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.

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, fixed 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.

**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2020**

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**Accounts Payable**

Accounts 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.

**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.

**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Notes to Financial Statements**  
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- b. *Restricted net position* - Consists of net position with constraints placed on the use wither 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 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 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, 2020, fund balances were categorized as follows:

- a. *Nonspendable fund balance* 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, 2020**

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**New Accounting Pronouncements**

During the year ended June 30, 2020, the District adopted the following GASB Statements:

- GASBS No. 83, *Certain Asset Retirement Obligations*
- GASBS No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*

**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**2. 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.

**2. 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**

**3. A. Accounts Receivable**

Accounts receivable for the governmental activities consists of various reimbursements and fees dated June 30 and prior but received subsequent to June 30, 2020. They include:

Department of Water Resources	\$ 667,325
Suisun Conservation Fund	96,877
Cash Sales	44,751
Miscellaneous under \$5,000	56,594
	<u>\$ 865,547</u>

**SUISUN RESOURCE CONSERVATION DISTRICT**  
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**3. B. Capital Assets**

	Balance July 1, 2019	Additions	Disposals	Transfers	Balance June 30, 2020
Capital assets not being depreciated					
Land	\$ 1,200,000	-	-	-	\$ 1,200,000
Total capital assets not being depreciated	1,200,000				1,200,000
<u>Capital assets being depreciated</u>					
Buildings and improvements	354,763	17,950	-	-	372,713
Equipment	887,737	96,218	(23,931)	-	960,024
Total capital assets being depreciated	1,242,500	114,168	(23,931)	-	1,332,737
<u>Accumulated depreciation</u>					
Buildings and improvements	(203,554)	(14,587)	-	-	(218,141)
Equipment	(558,887)	(50,639)	23,931	-	(585,595)
Total accumulated depreciation	(762,441)	(65,226)	23,931	-	(803,736)
Net capital assets being depreciated	480,059	48,942	-	-	529,001
Total net capital assets	\$ 1,680,059	\$ 48,942	-	-	\$ 1,729,001

**3. C. Accounts Payable**

Accounts payable are comprised of payables to various vendors during the normal course of operations, as well as accrued payroll. At June 30, 2020, accounts payable were as follows:

San Jose State	\$ 54,502
Accrued payroll	37,804
Casa Systems	25,245
Delta Waterfowl	21,650
Leading Edge	8,376
WRA Inc.	8,064
Marsh Rat Tractor	5,840
Campway	5,056
Miscellaneous under \$5,000	19,211
	<u>\$ 185,748</u>

**3. 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.



**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Notes to Financial Statements**  
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**3. E. Accrued Compensated Absences**

Activity for the fiscal year ended June 30, 2020, was as follows:

Balance July 1, 2019	Additions (Reductions)	Balance June 30, 2020	Estimated current portion	Long-term portion
\$ 53,124	\$ 6,599	\$ 59,722	\$ -	\$ 59,722

**3.F. Amounts Due to Qualified Landowners**

The balance of \$95,059 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 publically 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.

**Benefits Provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 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**  
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The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	<u>Miscellaneous</u>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Hire Date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of 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	8.00%	6.25%
Required employer contribution rates	8.892%	6.985%

**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, 2020, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous Plan</u>
Contributions - employer	\$ 77,642

***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.

	<u>Proportionate Share of Net Pension Liability</u>	<u>Miscellaneous</u>
Balance at: 6/30/18 – Measurement date	\$ 331,969	.00344%
Balance at: 6/30/19 – Measurement date	370,486	.00362%
Total Net Changes	<u>38,517</u>	<u>.00018%</u>

**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2020**

The District's net pension liability of \$370,486 is measured as the proportionate share of the net pension liability of \$10,247,039,422 (or .00362%). The net pension liability is measured as of June 30, 2019, and the total pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 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, 2020, 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
Pension contributions subsequent to measurement date	\$ 77,642	\$ -
Differences between actual and expected experience	25,732	(1,994)
Changes in assumptions	17,666	(6,263)
Differences between the employer's contributions and the employer's proportionate share of contributions	843	(2,598)
Net differences between projected and actual earnings on pension plan investments	-	(6,477)
Adjustment due to differences in proportions	28,511	-
Total	<u>\$ 150,394</u>	<u>\$ (17,332)</u>

Of the \$150,394 reported as deferred outflows of resources, \$77,642 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, 2021 (measurement period ended June 30, 2020). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources
2021	\$ 44,491
2022	4,136
2023	5,486
2024	1,307
2025	-
Thereafter	

The amounts above are the net of outflows and inflows recognized in the fiscal 2019 measurement period.



**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Notes to Financial Statements**  
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**Actuarial Methods and Assumptions Used to Determine Total Pension Liability** – For the measurement period ending June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2019 total pension liability was determined using the following actuarial methods and assumptions:

	Miscellaneous
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15%
	Derived using CalPERS' Membership Data for all Funds. The mortality rates include 15 years of projected on-going mortality improvement using 90% of Scale MP 2016 published by the Society of Actuaries.
Mortality Rate Table	
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing 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**  
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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	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	3.75%	-0.92%
Total	100%		

(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%)
Plan's Net Pension Liability / (Asset)	\$ 657,613	\$ 370,486	\$ 133,483

***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**  
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**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>
2021	\$ 4,559
2022	4,559
2023	4,559
	<u>\$ 13,677</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>
2021	\$ 9,600
2022	9,600
2023	9,600
2024	9,600
2025	9,600
2026	9,600
	<u>\$ 57,600</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	\$ 148,784
Expenses	<u>(150,977)</u>
Net loss, Statement of Activities	(2,193)
Prior year net income (cumulative)	1,123
Non-cash depreciation	<u>26,986</u>
Net income, cash basis	<u>\$ 25,916</u>

**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2020**

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**NOTE 8. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date of the audit report, 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 Fiscal Year Ended June 30, 2020**

	Budget	Actual	Variance From Final Budget Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$933,876	\$ 792,621	\$ (141,255)
Charges for services	290,096	372,344	82,248
Donations	91,246	113,509	22,263
Licenses and permits	154,600	149,989	(4,611)
Interest income	1,200	18,202	17,002
Taxes	3,700	6,732	3,032
Transfers	-	(85,000)	
Miscellaneous	32,800	32,802	2
Total revenues	<u>1,507,518</u>	<u>1,401,199</u>	<u>(21,319)</u>
<b>Expenditures</b>			
Employee related	\$649,329	\$ 514,016	\$ 135,313
Professional services	91,956	123,162	(31,206)
Administrative overhead	4,000	4,000	-
Maintenance	30,000	23,311	6,689
Insurance	10,693	13,064	(2,371)
Transportation and travel	10,550	9,446	1,104
Supplies	16,985	19,729	(2,744)
Utilities	6,700	6,791	(91)
Rents and leases	11,700	11,627	73
Communication	5,800	4,505	1,295
Education and training	2,100	1,661	439
Miscellaneous	14,000	18,964	(4,964)
Capital outlay	-	27,282	(27,282)
Reimbursable expenses	731,150	537,509	193,641
Total expenditures	<u>1,584,963</u>	<u>1,315,067</u>	<u>269,896</u>
Net change in fund balance	<u>\$ (77,445)</u>	86,132	<u>\$ 248,577</u>
Total Fund Balance - Beginning		<u>938,709</u>	
Total Fund Balance - Ending		<u>\$ 1,024,841</u>	

**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Budgetary Comparison Schedule - Special Revenue Fund**  
**For the fiscal year ended June 30, 2020**

	Budget	Actual	Variance from Final Budget Favorable (Unfavorable) Total
<b>Revenues</b>			
Intergovernmental	\$604,261	\$ 1,039,139	\$ 434,878
Charges for services	20,000	12,866	(7,134)
Transfers	-	85,000	
Miscellaneous	-	-	-
Total revenues	<u>624,261</u>	<u>1,137,005</u>	<u>427,744</u>
<b>Expenditures</b>			
Employee related	\$292,286	\$ 352,810	\$ (60,524)
Professional services	3,000	275,036	(272,036)
Administrative overhead	195,852	301,800	(105,948)
Maintenance	17,000	33,437	(16,437)
Insurance	5,593	5,546	47
Transportation and travel	20,500	15,065	5,435
Supplies	20,700	20,812	(112)
Utilities	1,500	1,865	(365)
Rents and leases	7,330	5,667	
Communication	6,500	9,386	(2,886)
Education and training	4,000	1,521	2,479
Miscellaneous	-	(1,345)	1,345
Reimbursable expenses	-	-	-
Capital outlay	-	63,269	(63,269)
Total expenditures	<u>574,261</u>	<u>1,084,869</u>	<u>(512,271)</u>
Net change in fund balance	<u>\$ 50,000</u>	52,136	<u>\$ 2,136</u>
Total Fund Balance - Beginning		<u>431,590</u>	
Total Fund Balance - Ending		<u>\$ 483,726</u>	

**SUISUN RESOURCE CONSERVATION DISTRICT**  
**Schedule of the District's Proportionate Share of Net Pension Liability and Schedule of District's Pension Plan Contributions**  
**For the Years Ended June 30, 2020 and Prior**

Schedule of the District's Proportionate Share of Net Pension Liability  
Last 10 Years<sup>1</sup>

	Fiscal Reporting Year End June 30,					
	2020	2019	2018	2017	2016	2015
Measurement Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	0.00362%	0.00344%	0.00356%	0.00333%	0.00334%	0.00372%
Proportionate share of the net pension liability	\$ 370,486	\$ 331,969	\$ 352,680	\$ 288,328	\$ 229,497	\$ 231,655
Covered employee payroll <sup>2</sup>	\$ 544,659	\$ 519,851	\$ 454,869	\$ 321,864	\$ 370,735	Not available
Proportionate share of the net pension liability as a percentage of covered-employee payroll	68.02%	63.86%	77.53%	89.58%	61.90%	62.49%
Plan's fiduciary net position	\$ 1,656,052	\$ 1,597,001	\$ 1,340,269	\$ 938,327	\$ 896,853	\$ 823,488
Plan's fiduciary net position as a percentage of the plan's total pension liability	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

Schedule of District's Pension Plan Contributions  
Last 10 Years<sup>1</sup>

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution <sup>4</sup>	\$ 77,642	\$ 69,577	\$ 61,024	\$ 54,280	\$ 48,743	\$ 33,603
Contributions in relation to the actuarially determined contribution <sup>4</sup>	(77,642)	(69,577)	(61,024)	(54,280)	(48,743)	(33,603)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll <sup>2</sup>	\$ 563,386	\$ 544,659	\$ 519,851	\$ 454,869	\$ 321,864	\$ 370,735
Contributions as a percentage of covered employee payroll <sup>3</sup>	13.78%	12.77%	11.74%	11.93%	15.14%	9.06%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal year 2015 was the first year of implementation.

<sup>2</sup> Covered-employee payroll represented above is based on pensionable earnings provided by the employer.

<sup>3</sup> The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position.

<sup>4</sup> Employers are assumed to make contributions equal to the actuarially determined contribution.

**Actuarially Determined Contribution Assumptions**

Valuation Date	June 30, 2017
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of pay, direct rate smoothing
Remaining Amortization Periods	Differs by employer rate plan but not more than 30 years
Asset valuation method	Market value of assets
Inflation	2.625%
Salary increases	Varies by Entry Age and Service
Discount Rate	7.25% (net of administrative expenses)
Mortality	Derived using CalPERS' Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.