# COASTSIDE FIRE PROTECTION DISTRICT

## AUDITED FINANCIAL STATEMENTS

## JUNE 30, 2024

HARSHWAL & COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

COASTSIDE FIRE PROTECTION DISTRICT

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# INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Coastside Fire Protection District
Half Moon Bay, California

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Coastside Fire Protection District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

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

### *Responsibilities of Management for the Financial Statements*

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7, and required supplementary information on pages 31 through 40 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Harshwal & Company LLP

San Diego, California
July 14, 2025

## COASTSIDE FIRE PROTECTION DISTRICT
## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
## FOR THE YEAR ENDED JUNE 30, 2024

This section of the annual financial report of the Coastside Fire Protection District (the "District") presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2024. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements, including the notes, and the required supplementary information that immediately follow this section.

### FINANCIAL HIGHLIGHTS

The following summarizes the District's financial highlights for the year ended June 30, 2024:

- In total, government-wide net position was $40,452,354.
- General revenues accounted for $16,185,947, or 98% percent of total revenues.
- Total government-wide assets and deferred outflows of resources were $105,483,653, cash and cash equivalents were $25,397,005, and net capital assets totaled $23,528,544.
- Total net program expenses were $13,432,201, as noted in table 3.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the government-wide statements.

The fund financial statements are composed of:

- Governmental fund statements, which tell how basic services were financed in the short-term, as well as what remained for future spending.

### The Statement of Net Position and the Statement of Activities

The statement of net position and statement of activities report information about the District as a whole and its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and liabilities, which is one way to measure the District's financial health or financial position. Overtime, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. To assess the overall health of the District, you need to consider additional non-financial factors, including the condition of the District's buildings and other facilities.

## REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds - not the District as a whole. Funds are accounting devices the District uses to record specific sources of funding and spending on particular programs:

- Some funds are required by law and covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that certain revenues have been properly used.

### Governmental Funds

Most of the District's basic services are reported in governmental funds, which generally focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using the modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statement, we provide additional information of the governmental fund statements that explain the relationship (or differences) between them.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The following table presents a summary of the District's Statement of Net Position by category as of June 30, 2024 with comparative amounts for 2023.

### TABLE 1: STATEMENT OF NET POSITION

| | June 30, 2024 | June 30, 2023 - Restated | Change | Percentage Change |
|---|---|---|---|---|
| **Assets** | | | | |
| Current assets | $ 25,421,331 | $ 22,067,748 | $ 3,353,583 | 15.20% |
| Noncurrent assets | 24,616,015 | 24,711,003 | (94,988) | (0.38)% |
| Total assets | 50,037,346 | 46,778,751 | 3,258,595 | 6.97% |
| Deferred outflows of resources | 5,408,961 | 5,851,695 | (442,734) | (7.57)% |
| **Liabilities** | | | | |
| Noncurrent liabilities | 14,063,981 | 13,763,066 | 300,915 | 2.19% |
| Total liabilities | 14,063,981 | 13,763,066 | 300,915 | 2.19% |
| Deferred inflows of resources | 929,972 | 1,168,772 | (238,800) | (20.43)% |
| **Net Position** | | | | |
| Invested in capital assets | 23,528,544 | 23,461,048 | 67,496 | 0.29% |
| Restricted | 24,467 | 24,467 | - | -% |
| Unrestricted | 16,899,343 | 14,213,093 | 2,686,250 | 18.90% |
| Total net position | $ 40,452,354 | $ 37,698,608 | $ 2,753,746 | 7.30% |

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

A summary of the District Revenues, Expenditures, and Changes in Net Position is presented in the tables below.

### TABLE 2: CHANGES IN NET POSITION

| | June 30, 2024 | June 30, 2023 | Change | Percentage Change |
|---|---|---|---|---|
| **Revenues** | | | | |
| **Program Revenues** | | | | |
| Operating grants and contributions | $ 128,617 | $ 226,324 | $ (97,707) | (43.17)% |
| Charges for services | 253,115 | 255,854 | (2,739) | (1.07)% |
| **General Revenues** | | | | |
| Taxes | 15,557,157 | 14,700,653 | 856,504 | 5.83% |
| Interest and investment earnings | 549,123 | 221,159 | 327,964 | 148.29% |
| Miscellaneous | 79,667 | 165,897 | (86,230) | (51.98)% |
| Total revenues | 16,567,679 | 15,569,887 | 997,792 | 6.41% |
| **Program Expenses** | | | | |
| Public safety | 13,813,933 | 10,418,635 | 3,395,298 | 32.59% |
| Total program expenses | 13,813,933 | 10,418,635 | 3,395,298 | 32.59% |
| Changes in net position | $ 2,753,746 | $ 5,151,252 | $ (2,397,506) | (46.54)% |

### TABLE 3: GOVERNMENTAL ACTIVITIES

| | Total Cost of Service 2024 | Total Cost of Service 2023 |
|---|---|---|
| Public safety | $ 13,432,201 | $ 9,936,457 |
| Total governmental activities | $ 13,432,201 | $ 9,936,457 |

The above table displays, by function, the total and net costs of services provided. The net cost of services represents the total cost less grants and contributions and for revenue received where a charge is made for services provided.

## Notes to Financial Statements

The notes provide additional information that is essential to the reader for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 - 30 on this report.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

### Required Supplementary Information

The required supplementary information is presented concerning the District's budgetary comparison schedule, and GASB required Pension and OPEB disclosures. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. As finalized by the Board of Directors, budgeted revenues totaled $15,171,915, expenditures totaled $18,107,298 and revenue over (under) expenditures were projected to exceed by $2,935,383. The required supplementary information can be found on pages 31 - 40 on this report.

### Capital Assets and Debt Administration

#### Capital Assets at Year End, Net of Depreciation

As of June 30, 2024, and 2023, the District owned the following capital assets:

TABLE 4: CAPITAL ASSETS

| | June 30, 2024 | June 30, 2023 - Restated | Change | Percentage Change |
|---|---|---|---|---|
| Capital assets | | | | |
| Land | $ 567,085 | $ 567,085 | $ - | -% |
| Construction in progress | 367,548 | 40,450 | 327,098 | 808.65% |
| Buildings and improvements | 20,619,904 | 20,331,018 | 288,886 | 1.42% |
| Machinery and equipment | 1,265,377 | 1,153,942 | 111,435 | 9.66% |
| Vehicle | 8,866,353 | 8,675,515 | 190,838 | 2.20% |
| Accumulated depreciation | (8,157,723) | (7,306,962) | (850,761) | 12% |
| Total capital assets, net | $ 23,528,544 | $ 23,461,048 | $ 67,496 | 0.29% |

#### Long Term Debt

Currently, the District does not have any long-term debt outstanding.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, contact Fire Chief Ian Larkin, Coastside Fire Protection District, 1191 Main Street, Half Moon Bay, CA 94019.

# BASIC FINANCIAL STATEMENTS

# GOVERNMENT - WIDE FINANCIAL STATEMENTS

# COASTSIDE FIRE PROTECTION DISTRICT

## STATEMENT OF NET POSITION
## JUNE 30, 2024

| | |
|---|---|
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | |
| **ASSETS** | |
| Current assets: | |
| Cash and investments in county treasury available for general operations | $ 7,802,256 |
| Investment | 17,594,749 |
| Accounts receivable (net of allowances) | 448 |
| Prepaid expenses | 23,878 |
| Total current assets | 25,421,331 |
| Noncurrent assets: | |
| Capital assets, net | 23,528,544 |
| Net OPEB assets | 1,087,471 |
| Total noncurrent assets | 24,616,015 |
| Total assets | 50,037,346 |
| **DEFERRED OUTFLOWS OF RESOURCES** | |
| Related to OPEB | 465,403 |
| Related to pension | 4,943,558 |
| Total deferred outflows of resources | 5,408,961 |
| Total assets and deferred outflows of resources | 55,446,307 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION** | |
| **LIABILITIES** | |
| Noncurrent liabilities: | |
| Net pension liability | 14,063,981 |
| Total noncurrent liabilities | 14,063,981 |
| Total liabilities | 14,063,981 |
| **DEFERRED INFLOWS OF RESOURCES** | |
| Related to pension | 929,972 |
| Total deferred inflows of resources | 929,972 |
| Total liabilities and deferred inflows of resources | 14,993,953 |
| **NET POSITION** | |
| Net investment in capital assets | 23,528,544 |
| Restricted for: | |
| Weed abatement | 24,467 |
| Unrestricted | 16,899,343 |
| Total net position | 40,452,354 |
| Total liabilities, deferred inflows of resources, and net position | $ 55,446,307 |

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

## COASTSIDE FIRE PROTECTION DISTRICT
## STATEMENT OF ACTIVITIES
## FOR THE YEAR ENDED JUNE 30, 2024

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Net (Expense)/ Revenue and Changes in Net Position: Governmental Activities |
|---|---|---|---|---|
| Governmental activities: | | | | |
| Public safety | $ 13,813,933 | $ 253,115 | $ 128,617 | $ (13,432,201) |
| Total governmental activities | $ 13,813,933 | $ 253,115 | $ 128,617 | (13,432,201) |
| General revenues: | | | | |
| Taxes and subventions: | | | | |
| Taxes levied for general purposes | | | | 14,791,986 |
| Taxes levied for other specific purposes | | | | 765,171 |
| Interest and investment earnings | | | | 549,123 |
| Miscellaneous | | | | 79,667 |
| Total general revenues | | | | 16,185,947 |
| Change in net position | | | | 2,753,746 |
| Net position - beginning of year | | | | 34,683,182 |
| *Restatement* | | | | 3,015,426 |
| Net position, beginning of year, *restated* | | | | 37,698,608 |
| Net position, end of year | | | | $ 40,452,354 |

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

# FUND FINANCIAL STATEMENTS

## COASTSIDE FIRE PROTECTION DISTRICT

## BALANCE SHEET - GOVERNMENTAL FUNDS

## JUNE 30, 2024

| | General Fund |
|---|---|
| **ASSETS** | |
| Cash and investments in county treasury available for general operations | $ 7,802,256 |
| Investment in local agency investment fund | 17,594,749 |
| Accounts receivable (net of allowances) | 448 |
| Prepaid expenses | 23,878 |
| Total assets | 25,421,331 |
| **LIABILITIES AND FUND BALANCES** | |
| **FUND BALANCES** | |
| Nonspendable | |
| Prepaid | 23,878 |
| Restricted | 24,467 |
| Assigned | 16,039,676 |
| Unassigned | 9,333,310 |
| Total fund balances | 25,421,331 |
| Total liabilities and fund balances | $ 25,421,331 |

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

## COASTSIDE FIRE PROTECTION DISTRICT

## RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

## JUNE 30, 2024

| | | |
|---|---|---|
| Total fund balances - governmental funds | | $ 25,421,331 |
| Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because: | | |
| Capital assets used in governmental activities are not financial resources, and therefore are not reported in the governmental fund financial statements: | | |
| Non-depreciable capital assets | 934,633 | |
| Depreciable capital assets, net of accumulated depreciation | 22,593,911 | 23,528,544 |
| Net OPEB assets are not current financial resources and therefore are not reported in the governmental fund's financial statements. | | 1,087,471 |
| Net pension liability is not due and payable in the current period and therefore is not reported in the funds. | | (14,063,981) |
| Certain deferred outflows and inflows of resources are not due and payable in the current period and are not current assets or financial resources, therefore these items are not reported in the governmental funds: | | |
| Deferred outflow of resources related to pension | | 4,943,558 |
| Deferred outflow of resources related to OPEB | | 465,403 |
| Deferred inflow of resources related to pension | | (929,972) |
| Deferred inflow of resources related to OPEB | | - |
| Total net position - governmental activities | | $ 40,452,354 |

## COASTSIDE FIRE PROTECTION DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
## FOR THE YEAR ENDED JUNE 30, 2024

| | General Fund |
|---|---|
| **REVENUES** | |
| Property taxes | |
| Secured | $ 12,483,741 |
| Unsecured | 508,827 |
| Homeowners' property tax relief | 33,102 |
| Weed abatement | 60,304 |
| Prior years' levies | 11,650 |
| ERAF refund | 1,694,362 |
| District special taxes | 344,091 |
| Special tax (CFD #5) | 421,080 |
| Plan review/reports | 116,787 |
| EMR JPA charges | 90,703 |
| AMR lease | 45,625 |
| Reimbursements | 128,617 |
| Miscellaneous | 79,667 |
| Interest income | 549,123 |
| Total revenues | 16,567,679 |
| **EXPENDITURES** | |
| Current: | |
| Salaries and employee benefits | 1,640,124 |
| Contracted personnel services | 8,986,090 |
| Material, supplies, and services | 1,356,405 |
| Capital outlay | 1,231,477 |
| Total expenditures | 13,214,096 |
| Net change in fund balances | 3,353,583 |
| Fund balances, beginning of year | 22,067,748 |
| Fund balances, end of year | $ 25,421,331 |

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

## COASTSIDE FIRE PROTECTION DISTRICT

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

| | |
|---|---|
| Net change in fund balances - governmental funds | $ 3,353,583 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Governmental funds report additions of capital assets as part of capital outlay and other program expenditures. However, in the Government - Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. | 918,257 |
| Depreciation expense on capital assets is reported in the Government-wide Statement of Activities, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in governmental funds. | (850,761) |
| Adjustments to expenses on the statement of activities but not on the funds statement: | |
| Net pension income (expenses) | (705,567) |
| Net OPEB income (expenses) | 38,234 |
| Change in net position - governmental activities | $ 2,753,746 |

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

# FIDUCIARY FUNDS

# COASTSIDE FIRE PROTECTION DISTRICT
## STATEMENT OF FIDUCIARY NET POSITION
## JUNE 30, 2024

| | Retired Employee's Health Care Plan |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents | $ 3,945,772 |
| Total assets | 3,945,772 |
| **NET POSITION** | |
| Restricted for: | |
| Postemployment benefits other than pensions | 3,945,772 |
| Total net position | $ 3,945,772 |

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

## COASTSIDE FIRE PROTECTION DISTRICT
## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
## FOR THE YEAR ENDED JUNE 30, 2024

| | Retired Employee's Health Care Plan |
|---|---|
| **ADDITIONS** | |
| Investment income (loss) | $ 430,904 |
| Total additions | 430,904 |
| **DEDUCTIONS** | |
| Administrative expenses | 253,601 |
| Total deductions | 253,601 |
| Net change in net position | 177,303 |
| Net position, beginning of year | 3,768,469 |
| Net position, end of year | $ 3,945,772 |

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Coastside Fire Protection District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below:

### A. *Reporting Entity*

The District is an independent District governed by a five (5) member Board of Directors elected at large by the voters of the District. The District provides fire protection services for the City of Half Moon Bay and the communities of Montara, Moss Beach, Princeton, El Granada, and Miramar, in addition to the surrounding unincorporated areas, with a total District size of 50 square miles. The District operates three fire stations in the District area.

The financial statements of the District consist only of the funds of the District. The District has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of the respective governing board. The governing board has decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

### B. *Basis of Accounting and Measurement Focus*

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States. The Government Accounting Standards Board is the acknowledged standard-setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

#### Government-Wide Financial Statements

The District's government-wide financial statements include a statement of net position and a statement of activities. Government-wide financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets, infrastructure assets, and long-term liability, are included in the accompanying statement of net position. The statement of activities and changes in net position presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred. Certain types of transactions reported as program revenues for the District are reported in the following category:

Charges for services: The District applies all applicable GASB pronouncements, including all NCGA Statements and Interpretations currently in effect.

#### Fund Financial Statements

Governmental funds financial statements include a balance sheet, and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds, and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The District has presented all funds as major funds.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

### *B. Basis of Accounting and Measurement Focus - Cont'd*

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The statement of revenue, expenditures, and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and grant revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The District reports the following major governmental funds:

*The General Fund* - is the general operating fund that is used to account for all financial resources of the District.

The District reports the following fiduciary funds:

*The Retired Employee's Health Care Plan Trust Fund* - is used to report resources that are required to be held in trust by the District for the members and beneficiaries of defined benefit OPEB plans.

### *C. Cash and Investments*

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The District participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk, with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

Since the San Mateo County Treasurer is designated as the District's Treasurer per Health and Safety Code Section 13854, The District participated in the San Mateo County Investment Fund (County Pool) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the San Mateo County. Included in the County Pool's investment portfolio are U.S. Treasury Notes, Obligations issued by agencies of the U.S. Government, LAIF, Corporate Notes, Commercial Paper, Collateralized Mortgage Obligations, Mortgage-backed securities, other assets-backed securities and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. The balance available for withdrawal is based on the accounting records maintained by the County Pool, which are recorded on an amortized cost basis.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

### *D. Capital Assets*

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the District as all assets that have a useful life of more than one year and cost more than $3,000. Such assets are recorded at historical cost or estimated cost, if historical cost is not available.

Capital assets are depreciated over their estimated useful lives using the straight-line method. This means the cost of asset is divided by its expected useful life in years, and the result is charged to expenses each year until the asset is fully depreciated. The purpose of the depreciation is to spread the cost of capital assets over the useful life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation of capital assets is charged as an expense against operations each year, and the total amount of depreciation taken over the years called accumulated depreciation, is reported on the statement of net position of the government-wide financial statements as a reduction in the book value of the capital assets.

The District has assigned the useful lives listed below to capital assets:

| Assets Class | Examples | Estimated Useful Life in Years |
|---|---|---|
| Buildings & Improvements | Fire Stations, Additions | 5-50 |
| Machinery & Equipment | Fire engines, Fire Apparatus, Furniture, Computers | 3-25 |
| Vehicle | Pierce Quantum Pumper, modification | 5-20 |

### *E. Fund Balance*

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 establishes fund balance classifications based largely on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The governmental fund statements conform to this new classification. The fund financial statements consist of Non-spendable, Restricted, Committed, Assigned, and Unassigned amounts as described below:

- Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items, items that are legally or contractually required to be maintained intact, such as the principal of an endowment or revolving loan fund.
- Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provision or enabling legislation.
- Committed – Committed fund balances encompass the portion of net fund resources, 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. As of June 30, 2024, the District had no committed fund balance.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

### *E. Fund Balance - Cont'd*

- Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision-making or by a committee or official designated for that purpose.
- Unassigned – This category is for any balances that have no restrictions placed upon them.

The District established the following policies relating to its fund balance classifications.

1. Committed Fund Balance

- Highest Level of Decision-Making Authority - The Board of Directors of the District are acknowledged as the highest level of decision-making authority in terms of establishing fund balance classifications and creating committed fund balances.
- Formal Action Required - The Board shall have the authority to establish, modify, or rescind committed fund balances by Resolution, where appropriate, passed by a majority vote.
- Timing - The Board will take formal action to commit any resources as soon as possible upon determining its desire to take such action, but no later than June 30 of the fiscal year in which it applies in order for the action to be valid for the presentation of the annual report.

2. Assigned Fund Balances

- Approval Authority - The Board has not delegated the authority to assign fund balance amounts.

3. Expenditure of Funds - Order of Expenditure

- Restricted and Unrestricted Funds - When expenditures are incurred for purposes for which both restricted, and unrestricted fund balances are available, the District shall consider that restricted funds shall be spent first until such funds are exhausted, at which time committed, assigned, or unassigned funds will be used.
- Committed, Assigned, or Unassigned Funds - When an expenditure is incurred where there are no restricted funds available, and for which committed and assigned fund balances are available, the District shall exhaust unassigned funds first unless the board determines the use of available assigned or committed fund balances are appropriate.

### *F. Property Taxes, Tax Increment, and Special Assessment Revenue*

Revenue is recognized in the fiscal year for which the tax and assessment are levied. The San Mateo County levies, bills, and collects property taxes and special assessments as follows:

| | | |
|---|---|---|
| Lien Date | July 01 | July 01 |
| Due Date | November 01 & February 01 | Upon receipt of billing |
| Delinquent Date | December 10 & April 10 | August 31 |

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

### *G. Net Position*

**Government-wide Financial Statements**

In the Government-Wide Financial Statements, net positions are classified into the following categories:

- Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.
- Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position - This amount includes all net position that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net position."

### *H. Use of Estimates*

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

### *I. Implementation of Government Accounting Standards Board Statements*

**Current Accounting Pronouncements** - Effective July 1, 2023, the District implemented the following accounting and financial reporting standards:

*Governmental Accounting Standards Board Statement No. 91*

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations* - This Statement establishes a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. The requirements of this Statement are effective for periods beginning after December 15, 2021, as originally established, however GASB Statement No. 95 allows governments to postpone implementation for one year.

*Governmental Accounting Standards Board Statement No. 94*

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* - This Statement addresses issues related to public-private and public-public partnership arrangements (PPPs). The Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for periods beginning after June 15, 2022.

*Governmental Accounting Standards Board Statement No. 96*

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* - This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

### *I. Implementation of Government Accounting Standards Board Statements - Cont'd*

*Governmental Accounting Standards Board Statement No. 99*

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during the implementation and application of certain GASB Statements and (2) accounting and financial reporting for guarantees. The requirements of this Statement related to leases, PPPs, and SBITAs were effective for the District's fiscal year ending June 30, 2023, and the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the District's fiscal year ending June 30, 2024. Application of this Statement had no material impact on the District's financial statements for the fiscal year ending June 30, 2024.

*Governmental Accounting Standards Board Statement No. 100*

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

**Future Accounting Pronouncements -** These Statements are not effective until July 1, 2024, or later and may be applicable for the District. However, the District has not determined the effects, if any, on the financial statements.

*Governmental Accounting Standards Board Statement No. 101*

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

*Governmental Accounting Standards Board Statement No. 102*

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The requirements of this Statement are effective for the District's fiscal year ending June 30, 2026.

*Governmental Accounting Standards Board Statement No. 103*

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government’s accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for the District’s fiscal year ending June 30, 2026.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

### I. *Implementation of Government Accounting Standards Board Statements - Cont'd*

*Governmental Accounting Standards Board Statement No. 104*

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objectives of this Statement are to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital asset note disclosures required by Statement 34, and also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for the District's fiscal year ending June 30, 2026.

## NOTE 2 - CASH AND INVESTMENTS

The following is a summary of pooled cash and investments as of June 30, 2024, were as follows:

| | |
|---|---|
| Demand Deposits: | |
| Local agency investment fund | $ 16,064,143 |
| California CLASS | 1,530,606 |
| San Mateo County Investment Pool | 7,802,256 |
| Total demand deposits | $ 25,397,005 |

### A. *Cash Deposits*

The California Government Code requires California banks, savings, and loan associations to secure the District's cash 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 is considered to be held by the third-party bank or institution-owned trust department in the District's name. The market value of pledged securities must equal to at least 110% of the District's cash. California law also allows institutions to secure District cash by pledging first trust deed mortgage notes having 150% of the District's total cash.

### B. *External Investments Pool*

The carrying amounts of the District's investments with the County were $7,802,256 on June 30, 2024. The District maintains a significant portion of its investments in the San Mateo County Treasury as part of a common investment pool. The County is restricted by Government Code 53635 pursuant to Section 53601 to invest in time deposits, U.S. Government Securities, state registered warrants, notes or bonds, State Treasure's investment pool, bankers' acceptance commercial paper, negotiable certificates of deposit and repurchase agreements.

The District had investments in two external pools: The Local Agency Investment Fund (LAIF) and California CLASS (CA CLASS). These are investment pools that allow public agencies to invest surplus funds in a diversified and professionally managed portfolio. The District had invested $16,064,143 in LAIF and $1,530,606 in CA CLASS as of June 30, 2024.

#### Local Agency Investment Fund (LAIF)

LAIF is a State of California external investment pool managed by the California State Treasurer’s Office. LAIF determines the fair value of its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimates for those securities where market value is not readily available.

## NOTE 2 - CASH AND INVESTMENTS - CONT'D

### *B. External Investments Pool - Cont'd*

**Local Agency Investment Fund (LAIF) - Cont'd**

The District's investments with LAIF as of June 30, 2024, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities, which may include the following:

- *Structured Notes* - These are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- *Asset-Backed Securities* - The bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flow from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

The fair value of the District's position in LAIF was equal to the value of the pool shares as determined by LAIF.

**California CLASS (CA CLASS)**

CA CLASS is a California Joint Powers Authority investment pool managed in accordance with the California Government Code. It is designed to provide public agencies with a safe and liquid investment option. The fair value of the District's investment in CA CLASS was based on the value of the pool shares as provided by the pool administrator, which approximates fair value.

## NOTE 3 - CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended June 30, 2024, consisted of the following:

| | Balance July 01, 2023 | Restatement | Adjustment | Additions | Balance June 30, 2024 |
|---|---|---|---|---|---|
| Governmental activities | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | $ 567,706 | $ (621) | $ - | $ - | $ 567,085 |
| Construction in progress | 17,392,651 | - | (17,352,201) | 327,098 | 367,548 |
| Total capital assets, not being depreciated | 17,960,357 | (621) | (17,352,201) | 327,098 | 934,633 |
| Capital assets, being depreciated | | | | | |
| Buildings and improvements | 2,997,885 | (19,068) | 17,352,201 | 288,886 | 20,619,904 |
| Machinery and equipment | 4,962,988 | 399,870 | (4,208,917) | 111,436 | 1,265,377 |
| Vehicle | - | 4,466,599 | 4,208,917 | 190,837 | 8,866,353 |
| Total capital assets, being depreciated | 7,960,873 | 4,847,401 | 17,352,201 | 591,159 | 30,751,634 |
| Less: accumulated depreciation for | | | | | |
| Buildings and improvements | (1,676,533) | (896,668) | - | (407,671) | (2,980,872) |
| Machinery and equipment | (3,799,075) | (317,726) | 3,182,633 | (382,935) | (1,317,103) |
| Vehicle | - | (616,960) | (3,182,633) | (60,155) | (3,859,748) |
| Total accumulated depreciation | (5,475,608) | (1,831,354) | - | (850,761) | (8,157,723) |
| Total capital assets, being depreciated, net | 2,485,265 | 3,016,047 | 17,352,201 | (259,602) | 22,593,911 |
| Total capital assets, net | $20,445,622 | $ 3,015,426 | $ - | $ 67,496 | $ 23,528,544 |

## NOTE 4 - EMERGENCY MEDICAL RESPONSE JOINT POWER AUTHORITY

In September 1997, the District began its participation with other fire departments of cities and fire districts throughout San Mateo County in the development of a Joint Powers Agreement to establish the San Mateo Pre-Hospital Emergency Services Providers Group, which provides pre-hospital emergency services in San Mateo County. The District receives revenue on a monthly basis. For the fiscal year ending June 30, 2024, the District received $90,703 for its portion of revenue from the Emergency Medical Response JPA. The contract was reauthorized for an additional five years and signed in June 2019 with the option of an additional five-year term to June 30, 2029.

## NOTE 5 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to third parties, and natural disasters. To protect against these risks, the District is insured for general liability and property by volunteer firemen's insurance services. The primary policy includes the coverage in the table below. The excess umbrella policy provides $10,000,000 excess coverage per occurrence with an annual aggregate of $20,000,000.

The Main Street Fire Station on 1191 Main Street has coverage up to $8,586,497 for the building, with a $1,000 deductible per occurrence. Earthquake coverage up to $443,028, with a deductible per item. The El Granada Fire Station, CA 94018, has coverage up to $1,540,904 for the building, with a $1,000 deductible per occurrence. Earthquake coverage up to $82,523, with a deductible per item. The El Granada Fire Station, CA 94019, has coverage up to $6,483,108 for the buildings, with a $1,000 deductible per occurrence. Earthquake coverage up to $338,216, with a deductible per item. The Moss Beach Fire Station has coverage up to $1,321,772 for the building, with a $1,000 deductible per occurrence. Earthquake coverage up to $71,566, with a deductible per item.

There is a blanket contents limit of $774,394.

The general liability limits are as follows:

| COVERAGE | LIMIT |
|---|---|
| General Aggregate | $3,000,000 |
| Products & Completed Operations Aggregate | $3,000,000 |
| Personal & Injury | $1,000,000 |
| Each Occurrence | $1,000,000 |
| Medical Expenses | $10,000, per occurrence |

The District claims have not exceeded the insurance coverage in any of the past three fiscal years.

## NOTE 6 - CONTINGENCIES

As of June 30, 2024, the District has no outstanding claims.

## NOTE 7 - EMPLOYEE RETIREMENT SYSTEM

### *A. Plan Description, Benefits Provided, and Employees Covered*

The Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan or PERF C) is administered by the California Public Employees' Retirement System (the System or CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. Each individual employer rate plan generally has less than 100 active members.

## NOTE 7 - EMPLOYEE RETIREMENT SYSTEM - CONT'D

### *A. Plan Description, Benefits Provided and Employees Covered - Cont'd*

The Plan was established to provide retirement, death, and disability benefits to public agency rate plans with generally less than 100 active members. The benefit provisions for PERF C employees are established by statute. A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the respective rate plan's June 30, 2022, Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be found on CalPERS' website.

*Contribution Description*

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 01, following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year and any unfunded accrued liability.

*Applicable Dates and Period*

| | |
|---|---|
| Reporting Date | June 30, 2024 |
| Measurement Date | June 30, 2023 |
| Measurement Period | July 01, 2022 to June 30, 2023 |
| Valuation Date | June 30, 2022 |

*Discount Rate*

The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each 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 runs out of assets. Therefore, the current 6.90 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.90 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report", that can be obtained at CalPERS' website under the GASB 68 section.

### *B. Changes in the Net Pension Liability*

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

| | Plan Total Pension Liability (a) | Plan Fiduciary Net Pension (b) | Plan Net Pension Liability/(Asset) (c) = (a) - (b) |
|---|---|---|---|
| Balance at: July 01, 2023 (MD) | $ 43,792,506 | $ 30,029,440 | $ 13,763,066 |
| Balance at: June 30, 2024 (MD) | $ 44,621,726 | $ 30,557,745 | $ 14,063,981 |
| Net Changes during 2023-24 | $ 829,220 | $ 528,305 | $ 300,915 |

## NOTE 7 - EMPLOYEE RETIREMENT SYSTEM - CONT'D

### C. *Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability/(assets) of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.90 percent) or one percentage-point higher (7.90 percent) than the current rate:

| | Discount Rate - 1% (5.9%) | Current Discount Rate (6.9%) | Discount Rate + 1% (7.9%) |
|---|---|---|---|
| Plan's Net Pension Liability/(Assets) | $ 20,183,724 | $ 14,063,981 | $ 9,060,053 |

### D. *Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pension*

For the measurement period ending June 30, 2023 (the measurement date), the District incurred a total pension expense (income) of $1,695,783 for the Plan. As of June 30, 2024, the Coastside Fire Protection District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 1,025,814 | $ (88,892) |
| Changes of assumptions | 821,401 | - |
| Net difference between projected and actual earnings on pension plan investments | 1,932,217 | - |
| Change in employer's proportion | - | (469,755) |
| Difference between employer contributions and the employer's proportionate share of contributions | 173,910 | (371,325) |
| Pension contribution subsequent to measurement date | 990,216 | - |
| Total | $ 4,943,558 | $ (929,972) |

### E. *Recognition of Deferred Outflow and Inflow of Resources in Future Pension Expense*

Amounts reported as deferred outflows and deferred inflows of resources related to pension will be recognized in future pension expenses as follows:

| Measurement Period Ended June 30, | Deferred Outflows/(Inflows) of Resources |
|---|---|
| 2025 | $ 839,639 |
| 2026 | 632,483 |
| 2027 | 1,497,277 |
| 2028 | 53,971 |
| Total | $ 3,023,370 |

## NOTE 8 - OTHER POST EMPLOYMENT BENEFITS

### Plan Description

Coastside Fire Protection District engaged Total Compensation Systems, Inc. (TCS) to analyze liabilities associated with its current retiree health program as of June 30, 2023 (the measurement date). The numbers in this report are based on the assumption that they will first be used to determine accounting entries for the fiscal year ending June 30, 2024. If the report will first be used for a different fiscal year, the numbers may need to be adjusted accordingly.

Accounting principles provide that the cost of retiree benefits should be accrued over employees' working lifetimes. For this reason, the Governmental Accounting Standards Board (GASB) issued in June of 2015 Accounting Standards 74 and 75 for retiree health benefits. These standards apply to all public employers that pay any part of the cost of retiree health benefits for current or future retirees (including early retirees), whether they pay directly or indirectly (via an "implicit rate subsidy").

### Covered Employees

Following is a table of plan participants

| | Number of Participants |
|---|---|
| Inactive Employees Currently Receiving Benefits Payments | 25 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits Payments* | - |
| Participating Active Employees | - |
| Total Number of participants | 25 |

* We were not provided with information about any terminated, vested employees.

### Discount Rate

A discount rate of 6.2% was used in the valuation. The discount rate estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The rate used for a funded plan is the real rate of return expected for plan assets plus long-term inflation assumption. For an unfunded plan, the discount rate is based on an index of 20 years General Obligation municipal bonds rated AA or higher. For partially funded plans, the discount rate is a blend of the funded and unfunded rates.

Following is the assumed asset allocation and assumed rate of return for each.

| Assets Class | Percentage of Portfolio | Assumed Gross Return |
|---|---|---|
| All equities | 60% | 7.55% |
| Long-term corporate bonds | 5% | 5.05% |
| Intermediate-term government bonds | 30% | 4.25% |
| Short-term govt fixed | 5% | 3% |

## NOTE 8 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

The following table shows the Net OPEB liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation:

| | Trend - 1% (3.00%) | Healthcare Trend (4.00%) | Trend + 1% (5.00%) |
|---|---|---|---|
| Net OPEB Liability | $ (1,295,383) | $ (1,087,471) | $ (848,862) |

The following table shows the Net OPEB liability with a discount rate 1% higher and 1% lower than assumed in the valuation:

| | Discount Rate - 1% (5.20%) | Current Discount Rate (6.20%) | Discount Rate + 1% (7.20%) |
|---|---|---|---|
| Net OPEB Liability | $ (851,777) | $ (1,087,471) | $ (1,289,572) |

To actuarially accrue retiree health benefits requires determining the amount to expense each year so that the liability accumulated at retirement is, on average, sufficient (with interest) to cover all retiree health expenditures without the need for additional expenses. There are many different ways to determine the annual accrual amount. The calculation method used is called an actuarial cost method. The following table illustrates the District's June 30, 2024 Net OPEB Obligation:

| | TOL | FNP | NOL |
|---|---|---|---|
| Net OPEB obligation (asset)-beginning of the year | $ 2,493,686 | $ 3,743,641 | $ (1,249,955) |
| OPEB beginning balance differences determined by the Actuary | | | |
| Interest on TOL | 147,989 | 271,473 | (123,484) |
| Employer contributions | - | 11,482 | (11,482) |
| Administrative expense | - | (21,642) | 21,642 |
| Benefit payments | (236,485) | (236,485) | - |
| Experience (Gain)/Losses | 275,808 | - | 275,808 |
| Net change | 187,312 | 24,828 | 162,484 |
| Net OPEB obligation (asset)-end of year | $ 2,680,998 | $ 3,768,469 | $ (1,087,471) |

OPEB Expense Fiscal Year Ending June 30, 2024:

| | Total |
|---|---|
| Interest on total OPEB liability (TOL) | $ 147,989 |
| Expected return on assets | (224,460) |
| Recognized investment gains/losses | 28,077 |
| Administrative expense | 21,642 |
| OPEB Expenses** | $ (26,752) |

** May include a slight rounding error.

** The above OPEB expense does not include an estimated $238,747 in employer contributions.

## NOTE 8 - OTHER POST EMPLOYMENT BENEFITS - CONT'D

### Deferred Inflows and Outflows

Changes in the NOL arising from certain sources are recognized on a deferred basis. The following tables show the balance of each deferral item as of the measurement date and the schedule future recognition:

| Balance at June 30, 2024 Fiscal Year-End: | Deferred Outflows | Deferred Inflows |
|---|---|---|
| Differences between expected and actual experience | $ 275,808 | $ - |
| Changes in assumptions | - | - |
| Difference between projected and actual return on assets | 189,595 | - |
| Total | $ 465,403 | $ - |

| To be recognized fiscal year ending June 30: | Deferred Outflows | Deferred Inflows |
|---|---|---|
| 2025 | $ 31,648 | $ - |
| 2026 | 4,683 | - |
| 2027 | 162,665 | - |
| 2028 | (9,401) | - |
| Total | $ 189,595 | $ - |

## NOTE 9 - COOPERATIVE AND REIMBURSEMENT AGREEMENT - CAL FIRE

On May 27, 2020, the District signed a cooperative and reimbursement agreement with the California Department of Forestry and Fire Protection (CAL FIRE) to provide fire protection services such as emergency fire protection, advanced life support, dispatch services, fire code inspection, and Pre-Fire planning services. The District will be reimbursing Cal Fire for the fire services provided in accordance with the terms of the agreement. The terms of the agreement are July 01, 2020, through June 30, 2027. The amount authorized to be spent for the agreed services with Cal Fire for the fiscal year ended June 30, 2024, was $10,084,724. The District's expenditures for the agreed services with Cal Fire for the fiscal year ended June 30, 2024, were $8,608,844. The agreement value shall not exceed more than $70,929,629.

## NOTE 10 - FUND BALANCES

Fund balances are presented in the following categories: non-spendable, restricted, committed, assigned, and unassigned (see Note I for a description of these categories). A detailed schedule of fund balances as of June 30, 2024, is as follows:

| | General Fund |
|---|---|
| **Nonspendable** | |
| Prepaid items | $ 23,878 |
| Total nonspendable fund balances | 23,878 |
| **Restricted for** | |
| Weed abatement | 24,467 |
| Total restricted fund balances | 24,467 |
| **Assigned to** | |
| Apparatus replacement | 700,000 |
| Tools & equipment | 250,000 |
| New fire station | 15,089,676 |
| Total assigned fund balances | 16,039,676 |
| **Unassigned fund balances** | 9,333,310 |
| Total fund balances | $ 25,421,331 |

## NOTE 11 - SUBSEQUENT EVENTS

The District's management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2024, through July 14, 2025, the date the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements, nor have any subsequent events occurred, the nature of which would require disclosure.

## NOTE 12 - PRIOR PERIOD ADJUSTMENTS

During the fiscal year ended June 30, 2024, the District determined that capital assets acquisition from a prior year had been incorrectly recorded as an expenditure rather than being capitalized in Government-wide financial statement. As a result, the beginning net position in the government-wide financial statements has been restated to reflect the capitalization of these assets. Following the prior period adjustments have been made in the District's financial statements to record the proper beginning net position:

| | Net position |
|---|---|
| Beginning net position as previously reported at June 30, 2023 | $ 34,683,182 |
| Capital assets | 4,846,780 |
| Accumulated depreciation | (1,831,354) |
| Net position as restated, July 01, 2023 | $ 37,698,608 |

# REQUIRED SUPPLEMENTARY INFORMATION

COASTSIDE FIRE PROTECTION DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP) - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

| | Budgeted Amounts | | | Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | Actual Amounts | Variance with Final Budget |
| **Revenues** | | | | |
| Property taxes: | | | | |
| Secured | $ 12,245,445 | $ 12,245,445 | $ 12,483,741 | $ 238,296 |
| Unsecured | 440,703 | 440,703 | 508,827 | 68,124 |
| Homeowners' property tax relief | 23,572 | 23,572 | 33,102 | 9,530 |
| Weed abatement | 10,000 | 10,000 | 60,304 | 50,304 |
| Prior years' levies | - | - | 11,650 | 11,650 |
| ERAF refund | 1,523,161 | 1,523,161 | 1,694,362 | 171,201 |
| District special taxes | 350,000 | 350,000 | 344,091 | (5,909) |
| Special tax (CFD #5) | 105,000 | 105,000 | 421,080 | 316,080 |
| Plan review/reports | 123,000 | 123,000 | 116,787 | (6,213) |
| EMR JPA charges | 75,000 | 75,000 | 90,703 | 15,703 |
| AMR lease | 45,000 | 45,000 | 45,625 | 625 |
| Reimbursements | 50,000 | 50,000 | 128,617 | 78,617 |
| Miscellaneous | 76,785 | 76,785 | 79,667 | 2,882 |
| Interest income | 104,249 | 104,249 | 549,123 | 444,874 |
| Total revenues | 15,171,915 | 15,171,915 | 16,567,679 | 1,395,764 |
| **Expenditures** | | | | |
| Operating expenditures: | | | | |
| Salaries and employee benefits | 2,661,830 | 2,661,830 | 1,640,124 | 1,021,706 |
| Contracted personnel services | 10,256,968 | 10,256,968 | 8,986,090 | 1,270,878 |
| Materials, supplies, and services | 5,188,500 | 5,188,500 | 1,356,405 | 3,832,095 |
| Capital outlay | - | - | 1,231,477 | (1,231,477) |
| Total expenditures | 18,107,298 | 18,107,298 | 13,214,096 | 4,893,202 |
| **Revenue over (under) expenditures** | (2,935,383) | (2,935,383) | 3,353,583 | 6,288,966 |
| **Fund balances** | | | | |
| Fund balances, beginning of year | 22,067,748 | 22,067,748 | 22,067,748 | - |
| Fund balances, end of year | $ 19,132,365 | $ 19,132,365 | $ 25,421,331 | $ 6,288,966 |

## COASTSIDE FIRE PROTECTION DISTRICT
## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
## AS OF JUNE 30, FOR THE LAST 10 FISCAL YEARS*

| | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 |
|---|---|---|---|---|---|
| Plan's proportion of the net pension liability/(assets) | 0.11273% | 0.11915% | 0.15241% | 0.11949% | 0.12222% |
| Plan's proportionate share of the net pension liability/(assets) | $ 14,063,981 | $ 13,763,066 | $ 8,242,924 | $ 13,000,748 | $ 12,523,474 |
| Plan's covered - employee payroll | $ - | $ - | $ - | $ - | $ - |
| Plan's proportionate share of the net pension liability/(assets) as a percentage of its covered - employee payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan proportionate share of the fiduciary net position as a percentage of the plan's total pension liability | 76.21% | 76.68% | 88.29% | 75.10% | 75.26% |
| Plan proportionate share of aggregate employer contributions | $ 1,218,594 | $ - | $ - | $ - | $ - |

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complied, this schedule provides the information only for those years for which information is available.

## COASTSIDE FIRE PROTECTION DISTRICT
## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
## AS OF JUNE 30, FOR THE LAST 10 FISCAL YEARS*

| | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|---|---|---|---|---|
| Plan's proportion of the net pension liability/(assets) | 0.12222% | 0.12093% | 0.12252% | 0.12332% | 0.11059% |
| Plan's proportionate share of the net pension liability/(assets) | $ 12,081,040 | $ 11,992,464 | $ 10,601,524 | $ 8,464,381 | $ 6,881,552 |
| Plan’s covered - employee payroll | $ - | $ - | $ - | $ - | $ - |
| Plan’s proportionate share of the net pension liability/(assets) as a percentage of its covered - employee payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan proportionate share of the fiduciary net position as a percentage of the plan's total pension liability | 75.26% | 74.31% | 74.06% | 78.40% | 79.82% |
| Plan proportionate share of aggregate employer contributions | $ - | $ - | $ - | $ - | $ - |

## COASTSIDE FIRE PROTECTION DISTRICT
## SCHEDULE OF PLAN CONTRIBUTIONS - PENSION
## AS OF JUNE 30, FOR THE LAST 10 FISCAL YEARS*

| | Fiscal year 2023-24 | Fiscal year 2022-23 | Fiscal year 2021-22 | Fiscal year 2020-21 | Fiscal year 2019-20 | Fiscal year 2018-19 |
|---|---|---|---|---|---|---|
| Actuarially Determined Contribution | $ 990,216 | $ 1,454,614 | $ 1,392,527 | $ 1,350,320 | $ 1,214,401 | $ 1,133,665 |
| Contributions in relations to the Actuarially Determined Contribution | (990,216) | (1,454,614) | (1,392,527) | (1,350,320) | (1,214,401) | (1,133,665) |
| Contribution Deficiency (Excess) | $ - | $ - | $ - | $ - | $ - | $ - |
| Covered - Employee Payroll | $ - | $ - | $ - | $ - | $ - | $ - |
| Contributions as a Percentage of Covered - Employee Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complied, this schedule provides the information only for those years for which information is available.

### Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes, which occurred after June 30, 2022 as they have minimal cost impact.

Change in Assumptions: None

COASTSIDE FIRE PROTECTION DISTRICT

SCHEDULE OF PLAN CONTRIBUTIONS - PENSION

AS OF JUNE 30, FOR THE LAST 10 FISCAL YEARS*

| | Fiscal year 2017-18 | Fiscal year 2016-17 | Fiscal Year 2015-16 | Fiscal Year 2014-15 |
|---|---|---|---|---|
| Actuarially Determined Contribution | $ 869,687 | $ 506,189 | $ 420,828 | $ 325,574 |
| Contributions in relations to the Actuarially Determined Contribution | (869,687) | (506,189) | (420,828) | (325,574) |
| Contribution Deficiency (Excess) | $ - | $ - | $ - | $ - |
| Covered - Employee Payroll | $ - | $ - | $ - | $ - |
| Contributions as a Percentage of Covered - Employee Payroll | 0.00% | 0.00% | 0.00% | 0.00% |

# COASTSIDE FIRE PROTECTION DISTRICT

## SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
## AS OF JUNE 30, FOR THE LAST 10 FISCAL YEARS*

| | | | |
|---|---|---|---|
| Reporting Date | June 30, 2024 | June 30, 2023 | June 30, 2022 |
| Measurement Date | June 30, 2023 | June 30, 2022 | June 30, 2021 |
| Valuation Date | June 30, 2022 | June 30, 2021 | June 30, 2020 |
| **Total OPEB liability** | | | |
| Interest on the TOL | $ 147,989 | $ 152,104 | $ 171,552 |
| Difference b/w actual and expected experience | 275,808 | 15,836 | (371,157) |
| Changes in assumption | - | - | 112,647 |
| Experience (Gains) Losses | - | - | - |
| Benefit payments, including implicit subsidies net of retiree contributions | (236,485) | (239,246) | (248,231) |
| Net change in total OPEB liability | 187,312 | (71,306) | (335,189) |
| Total OPEB liability - beginning | 2,493,686 | 2,564,992 | 2,900,181 |
| Total OPEB liability - ending | 2,680,998 | 2,493,686 | 2,564,992 |
| **Plan’s fiduciary net position** | | | |
| Contributions - employer | 11,482 | - | - |
| Contributions - employee | - | - | - |
| Interest on TOL | 271,473 | (583,824) | 1,019,925 |
| Net investment income | - | - | - |
| Benefit payments, including implicit subsidies net of retiree contributions | (236,485) | (239,246) | (248,231) |
| Administrative expense | (21,642) | (26,087) | (25,128) |
| Other | - | - | - |
| Net change in plan's fiduciary net position | 24,828 | (849,157) | 746,566 |
| Plan’s Fiduciary Net Position – beginning | 3,743,641 | 4,592,798 | 3,846,232 |
| Plan’s Fiduciary Net Position – ending | 3,768,469 | 3,743,641 | 4,592,798 |
| Net OPEB Liability – ending | $ (1,087,471) | $ (1,249,955) | $ (2,027,806) |
| Plan’s fiduciary net position as a percentage of the Total OPEB Liability | 141% | 150% | 179% |
| Covered employee payroll | - | - | - |
| Plan net OPEB liability as percentage of covered employee payroll | - | - | - |

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complied, this schedule provides the information only for those years for which information is available.

COASTSIDE FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST 10 FISCAL YEARS*

| | | | |
|---|---|---|---|
| Reporting Date | June 30, 2021 | June 30, 2020 | June 30, 2019 |
| Measurement Date | June 30, 2020 | June 30, 2019 | June 30, 2018 |
| Valuation Date | June 30, 2019 | June 30, 2018 | June 30, 2017 |
| **Total OPEB liability** | | | |
| Interest on the TOL | $ 176,954 | $ 194,538 | $ 200,270 |
| Difference b/w actual and expected experience | 19,088 | (25,427) | 46,118 |
| Changes in assumption | - | - | - |
| Experience (Gains) Losses | - | (206,746) | - |
| Benefit payments, including implicit subsidies net of retiree contributions | (280,818) | (255,651) | (350,491) |
| Net change in total OPEB liability | (84,776) | (293,286) | (104,103) |
| Total OPEB liability - beginning | 2,984,957 | 3,278,243 | 3,382,346 |
| Total OPEB liability - ending | 2,900,181 | 2,984,957 | 3,278,243 |
| **Plan’s fiduciary net position** | | | |
| Contributions - employer | - | - | - |
| Contributions - employee | - | - | - |
| Interest on TOL | 106,441 | - | - |
| Net investment income | - | 243,186 | 243,486 |
| Benefit payments, including implicit subsidies net of retiree contributions | (280,818) | (255,651) | (350,491) |
| Administrative expense | (23,203) | (23,584) | (23,888) |
| Other | - | 17,887 | 78,486 |
| Net change in plan's fiduciary net position | (197,580) | (18,162) | (52,407) |
| Plan’s Fiduciary Net Position – beginning | 4,043,812 | 4,061,974 | 4,114,381 |
| Plan’s Fiduciary Net Position – ending | 3,846,232 | 4,043,812 | 4,061,974 |
| Net OPEB Liability – ending | $ (946,051) | $ (1,058,855) | $ (783,731) |
| Plan’s fiduciary net position as a percentage of the Total OPEB Liability | 133% | 135% | 124% |
| Covered employee payroll | - | - | - |
| Plan net OPEB liability as percentage of covered employee payroll | - | - | - |

## COASTSIDE FIRE PROTECTION DISTRICT

## SCHEDULE OF PLAN CONTRIBUTIONS - OPEB
## AS OF JUNE 30, FOR THE LAST 10 FISCAL YEARS*

| Fiscal year ended | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 |
|---|---|---|---|---|---|---|
| Actuarially determined contribution (ADC) | $ - | $ - | $ - | $ - | $ - | $ - |
| Contributions in relation to the ADC | - | - | - | - | - | - |
| Contribution deficiency (excess) | - | - | - | - | - | - |
| Covered - employee payroll | $ - | $ - | $ - | $ - | $ - | $ - |
| Contributions as a % of covered-employee payroll | - | - | - | - | - | - |

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complied, this schedule provides the information only for those years for which information is available.

# COASTSIDE FIRE PROTECTION DISTRICT
## SCHEDULE OF OPERATING EXPENDITURES - BUDGET AND ACTUAL (GAAP) - GENERAL FUND
## FOR THE YEAR ENDED JUNE 30, 2024

| | Budgeted Amounts | | | Positive (Negative) Variance |
|---|---|---|---|---|
| | Original | Final | Actual Amounts | with Final Budget |
| **Operating expenditures** | | | | |
| Salaries and benefits: | | | | |
| Salaries and wages | $ 2,630,830 | $ 2,630,830 | $ 1,615,775 | $ 1,015,055 |
| Employee medical, dental and life Insurance | 18,000 | 18,000 | 15,929 | 2,071 |
| Workers comp insurance | 13,000 | 13,000 | 8,420 | 4,580 |
| Total salaries and benefits | 2,661,830 | 2,661,830 | 1,640,124 | 1,021,706 |
| Contracted personnel services: | | | | |
| California department of forestry and fire protection | 10,256,968 | 10,256,968 | 8,986,090 | 1,270,878 |
| Total contracted personnel services | 10,256,968 | 10,256,968 | 8,986,090 | 1,270,878 |
| Material, supplies and services: | | | | |
| Weed contractor | 50,000 | 50,000 | 4,164 | 45,836 |
| Clothing and uniforms | 15,000 | 15,000 | 515 | 14,485 |
| Communication expenses | 2,000 | 2,000 | 101 | 1,899 |
| Station | 78,000 | 78,000 | 91,455 | (13,455) |
| Household expenses | 31,000 | 31,000 | 30,452 | 548 |
| Laundry service | 20,000 | 20,000 | 13,489 | 6,511 |
| Medical supplies and equipment | 10,000 | 10,000 | 6,527 | 3,473 |
| Office expenses | 20,000 | 20,000 | 113,108 | (93,108) |
| Subscription | 30,000 | 30,000 | 20,004 | 9,996 |
| Postage | 4,000 | 4,000 | 1,680 | 2,320 |
| Computer expenses | 75,000 | 75,000 | 104,339 | (29,339) |
| Small tools and equipment | 30,000 | 30,000 | 19,647 | 10,353 |
| County membership | 20,000 | 20,000 | 11,931 | 8,069 |
| Publication and legal notices | 5,000 | 5,000 | 3,269 | 1,731 |
| Special district expenses | 30,000 | 30,000 | 11,520 | 18,480 |
| Motor vehicle equipment maintenance | 200,000 | 200,000 | 190,965 | 9,035 |
| General facility maintenance | 463,500 | 463,500 | 375,748 | 87,752 |
| Rents and leases | 7,500 | 7,500 | 5,262 | 2,238 |
| Insurance premiums | 90,000 | 90,000 | 76,542 | 13,458 |
| Utilities | 121,500 | 121,500 | 116,043 | 5,457 |
| Training and education | 195,500 | 195,500 | 114,014 | 81,486 |
| Public education | 50,000 | 50,000 | 7,486 | 42,514 |
| Other expenses | 96,000 | 96,000 | 55,432 | 40,568 |
| Medical exams | 7,500 | 7,500 | 1,209 | 6,291 |
| San mateo county tax collector | 8,000 | 8,000 | 6,702 | 1,298 |
| Legal expenses | 100,000 | 100,000 | 77,797 | 22,203 |

COASTSIDE FIRE PROTECTION DISTRICT

SCHEDULE OF OPERATING EXPENDITURES - BUDGET AND ACTUAL (GAAP) - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

| | Budgeted Amounts | | Actual | Positive (Negative) Variance with Final |
|---|---|---|---|---|
| | Original | Final | Amounts | Budget |
| Cap improvements /structures < $10,000 | 100,000 | 100,000 | 309,632 | (209,632) |
| Cap equipment & apparatus < $10,000 | 810,000 | 810,000 | 335,247 | 474,753 |
| Cap improvements /structures > $10,000 | 750,000 | 750,000 | - | 750,000 |
| Cap equipment & apparatus > $10,000 | 269,000 | 269,000 | 161,502 | 107,498 |
| Land and structures expense | 1,500,000 | 1,500,000 | 322,100 | 1,177,900 |
| Total materials, supplies and services | 5,188,500 | 5,188,500 | 2,587,882 | 2,600,618 |
| Capital outlay | - | - | - | - |
| Total operating expenditures | $ 18,107,298 | $ 18,107,298 | $ 13,214,096 | $ 4,893,202 |

# COMPLIANCE SECTION

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

The Board of Directors
Coastside Fire Protection District
Half Moon Bay, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities, each major fund of the Coastside Fire Protection District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 14, 2025.

## Report on Internal Control Over Financial Reporting

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

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

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

## Report on Compliance and Other Matters

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

Purpose of This Report

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

Harshwal & Company LLP

San Diego, California
July 14, 2025

COASTSIDE FIRE PROTECTION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024

## SECTION I - SUMMARY OF AUDITOR'S RESULTS

### Financial Statements

| | |
|---|---|
| Type of auditor's report issued: | Unmodified |
| Internal control over financial reporting: | |
| • Material weakness(es) identified? | No |
| • Significant deficiency(ies) identified that are not considered to be material weakness? | None reported |
| • Noncompliance material to financial statements noted? | No |

COASTSIDE FIRE PROTECTION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024

## SECTION II - FINANCIAL STATEMENTS FINDINGS

There are no findings in the current year to report.

COASTSIDE FIRE PROTECTION DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

There are no prior year findings related to the financial statements.