



Central County Fire Department

Serving the communities of Burlingame, Hillsborough and Millbrae

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year End | June 30, 2020



1399 Rollins Road • Burlingame, CA 94010 • www.ccfid.org

CENTRAL COUNTY FIRE DEPARTMENT
A JOINT POWER AGREEMENT BETWEEN
CITY OF BURLINGAME AND
TOWN OF HILLSBOROUGH, CALIFORNIA

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020

CENTRAL COUNTY FIRE DEPARTMENT
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2020

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INTRODUCTORY SECTION



November 13, 2020

To the Board of Directors of Central County Fire Department, the Chief Administrative Officer, and the Citizens of the City of Burlingame, the Town of Hillsborough, and the City of Millbrae, California

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Central County Fire Department (CCFD) for the fiscal year ended June 30, 2020, in conformity with generally accepted accounting principles (GAAP) in the United States and as stipulated in the Joint Powers Agreement, audited in accordance with generally accepted auditing standards in the United States by a firm of licensed certified public accountants.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the Department's framework of internal control provides reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Badawi & Associates, CPAs, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the Central County Fire Department's financial statements for the year ended June 30, 2020. The independent auditor's report is located in the Financial Section of this report.

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

PROFILE OF THE ORGANIZATION

Basic Information

The Central County Fire Department is an all-risk emergency response and community service organization. The Department's core purpose is to make Burlingame, Hillsborough, and Millbrae safe for all citizens to live and work through the protection of life, property, and the environment. It seeks to minimize risk to people, property, and the environment by responding to all fire, medical, rescue, and hazardous materials incidents. Administrative and non-emergency safety services include fire prevention and hazardous materials regulations, emergency medical services

system management, and emergency preparedness and training. CCFD's personnel serve the communities with six engine companies and one truck company, strategically located in six fire stations, and administrative offices that include fire prevention, public education, training, and emergency preparedness. The total service area is 14.93 square miles with a population of approximately 65,000. The value of property protected is more than \$27 billion. Legal counsel, information technology, human resources, and accounting services are provided by contract.

The City of Burlingame, the Town of Hillsborough, and the City of Millbrae are located in San Mateo County on the western shore of the San Francisco Bay approximately 10 miles south of San Francisco and 30 miles north of San Jose.

History

The Department was established on April 20, 2004, through a Joint Powers Agreement (JPA) between the City of Burlingame and the Town of Hillsborough with essential support services provided by the two cities. This partnership and the JPA structure were designed to promote more efficient administration and effective delivery of services to the two cities. Significant cost savings have been achieved since the initial merger, primarily in personnel costs. The total authorized and filled positions have decreased from 94 at the initial merger between Burlingame and Hillsborough, to the adopted staffing of 87 full time equivalents (FTEs) in FY 19/20 serving the three cities of Burlingame, Hillsborough, and Millbrae. At the time of the initial merger, a cost-sharing plan was developed to allow each partner city to pay its fair share of the combined operating expenses of the Department. The initial merger stipulated that the Department's personnel remained employees of the individual cities including the Chief Administrative Officer and the Fire Chief, who shall be employees of either city. Additionally, responsibility for certain major costs such as retirement, replacement of vehicles and facilities, and costs related to other post-employment benefits remained with the individual cities.

In FY 2010/11, the two cities elected to fully merge fire operations, transferring all employees and operations to an independent single entity with the exception of the Chief Administrative Officer. However, retirement costs relating to prior service and health insurance costs for employees that retired prior to FY 2010/11 continue to be the responsibility of the individual cities. Additionally, existing capital assets, including include fire stations, fire apparatus, and other major assets, remain assets of the individual cities, which are also responsible for the related costs. As of FY 2014/15, the Department replaces fire apparatus, vehicles and equipment rather than the cities. These assets are owned and maintained by the Department.

In December 2014, the CCFD Board of Directors approved a Contract for Services Agreement with the City of Millbrae. The Department's operating costs net of program revenues are allocated seventy percent (70%) to the City of Burlingame and the Town of Hillsborough and thirty percent (30%) to the City of Millbrae. The seventy percent (70%) is further allocated sixty percent (60%) to the City of Burlingame and forty percent (40%) to the Town of Hillsborough in accordance with the Joint Powers Agreement

Governance

The Department is governed by a Board of Directors (“Board”) consisting of two City Council members from Burlingame and two City Council members from Hillsborough, who determine the level of fire, emergency medical, and disaster preparedness services to be provided by the Department. All major decisions by the Board that increase expenditures to the cities require ratification by the respective City Councils.

Administration

The Board appoints the City Manager of either Burlingame or Hillsborough to serve as Chief Administrative Officer for an alternating two-year term. The Chief Administrative Officer appoints the Fire Chief, who conducts the day-to-day operations of the Department, coordinates and supervises all training, and makes recommendations to the Board and the Chief Administrative Officer regarding the conduct and operation of the Department.

The Chief Administrative Officer also appoints an employee of one of the member agencies to act as Treasurer of the Department. The Treasurer acts as Controller for the Department and performs such functions as disbursement of revenues, payment of outstanding obligations and other similar functions.

Component Units

The Central County Fire Department is a legally separate and independent entity that is not a component unit of the City of Burlingame, the Town of Hillsborough, or the City of Millbrae. Further, the Department has no component unit organizations under its control. Therefore, this comprehensive annual financial report and the financial statements contained within represent solely the activities, transactions, and status of the Central County Fire Department.

Budget

The JPA requires that an annual budget be adopted by resolution of the Board. In the spring preceding the start of each fiscal year that runs from July through June, staff presents to the Board an annual budget based on established goals, objectives, and performance measures. The City Councils of the member agencies subsequently approve the CCFD budget via approval of their own budgets prior to June 30th of each fiscal year.

Once adopted, the Board has the authority to amend the budget. While the legal level of budgetary control is at the fund level, the Department maintains stricter control at line item levels to serve various needs. The Chief Administrative Officer or his/her designee may transfer budget amounts between line items, but any increase to the expenditure budget and funding level of the contributions from the partner cities as a whole requires the approval of the Board.

The modified accrual basis of accounting is used for budgeting. This means revenues are recognized when they become measurable or available, while expenditures are accounted for or recognized in the period they were incurred. As a special purpose organization established

pursuant to joint powers legislation, the Department is not subject to the State of California's Gann Act requiring adherence to an annual appropriations limit.

Budget-to-actual comparisons are provided in this report for each major governmental fund.

COMMUNITY PROFILE AND ECONOMIC CONDITION

The City of Burlingame, the Town of Hillsborough and the City of Millbrae are California general law cities, incorporated in 1908, 1910, and 1948, respectively, that operate under the Council-Manager form of government. In each city, a five-member City Council is elected at large to four-year terms and serves as the board of directors. The Council selects a Mayor and Vice Mayor from its members annually. A City Manager is appointed by the Council and serves as the chief executive officer. The City Manager is responsible for all municipal functions. A City Attorney is appointed by the Council to serve as chief legal advisor for the governing body and administration.

Municipal services include police and fire protection, building permitting and inspection, land use management, maintenance of streets, public facilities, water, sewer, storm drain infrastructure, and certain recreational facilities and other community services.

Support for the merged fire operations comes from the cities' general fund revenues.

City of Burlingame

Burlingame has a population of approximately 30,300 and has a median per capita income of approximately \$69,600. It has both residential and commercial-base properties and thus has a more diversified revenue base. Major revenue sources in the general fund come from property taxes, sales and use tax, and transient occupancy taxes.

Town of Hillsborough

The Town of Hillsborough has a population of approximately 10,900 and has a median per capita income of approximately \$118,100. It is an entirely residential community. As such, the Town's major revenues are from property taxes and various property-based revenues. It has a public safety special parcel tax that is a major source of funding for the fire operations.

City of Millbrae

The City of Millbrae has a population of approximately 23,150 and has a median per capita income of approximately \$51,900. Millbrae's business community is a mix of retail, restaurants, service businesses, hotels, and public services. With the Bay Area Rapid Transit (BART) / San Francisco (SFO) Extension, the City has adopted the Millbrae Station Area Specific Plan in order to attract hotel, office, retail, and housing development to the area around the Millbrae BART station.

Long-term Financial Planning and Major Initiatives

The Department continues its partnerships with other cities for mechanics, training, and EMS supervision. The Department's mechanics division services the vehicles and apparatus for the San Bruno Fire Department. The joint training program delivers training to the San Mateo Consolidated Fire Department, the San Bruno Fire Department, and the Central County Fire Department.

FY 20/21 will require the Department to meet the continued financial challenges that all local governments are experiencing. Revenues for all agencies are anticipated to decrease because of the COVID-19 pandemic. Increasing CalPERS costs, workers' compensation, and workforce housing costs are on the forefront of the financial horizon.

- CalPERS pension policies will continue to increase contributions required by the Central County Fire Department. In addition to the unfunded liability, the decrease in the assumption for the CalPERS investment rate of return, the revision of the rate smoothing policy, and the demographic assumption changes have all contributed to an increase in employer contribution rates. The footnotes to the financial statements include further disclosures on the pension liability.
- The Department continues to manage workers' compensation programs to contain costs. The Department strives to fund to an actuarially determined reserve level at a 70% confidence level.
- The Central County Fire Department will be replacing fire apparatus, vehicles, and equipment over the next several years. The FY 20/21 budget reflects a \$950k contribution to reserves for this purpose.
- In response to the cities' financial constraints due to COVID-19, the Department board adopted a FY 20/21 budget that increased 3.2%, which was lower than the proposed budget increase of 5.7%. The Department identified \$741k of savings to achieve the reduced budget, including deferral of equipment purchases, lower funding level for capital and workers' compensation reserves, and using some General Fund reserves.

In FY 20/21, the Department will continue to evaluate its communities to assess the level of fire threat in the local wildland urban interface (WUI) and will be recommending and implementing preventative measures necessary to reduce the threat.

Also in FY 20/21, the Department will conduct a Standards of Cover Study. The report will outline recommendations for appropriate staffing and deployment of Firefighting and emergency medical service operations consistent with best practices as recommended by the Center for Public Safety Excellence.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Central County Fire Department for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the eighth year the Department has received this prestigious award. In order

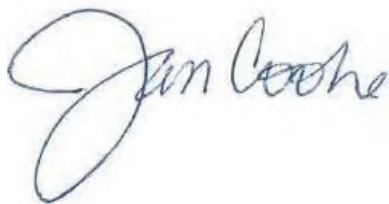
to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

We acknowledge and appreciate all the individuals who assisted in both the preparation of this report and the processing of financial transactions throughout the fiscal year. We also wish to thank the City Councils of the partner cities, the Board of Directors, and the City Managers for their interest and support in planning and conducting the financial operations of the Central County Fire Department in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Barron' with a stylized flourish at the end.

Bruce Barron, Fire Chief

A handwritten signature in blue ink, appearing to read 'Jan Cooke' in a cursive style.

Jan Cooke, Finance Director

CENTRAL COUNTY FIRE DEPARTMENT

MEET THE FIRE BOARD



Jess E. Benton, Council Member, Town of Hillsborough
CHAIR



Michael Brownrigg, Council Member, City of Burlingame
Vice Chair



Marie Chuang, Council Member, Town of Hillsborough



Ricardo Ortiz, Council Member, City of Burlingame

CENTRAL COUNTY FIRE DEPARTMENT EXECUTIVE AND COMMAND STAFF

Chief Administrative Officer	Lisa Goldman, City Manager, City of Burlingame
Fire Chief	Bruce Barron
Deputy Fire Chief	Ken Giacotto
Fire Marshal	Christine Reed
Battalion Chiefs:	
A Shift	Jeff Baker
B Shift	Jake Pelk
C Shift	Tim Louis
Training	Kevin Mernick
Administrative Services Mgr./Board Secretary	Rubina Ellam
Finance Director/Treasurer Finance Department, Town of Hillsborough	Jan Cooke
Human Resources Manager City Manager's Office, Town of Hillsborough	Kristin Armbruster
General Legal Counsel	Jean Savaree

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CENTRAL COUNTY FIRE DEPARTMENT AT A GLANCE

The Central County Fire Department was established on April 20, 2004 through a Joint Powers Agreement between the City of Burlingame and the Town of Hillsborough, California, to promote more efficient administration and effective delivery of services to the partner cities. Funding is essentially provided with the partner cities' general fund tax revenues. The initial merger included stipulations whereby personnel remained employees of the individual cities and responsibility for certain major costs such as replacement of vehicles and facilities and costs related to other post-employment benefits remained with the partner cities. On June 21, 2010 the operations moved onto a full merger transferring all employees to an independent single entity. Central County Fire Department (CCFD) is now a stand-alone entity with the partner cities only responsible for facilities respectively owned by them and post-employment benefits for those retirees having retired prior to June 21, 2010.

On December 29, 2014 CCFD entered into a contract for fire services with the City of Millbrae that includes suppression, fire prevention, and administrative oversight and support. With this contract came the addition of 19 fire personnel to the CCFD ranks.

Governance

Board of Directors consisting of two Council members each from the City of Burlingame and Town of Hillsborough with all major decisions to be ratified by the respective city councils.

Administration

The Board appoints the City Manager of each city to serve as Chief Administrative Officer for alternating two-year terms. The Chief Administrative Officer appoints the Fire Chief who shall conduct the day-to-day operations of the Department.

Size of Area

City of Burlingame – 5.5 square miles
City of Millbrae – 3.2 square miles
Town of Hillsborough – 6.23 square miles
Total – 14.93 square miles

Population

City of Burlingame – 30,317
City of Millbrae – 23,154
Town of Hillsborough – 11,769
Total – 65,240

Frontline Apparatus

6 Engines
1 Aerial Ladder Truck
1 SVI Heavy Rescue

Fire Stations

City of Burlingame – 2
City of Millbrae – 2
Town of Hillsborough – 2

CENTRAL COUNTY FIRE DEPARTMENT AT A GLANCE

Personnel Strength	1	Fire Chief
	1	Deputy Chief
	1	Fire Marshal
	1	Division Chief (Training Division)
	1	Deputy Fire Marshal
	1	Fire Inspector
	3	Fire Prevention Specialists
	4	Battalion Chiefs
	21	Captains
	45	Firefighters and Paramedics
	1	Non-Safety Lead Mechanic
	1	Non-Safety Mechanic
	1	Administrative Services Manager
	1	Senior Accounting Technician
	1	Accounting Technician
	3	Service Clerks
	1	Community Risk & Resiliency Specialist
	88	FTE's



Government Finance Officers Association

Certificate of
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**Central County Fire Department
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Central County Fire Department
Burlingame, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Central County Fire Department (the Department), Burlingame, California as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Department'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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Department as of June 30, 2020, 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 and budgetary comparison information, and the schedules of the Department's proportionate share of the net pension liability on page 66, and schedules of contributions on page 66, and the other post-employment benefit plans on pages 67 and 68, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
November 13, 2020

CENTRAL COUNTY FIRE DEPARTMENT MANAGEMENT'S DISCUSSION AND ANALYSIS

This is Management's Discussion and Analysis (MD&A) of the financial activities of the Central County Fire Department (Department) for the fiscal year ended June 30, 2020. The reader is encouraged to consider this information together with the transmittal letter, financial statements, and notes to the financial statements to understand the Department's financial position.

The annual financial report was prepared in accordance with Generally Accepted Accounting Principles (GAAP) and all Governmental Accounting Standards Board (GASB) pronouncements that affect the Department.

The Department is a Joint Powers Agreement (JPA) between the City of Burlingame and the Town of Hillsborough, which as of December 2014, provides fire and emergency medical services to the City of Millbrae via contract. Existing major capital assets including fire stations, fire apparatus and vehicles remain owned by the partner cities. As of FY 2014/15, the Department replaces fire apparatus, vehicles and equipment rather than the cities. These assets are owned and maintained by the Department. The cities also remain responsible for the Other Post-Employment Benefits (OPEB) attributable to employees who retired before FY 2010/11. The Department financial statements reflect the net OPEB liabilities and accumulated vested vacation and sick leave credits (compensated absences) of the employees after the June 2010 full merger. The Department's operating costs net of program revenue are allocated 70% to the JPA and 30% to the City of Millbrae. The JPA allocates 60% to the City of Burlingame and 40% to the Town of Hillsborough.

Financial Highlights

- The net position of the Central County Fire Department as of June 30, 2020 was negative \$47.6 million. The net position decreased by \$5.6 million due to pension-related liabilities. The Department is primarily funded annually by the JPA and contract cities; therefore, the liabilities exceed the assets of the Department. Liabilities are primarily labor related for compensated absences, OPEB and pension, and workers' compensation claims.
- The other funds' net position decreased \$1.1 million as compared to 2019. The Joint Training Fund accounts for the operations of the Joint Training and Emergency Operations Medical Services program that includes administrative support for several fire agencies. The Self-Insurance Fund accounts for workers' compensation claims and actuarially determined reserves. The decrease in net position is due to claims experience in the current year. The Vehicle Replacement Fund accounts for the purchase of vehicles, fire apparatus and equipment owned by the Department. The increase in net position is due to funding the reserves for future replacement.

Net Position - Other Funds			
	2020	2019	\$ Change
Joint Training Fund	\$ 152,213	\$ 168,506	\$ (16,293)
Capital Projects Fund	368,791	265,764	103,027
Self-Insurance Fund	(2,321,744)	(546,985)	(1,774,759)
Vehicle Replacement Fund	4,412,624	3,872,808	539,816
Total	\$ 2,611,884	\$ 3,760,093	\$ (1,148,209)

- The Department paid \$1.5 million toward its OPEB annual contribution, with \$0.7 million going into the trust and \$0.8 million paid for benefits. As of June 30, 2020, the Department is 39.4% funded.
- The Department spent \$0.3 million in capital for two vehicles, safety equipment and building key systems at stations.
- Long-Term Liabilities of \$65.9 million are comprised of pension, workers' compensation, OPEB, and compensated absences liabilities. The increase of \$4.1 million over the prior year is due to the CalPERS policy changes and an increase in the workers' compensation reserve from a new actuarial valuation.

The following table summarizes the Department's General Fund operations compared to the prior year.

General Fund Operations				
	2020	2019	Positive (Negative) Variance	% of Change
REVENUES:				
Service charges	\$ 1,956,422	\$ 1,652,708	\$ 303,714	18%
Contribution from Burlingame	11,482,359	10,789,979	692,380	6%
Contribution from Hillsborough	7,654,908	7,193,306	461,602	6%
Contribution from Millbrae	7,337,244	6,891,612	445,632	6%
Grants	36,941	764,160	(727,219)	-95%
Interest Income	513	611	(98)	-16%
Total revenues	\$ 28,468,387	\$ 27,292,376	\$ 1,176,011	4%
EXPENDITURES:				
Personnel costs	25,833,252	23,944,158	1,889,094	8%
Materials and services and administrative	1,955,696	1,961,490	(5,794)	0%
Transfers to vehicle replacement fund	950,000	875,000	75,000	9%
Total expenditures	\$ 28,738,948	\$ 26,780,648	\$ 1,958,300	7%
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (270,561)	\$ 511,728	\$ (782,289)	-153%
OTHER FINANCING SOURCES (USES):				
Transfers out	(200,000)	-	(200,000)	100%
Net Change in Fund Balances	\$ (470,561)	\$ 511,728	\$ (982,289)	-192%

- Service charges increased \$.03 million (18%) due to increased permitting for development activities in the cities and higher reimbursement from the Self-Insurance Fund, offset by lower mechanics division revenue due to CCFD no longer servicing San Mateo Consolidated Fire's vehicles and apparatus.
- Contributions are collected from the cities based on the adopted budget. The increase over the prior year is primarily attributable to labor increases in salaries and contractual MOU increases in pensions and benefits.
- Grants are reimbursements of Department costs for participation in statewide fires and national disasters. The decrease over the prior year is attributable to fewer events in the current year.
- Personnel costs increased \$1.9 million (8%) primarily due to salary, step and equity increases, filling of open positions, contractual CalPERS retirement contributions, and overtime costs associated with staffing coverage for vacancies, training and backfill for strike teams.
- Transfers to the Vehicle Replacement Fund of \$0.9 million are reserves for future vehicle, engine, and equipment replacements.
- Transfers out from the General Fund to the Capital Fund of \$0.2 million are for future facility improvements.
- The net deficit will be funded using General Fund reserves.

Overview of the Financial Statements

This MD&A serves as an introduction to the Department's basic financial statements made up of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements such as this MD&A.

Government-wide financial statements. The *government-wide financial statements* provide readers with a broad overview of the Department's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on the Department's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating.

The *statement of activities* presents information showing how the Department's net position changed during the most recent fiscal year. All changes are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the Department that are principally supported by contributions from the partner cities (*governmental activities*) including the activities of the Self-Insurance Fund and the Vehicle Replacement Fund set up as proprietary funds as recommended by GAAP but fully supporting the governmental fire operations.

The government-wide financial statements are located on pages 34 and 35 of this report.

Fund financial statements. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Department, like other state, local, and special governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Department's funds fit into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows 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 evaluating 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 balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Department has three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Joint Training Fund, and the Capital Projects Fund.

The basic governmental fund financial statements is located on pages 36 through 37 of this report.

The Department adopts an annual appropriated budget for its General Fund. The budgetary comparison statement for the General Fund to demonstrate compliance with this budget is located on page 69.

Proprietary funds. Proprietary funds account for services and activities for which a fee is charged to customers in exchange for provided good or services using the “economic resources” measurement focus, which concentrates on how transactions and events have affected the fund’s “total economic resources.” The Department maintains two proprietary funds – the *Internal Service Fund - Self-Insurance*, where insurance premiums are charged to the General Fund based on market rates to pay workers’ compensation and dental and vision claims as they occur, and the *Internal Service Fund - Vehicle Replacement*, where charges are made to the General Fund for the purchase of vehicles and apparatus. Because these services fully benefit the governmental function, the financial activities of the Self-Insurance Fund and the Vehicle Replacement Fund have been included with *governmental activities* in the government-wide financial statements.

The proprietary fund financial statements, which account for the activities of the Internal Service Funds, are located on pages 39 through 41 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are located on pages 44 through 64 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* on the Department’s pension and OPEB liabilities and a summary of major fund budgetary schedules. Required supplementary information is located on pages 66 through 71 of this report. This report also presents other *supplementary information* that summarizes the combining financial statements for the Self-Insurance Fund and Vehicle Replacement Fund. The other supplementary information is located on pages 74 through 76 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government’s financial position. The following chart shows the Department’s net position as of June 30, 2020, and all years since inception.

NET POSITION - GOVERNMENTAL ACTIVITIES									
	2020	2019	2018	2017	2016	2015	2014	2013	2012
ASSETS:									
Current assets	\$ 7,332,862	\$ 6,976,855	\$ 7,054,283	\$ 6,259,204	\$ 5,564,995	\$ 4,504,940	\$ 3,208,522	\$ 2,214,195	\$ 1,942,076
Capital assets	3,385,002	3,465,069	2,715,576	2,676,102	1,940,399	215,847	97,291	116,294	135,297
Total assets	10,717,864	10,441,924	9,769,859	8,935,306	7,505,394	4,720,787	3,305,813	2,330,489	2,077,373
Deferred outflows of resources	13,670,023	12,980,900	14,658,059	9,463,638	2,754,126	2,491,593	-	-	-
LIABILITIES:									
Current liabilities	2,162,228	1,782,957	2,464,511	1,757,657	2,409,208	1,944,113	2,045,686	1,902,465	1,359,066
Long-term liabilities	64,672,968	60,744,881	59,823,381	42,114,113	34,509,111	31,604,246	5,278,808	4,318,238	4,025,189
Total liabilities	66,835,196	62,527,838	62,287,892	43,871,770	36,918,319	33,548,359	7,324,494	6,220,703	5,384,255
Deferred inflows of resources	5,111,651	2,794,053	3,813,877	5,722,165	7,968,114	8,738,987	-	-	-
NET POSITION:									
Invested in capital assets	3,385,002	3,465,069	2,715,576	2,676,102	1,940,399	215,847	97,291	116,294	135,297
Restricted	152,213	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(51,096,175)	(45,364,136)	(44,389,427)	(33,871,093)	(36,567,312)	(35,290,813)	(4,115,972)	(4,006,508)	(3,442,179)
Total net position	\$ (47,558,960)	\$ (41,899,067)	\$ (41,673,851)	\$ (31,194,991)	\$ (34,626,913)	\$ (35,074,966)	\$ (4,018,681)	\$ (3,890,214)	\$ (3,306,882)

- The Department's current assets consist primarily of cash (\$6.9 million) and accounts receivables and prepaid items (\$0.4 million). The increase over the prior year is primarily due to an increase in the Vehicle Replacement reserve balance. Most of the cash balance is in the Self-Insurance Fund at \$3.9 million and is reserved based on the actuarial valuation. The Vehicle Replacement Fund cash balance is \$1.5 million and is used to reserve for future vehicle and equipment replacements. The remainder is in all other funds combined and totals \$1.5 million.
- Long-Term Liabilities of \$64.7 million consist of a \$45.3 million pension liability, \$4.9 million workers' compensation liability, \$12.1 million OPEB liability, and \$2.4 million in compensated absences. Long-Term Liabilities increased \$4 million primarily due to an increase in the CalPERS pension liability and workers' compensation reserve based on actuarial valuations.
- Deferred inflows and outflows are pension and OPEB accounting related timing differences. The increase in the deferred outflows of \$0.7 million is primarily attributable to changes in actuarial assumptions on pension costs. The increase in the deferred inflows of \$2.3 million is primarily attributable to differences in actual and expected experience on pension liability. The items are actuarially determined and fluctuate from year to year based on actual results and other changes.
- The Department's investment in capital assets decreased by \$0.1 million for depreciation exceeding capital purchases. Capital purchases of \$0.3 million for two vehicles, safety equipment and building key systems at stations.
- The unrestricted net deficit increase of \$5.7 million is primarily due to increased pension and workers' compensation related liabilities.

The following condensed summary compares the statement of activities for the fiscal year ended June 30, 2020, and all years since inception.

STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES									
	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:									
Personnel	\$ 29,937,605	\$ 25,653,628	\$ 23,808,883	\$ 19,491,839	\$ 19,986,633	\$ 17,225,010	\$ 15,450,212	\$ 15,577,913	\$ 14,969,002
Materials and services	3,958,052	2,485,705	2,378,414	2,173,142	2,158,896	1,576,509	1,672,064	1,305,754	1,331,681
Depreciation expense	392,829	318,924	273,158	234,494	52,962	46,039	19,003	19,003	5,383
General and administrative	-	22,176	-	-	-	3,082	-	-	-
Total Expenses	34,288,486	28,480,433	26,460,455	21,899,475	22,198,491	18,850,640	17,141,279	16,902,670	16,306,066
Program Revenues:									
Operating contributions	-	-	-	-	-	-	-	-	47,495
Charges for services	2,116,628	1,923,490	2,438,884	2,100,740	1,586,409	1,553,099	1,890,887	1,518,522	1,190,585
Interest income	-	-	-	-	-	-	-	-	-
Total program revenues	2,116,628	1,923,490	2,438,884	2,100,740	1,586,409	1,553,099	1,890,887	1,518,522	1,238,080
General Revenues:									
Unrestricted Contribution from Burlingame	11,482,359	10,789,979	9,973,599	10,112,833	9,947,519	9,735,724	9,072,983	8,880,347	8,460,470
Unrestricted Contribution from Hillsborough	7,654,908	7,193,306	6,649,066	6,741,889	6,631,679	6,490,483	6,048,655	5,920,232	5,640,313
Unrestricted Contribution from Millbrae	7,337,244	6,891,612	6,326,189	6,063,304	5,486,051	2,076,725	-	-	-
Grants	36,941	764,160	954,239	312,157	366,391	89,310	-	-	-
Unrestricted interest income	513	611	1,300	474	818	416	287	237	633
Total general revenues	26,511,965	25,639,668	23,904,393	23,230,657	22,432,458	18,392,658	15,121,925	14,800,816	14,101,416
<i>Increase (Decrease) in net position</i>	<i>(5,659,893)</i>	<i>(917,275)</i>	<i>(117,178)</i>	<i>3,431,922</i>	<i>1,820,376</i>	<i>1,095,117</i>	<i>(128,467)</i>	<i>(583,332)</i>	<i>(966,570)</i>
Net Position - beginning (as restated)	(41,899,067)	(40,981,792)	(41,556,673)	(36,447,289)	(36,447,289)	(36,170,083)	(2,340,312)	(2,340,312)	(2,340,312)
Net Position - ending	\$ (47,558,960)	\$ (41,899,067)	\$ (41,556,673)	\$ (36,447,289)	\$ (36,447,289)	\$ (36,170,083)	\$ (2,340,312)	\$ (2,340,312)	\$ (2,340,312)

- Personnel Expenses are comprised primarily of salaries and benefits costs for 88 full-time equivalent personnel. The increase as compared to the prior year is attributable to increases in salaries for cost of living and equity, contractual CalPERS retirement contribution, and overtime costs associated with staffing coverage for vacancies, training and backfill for strike teams. In addition, there is an increase in the GASB 68 (non-cash) pension expense, primarily driven by actuarial calculations.
- Materials and Services Expenses are comprised of apparatus maintenance, mechanic shop operations, contract services, property and liability insurance, and the operating profit/(loss) of the Internal Service Funds. The Self-Insurance Fund operating loss is the primary driver of the increase over the prior year. The actuarial reserve level increased in the current year based on current claims experience.
- Program revenues are comprised of charges for permitting, inspections, mechanics shop services, joint training, and ALS and reimbursement revenue from the Self-Insurance Fund. The increase is due to increased permitting for development activities in the cities and higher reimbursement from the Self-Insurance Fund, offset by lower mechanics division revenue due to CCFD no longer servicing San Mateo Consolidated Fire's vehicles and apparatus.
- General revenues are comprised of the contributions from the cities (which is the primary source of funding for the Department) and grants, which are reimbursement for participation in statewide fires.

Financial Analysis of the Department's Funds

Governmental Funds

Governmental funds provide information on the short-term inflows, outflows, and balances of resources that are available for spending, usually over a 12-month period. The goals of the funds are to have sufficient resources available to finance the services within each fiscal year. In particular, the fund balance may serve as a measure of funds that are available for spending in the short-term.

General Fund

The General Fund is the Department's main operating fund. The three cities – Burlingame, Hillsborough, and Millbrae provide the majority of the funding for the Department.

The table below presents General Fund expenditures and transfers for 2020 as compared to 2019.

GENERAL FUND EXPENDITURES AND TRANSFERS				
	2020	2019	\$ Increase/ (Decrease)	% of Change
Salaries	\$ 11,832,611	\$ 11,287,008	\$ 545,603	5%
Overtime	2,784,755	2,697,919	86,836	3%
Part-time salaries	2,994	57,876	(54,882)	-95%
Retirement	4,685,201	4,112,648	572,553	14%
Health, dental, vision & life insurances	1,557,383	1,640,871	(83,488)	-5%
Retirees' health insurance	1,527,000	1,506,973	20,027	1%
Workers' compensation	1,800,000	1,300,000	500,000	38%
All others	1,643,308	1,340,863	302,445	23%
Total personnel costs	\$ 25,833,252	\$ 23,944,158	\$ 1,889,094	8%
Materials & services & administrative	1,955,696	1,961,490	(5,794)	0%
Transfer to vehicle replacement fund	950,000	875,000	75,000	100%
Total General Fund Expenditures	\$ 28,738,948	\$ 26,780,648	\$ 1,958,300	7%
Transfer to capital projects fund	200,000	-	200,000	100%
Total General Fund Expenditures and Transfers	\$ 28,938,948	\$ 26,780,648	\$ 2,158,300	8%

- Salaries expenditures increased \$0.5 million (5%), primarily for MOU and step increases.
- Overtime expenditures increased \$0.1 million (3%) primarily for staffing coverage for vacancies, training and backfill for strike teams.
- Retirement expenditures increased \$0.6 million (14%) due to discount rate increases and other assumption and policy changes by CalPERS.
- Workers' compensation funding increased \$0.5 million based on an actuarial valuation reserve requirement, which is driven by claims experience.
- Transfers to the Vehicle Replacement fund are used to fund replacements of fire apparatus, vehicles, and equipment.

General Fund Budgetary Highlights

The table below summarizes General Fund FY 19/20 actual results as compared to adopted budget.

GENERAL FUND ACTUAL RESULTS VERSUS BUDGET				
	Adopted Budget	Actual	Positive (Negative) Variance	% of Change
Permits	\$ 260,000	\$ 350,794	\$ 90,794	35%
Plan reviews and fire inspections	253,252	220,524	(32,728)	-13%
Joint training	118,352	118,352	-	0%
Mechanic shop	75,000	29,344	(45,656)	-61%
ALS JPA	271,236	266,780	(4,456)	-2%
Other service charges, combined	475,898	970,628	494,730	104%
Total service charges	1,453,738	1,956,422	502,684	35%
Contribution from Burlingame	11,482,359	11,482,359	-	0%
Contribution from Hillsborough	7,654,906	7,654,908	2	0%
Contribution from Millbrae	7,337,241	7,337,244	3	0%
Total contributions	26,474,506	26,474,511	5	0%
Grants	-	36,941	36,941	100%
Interest income	299	513	214	72%
Total General Fund revenue	27,928,543	28,468,387	539,844	2%
Salaries	11,567,200	11,832,611	(265,411)	-2%
Overtime	1,835,425	2,784,755	(949,330)	-52%
Part-time salaries	30,000	2,994	27,006	90%
Retirement	4,712,403	4,685,201	27,202	1%
Health, dental, vision & life insurance	1,919,243	1,557,383	361,860	19%
Retirees' health insurance	1,528,000	1,527,000	1,000	0%
Workers' compensation	1,800,000	1,800,000	-	0%
All others	1,537,827	1,643,308	(105,481)	-7%
Total personnel costs	24,930,098	25,833,252	(903,154)	-4%
Materials & services & administrative	1,848,445	1,955,696	(107,251)	-6%
Transfer to vehicle replacement fund	950,000	950,000	-	0%
Total General Fund expenditures	27,728,543	28,738,948	(1,010,405)	-4%
Excess (deficiency) of revenues over (under) expenditures	200,000	(270,561)	(470,561)	-235%
Transfer to capital projects fund	(200,000)	(200,000)	-	0%
Total General Fund Other Financing Uses	(200,000)	(200,000)	-	0%
Net change in Fund Balance	-	(470,561)	(470,561)	-100%
Beginning Fund Balance	1,203,793	1,203,793	-	0%
Ending Fund Balance	\$ 1,203,793	\$ 733,232	\$ (470,561)	-39%

- Permit and inspection revenue is higher than budget due to permitting activity in Millbrae and Burlingame.
- Plan reviews and fire inspections were lower than budget primarily due to cessation of these services during the COVID 19 construction moratorium.
- Joint Training revenue is based on an allocation formula.
- Mechanic shop revenue is lower than budget due to CCFD no longer servicing San Mateo Consolidated Fire's vehicles and apparatus.
- Other service charge revenue includes reimbursement revenue for programs managed by the Department such as Air Watch command, tablets, and USAR, as well as reimbursement from the Self-Insurance Fund to repay the General Fund for costs incurred for workers' compensation disability payments. The revenue is higher than budget due to a higher self-insurance repayment.
- Overtime expenditures are over budget due to higher needs for staffing coverage for vacancies, training and other backfills than budgeted.
- Materials and services exceed budget due to COVID 19 materials and supplies, wildland urban interface (WUI) program expenses, and higher engine repair costs.
- The net change in Fund Balance is funded by reserves.

Joint Training Fund

The Joint Training Fund accounts for the operations of a joint operational and EMS training services and administration program among the San Mateo Consolidated Fire Department, San Bruno Fire Department, and Central County Fire Department. As of June 30, 2020, the Fund has fund balance of \$0.2 million, held for operations of the program. The decrease in the fund balance of \$16k reflects the draw on reserves for planned program expenses.

Capital Projects Fund

The Capital Projects Fund accounts for financial resources to fund major capital projects. As of June 30, 2020, the Fund has a fund balance of \$0.4 million, with an increase in fund balance of \$0.1 million.

Proprietary Fund – Internal Service Funds

The Department is self-insured for workers' compensation and dental programs accounted for in an Internal Service Fund - *Self-Insurance Fund*. The Department started funding the workers' compensation program at the 60% confidence level, administered by a third-party administrator, and obtaining additional insurance in excess of \$250,000 up to \$5 million. The Department commissioned an actuarial study for the program and opted to move toward recognizing the actuarial liability for claims and increasing the confidence level to 70% at an undiscounted rate. As of June 30, 2020, the Fund has a negative net position of \$2.3 million. The change in net position of -\$1.7 million reflects \$2.0 million funding from the General Fund and other revenue, offset by an increase in accounting actuarial reserve of \$1.6 million and expenses for claims, insurance, and administration of \$2.1 million. The cash balance of \$3.9 million is 63% of the actuarial determined reserve level.

The Department accounts for the purchase of vehicles, engines, trucks, and equipment in an Internal Service Fund - *Vehicle Replacement Fund*. As of June 30, 2020, the Fund has a net position of \$4.4 million, which is primarily comprised of capital assets net of accumulated depreciation of \$3.0 million and net working capital of \$1.4 million for future replacements. The Department and other reimbursements funded \$0.9 million into the fund this year and spent \$0.4 million, resulting in a change in net position of \$0.5 million.

Capital Assets and Long-Term Liabilities

Capital Assets

As of FY 2014/15, the JPA purchases and owns its fire apparatus and equipment when JPA cities' owned apparatus and vehicles are replaced. The other major capital assets, including fire stations, apparatus, and vehicles, remain the assets of the member agencies. Net capital assets increased primarily for the purchase of two vehicles, safety equipment and building key systems at stations, offset by depreciation. Further information is available in the footnotes to the financial statements, in the Capital Assets footnote on page 50.

CAPITAL ASSETS- GOVERNMENTAL ACTIVITIES					
(net of depreciation)					
	2020	2019	2018	2017	2016
Buildings	\$ 133,695	\$ 51,613	\$ 54,649	\$ 57,685	\$ -
Machinery and equipment	3,251,307	3,413,456	2,660,927	2,618,417	1,940,399
Total	\$ 3,387,022	\$ 3,467,088	\$ 2,715,576	\$ 2,676,102	\$ 1,940,399

Long-term Liabilities

At June 30, 2020, long-term liabilities were \$66 million (including short-term portion). The workers' compensation, OPEB, and net pension liabilities are based on actuarial valuations. The increase of \$4.1 million from the prior year is due to the increase in pension liability from changes in the CalPERS discount rate and assumption/policy changes and an increase in the workers' compensation reserve based on a new actuarial valuation. Further information is available in the footnotes to the financial statements, in the Long-Term Debt footnote on page 50.

LONG-TERM LIABILITIES		
	2020	2019
Workers' compensation claims	\$ 6,176,000	\$ 4,547,932
Net OPEB liability	12,104,000	13,569,000
Compensated absences	2,470,769	2,305,539
Net pension liability	45,230,293	41,454,645
Total	\$ 65,981,062	\$ 61,877,116

Economic Factors and Future Challenges

The Department is self-insured for workers' compensation, which will continue to require funding for reserves based on the actuarial determined valuations. The Department's management and the third-party administrators continue to find ways to reduce the risk.

There are a number of fire apparatus and vehicles that will require replacement over the next five years, and funding will be from the agency contributions. Assets that were previously owned by the respective cities will remain owned by their respective owners.

The CalPERS Board approved changes in actuarial policies and assumptions including the phase-in of a lower discount rate that calculates the future liability. The annual required contribution paid to CalPERS is projected to go from \$3.9 million to nearly \$9.8 million over the next ten years.

The impact on the economy from the COVID 19 pandemic remains uncertain. The cities have and may continue to experience shortfalls in revenues. In response to helping alleviate financial pressures for the cities, the CCFD fiscal year 2020-21 adopted budget reflects a 3% increase over fiscal year 2019-20. Cost savings, deferrals, and reductions were identified to reduce the proposed budget to the adopted level, including reduction in workers' compensation and asset replacement reserve funding, deferral of asset replacements, and reductions of spending for materials and services.

Request for Information

This financial report provides a general overview of the Central County Fire Department's finances and is intended to demonstrate the Department's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Central County Fire Department, c/o Town of Hillsborough's Finance Department, 1600 Floribunda Avenue, Hillsborough, CA 94010.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CENTRAL COUNTY FIRE DEPARTMENT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 6,861,419
Accounts receivable	323,122
Prepaid items	148,321
Capital assets (net of accumulated depreciation):	
Buildings	133,695
Machinery and equipment	3,251,307
Total assets	<u>10,717,864</u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows- OPEB related amounts	2,160,000
Deferred outflows- pension related amounts	11,510,023
Total deferred outflows of resources	<u>13,670,023</u>
LIABILITIES	
Accounts Payable	459,811
Other Accrued Liabilities	394,323
Due within 1 year:	
Workers' compensation claims	1,200,000
Compensated absences	108,094
Due in more than 1 year:	
Workers' compensation claims	4,976,000
Compensated absences	2,362,675
Net OPEB Liability	12,104,000
Net pension liability	45,230,293
Total Liabilities	<u>66,835,196</u>
DEFERRED INFLOW OF RESOURCES	
Deferred inflows - OPEB related amounts	2,007,000
Deferred inflows - pension related amounts	3,104,651
Total deferred inflows of resources	<u>5,111,651</u>
NET POSITION	
Net investment in capital assets	3,385,002
Restricted	152,213
Unrestricted (deficit)	(51,096,175)
Total Net Position (deficit)	<u>\$ (47,558,960)</u>

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

**CENTRAL COUNTY FIRE DEPARTMENT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Governmental Activities
EXPENSES	
Personnel	\$ 29,937,605
Materials and services	3,958,052
Depreciation expense	392,829
Total Expenses	<u>34,288,486</u>
PROGRAM REVENUES	
Charges for services	2,116,628
Total Program Revenues	<u>2,116,628</u>
NET PROGRAM EXPENSES	32,171,858
GENERAL REVENUES	
Intergovernmental - Burlingame (unrestricted)	11,482,359
Intergovernmental - Hillsborough (unrestricted)	7,654,908
Intergovernmental - Millbrae (unrestricted)	7,337,244
Grants	36,941
Interest income (unrestricted)	513
Total General Revenues	<u>26,511,965</u>
Change in Net Position	(5,659,893)
NET POSITION - BEGINNING	<u>(41,899,067)</u>
NET POSITION - ENDING	<u><u>\$ (47,558,960)</u></u>

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

**CENTRAL COUNTY FIRE DEPARTMENT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020**

	(Major) General Fund	(Major) Capital Projects Fund	(Major) Special Revenue - Joint Training Fund	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,001,513	\$ 372,606	\$ 113,544	\$ 1,487,663
Accounts receivable	282,724	-	40,398	323,122
Prepaid items	148,321	-	-	148,321
Total Assets	<u>\$ 1,432,558</u>	<u>\$ 372,606</u>	<u>\$ 153,942</u>	<u>\$ 1,959,106</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	\$ 305,003	\$ 3,815	\$ 1,729	\$ 310,547
Other Accrued Liabilities	394,323	-	-	394,323
Total Liabilities	<u>699,326</u>	<u>3,815</u>	<u>1,729</u>	<u>704,870</u>
Fund Balances - Nonspendable for Prepaid Items	148,321	-	-	148,321
Fund Balances - Restricted for Joint Training	-	-	152,213	152,213
Fund Balances - Assigned for Capital Projects	-	368,791	-	368,791
Fund Balances - Unassigned	584,911	-	-	584,911
Total Fund Balance	<u>733,232</u>	<u>368,791</u>	<u>152,213</u>	<u>1,254,236</u>
Total Liabilities and Fund Balances	<u>\$ 1,432,558</u>	<u>\$ 372,606</u>	<u>\$ 153,942</u>	
Amounts reported for governmental activities in the Statement of Net Position (page 33) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				342,614
Net position of the Internal Services Fund are included in the governmental activities in the Statement of Net Position				2,090,880
Employer contributions for pension and OPEB were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statement these contributions are deferred.				6,504,245
In the Government-Wide Financial Statements certain differences between actuarial estimates and actual results for pension and OPEB and other differences are recorded as deferred outflows and amortized over a period of time, however in the governmental funds no transactions are recorded.				7,165,778
In the Government-Wide Financial Statements certain differences between actuarial estimates and actual results for pension and OPEB and other differences are recorded as deferred inflows and amortized over a period of time, however in the governmental funds no transactions are recorded.				(5,111,651)
Long-term liabilities are not due and payable from resources available in the current period and therefore are not reported in the governmental funds:				
Net OPEB liability				(12,104,000)
Compensated absences				(2,470,769)
Net pension liability				(45,230,293)
Net position of governmental activities				<u>\$ (47,558,960)</u>

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

CENTRAL COUNTY FIRE DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	(Major) General Fund	(Major) Capital Projects Fund	(Major) Special Revenue - Joint Training Fund	Total Governmental Funds
REVENUES:				
Intergovernmental:				
Burlingame	\$ 11,482,359	\$ -	\$ -	\$ 11,482,359
Hillsborough	7,654,908	-	-	7,654,908
Millbrae	7,337,244	-	-	7,337,244
Grants	36,941	-	-	36,941
Service charges	1,956,422	-	160,206	2,116,628
Interest income	513	-	-	513
Total Revenues	<u>28,468,387</u>	<u>-</u>	<u>160,206</u>	<u>28,628,593</u>
EXPENDITURES:				
Current:				
Personnel costs	25,833,252	-	-	25,833,252
Materials and services	2,905,696	96,973	176,499	3,179,168
Total Expenditures	<u>28,738,948</u>	<u>96,973</u>	<u>176,499</u>	<u>29,012,420</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(270,561)	(96,973)	(16,293)	(383,827)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	200,000	-	200,000
Transfers out	(200,000)	-	-	(200,000)
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(470,561)	103,027	(16,293)	(383,827)
BEGINNING FUND BALANCES,	<u>1,203,793</u>	<u>265,764</u>	<u>168,506</u>	<u>1,638,063</u>
ENDING FUND BALANCES	<u>\$ 733,232</u>	<u>\$ 368,791</u>	<u>\$ 152,213</u>	<u>\$ 1,254,236</u>

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

**CENTRAL COUNTY FIRE DEPARTMENT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Amounts reported for governmental activities in the Statement of Activities
(page 35) are different because:

Net Change in Fund Balances - Total Governmental Funds (page 37)	\$ (383,827)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense:	
This is the amount of depreciation in the current period.	(26,370)
This is the amount of current year acquisitions.	89,599
The Total Internal Service Funds - This is the change in Net Position of the total Internal Service Funds. The Self Insurance Fund is used to accumulate funds to service the workers' compensation and dental and vision insurance program. The Vehicle Replacement Fund is used to accumulate funds to purchase vehicles for the Department.	(1,234,942)
Current year employer pension contributions are recorded as expenditures in the governmental funds, however these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	4,975,245
Pension expense is recorded as incurred in the Government-Wide Statement of Activities, however pension expense is not recognized in the governmental funds.	(9,142,368)
Current year employer OPEB contributions are recorded as expenditures in the governmental funds, however these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	1,529,000
OPEB expense is recorded as incurred in the Government-Wide Statement of Activities, however OPEB expense is not recognized in the governmental funds.	(1,301,000)
Expenses reported on accrual basis are recognized when incurred, regardless of when paid:	
Accrued compensated absences	(165,230)
Change in net position of governmental activities (page 35)	<u>\$ (5,659,893)</u>

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

**CENTRAL COUNTY FIRE DEPARTMENT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020**

	Total Internal Service Funds
<hr/>	
ASSETS	
Current:	
Cash and cash equivalents	\$ 5,373,756
Noncurrent:	
Capital assets net of depreciation	3,042,388
Total Assets	<u>8,416,144</u>
LIABILITIES	
Current:	
Accounts Payable	149,264
Workers' compensation claims	<u>1,200,000</u>
Total Current Liabilities	1,349,264
Noncurrent:	
Workers' compensation claims	<u>4,976,000</u>
Total Liabilities	<u>6,325,264</u>
NET POSITION	
Net Investment in Capital Assets	3,042,388
Unrestricted	<u>(951,508)</u>
Total Net Position	<u><u>\$ 2,090,880</u></u>

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

CENTRAL COUNTY FIRE DEPARTMENT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Total Internal Service Funds
REVENUES:	
Workers' Compensation Premiums	\$ 1,800,000
Dental and Vision Premiums	155,514
Contributions and donations	965,121
Total Operating Revenues	<u>2,920,635</u>
OPERATING EXPENSES:	
Workers' Compensation Claims	3,241,022
Dental and Vision Claims	130,897
Materials and services	417,199
Depreciation	366,459
Total Operating Expenses	<u>4,155,577</u>
Operating Income (Loss)	<u>(1,234,942)</u>
Change in net position	(1,234,942)
Net Position - Beginning	<u>3,325,822</u>
Net Position - Ending (Deficit)	<u><u>\$ 2,090,880</u></u>

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

**CENTRAL COUNTY FIRE DEPARTMENT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts for interfund services provided	\$ 2,920,635
Payment to employees	(1,743,851)
Payment to vendors	(374,393)
Net cash provided (used) by operating activities	<u>802,391</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(125,024)
Net cash used in capital financing activities	<u>(125,024)</u>
Net increase (decrease) in cash and cash equivalents	677,367
Cash and cash equivalents - beginning	4,696,389
Cash and cash equivalents - ending	<u><u>\$ 5,373,756</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (1,234,942)
Depreciation Expense	366,459
Increase (decrease) in accrued workers' compensation claims	1,628,068
Increase (decrease) in accounts payable	42,806
Net cash and cash equivalents provided (used) by operating activities	<u><u>\$ 802,391</u></u>

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

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**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

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**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 - ORGANIZATION

Central County Fire Department (Department) was established on April 20, 2004 through a Joint Powers Agreement (JPA) between the City of Burlingame, and the Town of Hillsborough (members) with essential support services provided by the two members. This partnership and the JPA structure were designed to promote for efficient administration and effective delivery of services to the two members. Significant cost savings were achieved since the initial merger especially in personnel costs. At the time of the initial merger, a cost sharing plan was developed to allow each member to pay its share of the combined operating expenses of the Department. The initial merger included stipulations whereby the Department's personnel remained employees of the individual members including the Chief Administrative Officer and the Fire Chief who shall be employees of either member. Responsibility for certain major costs such as retirement, replacement of vehicles and facilities, and costs related to other post-employment benefits (OPEB) other than pension costs, remained with the individual members. Consequently, ownership of major capital assets including fire stations and vehicles and equipment remained with the individual members.

Effective fiscal year 2010/11, the merged fire operations moved onto a full merger transferring all active employees and operations to an independent single entity with the exception of the Chief Administrative Officer. However, unfunded retirement costs relating to prior service and OPEB costs for employees that retired prior to fiscal year 2010/11 will continue to be the responsibility of and borne by the individual members. Likewise, capital assets acquired before 2010/11 will remain assets of the individual members which will be responsible for related costs.

On December 29, 2014, CCFD entered into a contract for fire services with the City of Millbrae that includes suppression, fire prevention, and administrative oversight and support. With this contract came the addition of 19 fire personnel to the CCFD ranks.

The Department's operating costs net of program revenues are allocated thirty (30%) to the City of Millbrae, with the remainder seventy (70%) shared by the member agencies, sixty (60%) to the City of Burlingame and forty percent (40%) to the Town of Hillsborough.

The Department is governed by a Board of Directors (Board) consisting of two representatives from each member in the JPA, whereas those on the Board represent the JPA members in determining the level of fire, emergency medical and disaster preparedness services to be provided by the Department. All major decisions by the Board require ratification by the respective City Councils.

The Board appoints the City Manager of one of the members to serve as Chief Administrative Officer (CAO) for an alternating two-year term. The Chief Administrative Officer appoints the Fire Chief who conducts the day-to-day operations of the Department. The CAO also appoints an employee to act as Secretary and an employee of one of the member agencies to act as Treasurer of the Department. The Treasurer acts as Controller for the Department and performs all functions such as disbursement of revenues, payment of outstanding obligations and other accounting responsibilities.

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Central County Fire Department is a legally separate and independent entity that is not a component unit of the City of Burlingame, the Town of Hillsborough or the City of Millbrae. Further, the Department has no component unit organizations under its control. Therefore, this comprehensive annual financial report and the financial statements contained within represent solely the activities, transactions and status of the Central County Fire Department.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the Central County Fire Department. The effect of interfund activity (except for interfund services provided and used) has been removed from these statements. All activities are categorized *governmental activities* as they are attributable to services for structural and wild land fire suppression, response to hazardous materials incidents, search and rescue, vehicle extrication and other emergency services supported largely by contributions from the three agencies' general fund revenues.

The Statement of Activities demonstrates the degree to which the expenses are offset by program revenues which include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided and 2) contributions that are restricted to meeting the operational or capital requirements of a particular segment. Other items not properly included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental and proprietary funds. The internal service self-insurance and vehicle replacement funds are included in the combining statements to the financial statements. The General Fund, Capital Fund, and Joint Training Fund are major individual governmental funds and are reported in separate columns.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the internal service self-insurance and vehicle replacement funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Contributions from the three agencies are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Department considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

The Department reports the following major governmental funds:

The *General Fund* is the Department's major and primary operating fund. It accounts for all financial resources of the Department, except those required to be accounted for in another fund.

The *Joint Training Fund* is used to account for the operations of a joint operational and EMS training services and administration program among the fire agencies of San Bruno, San Mateo Consolidated Fire Department, and Central County Fire Department.

The *Capital Projects Fund* is used to account for the acquisition and construction of capital assets other than those that remain with the member agencies.

The Department reports the following Proprietary funds:

The Department reports two *Internal Service Funds* with one used to account for the servicing of the self-insurance that includes workers' compensation and dental and vision programs and one used to account for funding and purchasing of vehicles, equipment and engines.

An Internal Service Fund distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues represent premiums paid for the programs and contributions toward programs; operating expenses include claims paid and administrative expenses of the programs, and vehicle and equipment purchases. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Department follows Governmental Accounting Standards Board (GASB) in accounting the activities of the Internal Service Funds. The effect of interfund activity (excluding interfund services provided and used) has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

When both restricted and unrestricted resources are available for use, it is the Department's policy to use restricted resources first.

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, and Net Position or Equity

1. Cash and Cash Equivalents

The Department's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The City of Burlingame, the Town of Hillsborough and the City of Millbrae advance 1/12 of their respective budgeted contributions to the Department every month.

2. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements, outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources. Interfund transfers are generally recorded as transfers except for charges for services including workers' compensation insurance and dental and vision premiums, and vehicle fund contributions, which are recorded as revenues of the internal service fund and expenditures in the general fund.

3. Capital assets

Capital assets which include machinery and equipment are reported in the government-wide financial statements. Capital assets are defined by the Department as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. As stipulated in the JPA, capital assets including fire stations, fire engines and other vehicles acquired prior to FY10/11 remain the assets of the individual member agencies.

Machinery and equipment are depreciated using the straight line method over an estimated useful life of 3 to 15 years.

4. Compensated Absences

The Department permits employees to accumulate earned but unused vacation up to a certain amount depending on bargaining units. Sick leave credit is vested in varying amounts depending on bargaining units and groups. Both are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, and Net Position or Equity, Continued

5. Self-Insurance

The Department is self-insured for workers' compensation and dental and vision claims. The Internal Service Fund is used to account for the activities of these programs. It is the Department's policy to provide in each fiscal year, through premiums charged to the general fund, amounts sufficient for self-insurance program expenses and reserves associated with claims, that are actuarially determined based on loss experience. The amount recorded as liability for known claims, if any, is based on the recommendations of the administrator. The accrued liability for incurred but not reported claims (IBNRs) recommended in an actuarial study has been recorded.

6. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Department's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

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

7. Pensions

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

E. New accounting pronouncements

The Department did not adopt any accounting pronouncements in fiscal year 2020.

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the governmental funds except the capital projects fund which adopt project-length budgets. All annual appropriations lapse at fiscal year-end.

The Fire Chief may make transfers of appropriations that do not exceed the fund's budget. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The Chief Administrative Officer or his/her designee may make administrative adjustments to the budget as long as those changes will not have a significant policy impact nor affect budgeted year-end fund balances. Any revisions that alter the total expenditures of any fund must be approved by the Board.

NOTE 4 – CASH AND CASH EQUIVALENTS

The Department maintains a cash pool which includes cash balances of all funds. The pooled interest earned is allocated to the funds based on cash balances in these funds at the end of each accounting period. It has the following cash and cash equivalents at June 30, 2020:

Cash on hand	\$ 200
Deposits with financial institutions	<u>6,861,219</u>
Total cash and cash equivalents	<u><u>\$ 6,861,419</u></u>

The carrying amounts of the Department's cash deposits were \$6,861,219. Bank balances before reconciling items were \$6,875,731 the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the Department's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the Department's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the Department's name.

The market value of the pledged securities must equal at least 110% of the Department's cash deposits. California law also allows institutions to secure special districts deposits by pledging first trust deed mortgage notes having a value of 150% of the Department's total cash deposits. The Department may waive collateral requirements for cash deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The Department, however, has not waived the collateralization requirements.

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5 - CAPITAL ASSETS

Major capital assets including fire stations, and older engines and vehicles remain the assets of the member agencies and hence are not reflected in the Department's capital assets. Starting in fiscal year 2015-16, the JPA funds the replacement of vehicles, engines, and equipment. Capital asset activity for the year ended June 30, 2020 was as follows:

	Governmental Activities			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Buildings	\$ 60,721	\$ 89,598	\$ -	\$ 150,319
Machinery and equipment	4,248,859	223,164	-	4,472,023
Total Depreciable Assets	4,309,580	312,762	-	4,622,342
Less accumulated depreciation for:				
Buildings	(9,108)	(7,516)	-	(16,624)
Machinery and equipment	(835,403)	(385,313)	-	(1,220,716)
Total Accumulated depreciation	(844,511)	(392,829)	-	(1,237,340)
Governmental activities capital assets, net	\$ 3,465,069	\$ (80,067)	\$ -	\$ 3,385,002

It is the Department's policy to recognize a full year's depreciation for assets acquired within the year.

NOTE 6 - OPERATING ASSISTANCE

The City of Burlingame, the Town of Hillsborough and the City of Millbrae provide the major sources of funding to the Central County Fire Department. The apportionment was \$11,482,359, \$7,654,908, and \$7,337,244 in FY 19/20, respectively, after applying anticipated program revenues to the operating and administrative budgets.

NOTE 7 - LONG-TERM DEBT

Compensated Absences - Compensated absences due within one year represent an estimate of the net compensated absences that will be utilized within the next year. All compensated absences for governmental activities are paid out of the General Fund.

Other Post-Employment Benefits (OPEB) - Refer to Note 10 for details of the OPEB obligation.

Net Pension Liability - Refer to Note 11 for details of the Net Pension Liability.

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 - LONG-TERM DEBT, Continued

Long-term liability activity other than OPEB and Net Pension Liability for the year ended June 30, 2020, was as follows:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 2,305,539	\$ 1,092,110	\$ (926,880)	\$ 2,470,769	\$ 108,094

NOTE 8 - RISK MANAGEMENT

The Department 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 Department has established a limited risk management program of these types of risks.

The Department has insurance coverage through Fire Agencies Insurance Risk Authority (FAIRA), a joint powers authority. FAIRA provides liability coverage, claims management, risk management services, and legal defense to its participating members. FAIRA is governed by a board of directors of thirteen of the member agencies. Premiums are paid to FAIRA and are subject to adjustment based on the results of the actuarial studies and approval by the board of directors. FAIRA coverage includes general, management, automobile, crime, portable equipment, and umbrella liabilities. General liability coverage is up to \$10 million with no deductible. There is no deductible for general, automobile and garage liabilities. Deductibles for the remaining liabilities do not exceed \$5,000.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly claims are reevaluated periodically to consider these factors, estimate recoveries from salvage or subrogation, and other economic and social factors.

The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The amount recorded as liability for known claims, if any, is based on the recommendation of the administrator. No accrued liability for incurred but not reported claims (IBNRs) has been recorded as amounts for such claims cannot be reasonably estimated. The Department's exposure for claims filed under this program is minimal.

The Department is self-insured for workers' compensation. The program is administered by a third-party administrator (TPA), Athens Administrators. The TPA sets reserve levels for reported claims. Reserve levels for IBNRs are based on an actuarial study by a third independent party. Excess workers' compensation insurance has been purchased by the Department for losses exceeding \$250,000 up to \$50 million.

CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 – RISK MANAGEMENT, Continued

There was no significant change in insurance coverage from that of the prior year, nor have there been any insurance related settlements that exceeded insurance coverage during the past three fiscal years.

The table below shows activities relating to workers' claims liabilities compensation for the past three years:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
2017-2018	3,325,290	1,921,644	(1,278,545)	3,968,389	925,000
2018-2019	3,968,389	1,952,568	(1,373,025)	4,547,932	1,000,000
2019-2020	4,547,932	3,241,022	(1,612,954)	6,176,000	1,200,000

NOTE 9 – FUND BALANCES

In fund financial statements, fund balances are categorized as follows:

Nonspendable Fund Balances - Items that cannot be spent because they are either (a) not in spendable form, such as prepaid items and inventories, or (b) items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted Fund Balances - Restricted fund balances encompass the portion of fund balance subject to externally enforceable legal restrictions. This includes externally imposed restrictions by laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balances - Committed fund balances encompass the portion of fund balance, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body and that remain binding unless removed in the same manner. The Fire Board is considered the highest authority for the Department. A Board resolution is required to have fund balance committed.

Assigned Fund Balances - Assigned fund balances encompass the portion of fund balance reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making. The Fire Board is considered the highest authority for the Department. Assignments of fund balance are made by the Board through approval of transfers during the annual budget process or during the year by resolution.

Unassigned Fund Balances - This amount is for any portion of the fund balances that do not fall into one of the above categories. The general fund is the only fund that reports a positive unassigned fund balance amount. In other funds, it is not appropriate to report a positive unassigned fund balance amount. However, in funds other than general fund, if expenditures incurred for specific purposes exceed the amount that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 - FUND BALANCES, Continued

Fund balances for all the governmental funds as of June 30, 2020 were as follows:

Designation	General Fund	Capital Projects Fund	Joint Training Fund
Nonspendable for prepaid items	\$ 148,321	\$ -	\$ -
Restricted to joint training program	-	-	152,213
Assigned to certain capital projects	-	368,791	-
Unassigned	584,911	-	-

NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

A. Plan Description

The Central County Fire Department Retiree Healthcare Plan (Plan) is an agent-multiple employer defined benefit healthcare plan administered by the Department. CalPERS invests the plan's assets as part of the California Employer's Retiree Benefit Trust (CERBT). The plan provides healthcare benefits to eligible retirees and their dependents. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the Department, its management employees and unions representing its employees. The Plan does not issue a financial report.

The Department provides eligible retirees medical benefits through the California Public Employees' Retirement system healthcare program (PEMHCA). It pays retiree healthcare benefits up to a cap for eligible retirees, dependent on bargaining unit and hire date.

B. Employees Covered

As of the June 30, 2019 measurement date, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	87
Inactive employees or beneficiaries currently receiving benefits	31
Inactive employees entitled to, but not yet receiving benefits	1
Total	<u>119</u>

C. Contributions

The OPEB Plan and its contribution requirements are established by and may be amended by the Department. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2020, the Department's cash contributions were \$670,000 in pay-as-you-go premiums, payment to the trust of \$742,000, administrative expenses of \$2,000, and an implied subsidy of \$115,000, resulting in total payments of \$1,529,000.

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, Continued

D. Net OPEB Liability

The Department's net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019. The June 30, 2019 total OPEB liability was measured based on the following actuarial methods and assumptions:

Actuarial Assumption	June 30, 2019 Measurement Date
■ Actuarial Valuation Date	■ June 30, 2019
■ Contribution Policy	■ Department contributes full ADC
■ Discount Rate	■ 6.75% at June 30, 2019
	■ 6.75% at June 30, 2018
	■ Expected Department contributions projected to keep sufficient plan assets to pay all benefits from trust.
■ General Inflation	■ 2.75% per annum
■ Mortality, Retirement, Disability, Termination	■ CalPERS 1997-15 Experience Study
■ Mortality Improvement	■ Post-retirement mortality projected fully generational with Scale MP-2019
■ Salary Increases	■ Aggregate - 3% annually
	■ Merit - 1997-15 CalPERS Experience Study
■ Medical Trend	■ Non-Medicare - 7.5% for 2021, decreasing to an ultimate rate of 4.0% in 2076
	■ Medicare - 6.5% for 2021, decreasing to an ultimate rate of 4.0% in 2076
■ ACA Excise Tax	■ 2% increase cash cost on Tier 1
■ Healthcare Participation	■ Tier 1: 100%
	■ Tier 2: 80%
■ Healthcare Participation for Future Retirees	<p>■ Future Miscellaneous retirees:</p> <p>Pre 65: Anthem Traditional 15%, Blue Shield 10%, Kaiser 50%, PERSCheck 20%, PERSCare 5%</p> <p>Post 65: Anthem Traditional 15%, Kaiser 50%, PERSCheck 25%, PERSCare 10%</p> <p>■ Future Safety retirees:</p> <p>Pre 65: Blue Shield 10%, Kaiser 25%, PERSCheck 10%, PERSCare 5%, PORAC 50%</p> <p>Post 65: Kaiser 40%, PERSCheck 10%, PERSCare 10%, PORAC 40%</p> <p>■ Retirees</p> <p>Pre-65: Same as current election</p> <p>Post 65: Post 65 assumptions for actives</p>

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, Continued

D. Net OPEB Liability, Continued

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

<i>Investment Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
<i>Global Equity</i>	59%	4.82%
<i>Fixed Income</i>	25%	1.47%
<i>Treasury Inflation-Protected Securities (TIPS)</i>	5%	1.29%
<i>Commodities</i>	3%	0.84%
<i>Real Estate Investment Trusts</i>	8%	3.76%
<i>TOTAL</i>	100.00%	

E. Discount Rate

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

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, Continued

F. Changes in the OPEB Liability

The changes in the net OPEB liability for the OPEB Plan are as follows:

Changes in Net OPEB Liability/(Assets)

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
■ Balance at 6/30/19 (6/30/18 measurement date)	\$ 20,119,000	\$ 6,550,000	\$ 13,569,000
■ Changes for the year			
• Service Cost	562,000	-	562,000
• Interest	1,376,000	-	1,376,000
• Benefit changes	-	-	-
• Actual vs. expected experience	(2,194,000)	-	(2,194,000)
• Assumption changes	711,000	-	711,000
• Contributions - employer*	-	1,508,000	(1,508,000)
• Contributions - employee	-	-	-
• Net investment income	-	415,000	(415,000)
• Benefit payments	(602,000)	(602,000)	-
• Administrative expenses	-	(3,000)	3,000
■ Net Changes	(147,000)	1,318,000	(1,465,000)
■ Balance at 6/30/20 (6/30/19 measurement date)	\$ 19,972,000	\$ 7,868,000	\$ 12,104,000

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

The following presents the net OPEB liability of the Department if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	Discount Rate		
	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
■ Net OPEB Liability	\$ 14,702,000	\$ 12,104,000	\$ 9,957,000

H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the Department if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	Healthcare Trend Rate		
	1% Decrease	Current Trend	1% Increase
■ Net OPEB Liability	\$ 9,717,000	\$ 12,104,000	\$ 15,030,000

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, Continued

I. Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (8.9 Years at June 30, 2019)

J. OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the Department recognized OPEB expense of \$1,301,000. For the fiscal year ended June 30, 2020, the Department reported deferred outflows of resources related to OPEB from the following sources:

Deferred Outflows/Inflows Balances at June 30, 2020

	June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,947,000
Changes in assumptions	631,000	-
Net difference between projected and actual earnings on plan investments	-	60,000
Employer contributions made subsequent to the measurement date	1,529,000	-
Total	\$ 2,160,000	\$ 2,007,000

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS, Continued

J. OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB, Continued

The \$1,529,000 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

**Recognition of Deferred Outflows and Inflows of Resources
in Future OPEB Expense**

FYE June 30	Deferred Outflows/(Inflows) of Resources
2021	\$ (198,000)
2022	(196,000)
2023	(174,000)
2024	(160,000)
2025	(167,000)
Thereafter	(481,000)

NOTE 11 – EMPLOYEE RETIREMENT PLAN

A. Plan Description

All qualified permanent and probationary employees are eligible to participate in the Department's, cost-sharing multiple employer defined benefit pension plan (plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and miscellaneous risk pool (all other). The Department sponsors four rate plans (two miscellaneous and two safety). Benefit provisions under the Plan are established by State statute and the Department's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

B. 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.

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11 – EMPLOYEE RETIREMENT PLAN, Continued

B. Benefits Provided, Continued

The Plan's provisions and benefits in effect at June 30, 2020, are summarized as follows:

	<u>Safety-Classic</u>	<u>Miscellaneous-Classic</u>
Hire date	Prior to January 1, 2013	Prior to January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits , as a % of eligible compensation	2.4% to 3%	2% to 2.7%
Required employee contribution rates	9.00%	8.00%
Required employer contribution rates	21.748%	12.142%
Required employer dollar UAL payment(Annual)	\$2,588,903	\$25,098
	<u>Safety-PEPRA</u>	<u>Miscellaneous-PEPRA</u>
Hire date	On or after January 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits , as a % of eligible compensation	2 to 2.7%	1% to 2.5%
Required employee contribution rates	12.75%	6.50%
Required employer contribution rates	13.786%	7.072%
Required employer dollar UAL payment (Annual)	\$7,292	\$3,203

C. 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 July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Department 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 Department's contributions to the Plan for the measurement period ended June 30, 2019 were \$4,356,126.

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

As of June 30, 2020, the Department reported net pension liability for its proportionate share of the net pension liability of the Plan of \$45,230,293.

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11 – EMPLOYEE RETIREMENT PLAN, Continued

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

The Department's net pension liability for the Plan is measured as the proportionate share of the net pension liability of the CalPERS pooled plans. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The Department's proportion of the net pension liability was based on the Department's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The Department's proportionate share of the net pension liability for the Plan as of the June 30, 2018 and 2019 measurement dates were as follows:

Proportion - June 30, 2018	0.43019%
Proportion - June 30, 2019	0.44140%
Change - Increase (Decrease)	0.01121%

For the year ended June 30, 2020, the Department recognized pension expense of \$9,142,368. At June 30, 2020, the Department 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	\$ 4,975,245	\$ -
Changes in assumptions	1,856,814	365,649
Changes in employer's proportion	1,725,360	159,075
Differences between the employer's contributions and the employer's proportionate share of contributions	-	1,956,092
Difference between expected and actual experience	2,952,604	-
Net differences between projected and actual earnings on plan investments	-	623,835
Total	<u>\$ 11,510,023</u>	<u>\$ 3,104,651</u>

\$4,975,245 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11 – EMPLOYEE RETIREMENT PLAN, Continued

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2021	\$ 3,019,356
2022	(123,406)
2023	412,738
2024	121,439

E. Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry-Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by entry age and service
Mortality Rate Table	Derived by CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

F. Discount Rate

The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – EMPLOYEE RETIREMENT PLAN, Continued

F. Discount Rate, Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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 (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

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%	-	-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.

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11 – EMPLOYEE RETIREMENT PLAN, Continued

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

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

1% Decrease	6.15%
Net Pension Liability	\$ 69,535,984
Current Discount Rate	7.15%
Net Pension Liability	\$ 45,230,293
1% Increase	8.15%
Net Pension Liability	\$ 25,301,503

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

I. Payable to the Pension Plan

At June 30, 2020, the Department reported a payable of \$37 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

NOTE 12 – COVID-19 PANDEMIC

During December 2019, the Novel Corona Virus Disease (COVID-19) was discovered. The COVID-19 was subsequently declared a world-wide pandemic by the World Health Organization on March 11, 2020. On March 4, 2020, California State Governor Gavin Newsom proclaimed a State of Emergency as a result of the threat of the COVID-19 in the State of California, leading to the San Mateo County Health Officer issuing a stay-at-home directive on March 16, 2020. This halted all business within San Mateo County outside of essential activities. There was no direct impact on the Department, however member agencies that provide funding for the Department's operations experienced decreases in general revenues in fiscal year ended June 30, 2020, and expect decreases to continue in the following year. In response to helping alleviate financial pressures for the cities, the Department's fiscal year 2020-2021 budget reflects a 3% increase over fiscal year 2019-20. Cost savings, deferrals, and reductions were identified to reduce the budget to the adopted level, including reduction in workers' compensation and asset replacement reserve funding, deferral of asset replacements, and reductions in spending for materials and services.

**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 - EXCESS EXPENDITURES OVER APPROPRIATIONS

The General Fund had excess expenditures over appropriations of \$1,010,405 mainly due unanticipated overtime due to staffing coverage for vacancies, training and strike team backfill.

The Joint Training Special Revenue Fund had excess expenditures over appropriations of \$15,499.

REQUIRED SUPPLEMENTARY INFORMATION

CENTRAL COUNTY FIRE DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

1. DEFINED BENEFIT PENSION PLAN

SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
LAST 10 Years*

	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
Proportionate share of the net pension liability	\$45,230,293	\$41,454,645	\$40,922,503	\$35,390,244	\$26,117,750	\$25,683,151
Proportion of the net pension liability	0.44%	0.43%	0.41%	0.41%	0.38%	0.42%
Covered payroll	\$12,089,224	\$11,921,316	\$11,654,613	\$10,455,688	\$ 8,769,835	\$ 8,122,978
Proportionate share of the net pension liability as percentage of covered payroll	374.14%	347.74%	351.13%	338.48%	297.81%	316.18%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

* Fiscal year 2015 was the first year of implementation

SCHEDULE OF CONTRIBUTIONS - LAST 10 YEARS*

	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 4,975,245	\$ 4,356,126	\$ 3,820,501	\$ 3,436,496	\$ 2,537,375	\$ 2,151,120
Contribution in relation to the actuarially determined contributions	(4,975,245)	(4,356,126)	(3,820,501)	(3,436,496)	(2,537,375)	(2,151,120)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$12,468,586	\$12,089,224	\$11,921,316	\$11,654,613	\$10,455,688	\$ 8,769,835
Contributions as a percentage of covered payroll	39.90%	36.03%	32.05%	29.49%	24.27%	24.53%

* Fiscal year 2015 was the first year of implementation

CENTRAL COUNTY FIRE DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

2. OTHER POSTEMPLOYMENT BENEFIT PLAN

SCHEDULE OF CHANGES IN THE NET OPEB
LIABILITY AND RELATED RATIOS - LAST TEN FISCAL YEARS *

	2020	2019	2018
Measurement Date	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability			
Service Cost	\$ 562,000	\$ 546,000	\$ 530,000
Interest on the total OPEB liability	1,376,000	1,288,000	1,202,000
Differences between expected and actual experience	(2,194,000)	-	-
Changes of assumptions	711,000	-	-
Benefit payments, including refunds of employee contributions	(602,000)	(503,000)	(425,000)
Net change in total OPEB liability	(147,000)	1,331,000	1,307,000
Total OPEB Liability - beginning	20,119,000	18,788,000	17,481,000
Total OPEB Liability - ending (a)	\$19,972,000	\$20,119,000	\$18,788,000
Plan Fiduciary Net Position			
Contributions - employer	\$ 1,508,000	\$ 1,425,000	\$ 1,397,000
Net investment income	415,000	416,000	406,000
Benefit payments, including refunds of employee contributions	(602,000)	(503,000)	(425,000)
Administrative expense	(3,000)	(10,000)	(2,000)
Net change in plan fiduciary net position	1,318,000	1,328,000	1,376,000
Plan fiduciary net position - beginning	6,550,000	5,222,000	3,846,000
Plan fiduciary net position - ending (b)	\$ 7,868,000	\$ 6,550,000	\$ 5,222,000
Net OPEB liability/(asset) - ending (a) - (b)	\$12,104,000	\$13,569,000	\$13,566,000
Plan fiduciary net position as a percentage of the total OPEB liability	39.4%	32.6%	27.8%
Covered-employee payroll**	\$14,809,319	\$14,977,965	\$11,655,000
Net OPEB liability as a percentage of covered-employee payroll	81.73%	90.59%	116.40%

* Fiscal year 2018 was the first year of implementation.

** Covered-employee payroll is used as contributions are not based on employee earnings.

CENTRAL COUNTY FIRE DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

2. OTHER POSTEMPLOYMENT BENEFIT PLAN, Continued

SCHEDULE OF CONTRIBUTIONS LAST TEN FISCAL YEARS *

Fiscal Year Ended June 30,	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 1,528,000	\$ 1,508,000	\$ 1,425,000
Contributions in relation to the ADC	(1,529,000)	(1,508,000)	(1,425,000)
Contribution deficiency (excess)	<u>\$ (1,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll**	\$ 15,432,138	\$ 14,809,319	\$ 14,977,965
Contributions as a percentage of covered-employee payroll	9.9%	10.2%	9.5%

* Fiscal year 2018 was the first year of implementation.

** Covered-employee payroll is used as contributions are not based on employee earnings.

CENTRAL COUNTY FIRE DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Burlingame	\$ 11,482,359	\$ 11,482,359	\$ 11,482,359	\$ -
Hillsborough	7,654,906	7,654,906	7,654,908	2
Millbrae	7,337,241	7,337,241	7,337,244	3
Grants	-	-	36,941	36,941
Service charges	1,453,738	1,453,738	1,956,422	502,684
Interest income	299	299	513	214
Total Revenues	<u>27,928,543</u>	<u>27,928,543</u>	<u>28,468,387</u>	<u>539,844</u>
EXPENDITURES:				
Current:				
Personnel costs	24,930,098	24,930,098	25,833,252	(903,154)
Materials and services	2,798,445	2,798,445	2,905,696	(107,251)
Total Expenditures	<u>27,728,543</u>	<u>27,728,543</u>	<u>28,738,948</u>	<u>(1,010,405)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	200,000	200,000	(270,561)	(470,561)
OTHER FINANCING SOURCES (USES):				
Transfers out	(200,000)	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>(470,561)</u>	<u>\$ (470,561)</u>
BEGINNING FUND BALANCES			<u>1,203,793</u>	
ENDING FUND BALANCES			<u>\$ 733,232</u>	

CENTRAL COUNTY FIRE DEPARTMENT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
JOINT TRAINING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES:				
Service charges	\$ 133,200	\$ 133,200	\$ 160,206	\$ 27,006
Total Revenues	<u>133,200</u>	<u>133,200</u>	<u>160,206</u>	<u>27,006</u>
EXPENDITURES:				
Current:				
Materials and services	<u>161,000</u>	<u>161,000</u>	<u>176,499</u>	<u>(15,499)</u>
Total Expenditures	<u>161,000</u>	<u>161,000</u>	<u>176,499</u>	<u>(15,499)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (27,800)</u>	<u>\$ (27,800)</u>	<u>(16,293)</u>	<u>\$ 11,507</u>
BEGINNING FUND BALANCES			<u>168,506</u>	
ENDING FUND BALANCES			<u>\$ 152,213</u>	

CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

Pension and Other Postemployment Benefits Liabilities and Contributions

These schedules represent information that shows the Department's proportionate share of the pension liability in the cost sharing pools, actuarial information, and contributions. The proportionate share information is useful in determining the Department's liability in relation to all other entities in the pool.

These schedules also report information on the changes to the net OPEB liability and contributions. This information is useful in understanding the impacts and changes to the net liability.

Notes to Budgetary Information

The Department adopts annual budgets on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects fund, which adopts project-length budgets. All appropriations lapse at fiscal year-end. Encumbrances related to unperformed contracts for goods or services at year-end lapse and are automatically reappropriated and reencumbered in the subsequent fiscal year. There are no outstanding encumbrances in the governmental funds at June 30, 2020.

Prior to June 30, the Chief Administrative Officer submits to the Fire Board a proposed operating budget for review. The Board holds public hearings and a final budget is adopted on or before June 30.

The modified accrual basis of accounting is used for budgeting. This means revenues are recognized when they become measurable or available, while expenditures are accounted for or recognized in the budgeting period when they were incurred.

The Fire Board may amend or supplement the budget at any time after its adoption by a majority vote of the members. The Chief Administrative Officer or his designate may make administrative adjustments to the budget as long as those changes will not have a significant policy impact nor affect budgeted year-end fund balances. Any revisions that alter the total expenditures of any fund in excess of the approved funding contributions from the partner cities must be approved by the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. Budget amounts shown in these financial statements include all supplemental appropriations made, if any, during the year.

A schedule of revenues, expenditures and changes in fund balances – budget and actual – of the Department's General Fund and Joint Training Fund are presented as required supplementary information.

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SUPPLEMENTARY INFORMATION

**CENTRAL COUNTY FIRE DEPARTMENT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020**

	Vehicle Replacement Fund	Self-insurance Fund	Total Internal Service Funds
ASSETS			
Current:			
Cash and cash equivalents	\$ 1,513,050	\$ 3,860,706	\$ 5,373,756
Noncurrent:			
Capital assets net of depreciation	3,042,388	-	3,042,388
Total Assets	<u>4,555,438</u>	<u>3,860,706</u>	<u>8,416,144</u>
LIABILITIES			
Current:			
Accounts Payable	142,814	6,450	149,264
Workers' compensation claims	-	1,200,000	1,200,000
Total Current Liabilities	<u>142,814</u>	<u>1,206,450</u>	<u>1,349,264</u>
Noncurrent:			
Workers' compensation claims	-	4,976,000	4,976,000
Total Liabilities	<u>142,814</u>	<u>6,182,450</u>	<u>6,325,264</u>
NET POSITION			
Net Investment in Capital Assets	3,042,388	-	3,042,388
Unrestricted	1,370,236	(2,321,744)	(951,508)
Total Net Position	<u>\$ 4,412,624</u>	<u>\$ (2,321,744)</u>	<u>\$ 2,090,880</u>

CENTRAL COUNTY FIRE DEPARTMENT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Vehicle Replacement Fund	Self-insurance Fund	Total Internal Service Funds
REVENUES:			
Workers' Compensation Premiums	\$ -	\$ 1,800,000	\$ 1,800,000
Dental and Vision Premiums	-	155,514	155,514
Contributions and donations	965,121	-	965,121
Total Operating Revenues	<u>965,121</u>	<u>1,955,514</u>	<u>2,920,635</u>
OPERATING EXPENSES:			
Workers' Compensation Claims	-	3,241,022	3,241,022
Dental and Vision Claims	-	130,897	130,897
Materials and services	58,846	358,353	417,199
Depreciation	366,459	-	366,459
Total Operating Expenses	<u>425,305</u>	<u>3,730,272</u>	<u>4,155,577</u>
Operating Income (Loss)	<u>539,816</u>	<u>(1,774,758)</u>	<u>(1,234,942)</u>
Change in net position	539,816	(1,774,758)	(1,234,942)
Net Position - Beginning	<u>3,872,808</u>	<u>(546,986)</u>	<u>3,325,822</u>
Net Position - Ending (Deficit)	<u><u>\$ 4,412,624</u></u>	<u><u>\$ (2,321,744)</u></u>	<u><u>\$ 2,090,880</u></u>

**CENTRAL COUNTY FIRE DEPARTMENT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Vehicle Replacement Fund	Self-insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts for services provided	\$ 965,121	\$ 1,955,514	\$ 2,920,635
Payment to employees	-	(1,743,851)	(1,743,851)
Payment to vendors	(17,635)	(356,758)	(374,393)
Net cash provided (used) by operating activities	<u>947,486</u>	<u>(145,095)</u>	<u>802,391</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(125,024)	-	(125,024)
Net cash used in capital financing activities	<u>(125,024)</u>	<u>-</u>	<u>(125,024)</u>
Net increase (decrease) in cash and cash equivalents	822,462	(145,095)	677,367
Cash and cash equivalents - beginning	690,588	4,005,801	4,696,389
Cash and cash equivalents - ending	<u><u>\$ 1,513,050</u></u>	<u><u>\$ 3,860,706</u></u>	<u><u>\$ 5,373,756</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 539,816	\$ (1,774,758)	\$ (1,234,942)
Depreciation Expense	366,459	-	366,459
Increase (decrease) in accrued workers' compensation claims	-	1,628,068	1,628,068
Increase (decrease) in accounts payable	41,211	1,595	42,806
Net cash and cash equivalents provided (used) by operating activities	<u><u>\$ 947,486</u></u>	<u><u>\$ (145,095)</u></u>	<u><u>\$ 802,391</u></u>

STATISTICAL SECTION

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Statistical Section

This part of the Central County Fire Department's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplemental information says about the Department's overall financial health.

CONTENTS	PAGES
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the Department's financial performance and well-being have changed over time.	80-91
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the Partner Cities ability to generate its major sources for funding the Department	92-98
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Department's financial activities take place.	99
<i>Operating Information</i>	
These schedules contain information to help the reader understand how the information in the financial reports relate to the services the Department provides and activities it performs.	100-118

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

**CENTRAL COUNTY FIRE DEPARTMENT
NET POSITION BY COMPONENT
(accrual basis of accounting)
LAST TEN YEARS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities:					
Net investment in capital assets	\$ 44,847	\$ 135,297	\$ 116,294	\$ 97,291	\$ 215,847
Restricted	-	-	-	-	-
Unrestricted	(2,385,159)	(3,442,179)	(4,006,508)	(4,115,972)	(35,290,613)
Total governmental activities net position	<u>\$ (2,340,312)</u>	<u>\$ (3,306,882)</u>	<u>\$ (3,890,214)</u>	<u>\$ (4,018,681)</u>	<u>\$ (35,074,766)</u>

The Fiscal year ended June 30, 2020 net position increase of \$5.6 million is primarily attributable to an increase in net pension liability and workers' compensation accrued liability. The net pension liability increase is attributable to differences between actual and expected experience and the workers compensation change is attributable to a new actuarial valuation based on claim experience.

The Fiscal year ended June 30, 2018 net position decrease of \$10.5 million is primarily attributable to the implementation of GASB 75, which reflects to Other Post Employment Benefits (OPEB) liability and deferred inflow/outflow related to (OPEB) on the Statement of Net Position.

The fiscal year ended June 30, 2017 net position decrease of \$3.4 million is primarily attributable to an increase in pension liability, resulting from a change in the mortality assumption used in the actuarial calculations by CalPERS. This is somewhat offset by an improved net position for workers' compensation

The fiscal year ended June 30, 2015 net position change over the prior year is primarily attributable to the implementation of GASB 68, which reflects pension liability and deferred outflows/inflows related to pensions on the Statement of Net Position.

Source: Central County Fire Department audited financial statements as restated, if applicable.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 1,940,399	\$ 2,676,102	\$ 2,715,576	\$ 3,465,069	\$ 3,385,002
-	-	-	-	152,213
(36,567,312)	(33,871,093)	(44,389,427)	(45,364,136)	(51,096,175)
<hr/>				
\$ (34,626,913)	\$ (31,194,991)	\$ (41,673,851)	\$ (41,899,067)	\$ (47,558,960)
<hr/>				

**CENTRAL COUNTY FIRE DEPARTMENT
CHANGES IN NET POSITION
(accrual basis of accounting)
LAST TEN YEARS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses:					
Governmental					
Activities:					
Public safety:					
Personnel	\$ 14,032,646	\$ 14,969,002	\$ 15,577,913	\$ 15,450,212	\$ 17,225,010
Materials and services	1,149,333	1,331,681	1,305,754	1,672,064	1,576,509
Depreciation expense	-	5,383	19,003	19,003	46,039
General and administrative	-	-	-	-	3,082
Total Governmental Activities Expenses	15,181,979	16,306,066	16,902,670	17,141,279	18,850,640
Program Revenues:					
Governmental					
Activities:					
Charges for services	1,157,093	1,190,585	1,518,522	1,890,887	1,553,099
Operating grants and contributions	110,300	47,495	-	-	-
Interest income	322	-	-	-	-
Total Governmental Activities Program Revenues	1,267,715	1,238,080	1,518,522	1,890,887	1,553,099
Governmental Activities Net (Expenses)/Revenue	(13,914,264)	(15,067,986)	(15,384,148)	(15,250,392)	(17,297,541)
General Revenues:					
Governmental					
Activities:					
Intergovernmental - Burlingame	8,220,089	8,460,470	8,880,347	9,072,983	9,735,724
Intergovernmental - Hillsborough	5,480,060	5,640,313	5,920,232	6,048,655	6,490,483
Intergovernmental - Millbrae	-	-	-	-	2,076,725
Grants	-	-	-	-	89,310
Interest income	1,202	633	237	287	416
Total Governmental Activities General Revenues	13,701,351	14,101,416	14,800,816	15,121,925	18,392,658

Source: Central County Fire Department audited financial statements as restated, if applicable.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 19,986,633	\$ 19,491,839	\$ 23,808,883	\$ 25,653,628	\$ 29,937,605
2,158,896	2,173,142	2,378,414	2,485,705	3,958,052
52,962	234,494	273,158	318,924	392,829
-	-	-	22,176	-
22,198,491	21,899,475	26,460,455	28,480,433	34,288,486
1,586,409	2,100,740	2,438,884	1,923,490	2,116,628
-	-	-	-	-
-	-	-	-	-
1,586,409	2,100,740	2,438,884	1,923,490	2,116,628
(20,612,082)	(19,798,735)	(24,021,571)	(26,556,943)	(32,171,858)
9,947,519	10,112,833	9,973,599	10,789,979	11,482,359
6,631,679	6,741,889	6,649,066	7,193,306	7,654,908
5,486,051	6,063,304	6,326,189	6,891,612	7,337,244
366,391	312,157	954,239	764,160	36,941
818	474	1,300	611	513
22,432,458	23,230,657	23,904,393	25,639,668	26,511,965

**CENTRAL COUNTY FIRE DEPARTMENT
CHANGES IN NET POSITION
(accrual basis of accounting)
LAST TEN YEARS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities Changes in Net Position Before Special Item	(212,913)	(966,570)	(583,332)	(128,467)	1,095,117
Assumption of Beginning Compensated Absences Liability on Formation	(2,127,399)	-	-	-	-
Governmental Activities Changes in Net Position After Special Item	<u>\$ (2,340,312)</u>	<u>\$ (966,570)</u>	<u>\$ (583,332)</u>	<u>\$ (128,467)</u>	<u>\$ 1,095,117</u>

Personnel expenses increased in 2020 due to similar reasons as 2019 and in addition, the GASB 68 pension expense increased by \$3 million due to actuarial changes and assumptions and methods.

Personnel expenses increased in 2019 due to increases in salaries for cost of living and step increases, contractual CalPERS retirement contribution, overtime with participation in Statewide fires (reimbursable), and an increase in the workers' compensation reserve amount.

Materials and services expenses increased in 2020 primarily due to an increase in actuarially required reserve for workers' compensation.

Personnel expenses decreased in 2017 due to a reduction in workers' compensation reserve amount, and is mostly offset by increases in salaries for cost of living, contractual CalPERS retirement contribution, and overtime costs associated with participation in statewide fires (reimbursable).

Program revenues increase in 2018 and 2017 due to increased permitting and annual inspections activity.

General revenues are comprised of contributions from the cities based on adopted budget amounts. The grant in 2017 and 2018 was reimbursements for overtime for CCFD participation in statewide fires and national disaster events.

Source: Central County Fire Department audited financial statements as restated, if applicable.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
1,820,376	3,431,922	(117,178)	(917,275)	(5,659,893)
-	-	-	-	-
\$ 1,820,376	\$ 3,431,922	\$ (117,178)	\$ (917,275)	\$ (5,659,893)

**CENTRAL COUNTY FIRE DEPARTMENT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues:					
Intergovernmental:					
Burlingame	\$ 8,233,728	\$ 8,460,470	\$ 8,880,347	\$ 9,072,983	\$ 9,735,724
Hillsborough	5,480,060	5,640,313	5,920,232	6,048,655	6,490,483
Millbrae	96,661	-	-	-	2,076,725
Grants	-	47,495	-	-	89,310
Service Charges	1,157,093	1,190,585	1,518,522	1,890,887	1,553,099
Interest Income	1,209	633	237	287	416
Total Revenues	14,968,751	15,339,496	16,319,338	17,012,812	19,945,757
Expenditures:					
Current:					
Personnel costs	13,505,767	14,071,775	14,796,777	15,526,314	17,495,521
Materials and services	1,063,180	1,257,444	1,189,132	1,548,680	1,574,672
Capital Outlay	44,847	95,833	-	-	7,428
General and administrative/Other	-	-	-	-	3,083
Total Expenditures	14,613,794	15,425,052	15,985,909	17,074,994	19,080,704
Other Sources of Financing					
Transfers	-	-	-	-	(799,000)
Net Change in Fund Balances	354,957	(85,556)	333,429	(62,182)	66,053
Beginning Fund Balances, as restated	-	354,957	269,401	602,830	540,648
Ending Fund Balances	\$ 354,957	\$ 269,401	\$ 602,830	\$ 540,648	\$ 606,701
General Fund:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	354,957	-	-	-	-
Unassigned	-	-	-	-	6
Total General Fund	\$ 354,957	\$ -	\$ -	\$ -	\$ 6
All Other Governmental Funds:					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	-	269,401	602,830	540,648	606,695
Total All Other Governmental Funds	\$ 354,957	\$ 269,401	\$ 602,830	\$ 540,648	\$ 606,695

Personnel expenditures increased in 2020 due to increases in salaries for cost of living and step increases, contractual increases, and increases in Statewide fires (reimbursable).

Source: Central County Fire Department audited financial statements as restated, if applicable.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	9,947,519	\$ 10,112,833	\$ 9,973,599	\$ 10,789,979	\$ 11,482,359
	6,631,679	6,741,889	6,649,066	\$ 7,193,306	\$ 7,654,908
	5,486,051	6,063,304	6,326,189	6,891,612	7,337,244
	366,391	312,157	954,239	764,160	36,941
	1,586,409	2,100,740	2,438,884	1,923,490	2,116,628
	817	474	1,300	611	513
	<u>24,018,866</u>	<u>25,331,397</u>	<u>26,343,277</u>	<u>27,563,158</u>	<u>28,628,593</u>

	20,567,509	22,579,944	23,389,694	23,944,158	25,833,252
	3,339,454	2,657,250	2,937,588	3,150,934	3,179,168
	10,514	246,246	94,104		-
	-	-	-		-
	<u>23,917,477</u>	<u>25,483,440</u>	<u>26,421,386</u>	<u>27,095,092</u>	<u>29,012,420</u>

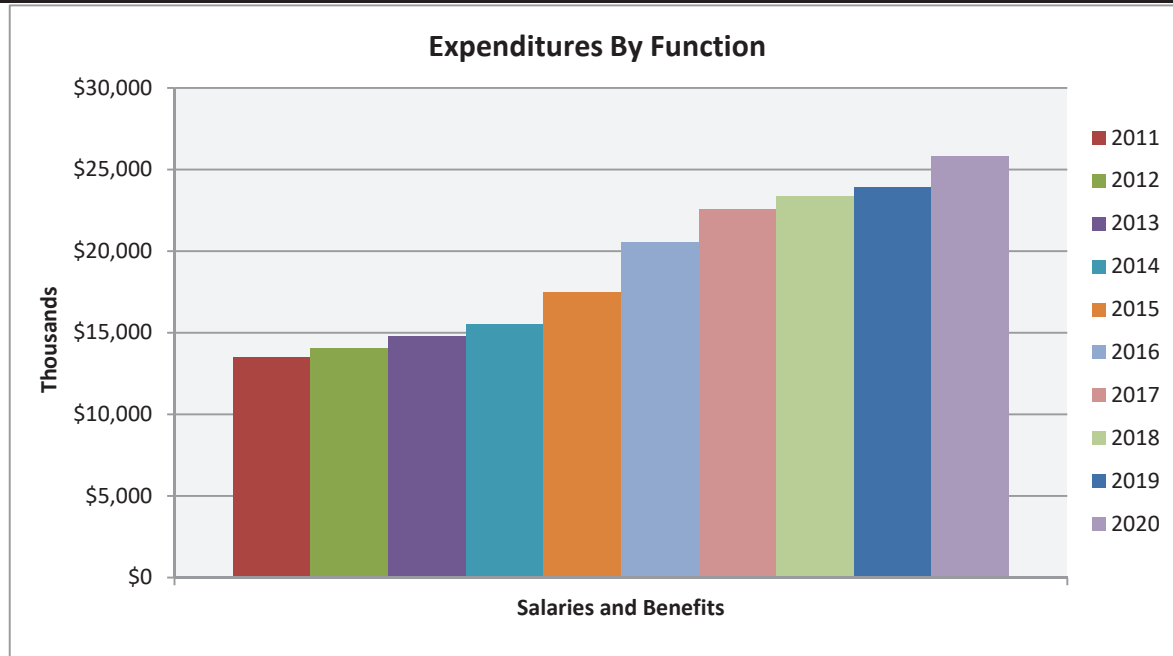
	-	-	-	-	-
	<u>101,389</u>	<u>(152,043)</u>	<u>(78,109)</u>	<u>468,066</u>	<u>(383,827)</u>
	606,701	708,090	556,047	1,169,997	1,638,063
\$	<u>708,090</u>	\$ <u>556,047</u>	\$ <u>477,938</u>	\$ <u>1,638,063</u>	\$ <u>1,254,236</u>

\$	-	\$	-	\$	-	\$	-	\$	148,321
	-		-		-		-		-
	6		8		6		1,203,793		584,911
\$	<u>6</u>	\$	<u>8</u>	\$	<u>6</u>	\$	<u>1,203,793</u>	\$	<u>733,232</u>

\$	-	\$	-	\$	-	\$	-	\$	152,213
	708,084		-		477,932		434,270		368,791
\$	<u>708,084</u>	\$	<u>-</u>	\$	<u>477,932</u>	\$	<u>434,270</u>	\$	<u>368,791</u>

al CalPERS retirement contribution, overtime for participation

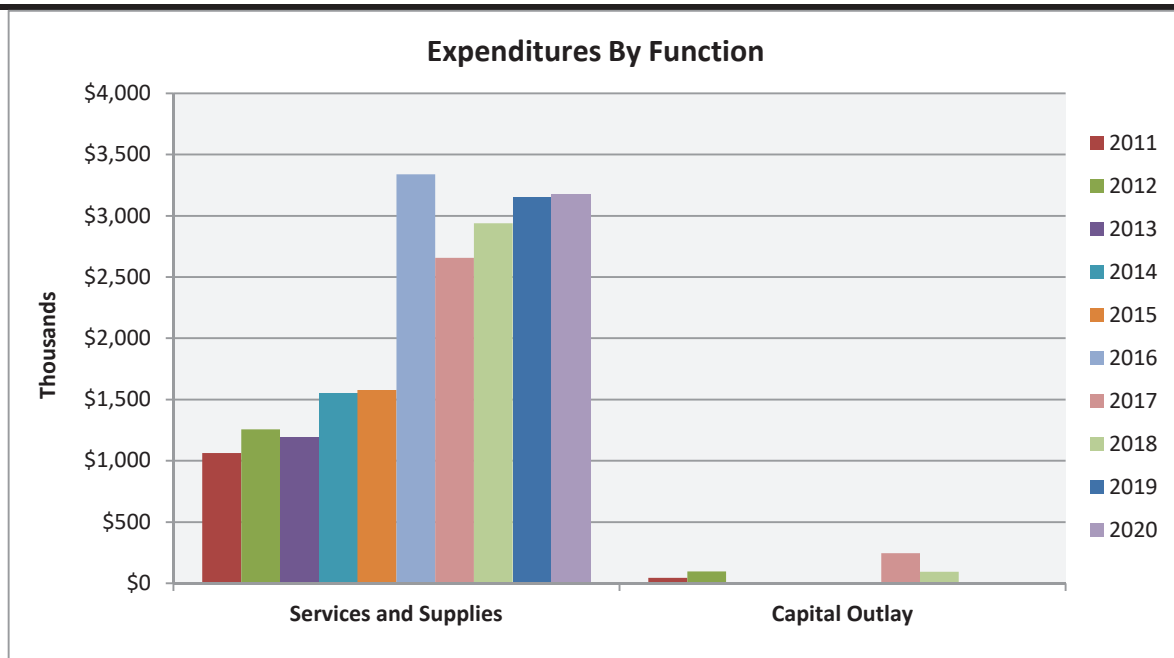
**CENTRAL COUNTY FIRE DEPARTMENT
GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION
(modified accrual basis of accounting)
LAST TEN YEARS**



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Salaries and Benefits	\$ 13,505,767	\$ 14,071,775	\$ 14,796,777	\$ 15,526,314	\$ 17,495,521
Services and Supplies	1,063,180	1,257,444	1,189,132	1,548,680	1,577,755
Capital Outlay	44,847	95,833	-	-	7,428
Total	<u>\$ 14,613,794</u>	<u>\$ 15,425,052</u>	<u>\$ 15,985,909</u>	<u>\$ 17,074,994</u>	<u>\$ 19,080,704</u>

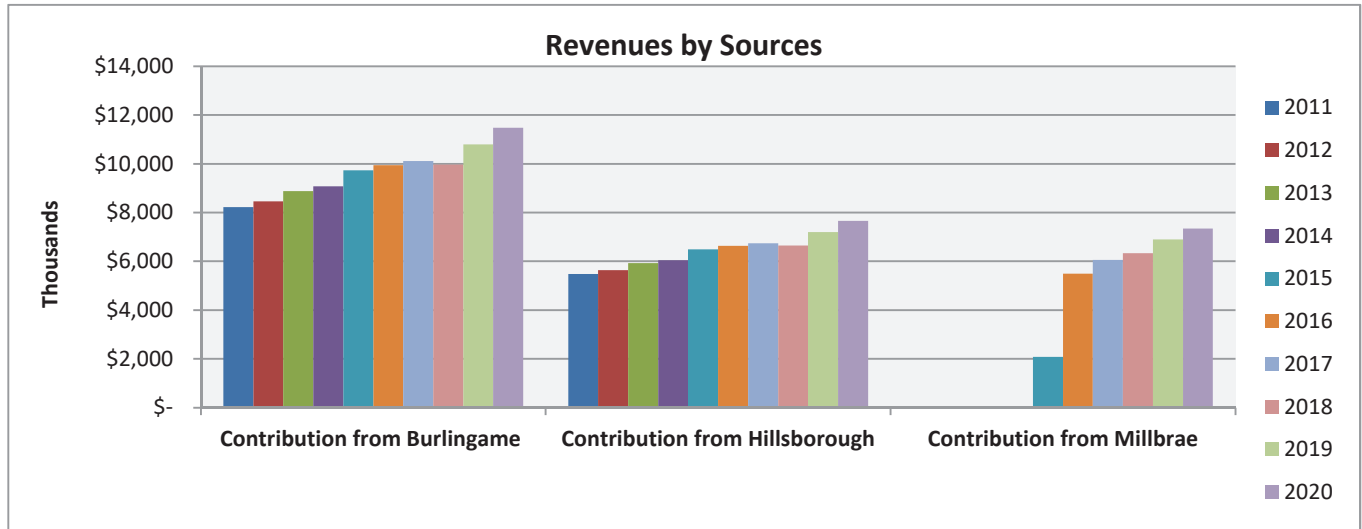
Salaries and benefits is the largest cost for the Department. Increase in 2020 is attributable to salary increases, contractual CalPERS retirement contribution, workers' compensation reserve contribution, and overtime costs.

Source: Central County Fire Department audited financial statements



<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 20,567,509	\$ 22,579,944	\$ 23,389,694	\$ 23,944,158	\$ 25,833,252
3,339,454	2,657,250	2,937,588	3,150,934	3,179,168
10,514	246,246	94,104	-	-
<u>\$ 23,917,477</u>	<u>\$ 25,483,440</u>	<u>\$ 26,421,386</u>	<u>\$ 27,095,092</u>	<u>\$ 29,012,420</u>

**CENTRAL COUNTY FIRE DEPARTMENT
GOVERNMENTAL FUNDS REVENUES BY SOURCES
(modified accrual basis of accounting)
LAST TEN YEARS**

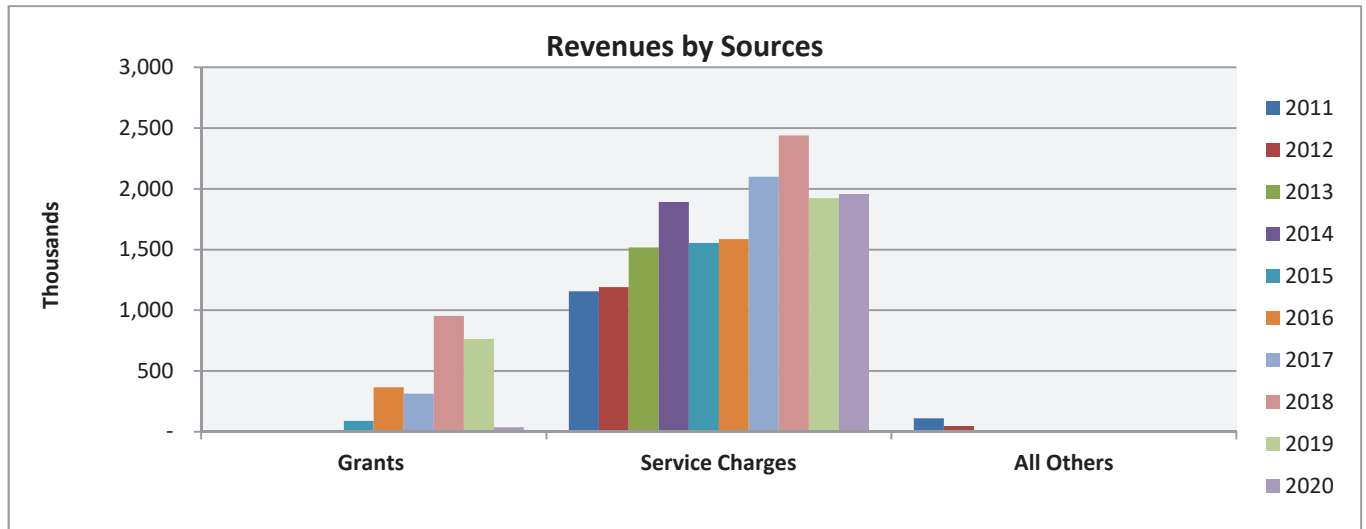


	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contribution from Burlingame	\$ 8,220,089	\$ 8,460,470	\$ 8,880,347	\$ 9,072,983	\$ 9,735,724
Contribution from Hillsborough	5,480,060	5,640,313	5,920,232	6,048,655	6,490,483
Contribution from Millbrae	-	-	-	-	2,076,725
Grants	-	-	-	-	89,310
Service Charges	1,157,093	1,190,585	1,518,522	1,890,887	1,553,099
All Others	111,509	48,128	237	287	416
Total	<u>\$ 14,968,751</u>	<u>\$ 15,339,496</u>	<u>\$ 16,319,338</u>	<u>\$ 17,012,812</u>	<u>\$ 19,945,757</u>

The Department's primary source of funding is contributions from the three cities - Burlingame, Hillsborough, and Millbrae. Services are provided by contract to the City of Millbrae and commenced mid-year 2014/15.

Grants are primarily reimbursement from Cal-OES or FEMA for participation in statewide fires or national disasters.

Source: Central County Fire Department audited financial statements



	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	9,947,519	\$ 10,112,833	\$ 9,973,599	\$ 10,789,979	\$ 11,482,359
	6,631,679	6,741,889	6,649,066	7,193,306	7,654,908
	5,486,051	6,063,304	6,326,189	6,891,612	7,337,244
	366,391	312,157	954,239	764,160	36,941
	1,586,409	2,100,740	2,438,884	1,923,490	1,956,422
	817	474	1,300	611	513
\$	24,018,866	\$ 25,331,397	\$ 26,343,277	\$ 27,563,158	\$ 28,468,387

**CENTRAL COUNTY FIRE DEPARTMENT
CITY OF BURLINGAME/TOWN OF HILLSBOROUGH/CITY OF MILLBRAE
GENERAL FUND TAX REVENUES BY SOURCE
LAST TEN YEARS (amounts expressed in thousands)**

Fiscal Year	Property Tax	Public Safety <u>Special Tax</u>	Sales Tax	Transient Occupancy Tax	Other Taxes⁽¹⁾
CITY OF BURLINGAME					
2009	12,798		8,251	10,155	1,782
2010	13,355		6,276	10,342	1,857
2011	13,310		8,041	13,404	2,071
2012	13,460		8,495	16,183	2,582
2013	15,539		9,199	18,244	3,284
2014	15,497		10,196	21,357	4,595
2015	16,667		11,101	23,968	4,697
2016	17,645		12,828	26,092	4,589
2017	18,933		12,089	26,263	4,407
2018	20,335		12,820	27,936	4,869
2019	21,956		17,820	29,384	5,214
TOWN OF HILLSBOROUGH					
2009	10,059	2,238	97		1,288
2010	10,490	2,231	98		1,304
2011	10,502	2,232	77		1,398
2012	10,431	2,236	82		1,397
2013	10,943	2,234	209		1,714
2014	11,780	2,451	14		1,845
2015	12,629	2,240	65		1,744
2016	13,783	2,242	74		1,702
2017	14,872	2,242	99		1,783
2018	15,785	2,243	100		1,806
2019	16,681	2,243	128		1,769
CITY OF MILLBRAE					
2009	13,100		2,400	2,800	1,400
2010	13,400		2,000	2,900	1,600
2011	13,400		2,200	3,700	1,600
2012	10,900		2,200	3,900	1,700
2013	9,200		2,200	5,000	1,500
2014	10,100		2,300	6,100	1,900
2015	10,800		2,700	7,500	1,900
2016	10,798		2,804	8,210	1,811
2017	11,378		2,779	8,032	1,924
2018	11,887		3,093	8,483	2,017
2019	12,749		3,312	8,810	1,926

(1) Includes Property Transfer Tax, Business License Tax, Franchise Fee

Note: Information is the latest available at the time of this report.

Source: City of Burlingame, Town of Hillsborough, and City of Millbrae audited financial statements

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**CENTRAL COUNTY FIRE DEPARTMENT
CITY OF BURLINGAME/TOWN OF HILLSBOROUGH/CITY OF MILLBRAE
ASSESSED VALUES OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

<u>CITY OF BURLINGAME</u>				
Fiscal	Net			% of
Year	Secured	Unsecured	Total	Chg
2009	6,457,431,033	300,758,515	6,758,189,548	5.9%
2010	6,662,858,226	299,902,769	6,962,760,995	3.0%
2011	6,733,012,764	274,429,627	7,007,442,391	0.6%
2012	6,838,109,244	270,906,684	7,109,015,928	1.4%
2013	7,154,664,973	275,840,943	7,430,505,916	4.5%
2014	7,636,495,631	302,712,785	7,939,208,416	6.8%
2015	8,135,613,312	307,284,506	8,442,897,818	6.3%
2016	8,690,688,613	324,903,282	9,015,591,895	6.8%
2017	9,378,077,970	329,134,973	9,707,212,943	7.7%
2018	10,015,772,431	338,411,794	10,354,184,225	6.7%
2019	10,621,963,371	334,682,252	10,956,645,623	5.8%

<u>TOWN OF HILLSBOROUGH</u>				
Fiscal	Net			% of
Year	Secured	Unsecured	Total	Chg
2009	6,301,080,652	4,766,453	6,305,847,105	6.5%
2010	6,649,847,907	4,896,023	6,654,743,930	5.5%
2011	6,647,117,625	7,862,429	6,654,980,054	0.0%
2012	6,651,650,227	5,673,361	6,657,323,588	0.0%
2013	6,920,302,922	5,149,053	6,925,451,975	4.0%
2014	7,377,527,987	4,556,205	7,382,084,192	6.6%
2015	7,833,939,940	5,908,200	7,839,848,140	6.2%
2016	8,460,687,856	8,612,367	8,469,300,223	8.0%
2017	9,121,371,245	6,096,108	9,127,467,353	7.8%
2018	9,673,123,078	5,220,467	9,678,343,545	6.0%
2019	10,210,348,568	51,126,530	10,261,475,098	6.0%

Source: Audited financial statements of the City of Burlingame,
Town of Hillsborough and City of Millbrae.
Information is the latest available for use in this report.

CITY OF MILLBRAE

Fiscal	Net			% of
Year	Secured	Unsecured	Total	Chg
2009	3,427,061,495	74,732,202	3,501,793,697	10.0%
2010	3,561,943,711	59,707,619	3,621,651,330	3.4%
2011	3,588,579,495	58,876,426	3,647,455,921	0.7%
2012	3,639,192,881	64,777,111	3,703,969,992	1.5%
2013	3,785,529,814	59,066,096	3,844,595,910	3.8%
2014	4,009,441,534	64,752,022	4,074,193,556	6.0%
2015	4,306,198,921	68,073,302	4,374,272,223	7.4%
2016	4,605,554,827	82,815,102	4,688,369,929	7.2%
2017	4,897,662,651	70,504,021	4,968,166,672	6.0%
2018	5,195,464,549	72,447,955	5,267,912,504	6.0%
2019	5,515,945,282	78,659,325	5,594,604,607	6.2%

GRAND TOTAL

Fiscal	Net			% of
Year	Secured	Unsecured	Total	Chg
2009	16,185,573,180	380,257,170	16,565,830,350	7.0%
2010	16,874,649,844	364,506,411	17,239,156,255	4.1%
2011	16,968,709,884	341,168,482	17,309,878,366	0.4%
2012	17,128,952,352	341,357,156	17,470,309,508	0.9%
2013	17,860,497,709	340,056,092	18,200,553,801	4.2%
2014	19,023,465,152	372,021,012	19,395,486,164	6.6%
2015	20,275,752,173	381,266,008	20,657,018,181	6.5%
2016	21,756,931,296	416,330,751	22,173,262,047	7.3%
2017	23,397,111,866	405,735,102	23,802,846,968	7.3%
2018	24,884,360,058	416,080,216	25,300,440,274	6.3%
2019	26,348,257,221	464,468,107	26,812,725,328	6.0%

**CENTRAL COUNTY FIRE DEPARTMENT
CITY OF BURLINGAME/TOWN OF HILLSBOROUGH/CITY OF MILLBRAE
PRINCIPAL PROPERTY TAX PAYERS**

<u>Taxpayer</u>	<u>2018-19</u>			<u>2009-10</u>		
	<u>Taxable</u>	<u>% of Total</u>	<u>Rank</u>	<u>Taxable</u>	<u>% of Total</u>	<u>Rank</u>
	<u>Assessed</u>	<u>Assessed</u>		<u>Assessed</u>	<u>Assessed</u>	
	<u>Value</u>	<u>Value</u>		<u>Value</u>	<u>Value</u>	
CITY OF BURLINGAME:						
HMC Burlingame Hotel LLC	\$ 223,639,000	1	2.04%	\$ -	-	
EQR-Northpark LP	125,411,000	2	1.14%	-	-	
Inland American Lodging	114,917,000	3	1.05%	-	-	
Burlingame Bay LLC	93,939,000	4	0.86%	-	-	
Felcor CCS Holdings LP	60,521,000	5	0.55%	46,347,000	5	0.67%
Burlingame Point LLC	59,422,000	6	0.54%	-	-	
MNCVD Harvest One Bay LLC	57,014,000	7	0.52%	-	-	
EQR Skyline Terrance LP	47,998,000	8	0.44%	-	-	
Remel Chicago LLC	42,214,000	9	0.38%	-	-	
Green Banker LLC	42,195,000	10	0.38%	-	-	
Bay Park Plaza Associates	-			113,619,000	1	1.63%
HMC Burlingame Hotel LLC	-			85,728,000	2	1.23%
HMH SFO Onc.	-			66,000,000	3	0.95%
Stellar Skyline LLC	-			46,592,000	4	0.67%
Northpark LLC	-			34,903,000	6	0.50%
Harbor View Hotels Inc.	-			29,008,000	7	0.42%
Pauls Rollins Road LLC	-			27,050,000	8	0.39%
350 Beach Road LLC	-			26,530,000	9	0.38%
Public Storage	-			25,513,000	10	0.37%
	<u>\$ 867,270,000</u>		<u>7.90%</u>	<u>\$ 501,290,000</u>		<u>7.20%</u>
TOWN OF HILLSBOROUGH:						
Carolands Foundation	\$ 140,713,094	1	1.38%			
Alpha Yield Holdings Limited	32,521,372	2	0.32%			
Theodore H Kruttschnitt	24,737,685	3	0.24%	34,215,000	1	0.51%
Delight Wise Investments Limited	24,082,866	4	0.24%			
Gatsby LLC	23,831,280	5	0.23%			
123 New Place LLC	17,500,000	6	0.17%			
August Moon 1971 LLC	17,453,395	7	0.17%			
Jason Calacanis	17,365,500	8	0.17%			
Peter Spiro Stamos Trust	17,353,000	9	0.17%	17,544,000	4	0.26%
George Hsu Trust	17,042,229	10	0.17%	15,392,375	7	0.23%
James G B III De Martini Trust				23,250,000	2	0.35%
Val E Vaden Trust				18,090,181	3	0.27%
Christopher R Redlich Jr				16,578,188	5	0.25%
Otto J Miller				15,506,897	6	0.23%
Deb Trust				13,058,852	8	0.20%
Patrick C Tai Trust				11,907,732	9	0.18%
Scott Alan Bedford Trust				11,447,628	10	0.17%
	<u>\$ 332,600,421</u>		<u>3.26%</u>	<u>\$ 176,990,853</u>		<u>2.65%</u>

Source: City of Burlingame, Town of Hillsborough and City of Millbrae audited financial statements.
Information is the latest available for this report.

	2018-19				2009-10			
CITY OF MILLBRAE								
SFO Bayshoe LLC	\$ 124,632,344	1	2.25%		\$ 46,177,624	1	1.31%	
OR Property Holdings	38,471,307	2	0.69%					
RAC Investment Group LLC	35,871,427	3	0.65%					
Magnolia of Millbrae, Inc	30,234,437	4	0.55%		27,585,556	2	0.78%	
Great Mountain Properties LLC	28,011,626	5	0.51%					
Marymount Greenhills LLC	23,927,094	6	0.43%		21,367,103	6	0.60%	
RHC Associates	17,873,617	7	0.32%					
Orchard Supply Hardware	16,904,396	8	0.30%					
Friend Friend and Friend	16,487,099	9	0.30%		14,567,494	10	0.41%	
Wilson Plaza LLC	13,318,130	10	0.24%					
PPC Townsquare Venture LLC					26,593,974	3	0.75%	
Starwood SF Clarion Realty LLC					24,938,388	4	0.71%	
Millbrae Paradise LLC					23,377,185	5	0.66%	
Braddock & Logan Grp LP					21,306,981	7	0.60%	
Green Hills Country Club					16,474,857	8	0.47%	
Simeon SPFVEF LLC					15,019,664	9	0.43%	
	<u>\$ 345,731,477</u>		<u>6.24%</u>		<u>\$ 237,408,826</u>		<u>6.72%</u>	

**CENTRAL COUNTY FIRE DEPARTMENT
COUNTY OF SAN MATEO AND NEIGHBORING CITIES
LARGEST EMPLOYERS ON THE PENINSULA**

Name	Description	Total Peninsula Employees	Percentage of Labor Workforce San Mateo County ⁽¹⁾
Facebook Inc.	Internet Information Provider	14,000	3.18%
Tesla Inc.	Automobile Manufacturing	10,000	2.27%
Genentech	Medical Facilitator	9,500	2.16%
Oracle	Computer Hardward	7,535	1.71%
Gilead Scieces Inc.	Biopharmaceutical Company	4,000	0.91%
Walmart Labs	Retail Technology	2,000	0.45%
Youtube	Film/ Video	2,000	0.45%
Robert Half International Inc.	Personnel Services	1,668	0.38%
Sony Interactive Entertainment	Games	1,602	0.36%
Electronic Arts Inc.	Games	1,520	0.35%
See's Candies	Candy Manufacturer	1,512	0.34%
Seton Medical Center	Health Care System	1,503	0.34%
SAP	Information Technology	1,468	0.33%
Box	Cloud Content Management Platform	1,105	0.25%
DPR Construction	General Contractor	1,075	0.24%
Franklin Resources	Investment Managers	1,055	0.24%
Guidewire Software Inc.	Software Platform Company	630	0.14%
Genesys	Cloud-Based and On-Premises Software	530	0.12%
		62,703	14.25%

Source: San Francisco Business Times, Book of Lists, 2020.

⁽¹⁾ The table above reflects the statistical data for San Mateo County as provided by the Employment Development Department of the State of California as of January 2020.

**CENTRAL COUNTY FIRE DEPARTMENT
CITY OF BURLINGAME/TOWN OF HILLSBOROUGH/CITY OF MILLBRAE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Calendar/Fiscal Year	Population	Per Capita Personal Income	Unemployment Rate
CITY OF BURLINGAME			
2008	28,762	60,744	3.5%
2009	29,050	58,523	6.2%
2010	29,342	43,432	6.5%
2011	29,106	47,996	5.8%
2012	29,426	51,002	3.7%
2013	29,685	49,882	3.0%
2014	29,700	56,148	3.3%
2015	29,724	60,844	2.6%
2016	30,148	61,592	2.3%
2017	30,294	64,150	2.2%
2018	30,317	69,594	2.2%
TOWN OF HILLSBOROUGH⁽¹⁾			
2008	11,230	92,339	2.1%
2009	11,390	93,086	3.7%
2010	11,537	100,396	3.9%
2011	11,006	108,905	3.4%
2012	11,115	117,329	2.2%
2013	11,260	118,252	1.8%
2014	11,266	116,208	3.6%
2015	11,687	121,970	2.9%
2016	11,753	116,395	2.6%
2017	11,545	113,839	2.6%
2018	11,769	118,144	2.3%
CITY OF MILLBRAE			
2007	20,810	44,476	1.9%
2008	21,311	44,957	2.5%
2009	21,531	43,450	4.5%
2010	21,968	36,753	4.6%
2011	22,069	38,604	4.1%
2012	22,228	39,735	2.6%
2013	22,605	39,530	2.2%
2014	22,617	40,647	3.6%
2015	23,136	41,713	2.9%
2016	23,168	43,019	2.6%
2017	22,796	45,089	2.6%
2018	23,154	51,880	1.8%

Source: City of Burlingame, Town of Hillsborough and City of Millbrae audited financial statements.

Information is latest available for this report.

Note 1: The above population figures as stated by the California State Department of Finance are typically higher than the actual results that are taken at census for the Town. The DOF applies regional growth assumptions, yet the Town is nearly built out and does not grow at the same rate as the region. The Town estimates that population was 10,825 in 2010 and 10,922 in 2020.

CENTRAL COUNTY FIRE DEPARTMENT FIRE APPARATUS



Engine 32 Pierce Dash model year 2017
Carries 680 gallons of water and 20 gallons
of universal foam



Engine 33 Pierce Dash model year 2002
Carries 500 gallons of water and 20 gallons each
of Class A and Class B foam



Engine 34 Pierce Dash model year 2016
Carries 680 gallons of water and 20 gallons
of universal biodegradable foam



Engine 35 Pierce Dash model year 2002
Carries 500 gallons of water and 20 gallons
of universal foam

CENTRAL COUNTY FIRE DEPARTMENT FIRE APPARATUS



Engine 37 Pierce Dash model year 2017
Carries 680 gallons of water and 20 gallons
of universal biodegradable foam



Engine 38 Pierce Dash model year 2017
Carries 680 gallons of water and 20 gallons each
of Class A and Class B foam



Truck 34 2007 Pierce Dash Cab 105' Aerial Ladder



Type I Heavy Rescue model year 2007

CENTRAL COUNTY FIRE DEPARTMENT FIRE STATIONS



Fire Station 32
330 Ascot Road
Hillsborough, CA 94010



Fire Station 33
835 Chateau Drive
Hillsborough, CA 94010

CENTRAL COUNTY FIRE DEPARTMENT FIRE STATIONS



Fire Station 34
799 California Drive
Burlingame, CA 94010



Fire Station 35
2832 Hillside Drive
Burlingame, CA 94010

CENTRAL COUNTY FIRE DEPARTMENT FIRE STATIONS



Fire Station 37
511 Magnolia Avenue
Millbrae, CA 94030



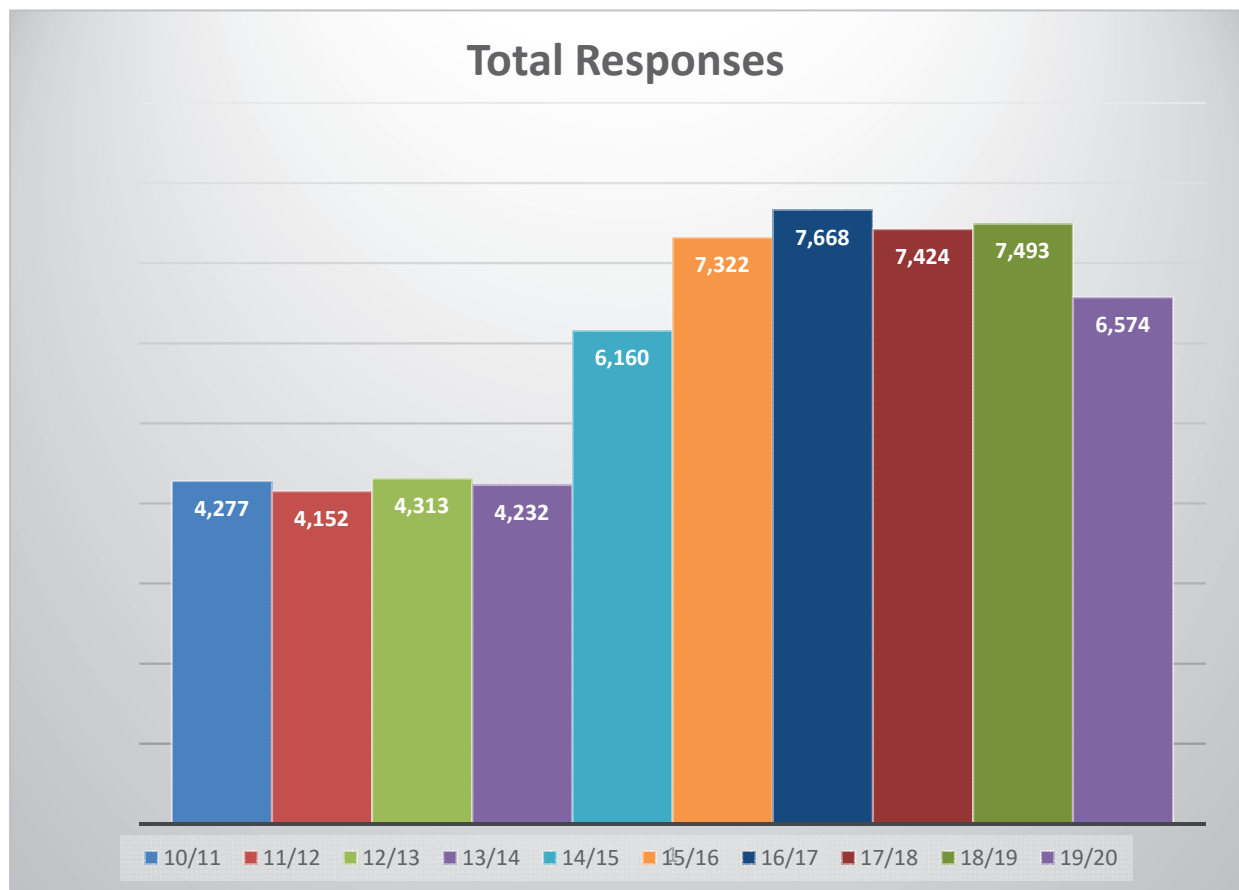
Fire Station 38
785 Crestview Drive
Millbrae, CA 94030

CENTRAL COUNTY FIRE DEPARTMENT FIRE STATIONS



Fire Administration
1399 Rollins Road
Burlingame, CA 94010

**CENTRAL COUNTY FIRE DEPARTMENT
COMPARATIVE ANNUAL GRAPH BY FISCAL YEAR - TOTAL RESPONSES
LAST TEN YEARS**

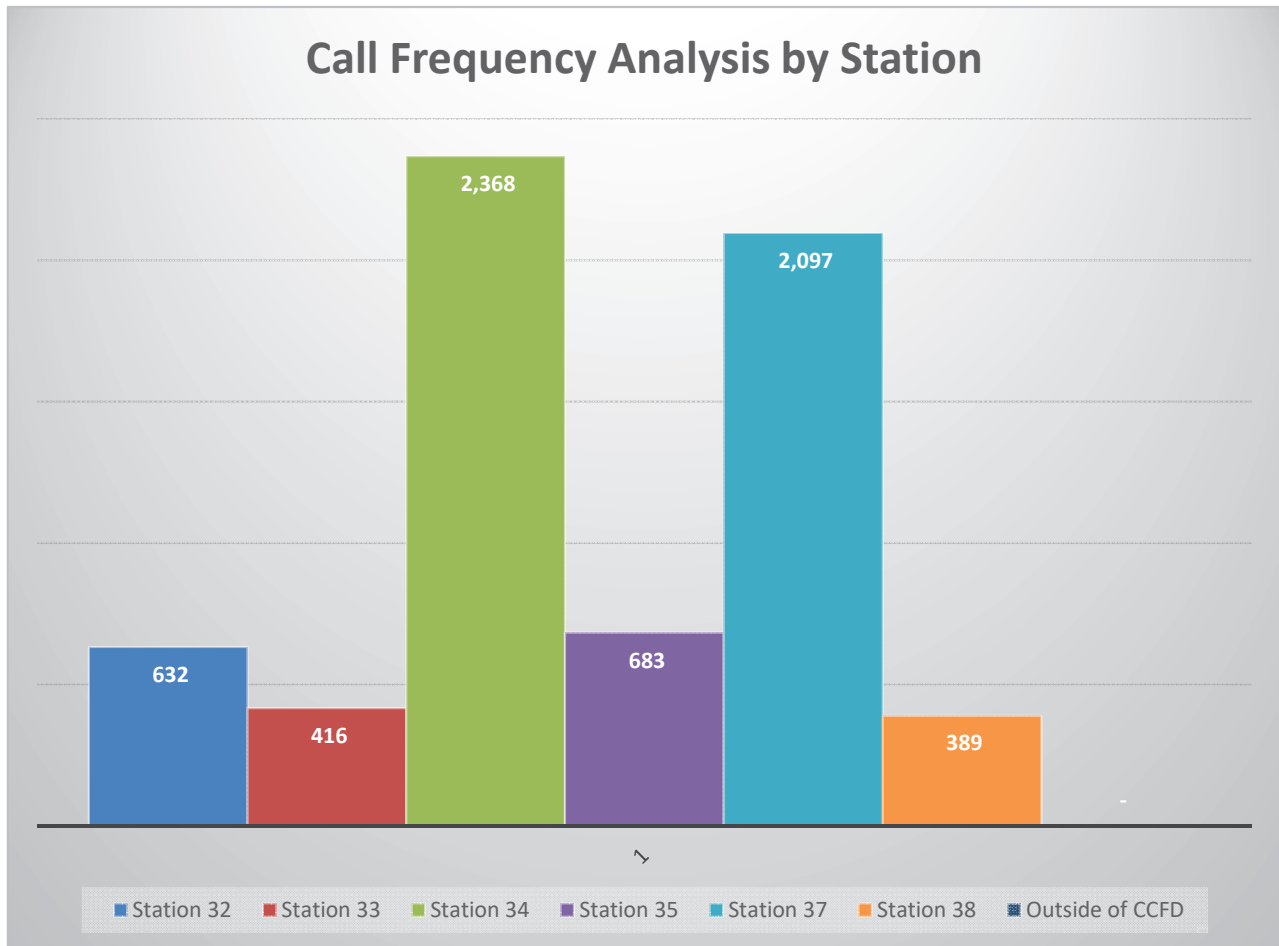


<u>Fiscal Year</u>	<u>Total Calls</u>
10/11	4,277
11/12	4,152
12/13	4,313
13/14	4,232
14/15	6,160
15/16	7,322
16/17	7,668
17/18	7,424
18/19	7,493
19/20	6,574

Source: Department's Records Management Systems

*(effective 2014 all data includes Millbrae)

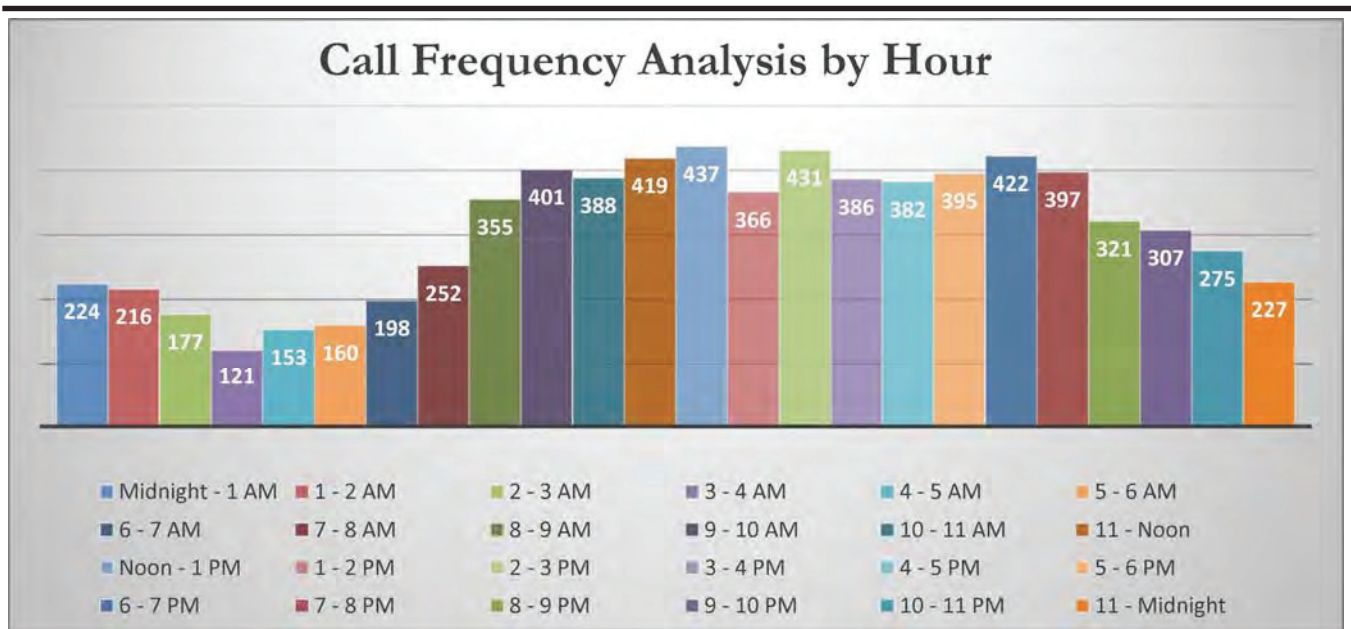
**CENTRAL COUNTY FIRE DEPARTMENT
CALL FREQUENCY ANALYSIS BY STATION
FISCAL YEAR 2019-2020**



<u>Station Location</u>	<u>Total Calls</u>	<u>% to Totals</u>
Station 32	632	9.60%
Station 33	416	6.32%
Station 34	2,368	35.96%
Station 35	683	10.37%
Station 37	2,097	31.85%
Station 38	389	5.91%
Outside of CCFD	-	0.00%
Total	6,585	100.00%

Source: Department's Records Management Systems (includes addition of Millbrae)

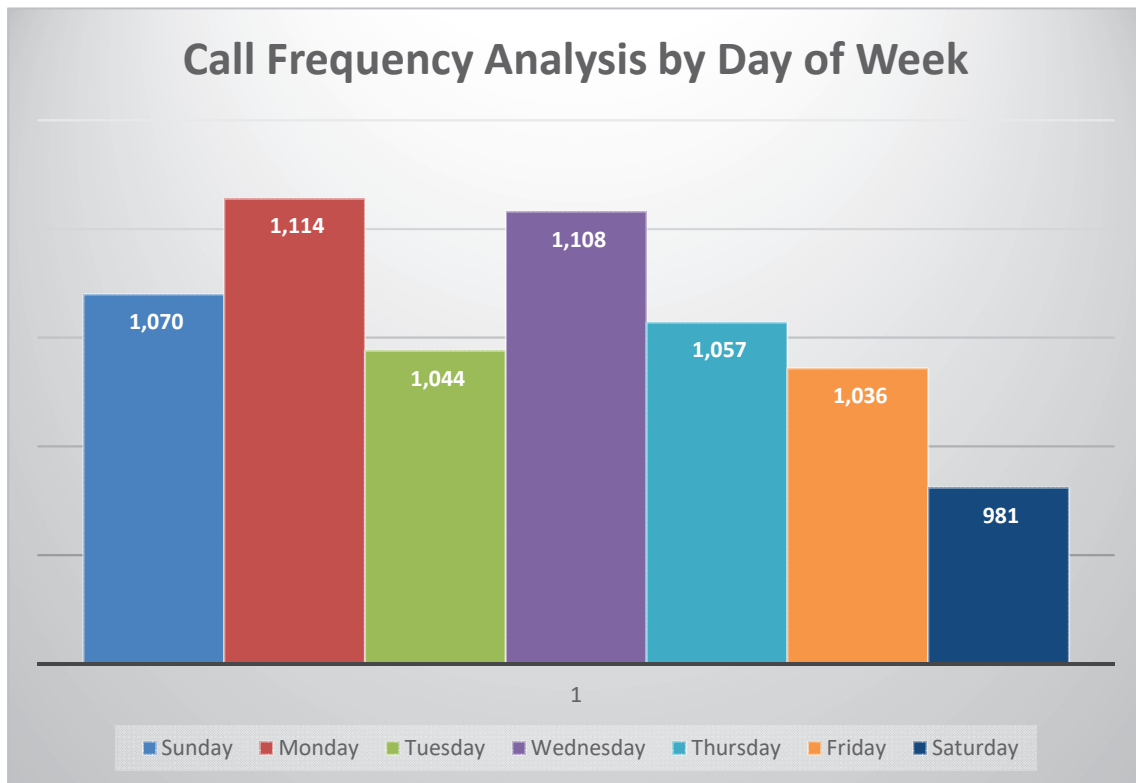
**CENTRAL COUNTY FIRE DEPARTMENT
CALL FREQUENCY ANALYSIS BY HOUR
FISCAL YEAR 2019-2020**



<u>Hour</u>	<u>Total Calls</u>	<u>% to Totals</u>
Midnight - 1 AM	224	3.02%
1 - 2 AM	216	2.91%
2 - 3 AM	177	2.39%
3 - 4 AM	121	1.63%
4 - 5 AM	153	2.06%
5 - 6 AM	160	2.16%
6 - 7 AM	198	2.67%
7 - 8 AM	252	3.40%
8 - 9 AM	355	4.79%
9 - 10 AM	401	5.41%
10 - 11 AM	388	5.24%
11 - Noon	419	5.65%
Noon - 1 PM	437	5.90%
1 - 2 PM	366	4.94%
2 - 3 PM	431	5.82%
3 - 4 PM	386	5.21%
4 - 5 PM	382	5.16%
5 - 6 PM	395	5.33%
6 - 7 PM	422	5.70%
7 - 8 PM	397	5.36%
8 - 9 PM	321	4.33%
9 - 10 PM	307	4.14%
10 - 11 PM	275	3.71%
11 - Midnight	227	3.06%
Total	7,410	100.00%

Source: Department's Records Management Systems (includes addition of Millbrae)

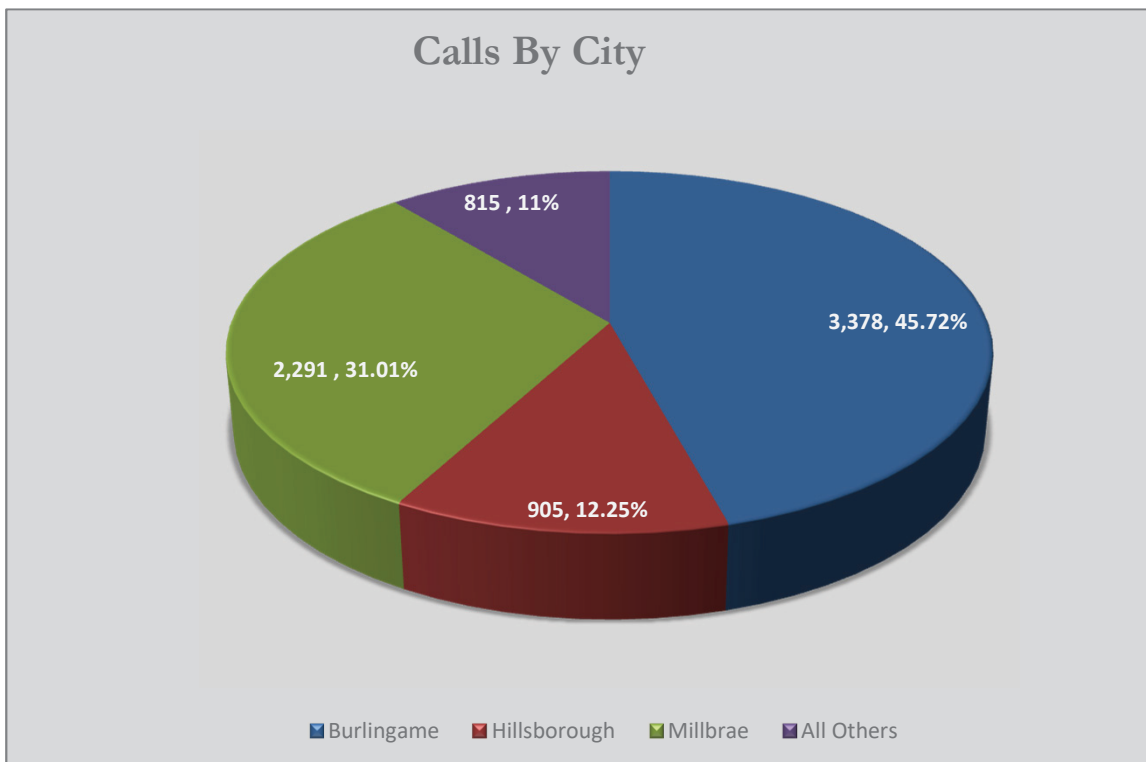
**CENTRAL COUNTY FIRE DEPARTMENT
CALL FREQUENCY ANALYSIS BY WEEK
FISCAL YEAR 2019-2020**



<u>Day of Week</u>	<u>Total Calls</u>	<u>% to Totals</u>
Sunday	1,070	14.44%
Monday	1,114	15.03%
Tuesday	1,044	14.09%
Wednesday	1,108	14.95%
Thursday	1,057	14.26%
Friday	1,036	13.98%
Saturday	981	13.24%
Total	7,410	100.00%

Source: Department's Records Management Systems (includes addition of Millbrae)

**CENTRAL COUNTY FIRE DEPARTMENT
AUTOMATIC AID RESPONSES RECEIVED AND GIVEN
FISCAL YEAR 2019-20**

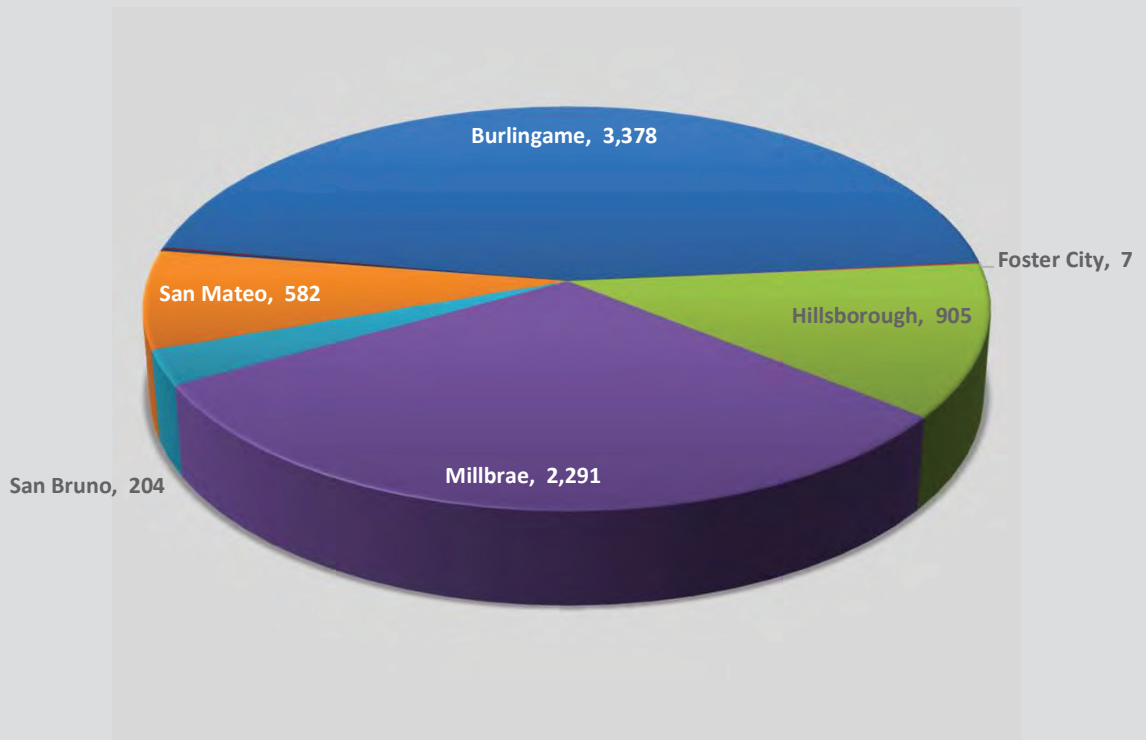


<u>City</u>	<u>Calls</u>	<u>% of Total</u>
Burlingame	3,378	45.72%
Hillsborough	905	12.25%
Millbrae	2,291	31.01%
All Others	815	11.03%
Total	7,389	100%

Source: Department's Records Management Systems (includes addition of Millbrae)

**CENTRAL COUNTY FIRE DEPARTMENT
AUTOMATIC AID RESPONSES RECEIVED AND GIVEN - ALL CITIES
FISCAL YEAR 2019-2020**

Automatic Aid Responses - All Cities

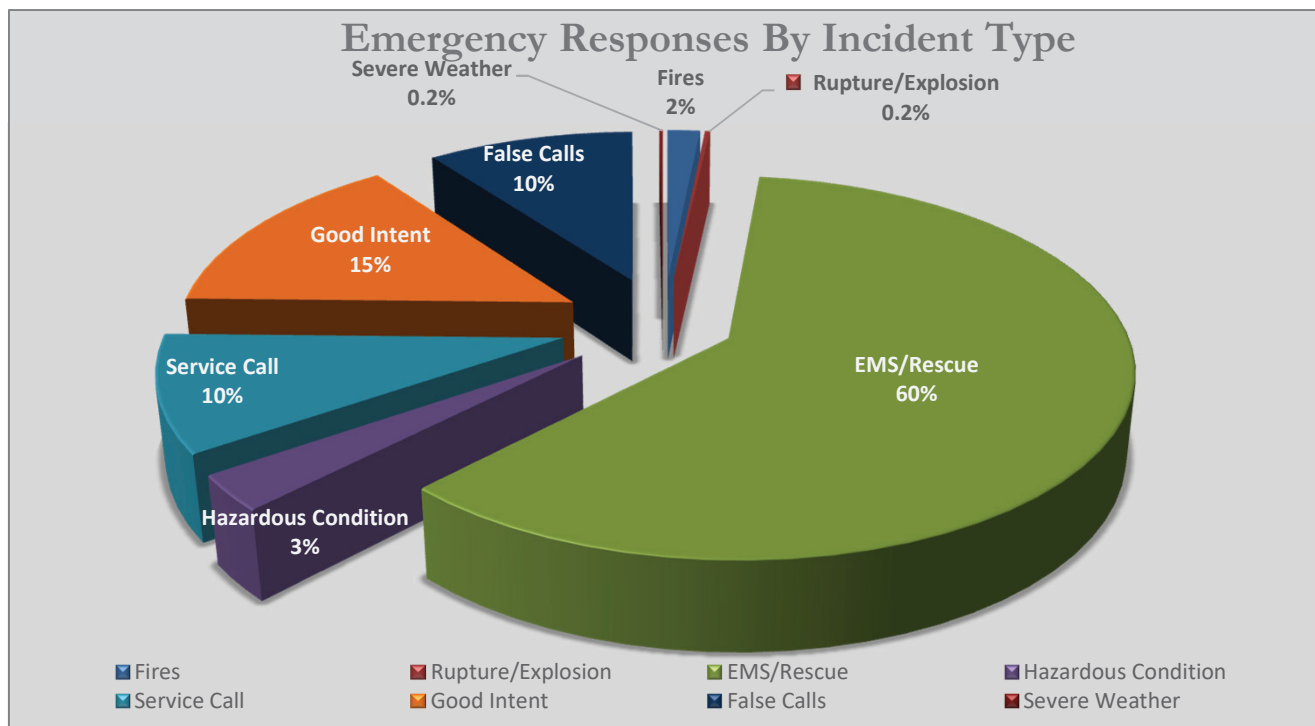


<u>City</u>	<u>Calls</u>	<u>% of Total</u>
Burlingame	3,378	45.72%
Foster City	7	0.09%
Hillsborough	905	12.25%
Millbrae	2,291	31.01%
San Bruno	204	2.76%
San Mateo	582	7.88%
South San Francisco	13	0.18%
Fewer than 3 calls	9	0.12%
Total	7,389	100%

Source: Department's Records Management Systems (includes addition of Millbrae)

Three or Fewer Calls: Belmont, Brisbane, Daly City and Pacifica

**CENTRAL COUNTY FIRE DEPARTMENT
EMERGENCY RESPONSES BY INCIDENT TYPE
FISCAL YEAR 2019-2020**

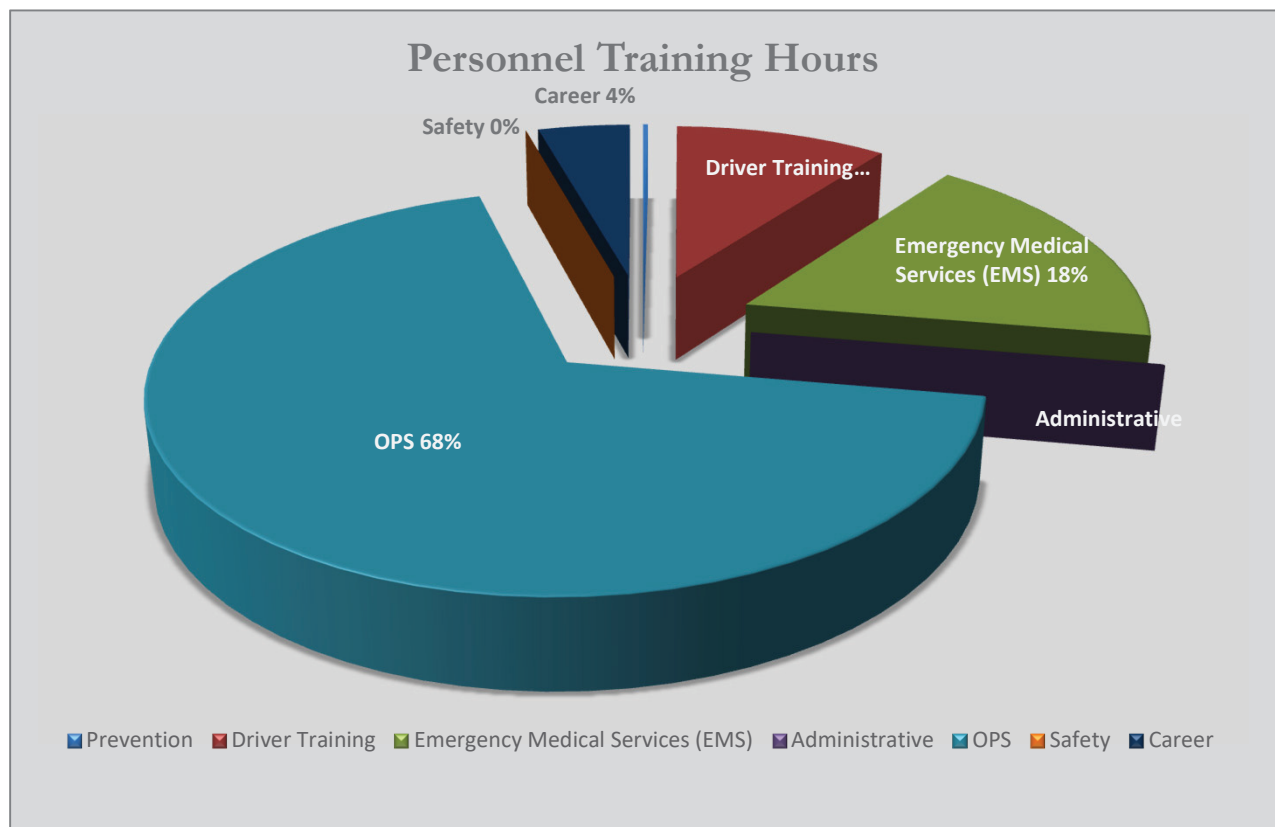


Incident Type	Total Responses	
Fires	116	1.6%
Rupture/Explosion	18	0.2%
EMS/Rescue	4,486	60.5%
Hazardous Condition	225	3.0%
Service Call	738	10.0%
Good Intent	1,080	14.6%
False Calls	735	9.9%
Severe Weather	12	0.2%
Total	7,410	100.0%

* Rupture/Explosion, Severe Weather and Other account for less than 1% of total calls

Source: Department's Records Management Systems (includes addition of Millbrae)

**CENTRAL COUNTY FIRE DEPARTMENT
PERSONNEL TRAINING HOURS BY FUNCTION
FISCAL YEAR 2019-2020**



<u>Description</u>	<u>Training</u>
Prevention	35
Driver Training	1,526
Emergency Medical Services (EMS)	2,674
Administrative	-
OPS	10,410
Safety	-
Career	662
Total Training Hours	<u>15,307</u>

* Increase in OPS training hours is due to probationary firefighter training

Source: Department's Records Management Systems and Target Solutions (includes the addition of Millbrae)

**CENTRAL COUNTY FIRE DEPARTMENT
FULL-TIME EQUIVALENT EMPLOYEES
LAST TEN YEARS**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Administration	5.75	4.75	5.50	5.50	5.50	6.50	7.75	7.75	8.00	8.00
Suppression (EMS/Fire)	61.50	58.25	54.00	53.00	53.00	71.00	71.00	71.00	71.00	71.00
Training	1.00	1.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Prevention & Emergency	3.00	3.00	3.00	3.00	3.00	4.75	5.20	5.75	7.00	7.00
Total	71.25	67.00	64.50	63.50	63.50	84.25	85.95	85.50	87.00	87.00

The Department commenced providing contract fire services to the City of Millbrae in mid-year 14/15. Personnel were hired by the Department to support these services.

Source: Department records.