

**STANISLAUS CONSOLIDATED
FIRE PROTECTION DISTRICT,
CALIFORNIA**

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2024**

THIS PAGE INTENTIONALLY LEFT BLANK

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Annual Financial Report
For the Year Ended June 30, 2024

Table of Contents

	Page
INTRODUCTORY SECTION	
List of Officials	i
FINANCIAL SECTION	
Independent Auditor’s Report.....	1-3
Management’s Discussion and Analysis (Unaudited)	4-9
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	10
Statement of Activities.....	11
Fund Financial Statements:	
Balance Sheet.....	12
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide	
Statement of Net Position – Governmental Activities.....	13
Statement of Revenues, Expenditures and Changes in Fund Balances	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund	
Balances of Governmental Funds to the Government-Wide Statement of Activities -	
Governmental Activities.....	15
Notes to Basic Financial Statements	16-36
Required Supplementary Information (Unaudited):	
District Pension Plan – Schedule of Proportionate Share of the Net Pension Liability	37
District Pension Plan – Schedule of Contributions	38
District Pension Plan – Notes to District Pension Plan	39
District OPEB Plan – Schedule of Changes in the Net OPEB Liability and Related Ratios	40
District OPEB Plan – Note to District OPEB Plan.....	41
Budgetary Comparison Schedule – All Governmental Funds.....	42
Note to Budgetary Comparison Schedule	43
OTHER REPORT AND SCHEDULES	
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	44-45
Schedule of Findings and Recommendations	46-50
Schedule of Prior Year Findings and Recommendations	51
Management’s Corrective Action Plan	52-53

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTORY SECTION

- **List of Officials**

THIS PAGE INTENTIONALLY LEFT BLANK

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT

List of Officials

For the Year Ended June 30, 2024

Board of Directors

Greg Bernardi	President
Steven Stanfield	Vice President
Jonathan Goulding	Director
Charles Neal	Director
Brandon Rivers	Director

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Stanislaus Consolidated Fire Protection District
Riverbank, 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 Stanislaus Consolidated Fire Protection District, California (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, thereof 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.

To the Board of Directors
Stanislaus Consolidated Fire Protection District
Riverbank, California

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.

To the Board of Directors
Stanislaus Consolidated Fire Protection District
Riverbank, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, District pension information, District OPEB information, and budgetary comparison information as listed in the table of contents 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.

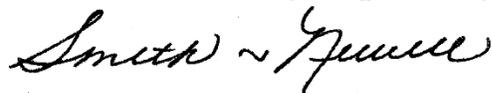
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 3, 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.



Smith & Newell CPAs
Yuba City, California
March 3, 2025

THIS PAGE INTENTIONALLY LEFT BLANK

**Management's Discussion and Analysis
(Unaudited)**

THIS PAGE INTENTIONALLY LEFT BLANK

**Stanislaus Consolidated Fire Protection District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

INTRODUCTION

As management of the Stanislaus Consolidated Fire Protection District (the “District”), we offer readers this discussion and analysis of the District’s financial performance for the fiscal year ended June 30, 2024. Readers are encouraged to consider the information presented here in conjunction with additional information, which can be found in the District’s financial statements that follow this discussion.

FINANCIAL HIGHLIGHTS

Government-wide:

- The District’s total net position (assets minus liabilities) increased \$2,023,200 as of June 30, 2024.
- Government-wide *governmental* revenues include program revenues of \$10,347,528 and general revenues of \$5,301,286 for a total of \$15,648,814.
- Government-wide *governmental* expenses were \$13,431,599.
- Government-wide Prior Period Adjustments were (\$194,015) and accounted for a correction to the elimination of stale-dated and duplicate accounts payable and accounts receivable transactions posted in the prior fiscal year.

Fund Level:

- Governmental Fund balance increased to \$10,479,445 in fiscal year 2023-24, up from the restated amount of \$8,314,643 in the prior year due to the continued receipt of Proposition 172 funding; final year participate in the SAFER Grant; and continued significant development activity leading to an ongoing increase in both secured property taxes and assessments revenue.
- Governmental Fund revenues were \$15,430,350 in fiscal year 2023-24, up from \$14,622,950 recognized during the prior fiscal year. This increase was primarily due to receipt of additional property taxes and special assessments; and increases in development revenues and grant-related revenues; and additional interest earnings.
- Governmental Fund expenditures were \$13,265,548 in fiscal year 2023.24, up \$12,815,629 from the prior fiscal year mainly due increased costs related to staff salaries and benefits.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the District’s finances, in a manner similar to a private-sector business. These Government-Wide Financial Statements are presented on pages 10 and 11 of this report and consist of:

Governmental Activities – these services are principally supported by taxes, assessments and intergovernmental revenues. All of the District’s basic services are considered governmental activities and include public protection and related debt obligations.

Within the framework of these activities, a Statement of Net Position and a Statement of Activities report information about the District as a whole. These statements include all assets and liabilities of the District (i.e., infrastructure and long-term debt) and use the accrual basis of accounting in which all the current year revenues and expenses are taken into account regardless of when the cash is received or paid. The two statements, which consist of both General and Development-related activities accounted for as special revenue funds at the fund level, can be generally described as follows:

**Stanislaus Consolidated Fire Protection District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

The Statement of Net Position presents information on all of the District's assets and liabilities, 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 District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Notably, these statements differ from the Fund Financial Statements in that they include all assets of the District (including infrastructure) and all liabilities (including long-term debt) and exclude certain interfund receivables, payables and other interfund activity as prescribed by GASB Statement No. 34. A reconciliation between the two is provided on pages 13 and 15 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Stanislaus Consolidated Fire Protection District, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds used in the District fall into one category: governmental funds.

Governmental Funds - All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can 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. This 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. We describe the relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds in the reconciliations on pages 13 and 15 of this report.

Notes to Basic 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.

Supplemental Information - In addition to the basic financial statements and accompanying notes, this report also presents required supplemental information and supplemental information.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements provide long-term and short-term information about the District's overall financial conditions. This analysis addresses the financial statements of the District as a whole.

**Stanislaus Consolidated Fire Protection District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Stanislaus Consolidated Fire Protection District Net Position		
	Governmental Activities	
	2023	2024
Current and other assets	\$ 9,612,971	\$ 12,005,189
Capital assets	6,690,579	6,624,377
Total Assets	16,303,550	18,629,566
Employer pension contributions	10,707,858	7,616,307
Employer OPEB contributions	534,232	506,883
Total Deferred Outflows of Resources	11,242,090	8,123,190
Current liabilities	1,658,885	1,824,575
Long-term liabilities	24,374,414	24,616,383
Total Liabilities	26,033,299	26,440,958
Deferred pension adjustments	9,629,934	7,092,341
Deferred OPEB adjustments	4,906,905	4,220,755
Total Deferred Inflows of Resources	14,536,839	11,313,096
Net position		
Invested in capital assets net of related debt	5,968,046	6,055,884
Restricted	712,496	1,007,630
Unrestricted	(19,705,040)	(18,064,812)
Total Net Position	\$ (13,024,498)	\$ (11,001,298)

Net position represents the difference between the District's resources and its obligations. On June 30, 2024, the District has a negative net position of (\$11,001,298), of which a negative amount of (\$18,064,812) is unrestricted net position. Negative net position results when certain liabilities of the District outstrip the amount of total assets on hand. This negative balance in large part results from the issuance of the Pension Obligation Bonds in FY 2021-22, the new pension liability surfacing in FY 2023-24 and the existing Other Post Employment Benefits (OPEB) liability. Altogether, the District has more than \$24.6 million in long-term liabilities, which will be paid over multiple future years. As this new debt is paid off, the net position will likely increase and become less negative. Another significant component of the negative unrestricted net position is related to continuing fluctuations in recognizing fiscal activity associated with the CalPERS Unfunded Liability. Additionally, the District has set aside \$1,007,630 in restricted net position, which represents funds held for CEQA and development-related activities. Finally, net investment in capital assets makes up \$6,055,884 of net position. This component of net position reflects the total amount of funds used to acquire capital assets less any outstanding debt used for such acquisition. Capital assets are used by the District to provide services to its constituency.

**Stanislaus Consolidated Fire Protection District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Overall, the restated net position for the governmental portion of the District funds has increased \$2,023,200 mainly due to the aforementioned fluctuations in proportionate cost recognition associated with the CalPERS Unfunded Liability.

Restricted net position of \$1,007,630 represents resources subject to external restrictions as to how they may be used.

**Stanislaus Consolidated Fire Protection District
Changes in Net Position**

	Governmental Activities	
	2023	2024
Revenues		
<i>Program Revenues</i>		
Charges for services	\$ 8,320,469	\$ 8,748,802
Operating grants and contributions	2,231,497	1,598,726
Capital grants and contributions	-	-
<i>General Revenues</i>		
Property taxes	3,917,596	4,656,321
Development Impact Fees	120,689	286,337
Interest and investment earnings	45,610	199,975
Other revenues	128,708	158,653
Total Revenues	\$ 14,764,569	\$ 15,648,814

	Governmental Activities	
	2023	2024
Expenses		
Public protection	\$ 18,375,914	\$ 13,130,937
Interest on long-term debt	299,652	300,662
Costs of issuance on long-term debt	-	-
Total Expenses	18,675,566	13,431,599
Excess (deficiency) before transfers	(3,910,997)	2,217,215
Transfers	-	-
Change in net position	(3,910,997)	2,217,215
Net Position - Beginning of year	(9,307,516)	(13,024,498)
Prior Period Adjustment	194,015	(194,015)
Net Position - Beginning of year as restated	(9,113,501)	(13,218,513)
Net Position - End of year	\$ (13,024,498)	\$ (11,001,298)

**Stanislaus Consolidated Fire Protection District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Governmental Activities

The District's governmental activities increased the District's net position by \$2,023,200. Revenues were \$15,648,814 which represented an increase of \$884,245 or 6.0 percent over the prior fiscal year. This increase can be primarily attributed to increases in development-related and property and assessment tax-related funding received during the fiscal year. Expenses were \$13,431,599 which represents a decrease of \$5,243,967 or 28.1 percent mainly due to recognition of expenditures related to the proportionate cost adjustment for the CalPERS Unfunded Liability.

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The District uses fund accounting to insure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the District government, reporting the District's operation in more detail than the government-wide statements. The District's governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. The District's governmental funds reported combined fund balance on June 30, 2024, of \$10,479,445. The General Fund increased \$1,675,653 and other Governmental Funds increased by \$292,272. The General Fund increase was mainly due to the continued receipt of Proposition 172, grant funding and increased receipts of property tax and special assessment funding. The increase in the other Special Revenue funds increased due to high levels of development experienced district-wide.

Analysis of the General Fund

The General Fund is the primary operating fund of the District. It accounts for revenues and expenditures associated with fire services, and debt administration.

General fund revenues totaled \$15,141,451 in fiscal year 2023-24, an increase of \$641,275 over the prior fiscal year. This was primarily due to the aforementioned increases in revenues.

General fund expenditures totaled \$13,265,548 in fiscal year 2023-24, an increase of \$449,919 over last fiscal year. This was primarily due to increase costs for salaries and benefits paid to District employees.

At the end of fiscal year 2023-24, the fund balance for the District's General Fund was \$9,471,815, an increase of \$1,675,653 from the restated prior fiscal year fund balance. The fund balance in the General Fund was comprised of \$3,276,971 which is assigned for economic contingencies and future leave balance payouts; \$83,936 in non-spendable prepaid costs; and \$6,110,908 which is unassigned. The unassigned portion of the fund balance in the General Fund increased \$1,688,216 when compared to the restated FY 2022-23 unassigned balance.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

At the end of fiscal year 2023-24, the District had invested \$15.02 million invested in a broad range of capital assets, including fire and office equipment, buildings and facilities. Of this amount \$8.40 million has been depreciated, leading to a net asset value of \$6.62 million District-wide. Additional detailed information on the District's capital assets is presented Note 5 to the financial statements on page 25 of this report.

**Stanislaus Consolidated Fire Protection District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

The financial statements summarize the District’s accounting policies regarding capital assets in Note 1 of the note disclosures. In general terms, the District capitalizes assets in governmental funds at the \$5,000 level. These capital assets are depreciated on a straight-line basis varied from 3 years to 50 years.

Stanislaus Consolidated Fire Protection District Capital Assets (Net of Depreciation)		
	Governmental Activities	
	2023	2024
Land	\$ 1,263,270	\$ 1,263,270
Construction in progress	-	-
Buildings and improvements	3,758,305	3,658,101
Vehicles	1,284,189	1,258,298
Furniture and equipment	384,815	444,708
Totals	\$ 6,690,579	\$ 6,624,377

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Budgetary factors impacting the District continue to evolve well into FY 2024-25. Development has continued to grow while the District strives to maintain existing revenue sources to sustain the viability of existing service levels. The District has approved mid-year revisions to the FY 2024-25 adopted budget which account for the likelihood of generating a General Fund surplus of just over \$1.06 million. It is expected that these funds will be used for fire suppression operations and / or much needed capital apparatus which will be considered during the fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District’s finances for all those with an interest in the government’s finances. Questions concerning any information provided in this report or request for additional financial information should be directed to:

Stanislaus Consolidated Fire Protection District
3324 Topeka Street, Riverbank, CA 95367
(209) 869-7470
bwithrow@scfpd.us

Basic Financial Statements

- **Government-Wide Financial Statements**

THIS PAGE INTENTIONALLY LEFT BLANK

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Statement of Net Position
June 30, 2024

	Total Governmental Activities
ASSETS	
Cash and investments	\$ 11,061,317
Receivables:	
Accounts	5,110
Intergovernmental	854,826
Prepaid costs	83,936
Capital assets:	
Non-depreciable	1,263,270
Depreciable, net	5,361,107
Total capital assets	<u>6,624,377</u>
Total Assets	<u>18,629,566</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension adjustments	7,616,307
Deferred OPEB adjustments	<u>506,883</u>
Total Deferred Outflows of Resources	<u>8,123,190</u>
LIABILITIES	
Accounts payable	175,135
Salaries and benefits payable	408,794
Interest payable	75,262
Other accrued liabilities	86,989
Long-term liabilities:	
Due within one year	1,078,395
Due in more than one year	11,524,049
Net pension liability	8,607,591
Total OPEB liability	<u>4,484,743</u>
Total Liabilities	<u>26,440,958</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension adjustments	7,092,341
Deferred OPEB adjustments	<u>4,220,755</u>
Total Deferred Inflows of Resources	<u>11,313,096</u>
NET POSITION	
Net investment in capital assets	6,055,884
Restricted for:	
Development and CEQA fees	1,007,630
Unrestricted	<u>(18,064,812)</u>
Total Net Position	<u><u>\$(11,001,298)</u></u>

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

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Statement of Activities
For the Year Ended June 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Total Governmental Activities</u>
Governmental activities:					
Public protection	\$ 13,130,937	\$ 8,748,802	\$ 1,598,726	\$ -	\$ (2,783,409)
Interest on long-term debt	300,662	-	-	-	(300,662)
Total Governmental Activities	<u>13,431,599</u>	<u>8,748,802</u>	<u>1,598,726</u>	<u>-</u>	<u>(3,084,071)</u>
Total	<u>\$ 13,431,599</u>	<u>\$ 8,748,802</u>	<u>\$ 1,598,726</u>	<u>\$ -</u>	<u>(3,084,071)</u>
General revenues:					
Taxes:					
Property taxes					4,656,321
Development impact fees					286,337
Interest and investment earnings					199,975
Miscellaneous					158,653
					<u>5,301,286</u>
					<u>2,217,215</u>
					(13,024,498)
					(194,015)
					<u>(13,218,513)</u>
					<u>\$(11,001,298)</u>

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

Basic Financial Statements

- **Fund Financial Statements**

THIS PAGE INTENTIONALLY LEFT BLANK

THIS PAGE INTENTIONALLY LEFT BLANK

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	CEQA Riverbank	CEQA Waterford Hickman	Development Fees Riverbank
ASSETS				
Cash and investments	\$ 10,051,102	\$ 744,598	\$ 65,470	\$ 140,142
Receivables:				
Accounts	5,110	-	-	-
Intergovernmental	854,826	-	-	-
Due from other funds	2,585	-	-	-
Prepaid costs	83,936	-	-	-
Total Assets	\$ 10,997,559	\$ 744,598	\$ 65,470	\$ 140,142
LIABILITIES				
Accounts payable	\$ 175,135	\$ -	\$ -	\$ -
Salaries and benefits payable	408,794	-	-	-
Due to other funds	-	1,523	267	795
Other accrued liabilities	86,989	-	-	-
Total Liabilities	670,918	1,523	267	795
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	854,826	-	-	-
Total Deferred Inflows of Resources	854,826	-	-	-
FUND BALANCES				
Nonspendable	83,936	-	-	-
Restricted	-	743,075	65,203	139,347
Assigned	3,276,971	-	-	-
Unassigned	6,110,908	-	-	-
Total Fund Balances	9,471,815	743,075	65,203	139,347
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,997,559	\$ 744,598	\$ 65,470	\$ 140,142

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

Development Fees Waterford Hickman	Totals
\$ 60,005	\$ 11,061,317
-	5,110
-	854,826
-	2,585
-	83,936
<u>\$ 60,005</u>	<u>\$ 12,007,774</u>
\$ -	\$ 175,135
-	408,794
-	2,585
-	86,989
<u>-</u>	<u>673,503</u>
-	854,826
<u>-</u>	<u>854,826</u>
-	83,936
60,005	1,007,630
-	3,276,971
-	6,110,908
<u>60,005</u>	<u>10,479,445</u>
<u>\$ 60,005</u>	<u>\$ 12,007,774</u>

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2024

Total Fund Balance - Total Governmental Funds	\$ 10,479,445
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds Balance Sheet.	6,624,377
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenues in the governmental funds.	854,826
Interest payable on long-term debt does not require the use of current financial resources and therefore is not accrued as a liability in the governmental funds Balance Sheet.	(75,262)
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	8,123,190
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds.	(11,313,096)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds Balance Sheet.	
Pension obligation bonds	(10,871,923)
Loans payable	(568,495)
Compensated absences	(1,162,026)
Net pension liability	(8,607,591)
Total OPEB liability	<u>(4,484,743)</u>
Net Position of Governmental Activities	<u><u>\$ (11,001,298)</u></u>

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

THIS PAGE INTENTIONALLY LEFT BLANK

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	CEQA Riverbank	CEQA Waterford Hickman	Development Fees Riverbank
REVENUES				
Taxes and assessments	\$ 13,166,953	\$ -	\$ -	\$ -
Development impact fees	-	273,209	2,284	9,068
Use of money and property	197,413	435	53	968
Intergovernmental	1,380,262	-	-	-
Charges for services	238,170	-	-	-
Other revenues	158,653	-	-	-
Total Revenues	<u>15,141,451</u>	<u>273,644</u>	<u>2,337</u>	<u>10,036</u>
EXPENDITURES				
Public Protection				
Salaries and benefits	9,656,568	-	-	-
Services and supplies	2,173,903	-	-	-
Debt service:				
Principal	684,038	-	-	-
Interest	300,662	-	-	-
Capital outlay	450,377	-	-	-
Total Expenditures	<u>13,265,548</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>1,875,903</u>	<u>273,644</u>	<u>2,337</u>	<u>10,036</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,728	139	2,028	7,582
Transfers out	(8,963)	(1,619)	(2,112)	-
Total Other Financing Sources (Uses)	<u>(6,235)</u>	<u>(1,480)</u>	<u>(84)</u>	<u>7,582</u>
Net Change in Fund Balances	<u>1,869,668</u>	<u>272,164</u>	<u>2,253</u>	<u>17,618</u>
Fund Balances - Beginning	7,796,162	470,911	62,950	121,729
Prior period adjustment	(194,015)	-	-	-
Fund Balances - Beginning, Restated	<u>7,602,147</u>	<u>470,911</u>	<u>62,950</u>	<u>121,729</u>
Fund Balances - Ending	<u>\$ 9,471,815</u>	<u>\$ 743,075</u>	<u>\$ 65,203</u>	<u>\$ 139,347</u>

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

Development Fees Waterford Hickman	Totals
\$ -	\$ 13,166,953
1,776	286,337
1,106	199,975
-	1,380,262
-	238,170
-	158,653
2,882	15,430,350
-	9,656,568
-	2,173,903
-	684,038
-	300,662
-	450,377
-	13,265,548
2,882	2,164,802
217	12,694
-	(12,694)
217	-
3,099	2,164,802
56,906	8,508,658
-	(194,015)
56,906	8,314,643
\$ 60,005	\$ 10,479,445

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 2,164,802
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditures for capital outlay	450,377
Less current year depreciation	(516,579)
Some revenues reported in the Statement of Activities will not be collected for several months after the District's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.	
Change in unavailable revenues	218,464
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Principal retirements	684,038
Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental funds.	
Change in deferred outflows of resources related to pension and OPEB	(3,118,900)
Change in deferred inflows of resources related to pension and OPEB	3,223,743
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Change in compensated absences	43,335
Change in net pension liability	(716,886)
Change in total OPEB liability	(210,586)
Change in accrued interest on long-term debt	(4,593)
Amortization of bond discount	-
Change in Net Position of Governmental Activities	\$ <u>2,217,215</u>

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

Basic Financial Statements

- **Notes to Basic Financial Statements**

THIS PAGE INTENTIONALLY LEFT BLANK

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Stanislaus Consolidated Fire Protection District is a special district within the County of Stanislaus governed by an independent five-member Board of Directors. The District was established to provide fire prevention and suppression and rescue services within its boundaries.

Component Units

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the District.

Joint Agencies

The District is a member of the Special District Risk Management Authority (SDRMA). SDRMA is a joint powers authority organized for the purpose of providing coverage protection, risk management services, claims management as well as safety and loss prevention programs for its members. SDRMA is composed of member agencies and is governed by a board of directors appointed by the members. Complete audited financial statements can be obtained from SDRMA's office at 1112 I Street, Suite 300, Sacramento, CA 95814. The District is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information on all the activities of the District. Eliminations have been made to minimize the double counting of internal activities. These statements report the governmental activities of the District, which are normally supported by property taxes, intergovernmental revenues and impact fees. The District had no business-type activities at June 30, 2024.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements

Fund financial statements of the District are organized into five funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. The funds of the District are organized into the governmental category. The emphasis is placed on major funds, each displayed in a separate column.

The District reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General fund includes such activities as fire protection.
- The CEQA Riverbank fund is a special revenue fund used to account for revenues and expenditures related to the California Environmental Quality Act within the City of Riverbank. Funding comes primarily from collection of fees by the District on development in the District area.
- The CEQA Waterford Hickman fund is a special revenue fund used to account for revenues and expenditures related to the California Environmental Quality Act with the cities of Waterford and Hickman. Funding comes primarily from collection of fees by the District on development in the District area.
- The Development Fees Riverbank fund is a special revenue fund used to account for revenue and expenditures for development in the Riverbank area. Funding comes primarily from the collection of development fees.
- The Development Fees Waterford Hickman fund is a special revenue fund used to account for revenue and expenditures for development in the Waterford and Hickman areas. Funding comes primarily from the collection of development fees.

C. Basis of Accounting and Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes, charges for services, certain state and federal grants, and use of money and property are considered susceptible to accrual and are accrued when their receipt occurs within 60 days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred as under accrual accounting. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide Statement of Net Position.

E. Cash and Investments

The District pools all cash and investments, other than cash held in checking and savings accounts, with the County of Stanislaus. The Stanislaus County Treasury is an external investment pool for the District and the District is considered an involuntary participant. The District's share in this pool is displayed in the accompanying financial statements as cash and investments.

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on the amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants every quarter based on the participant's average daily cash balance at quarter end in relation to the total pool investments. This method differs from the fair value method used to value investments in these financial statements.

F. Receivables

Receivables for governmental activities consist mainly of accounts and amounts due from other governments. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

G. Capital Assets

Capital assets are defined by the District as an asset with a cost greater than \$5,000 with at least five years expected life. Capital assets are recorded at historical cost or estimated historical cost if actual is unavailable. Contributed capital assets are recorded at their estimated acquisition value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Improvements	10 to 40 years
Buildings	10 to 30 years
Equipment	3 to 20 years
Vehicles	5 to 20 years
Furniture	10 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the result of operations.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Property Tax

Stanislaus County is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County of Stanislaus up to 1 percent of the full cash value of taxable property, plus other increases approved by the voter and distributed in accordance with statutory formulas.

The valuation/lien date for all taxes is January 1. Secured property tax is due in two installments, the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Unsecured property tax is due on March 1 and becomes delinquent if unpaid after December 10 and April 10.

The County uses the alternative method of property tax apportionment known as the “Teeter Plan”. Under this method of property tax apportionment, the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

I. Special Assessments

The special assessments are for the purpose of obtaining, furnishing, operating and maintaining fire suppression equipment or apparatus or for the purpose of paying the salaries and benefits of firefighting personnel, or both, whether or not fire suppression services are actually used by or upon a parcel, improvement or property.

J. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables 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 noncurrent portion to interfund loans) as appropriate and are subject to elimination upon consolidation. Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the Government-Wide Statement of Activities.

Reimbursements occur when the funds responsible for particular expenditures repay the funds that initially paid for them. Such reimbursements are reflected as expenditures in the reimbursing fund and reductions to expenditures in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation of the government-wide presentation.

K. Compensated Absences

The District’s policy regarding vacation is to permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as a long-term liability in the government-wide financial statements. The current portion of this liability is estimated based on historical trends. In the fund financial statements, the expenditures related to those obligations are recognized when they mature.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension and pension expense, information about the fiduciary net position of the District'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.

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, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

M. Other Postemployment Benefits (OPEB)

For purposes of measuring the total 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 District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

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, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. These items relate to the outflows from changes in the net pension liability and total OPEB liability and are reportable on the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items relate to the inflows from changes in the net pension liability and total OPEB liability and are reportable on the Statement of Net Position.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met.

P. Estimates

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

Q. Implementation of Governmental Accounting Standards Board (GASB) Statements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

Statement No. 99, Omnibus 2022. This statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

Statement No. 100, Accounting Changes and Error Corrections. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

R. Future Accounting Pronouncements

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 101 “Compensated Absences” The requirements of this statement are effective for fiscal years beginning after December 15, 2023. (FY 24/25)

Statement No. 102 “Certain Risk Disclosures” The requirements of this statement are effective for fiscal years beginning after June 15, 2024. (FY 24/25)

Statement No. 103 “Financial Reporting Model Improvements” The requirements of this statement are effective for fiscal years beginning after June 15, 2025. (FY 25/26)

Statement No. 104 “Disclosure of Certain Capital Assets” The requirements of this statement are effective for fiscal years beginning after June 15, 2025. (FY 25/26)

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Position/Fund Balance

During fiscal year ended June 30, 2024, the District made adjustments to correct cash and investments for any outstanding deposits and checks resulting in an overstatement of cash and investments of \$194,015. The effects of correcting these errors are shown in the table below.

During fiscal year 2024, changes to or within the financial reporting entity and an error correction in adjustments to and restatements of beginning net position and fund net position, as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Governmental Activities	General Fund
June 30, 2023, as previously reported	(\$ 13,024,498)	\$ 7,796,162
Error correction of cash and investments	(194,015)	(194,015)
June 30, 2023, as restated	(\$ 13,218,513)	\$ 7,602,147

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2024, the District's cash and investments consisted of the following:

Cash:	
Deposits (less outstanding warrants)	\$ <u>1,292,258</u>
Total Cash	<u>1,292,258</u>
Investments:	
Stanislaus County Treasurer's Pool	<u>9,769,059</u>
Total Investments	<u>9,769,059</u>
Total Cash and Investments	<u>\$ 11,061,317</u>

B. Cash

At year end, the carrying amount of the District's cash deposits (including amounts in a checking and savings accounts) was \$1,292,258 and the bank balance was \$1,319,816. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The District complies with the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the District's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits of more than the \$250,000 insured amount are collateralized.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments

The District's only approved investment instruments are certificates of deposits. Any additional investment instruments must be approved by the board. At June 30, 2024, cash and investments of the District were in the County of Stanislaus investment pool. Under the provisions of the County's investment policy and the California Government Code the County may invest or deposit in the following:

- Local Agency Bonds, Notes, and Warrants
- U.S. Treasury Bonds, Notes, and Bills, Corporate Bonds, and Notes
- California State Registered Warrants, Treasury Notes, and Bonds
- State Registered Treasury Notes and Bonds
- U.S. Agency and GSE Bonds and Notes
- Bankers' Acceptances
- Commercial Paper
- Negotiable Certificates of Deposits
- Certificates of Deposits (Non-Negotiable)
- Repurchase Agreements
- Medium-Term Corporate Notes
- Mutual Funds
- California Asset Management Program (CAMP)
- Money Market Funds
- Local Agency Investment Fund (LAIF)
- Supranational Bonds and Notes

Fair Value of Investments - The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The District's position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the District's investment in external investment pools are not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2024, the District had the following recurring fair value measurements:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level				
None	\$ -	\$ -	\$ -	\$ -
Total Investments Measured at Fair Value	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Investments in External Investment Pool				
Stanislaus County Treasurer's Pool	<u>9,769,059</u>			
Total Investments	<u>\$ 9,769,059</u>			

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the County's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations. The County limits its exposure to interest rate risk inherent in its portfolio by limiting individual maturities to 5 years or less.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2024, the District's investments were all held with the County of Stanislaus investment pool which is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law and the investment policy of the County contain limitations on the amount that can be invested in any one issuer. As of June 30, 2024, all investments of the District were in the Stanislaus County investment pool which contains a diversification of investments.

NOTE 4: LESSOR AGREEMENTS

On January 12, 2012, the District, as a lessor, entered into an agreement with Communications Capital Group, LLC, the lessee, to rent the cell tower located at the District's station. The lease is perpetual. Either party may terminate the lease. The District is reasonably certain that the lessee will continue in accordance with the provisions of GASB No. 87. The lease has not been recorded on the District's book.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

For the Year Ended June 30, 2024

NOTE 5: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024, was as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance June 30, 2024</u>
Capital Assets, Not Being Depreciated				
Land	\$ 1,263,270	\$ -	\$ -	\$ 1,263,270
Total Capital Assets, Not Being Depreciated	<u>1,263,270</u>	<u>-</u>	<u>-</u>	<u>1,263,270</u>
Capital Assets, Being Depreciated				
Buildings and improvements	5,191,939	68,284	-	5,260,223
Vehicles	5,839,286	237,602	-	6,076,888
Furniture and equipment	2,277,747	144,491	-	2,422,238
Total Capital Assets, Being Depreciated	<u>13,308,972</u>	<u>450,377</u>	<u>-</u>	<u>13,759,349</u>
Less Accumulated Depreciation For:				
Buildings and improvements	(1,433,634)	(168,488)	-	(1,602,122)
Vehicles	(4,555,097)	(263,493)	-	(4,818,590)
Furniture and equipment	(1,892,932)	(84,598)	-	(1,977,530)
Total Accumulated Depreciation	<u>(7,881,663)</u>	<u>(516,579)</u>	<u>-</u>	<u>(8,398,242)</u>
Total Capital Assets, Being Depreciated, Net	<u>5,427,309</u>	<u>(66,202)</u>	<u>-</u>	<u>5,361,107</u>
Total Capital Assets, Net	<u>\$ 6,690,579</u>	<u>(\$ 66,202)</u>	<u>\$ -</u>	<u>\$ 6,624,377</u>

Depreciation

Depreciation expense was charged to governmental activities as follows:

Public Protection	<u>\$ 516,579</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 516,579</u>

NOTE 6: INTERFUND TRANSACTIONS

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds.

The following are due to and due from balances as of June 30, 2024:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General fund	\$ 2,585	\$ -
CEQA Riverbank	-	1,523
CEQA Waterford Hickman	-	267
Development Fees Riverbank	-	795
Total	<u>\$ 2,585</u>	<u>\$ 2,585</u>

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 6: INTERFUND TRANSACTIONS (CONTINUED)

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2024:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 2,728	\$ 8,963
CEQA Riverbank	139	1,619
CEQA Waterford Hickman	2,028	2,112
Development Fees Riverbank	7,582	-
Development Fees Waterford Hickman	<u>217</u>	<u>-</u>
Total	<u>\$ 12,694</u>	<u>\$ 12,694</u>

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2023</u>	<u>Adjustments/ Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2024</u>	<u>Amounts Due Within One Year</u>
Pension obligation bonds	\$ 11,480,000	\$ -	(\$ 530,000)	\$ 10,950,000	\$ 540,000
Discount on issuance	(82,670)	-	4,593	(78,077)	(4,593)
Pension Obligation Bonds, net	11,397,330	-	(525,407)	10,871,923	535,407
Loans payable	722,533	-	(154,038)	568,495	157,730
Compensated absences	<u>1,205,361</u>	<u>709,745</u>	<u>(753,080)</u>	<u>1,162,026</u>	<u>385,258</u>
Total	<u>\$ 13,325,224</u>	<u>\$ 709,745</u>	<u>(\$ 1,432,525)</u>	<u>\$ 12,602,444</u>	<u>\$ 1,078,395</u>

Individual issues of debt payable outstanding at June 30, 2024 are as follows:

Pension Obligation Bonds:

2021 Taxable Pension Obligation Bonds, dated October 13, 2021, issued in the amount of \$11,685,000, payable in semi-annually installments of \$155,000 to \$805,000, with an interest rate of 5% and maturity on April 1, 2041. The bonds were used to advance pay miscellaneous and safety employee pension obligations.

Total Pension Obligation Bonds

\$ 10,950,000
10,950,000

Loans:

The Bank of New York Mellon Trust bank loan, dated October 1, 2017, payable in semi-annual installments of \$80,236 to \$85,030, with an interest rate at 2.33% and maturity on October 1, 2027. Loan Proceeds were used to purchase two 2016 Pierce Velocity engines and a 2013 Pierce Velocity engine.

Total Loans

Total

568,495
568,495
\$ 11,518,495

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Following is a schedule of debt payment requirements to maturity for long-term debt, excluding compensated absences that have indefinite maturities.

Year Ended June 30	Pension Obligation Bonds		
	Principal	Interest	Totals
2025	\$ 535,000	\$ 296,277	\$ 831,277
2026	540,000	289,589	829,589
2027	550,000	281,489	831,489
2028	560,000	271,424	831,424
2029	570,000	260,056	830,056
2030-2034	3,070,000	1,088,504	4,158,504
2035-2039	3,540,000	615,489	4,155,489
2040-2041	1,585,000	78,870	1,663,870
Total	<u>\$ 10,950,000</u>	<u>\$ 3,181,698</u>	<u>\$ 14,131,698</u>

Year Ended June 30	Loans Payable		
	Principal	Interest	Totals
2025	\$ 157,730	\$ 12,331	\$ 170,061
2026	161,426	8,634	170,060
2027	165,210	4,851	170,061
2028	84,129	979	85,108
Total	<u>\$ 568,495</u>	<u>\$ 26,795</u>	<u>\$ 595,290</u>

NOTE 8: NET POSITION

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 9: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds can be made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the District’s highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the District that can, by Board action, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the District’s General fund that includes all amounts not contained in the other classifications.

The fund balances for all governmental funds as of June 30, 2024, were distributed as follows:

	General Fund	CEQA Riverbank	CEQA Waterford Hickman	Development Fees Riverbank	Development Fees Waterford Hickman	Totals
Nonspendable:						
Prepaid costs	\$ 83,936	\$ -	\$ -	\$ -	\$ -	\$ 83,936
Subtotal	<u>83,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,936</u>
Restricted for:						
CEQA	-	743,075	65,203	-	-	808,278
Development	-	-	-	139,347	60,005	199,352
Subtotal	<u>-</u>	<u>743,075</u>	<u>65,203</u>	<u>139,347</u>	<u>60,005</u>	<u>1,007,630</u>
Assigned for:						
Public protection	3,276,971	-	-	-	-	3,276,971
Subtotal	<u>3,276,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,276,971</u>
Unassigned	<u>6,110,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,110,908</u>
Total	<u>\$ 9,471,815</u>	<u>\$ 743,075</u>	<u>\$ 65,203</u>	<u>\$ 139,347</u>	<u>\$ 60,005</u>	<u>\$ 10,479,445</u>

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 9: FUND BALANCES (CONTINUED)

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The Board of Directors has adopted a fund balance policy. The policy establishes procedures for reporting fund balance classifications and a hierarchy of fund balance expenditures.

NOTE 10: PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's separate Safety and Miscellaneous (all other) Employee Pension Plan, a cost-sharing multiple employer-defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District 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.

Effective January 1, 2013, the District added retirement tiers for both the Miscellaneous and Safety Rate Tiers for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the District's retirement costs.

Summary of Rate Tiers and Eligible Participants

Open for New Enrollment

Miscellaneous PEPRA
Safety PEPRA

Miscellaneous members hired on or after January 1, 2013
Safety members hired on or after January 1, 2013

Closed to New Enrollment

Miscellaneous
Safety

Miscellaneous members hired before January 1, 2013
Safety employees hired before January 1, 2013

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 10: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on 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 (age 52 for Miscellaneous plan members if the membership date is on or after January 1, 2013) with statutorily reduced benefits. Retirement benefits are paid monthly for life. 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 the plan are applied as specified by the Public Employees' Retirement Law.

Each Rate Tier's specific provisions and benefits in effect at June 30, 2024, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.7% @ 55	50-67	2.000 to 2.700%
Miscellaneous PEPRA	2.0% @ 62	52-67	1.000 to 2.500%
Safety	3.0% @ 50	50-55	3.00%
Safety PEPRA	2.7% @ 57	50-57	2.000 to 2.700%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for all Plans 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	15.950%	8.000%	0.000%
Miscellaneous PEPRA	7.680%	6.750%	0.000%
Safety	27.110%	9.000%	0.000%
Safety PEPRA	13.540%	13.000%	0.000%

B. Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension

For the year ended June 30, 2024, the contributions recognized as part of pension expense were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 21,662	\$ -
Safety	1,083,293	-

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 10: PENSION PLAN (CONTINUED)

B. Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, 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, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2024 was as follows:

	<u>Proportion June 30, 2023</u>	<u>Proportion June 30, 2024</u>	<u>Change - Increase (Decrease)</u>
Miscellaneous	0.00466%	0.00436%	(0.00030%)
Safety	0.11166%	0.11224%	0.0058%

As of June 30, 2024, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 217,841
Safety	<u>8,389,750</u>
Total Net Pension Liability	<u>\$ 8,607,591</u>

For the year ended June 30, 2024, the District recognized pension expense of \$2,151,228. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 880,383	\$ -
Change of assumptions	502,789	-
Difference between expected and actual experience	627,090	(54,459)
Difference between projected and actual earnings on pension plan investments	1,183,405	-
Difference between District contributions and proportionate share of contributions.	4,313,624	(1,154,095)
Adjustments due to differences in proportions	<u>109,016</u>	<u>(5,883,787)</u>
Total	<u>\$ 7,616,307</u>	<u>(\$ 7,092,341)</u>

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 10: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

\$880,383 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 fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Fiscal Year Ended <u>June 30</u>	
2025	(\$ 521,611)
2026	(480,404)
2027	612,539
2028	33,059
Thereafter	<u>-</u>
Total	<u>(\$ 356,417)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Investment Rate of Return	6.90%
Inflation	2.30%
Salary Increases	Varies by entry-age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80 percent of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the CalPERS 2021 experience study that can be found on the CalPERS website.

Long-Term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long-term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 10: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

Long-Term Expected Rate of Return (Continued)

The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (1, 2)</u>
Global Equity – Cap-Weighted	30.0%	4.54%
Global Equity – Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.0%)	(0.59%)
Total	<u>100.0%</u>	

(1) An expected price inflation of 2.30% used for this period

(2) Figures are based on the 2021-22 Asset Liability Management Study

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease <u>5.90%</u>	Discount Rate <u>6.90%</u>	1% Increase <u>7.90%</u>
Miscellaneous	\$ 531,817	\$ 217,841	(\$ 40,589)
Safety	17,654,480	8,389,750	815,231

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

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The District’s other postemployment benefits (OPEB) plan (the Plan) is a single-employer defined benefit healthcare plan administered by the District. The Plan provides access to healthcare benefits for eligible retirees and their dependents. Employees are eligible to participate in the District’s Retiree Healthcare Plan if they have accrued sick leave. The Board of Directors has the authority to establish and amend the benefit provisions of the Plan subject to collective bargaining arrangements. The District’s Plan does not issue separate financial statements. No assets are accumulated in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. Funding Policy

The District provides retiree medical benefits through the California Public Employees’ Medical and Hospital Care Act (PEMHCA). The District pays the PEMHCA minimum contribution for active employees up to a limit related to a percentage of accrued sick leave the employee has at the date of retirement. Participants are not required to contribute to the Plan. The District allows retired employees to use the value of 25% of their accrued sick leave to pay medical insurance premiums in retirement at the District’s health plan premium rather than taking a cash payment for sick leave. The District funds the benefits on a pay-as-you-go basis. No trust has been established to hold plan assets. In May 2014, the Actuarial Standards Board released revisions to ASOP 6 requiring that the implied subsidy for claims in excess of premiums be valued for community rated plans such as PEMHCA.

Employees Covered by Benefit Terms

At the June 30, 2023 measurement date, the following employees were covered by the Plan’s benefit terms:

Inactive employees’ spouses, or beneficiaries currently receiving benefit payments	10
Active employees	54
	64

C. Total OPEB Liability

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2023
Discount Rate	3.65% at June 30, 2023; 3.54% at June 30, 2022
Inflation Rate	2.50% annually
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP 2021
Salary Increases	Aggregate – 2.75% annually; Merit - CalPERS 2000-2019 Experience Study

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

D. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023	\$ 4,274,157
Changes for the year:	
Service cost	282,499
Interest	158,016
Differences between expected and actual experience	3,306
Change of assumptions	(47,444)
Benefit payments	(185,791)
Net changes	210,586
Balance at June 30, 2024	\$ 4,484,743

Changes of assumptions reflects a change in the discount rate from 3.54 percent as of June 30, 2023 to 3.65 percent as of June 30, 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB 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 discount rate:

	1% Decrease 2.65%	Current Rate 3.65%	1% Increase 4.65%
Total OPEB liability	\$ 4,841,845	\$ 4,484,743	\$ 4,155,422

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	Current Trend -1%	Current Trend	Current Trend +1%
Total OPEB Liability	\$ 4,103,911	\$ 4,484,743	\$ 4,925,788

E. Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized an OPEB credit of (\$234,734). At June 30, 2024, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,021	(\$ 3,316,417)
Changes in assumptions	290,381	(904,338)
Contributions made subsequent to the measurement date	213,481	-
Total	\$ 506,883	(\$ 4,220,755)

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

E. Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$213,481 reported as deferred outflows related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended <u>June 30</u>	
2025	(\$ 675,249)
2026	(675,249)
2027	(675,249)
2028	(675,249)
2029	(674,826)
Thereafter	(<u>551,531</u>)
	(\$ <u>3,927,353</u>)

NOTE 12: 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 employees; and natural disasters.

The District is a member of the Special District Risk Management Authority (SDRMA). The SDRMA's members have pooled funds to be self-insured for workers' compensation, general liability, public officials' errors and omissions, employment practices liability, auto, property, boiler and machinery and crime and fidelity. The District participates in the property/liability and workers' compensation programs.

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverages for each of the past three years.

NOTE 13: OTHER INFORMATION

A. Subsequent Events

Management has evaluated events subsequent to June 30, 2024 through March 3, 2025, the date on which the financial statements were available for issuance.

Subsequent to June 30, 2024, the District leased a Pumper Fire Truck for approximately \$994,033 at 5.744% for a period of eleven years, secured by the truck.

THIS PAGE INTENTIONALLY LEFT BLANK

**Required Supplementary Information
(Unaudited)**

THIS PAGE INTENTIONALLY LEFT BLANK

THIS PAGE INTENTIONALLY LEFT BLANK

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Required Supplementary Information
District Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2024
Last 10 Years

Measurement Date	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Miscellaneous					
Proportion of the net pension liability	0.03290%	0.00993%	0.01053%	0.01074%	0.01102%
Proportionate share of the net pension liability	\$ 204,566	\$ 272,467	\$ 365,749	\$ 423,280	\$ 415,385
Covered payroll	120,671	121,708	124,291	299,389	298,209
Proportionate share of the net pension liability as a percentage of covered payroll	169.52%	223.87%	294.27%	141.38%	139.29%
Plan fiduciary net position as a percentage of the total pension liability	83.03%	79.14%	75.94%	74.52%	76.42%
Safety					
Proportion of the net pension liability	0.17845%	0.19168%	0.19932%	0.20147%	0.21818%
Proportionate share of the net pension liability	\$ 6,693,660	\$ 7,898,392	\$ 10,323,582	\$ 12,038,426	\$ 12,801,794
Covered payroll	3,502,073	3,537,615	3,607,135	6,144,593	6,366,319
Proportionate share of the net pension liability as a percentage of covered payroll	191.13%	223.27%	286.20%	195.92%	201.09%
Plan fiduciary net position as a percentage of the total pension liability	83.03%	79.30%	74.89%	74.34%	74.72%

<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
0.01136%	0.01187%	0.01565%	0.00466%	0.00436%
\$ 455,072 209,376	\$ 500,647 236,961	\$ 297,130 133,329	\$ 218,152 89,309	\$ 217,841 212,070
217.35%	211.28%	222.85%	244.27%	102.72%
76.95%	74.65%	85.31%	90.35%	90.62%
0.21463%	0.22413%	0.25907%	0.11166%	0.11224%
\$ 13,398,395 6,400,003	\$ 14,932,003 4,105,515	\$ 9,091,912 3,947,960	\$ 7,672,553 4,055,313	\$ 8,389,750 4,222,550
209.35%	363.71%	230.29%	189.20%	198.69%
75.30%	73.49%	84.20%	87.99%	87.58%

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Required Supplementary Information
District Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2024
Last 10 Years

Fiscal Year	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>
Miscellaneous					
Contractually required contributions (actuarially determined)	\$ 17,637	\$ 21,302	\$ 40,536	\$ 43,990	\$ 42,193
Contributions in relation to the actuarially determined contributions	<u>(17,637)</u>	<u>(21,302)</u>	<u>(40,536)</u>	<u>(43,990)</u>	<u>(42,193)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 121,708	\$ 124,291	\$ 299,389	\$ 298,209	\$ 209,376
Contributions as a percentage of covered payroll	14.49%	17.14%	13.54%	14.75%	20.15%
Safety					
Contractually required contributions (actuarially determined)	\$ 888,762	\$ 1,393,099	\$ 1,537,840	\$ 1,706,006	\$ 1,912,324
Contributions in relation to the actuarially determined contributions	<u>(888,762)</u>	<u>(1,393,099)</u>	<u>(1,537,840)</u>	<u>(1,706,006)</u>	<u>(1,912,324)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,537,615	\$ 3,607,135	\$ 6,144,593	\$ 6,366,319	\$ 6,400,003
Contributions as a percentage of covered payroll	25.12%	38.62%	25.03%	26.80%	29.88%

<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
\$ 48,061	\$ 12,080	\$ 455,169	\$ 21,662	\$ 14,708
<u>(48,061)</u>	<u>(47,754)</u>	<u>(455,169)</u>	<u>(21,662)</u>	<u>(14,708)</u>
<u>\$ -</u>	<u>\$ (35,674)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 236,961	\$ 133,329	\$ 89,309	\$ 212,070	\$ 235,806
20.28%	35.82%	509.66%	10.21%	6.24%
\$ 1,672,572	\$ 799,396	\$ 12,789,818	\$ 1,083,293	\$ 865,675
<u>(1,672,572)</u>	<u>(1,691,389)</u>	<u>(12,789,818)</u>	<u>(1,083,293)</u>	<u>(865,675)</u>
<u>\$ -</u>	<u>\$ (891,993)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,105,515	\$ 3,947,960	\$ 4,055,313	\$ 4,222,550	\$ 4,538,350
40.74%	42.84%	315.38%	25.65%	19.07%

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Required Supplementary Information
District Pension Plan
Notes to District Pension Plan
For the Year Ended June 30, 2024

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Summary of Changes of Benefits or Assumptions

Benefit Changes: None

Changes of Assumptions: None

NOTE 2: SCHEDULE OF CONTRIBUTIONS

Methods and assumptions used to determine the contribution rates were as follows:

Valuation Date	June 30, 2021
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percentage of Payroll and Direct Rate Smoothing
Remaining amortization period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Fair value
Discount rate	7.00%
Payroll Growth	2.75%
Inflation	2.50%
Salary increases	Varies based on entry age and service
Investment rate of return	7.00%

THIS PAGE INTENTIONALLY LEFT BLANK

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Required Supplementary Information
District OPEB Plan
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2024
Last 10 Fiscal Years*

	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
Total OPEB Liability				
Service cost	\$ 787,560	\$ 716,667	\$ 702,668	\$ 269,022
Interest	246,283	317,788	367,392	154,969
Changes of benefit terms	-	-	(5,686,341)	(132,278)
Actual vs expected experience	-	-	-	-
Changes of assumptions	(600,837)	(246,765)	122,413	411,978
Benefit payments	(112,940)	(140,806)	(173,409)	(102,862)
Net Change in Total OPEB Liability	320,066	646,884	(4,667,277)	600,829
Total OPEB Liability - Beginning	7,910,417	8,230,483	8,877,367	4,210,090
Total OPEB Liability - Ending	<u>\$ 8,230,483</u>	<u>\$ 8,877,367</u>	<u>\$ 4,210,090</u>	<u>\$ 4,810,919</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 8,912,229	\$ 9,106,161	\$ 9,749,455	\$ 6,494,101
Total OPEB liability as a percentage of covered-employee payroll	92.35%	97.49%	43.18%	74.08%

* The District implemented GASB 75 for the fiscal year June 30, 2018, therefore only seven years are shown.

<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
\$ 330,829	\$ 346,259	\$ 282,499
112,295	101,939	158,016
-	-	-
(522,110)	-	3,306
(157,641)	(467,071)	(47,444)
(121,004)	(160,258)	(185,791)
(357,631)	(179,131)	210,586
4,810,919	4,453,288	4,274,157
<u>\$ 4,453,288</u>	<u>\$ 4,274,157</u>	<u>\$ 4,484,743</u>
0.00%	0.00%	0.00%
\$ 6,375,881	\$ 6,580,948	\$ 6,586,288
69.85%	64.95%	68.09%

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Required Supplementary Information
District OPEB Plan
Note to District OPEB Plan
For the Year Ended June 30, 2024

NOTE 1: SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Change of Assumptions

The discount rate was updated based on municipal bond rate as of the measurement date.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
All Governmental Funds*
For the Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes and assessments	\$ 12,065,510	\$ 12,409,910	\$ 13,166,953	\$ 757,043
Development impact fees	30,000	30,000	286,337	256,337
Use of money and property	22,500	22,500	199,975	177,475
Intergovernmental	1,261,552	1,246,822	1,380,262	133,440
Charges for services	216,500	203,000	238,170	35,170
Other revenues	85,000	85,000	158,653	73,653
Total Revenues	<u>13,681,062</u>	<u>13,997,232</u>	<u>15,430,350</u>	<u>1,433,118</u>
EXPENDITURES				
Public Protection				
Salaries and benefits	10,298,960	10,298,960	9,656,568	642,392
Services and supplies	2,485,226	2,485,226	2,173,903	311,323
Debt service:				
Principal	-	530,000	684,038	(154,038)
Interest	-	301,047	300,662	385
Capital outlay	910,301	910,301	450,377	459,924
Total Expenditures	<u>13,694,487</u>	<u>14,525,534</u>	<u>13,265,548</u>	<u>1,259,986</u>
Excess of Revenues Over (Under) Expenditures	<u>(13,425)</u>	<u>(528,302)</u>	<u>2,164,802</u>	<u>2,693,104</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	12,694	12,694
Transfers out	-	-	(12,694)	(12,694)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(13,425)</u>	<u>(528,302)</u>	<u>2,164,802</u>	<u>2,693,104</u>
Fund Balances - Beginning	8,508,658	8,508,658	8,508,658	-
Prior period adjustment	-	-	(194,015)	(194,015)
Fund Balances - Beginning, Restated	<u>8,508,658</u>	<u>8,508,658</u>	<u>8,314,643</u>	<u>(194,015)</u>
Fund Balances - Ending	<u>\$ 8,495,233</u>	<u>\$ 7,980,356</u>	<u>\$ 10,479,445</u>	<u>\$ 2,499,089</u>

* The District prepares it's annual budget for all of their funds combined. For purposes of the budgetary comparison schedule the budget is presented for the combined total of all governmental funds of the District.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Required Supplementary Information
Note to Budgetary Comparison Schedule
For the Year Ended June 30, 2024

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The District presents a comparison of annual budget to actual results for all governmental funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The following procedures are performed by the District in establishing the budgetary data reflected in the financial statements:

- (1) The District Fire Chief submits to the board a recommended draft budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The Board reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, which is adopted, the amounts stated therein, as recommended expenditures become appropriations. The Board may amend the budget by motion during the fiscal year.

The District does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

OTHER REPORT AND SCHEDULES

- **Other Report**
- **Schedule of Findings and Recommendations**
- **Schedule of Prior Year Findings and Recommendations**
- **Management's Corrective Action Plan**

THIS PAGE INTENTIONALLY LEFT BLANK

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

To the Board of Directors
Stanislaus Consolidated Fire Protection District
Riverbank, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Stanislaus Consolidated Fire Protection District, California (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 March 3, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control that we consider to be a material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and recommendations as item 2024-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and recommendations as items 2024-002 through 2024-005 to be significant deficiencies.

To the Board of Directors
Stanislaus Consolidated Fire Protection District
Riverbank, California

Report on Compliance and Other Matters

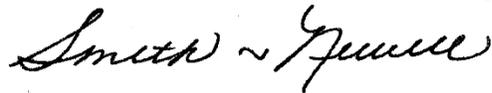
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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.

District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying management's corrective action plan. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.



Smith & Newell CPAs
Yuba City, California
March 3, 2025

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2024

2024-001 Prior Period Adjustment (Material Weakness)

Criteria

Generally Accepted Accounting Principles require that material errors in the prior year ending balances be corrected by a prior period adjustment to beginning net position.

Condition

During our audit we noted the District made material prior period adjustments to correct the checking account cash balance.

Cause

The District had not voided old outstanding deposits and checks.

Effect

Beginning net position and fund balance was misstated and required adjustment.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of prior year finding 2023-001.

Recommendation

We recommend that the District review the bank reconciliation and void old outstanding deposits and checks.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2024

2024-002 Deficiencies in Control Structure Design (Significant Deficiency)

Criteria

Good internal control requires that adequate controls be incorporated in the internal control structure.

Condition

There is an absence of appropriate segregation of duties consistent with control objectives as well as an absence of appropriate review and approval of transactions and accounting entries.

Cause

The District has limited staff.

Effect

The District's internal control procedures are weak in the area of segregation of duties.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of prior year finding 2023-002.

Recommendation

We recommend that the District have an appropriate review and approval process to post accounting entries.

View of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2024

2024-003 CalPERS Contribution Reconciliation (Significant Deficiency)

Criteria

Good internal control over pension liabilities require that accurate information be used to calculate the actuarially accrued liability at year-end.

Condition

At the time of our audit, a reconciliation of CalPERS contributions made during the 2023/2024 fiscal year was not available for review.

Cause

At the time of our audit, we noted that the District was not reconciling CalPERS contributions made by the District to the amounts reported by CalPERS.

Effect

We could not verify that the information used to calculate the pension liability at June 30, 2024 was materially correct.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is not a repeat finding.

Recommendation

We recommend that the District reconcile CalPERS contributions to the amounts reported by CalPERS on their website and adjust the general ledger accordingly.

View of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2024

2024-004 Reconciliation of Payroll Liabilities (Significant Deficiency)

Criteria

Government auditing standards require independent auditors to evaluate all adjusted and unadjusted misstatements of the financial statements. Also, producing timely audited financial statements is more difficult when adjustments are not recorded prior to the start of the annual audit.

Condition

At the time of our audit, we noted that the payroll liability accounts reported in the general ledger were not correct.

Cause

The District was not reconciling payroll liability accounts on a timely basis.

Effect

Payroll liabilities required an adjustment of \$104,135.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is not a repeat finding.

Recommendation

We recommend that the District reconcile payroll liability accounts timely and adjust the general ledger accordingly.

View of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2024

2024-005 Payroll Withholdings (Significant Deficiency)

Criteria

Good internal controls over payroll requires that employee payroll tax withholdings agree to the amount authorized on the employee-completed W-4 and/or DE-4.

Condition

During our walkthrough of payroll transactions, we noted that Form W-4 for one of the twelve employees could not be located by the District.

Cause

The District was not maintaining a complete employee file for one of the twelve employees tested.

Effect

We could not verify that federal and/or state income tax was being withheld correctly for one employee tested.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is not a repeat finding.

Recommendation

We recommend that the District review employee files to verify that all required information related to withholding status is maintained.

View of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT
Schedule of Prior Year Findings and Recommendations
For the Year Ended June 30, 2024

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendations</u>
2023-001	<p>Prior Period Adjustment</p> <p>Recommendation</p> <p>We recommend that the District review the financial records and ensure that all items are recorded correctly.</p> <p>Status</p> <p>Not implemented</p>
2023-002	<p>Deficiencies in Control Structure Design</p> <p>Recommendation</p> <p>We recommend that the District have an appropriate review and approval process to post accounting entries.</p> <p>Status</p> <p>Not implemented</p>

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT

Management's Corrective Action Plan

For the Year Ended June 30, 2024

Finding 2024-001 Prior Period Adjustment (Material Weakness)

We recommend that the District review the bank reconciliation and void old outstanding deposits and checks.

Management's Response: The District concurs with the finding.

Responsible Individual: Clinton Bray, Battalion Chief

Corrective Action Plan: During the audit process for FY 2022-23, the District performed a review of old and outstanding deposits and checks and voided them in the outdated QuickBooks financial system. The District intends to migrate to a new financial system in FY 2025-26.

Anticipated Completion Date: Partially implemented

Finding 2024-002 Deficiencies in Control Structure Design (Significant Deficiency)

We recommend that the District have an appropriate review and approval process to post accounting entries.

Management's Response: The District concurs with the finding.

Responsible Individual: Clinton Bray, Battalion Chief

Corrective Action Plan: The District continues to consider manners by which a better control structure related to segregation of duties for accounting systems can be implemented given limited staff. The District intends to migrate to a new financial system in FY 2025-26.

Anticipated Completion Date: In process

Finding 2024-003 CalPERS Contribution Reconciliation (Significant Deficiency)

We recommend that the District reconcile CalPERS contributions to the amounts reported by CalPERS on their website and adjust the general ledger accordingly.

Management's Response: The District concurs with the finding.

Responsible Individual: Clinton Bray, Battalion Chief

Corrective Action Plan: The District will review the process by which CalPERS contributions are posted and ultimately reconciled into the QuickBooks system. The District will review accounts to record CalPERS payments and assure different types of contributions (miscellaneous and safety) are properly recorded.

Anticipated Completion Date: In process

STANISLAUS CONSOLIDATED FIRE PROTECTION DISTRICT

Management's Corrective Action Plan

For the Year Ended June 30, 2024

Finding 2024-004 Reconciliation of Payroll Liabilities (Significant Deficiency)

We recommend that the District reconcile payroll liability accounts timely and adjust the general ledger accordingly.

Management's Response: The District concurs with the finding.

Responsible Individual: Clinton Bray, Battalion Chief

Corrective Action Plan: The District currently uses an outdated and inefficient QuickBooks as its financial system platform. Much of the data recorded for payroll liabilities is older and has not been reconciled and properly adjusted/corrected. The District will perform this reconciliation prior to the undertaking of the FY 2024-25 audit.

Anticipated Completion Date: In process

Finding 2024-005 Payroll Withholdings (Significant Deficiency)

We recommend that the District review employee files to verify that all required information related to withholding status is maintained.

Management's Response: The District concurs with the finding.

Responsible Individual: Clinton Bray, Battalion Chief

Corrective Action Plan: The District will perform a comprehensive review of employee data to assure payroll withholdings are correctly set up.

Anticipated Completion Date: In process