

WOODLAKE FIRE PROTECTION DISTRICT

ANNUAL FINANCIAL REPORTS

JUNE 30, 2024

WOODLAKE FIRE PROTECTION DISTRICT
ANNUAL FINANCIAL REPORTS

JUNE 30, 2024

Table of Contents

| | <u>Page</u> |
|---|-------------|
| Independent Auditor's Report | 1 |
| Basic Financial Statements | |
| Governmental Fund Balance Sheet and Statement of Net Position | 4 |
| Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position | 5 |
| Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance and Statement of Activities | 6 |
| Reconciliation of the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance and Statement of Activities | 7 |
| Notes to Financial Statements | 8 |
| Required Supplementary Information | |
| Schedule of Proportionate Share of Net Pension Liability and Related Ratios as of the Measurement Date | 23 |
| Schedule of Plan Contributions | 24 |
| Budgetary Comparison Schedule | 25 |
| Other Reports | |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 26 |



735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscca.net

Independent Auditor's Report

PARTNERS

Scott W. Manno, CPA, CGMA
Leena Shanhbag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA
Jacob Weatherbie, CPA, MSA
Bolim Han, CPA, MAcc
Anny Gonzalez, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

Board of Commissioners
Woodlake Fire Protection District
Woodlake, California

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that required supplementary 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

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

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
January 14, 2025

BASIC FINANCIAL STATEMENTS

**WOODLAKE FIRE PROTECTION DISTRICT
GOVERNMENTAL FUND BALANCE SHEET
AND STATEMENT OF NET POSITION
JUNE 30, 2024**

| | Balance Sheet | Adjustments | Statement of Net Position |
|--|---------------------|-------------------|------------------------------|
| ASSETS | | | |
| Cash and investments | \$ 1,090,003 | \$ - | \$ 1,090,003 |
| Due from other governments | 36,259 | - | 36,259 |
| Other receivables | 71,800 | - | 71,800 |
| Capital assets: | | | |
| Depreciable, net of accumulated depreciation | - | 899,162 | 899,162 |
| Total assets | 1,198,062 | 899,162 | 2,097,224 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred pensions | - | 168,220 | 168,220 |
| LIABILITIES | | | |
| Accounts payable | 46,377 | - | 46,377 |
| Compensated absences | 3,418 | 29,870 | 33,288 |
| Net pension liability | - | 288,238 | 288,238 |
| Total liabilities | 49,795 | 318,108 | 367,903 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenues | 99,263 | (99,263) | - |
| Deferred pensions | - | 15,141 | 15,141 |
| Total deferred inflows of resources | 99,263 | (84,122) | 15,141 |
| FUND BALANCE/NET POSITION: | | | |
| Fund balance: | | | |
| Assigned | 660,015 | (660,015) | - |
| Unassigned | 388,989 | (388,989) | - |
| Net position: | | | |
| Net investment in capital assets | - | 899,162 | 899,162 |
| Unrestricted | - | 983,238 | 983,238 |
| Total fund balance/net position | \$ 1,049,004 | \$ 833,396 | \$ 1,882,400 |

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

**WOODLAKE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

| | | |
|--|------------------|----------------------------|
| Total fund balances-governmental funds | | \$ 1,049,004 |
| <p>Amounts reported for <i>governmental activities</i> in the statement of net position are different because:</p> | | |
| <p>Long-term receivables in governmental activities that are not collected soon enough after year end to be used to pay liabilities of current period (usually 60 days) are not reported as assets in the governmental fund. However, all receivables are reported in the statement of net position.</p> | | 28,033 |
| <p>Unavailable revenues are not available to pay for current expenditures, therefore, are deferred in the governmental funds but are recognized as revenues in the statement of activities.</p> | | 71,230 |
| <p>Capital assets used in governmental activities are not current financial resources, and therefore are not reported in the funds:</p> | | |
| Capital assets | \$ 1,713,868 | |
| Accumulated depreciation | <u>(814,706)</u> | |
| Net capital assets | | 899,162 |
| <p>Deferred inflows of resources and deferred outflows of resources:</p> | | |
| <p>Deferred outflows of resources are not current assets of financial resources; and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds:</p> | | |
| Deferred pension outflows of resources | | 168,220 |
| Deferred pension inflows of resources | | (15,141) |
| <p>Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the governmental fund balance sheet:</p> | | |
| Compensated absences | | (29,870) |
| Net pension liability | | <u>(288,238)</u> |
| Net position of governmental activities | | <u><u>\$ 1,882,400</u></u> |

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

**WOODLAKE FIRE PROTECTION DISTRICT
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

| | Governmental Fund Revenues, Expenditures and Changes in Fund Balance | Adjustments | Statement of Activities |
|--|--|-------------------|----------------------------|
| REVENUES | | | |
| Property taxes | \$ 185,936 | \$ - | \$ 185,936 |
| Other property assessments | 374,215 | - | 374,215 |
| Intergovernmental revenues | 50,451 | 28,033 | 78,484 |
| Interest | 20,790 | - | 20,790 |
| Other | 109,125 | 71,230 | 180,355 |
| | <u>740,517</u> | <u>99,263</u> | <u>839,780</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Salaries and employee benefits | 499,824 | 27,543 | 527,367 |
| Telephone | 8,267 | - | 8,267 |
| Office supplies and postage | 3,722 | - | 3,722 |
| Repairs and maintenance fire station | 21,820 | - | 21,820 |
| Repairs and maintenance, vehicles and equipment | 30,518 | - | 30,518 |
| Fuel and oil | 15,734 | - | 15,734 |
| Medical supplies/fire gear | 11,276 | - | 11,276 |
| Utilities | 10,775 | - | 10,775 |
| Contractual services, county dispatch fees | 4,788 | - | 4,788 |
| Insurance | 18,386 | - | 18,386 |
| Professional services | 11,654 | - | 11,654 |
| Training, travel, conferences and meetings | 5,396 | - | 5,396 |
| Special department expenditures | 5,473 | - | 5,473 |
| Depreciation | - | 101,645 | 101,645 |
| Fire prevention | 9,748 | - | 9,748 |
| Volunteers-stipend | 30,600 | - | 30,600 |
| Assets abandoned | - | 137,200 | 137,200 |
| Capital outlay | 23,914 | (40,639) | (16,725) |
| | <u>711,895</u> | <u>225,749</u> | <u>937,644</u> |
| Change in fund balance/net position | 28,622 | (126,486) | (97,864) |
| Fund balance/net position | | | |
| Beginning of the year | <u>1,020,382</u> | <u>959,882</u> | <u>1,980,264</u> |
| End of the year | <u>\$ 1,049,004</u> | <u>\$ 833,396</u> | <u>\$ 1,882,400</u> |

The accompanying notes are an integral part of this financial statement.

**WOODLAKE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES ON FUND BALANCE OF GOVERNMENTAL
FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Net changes in fund balances - total governmental funds \$ 28,622

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

Revenue is recorded in the governmental funds as it is collected but is reported when earned in the statement of activities.

| | |
|--------------------------|--------|
| Out of county revenues | 28,033 |
| Lease receivable GASB 87 | 71,230 |

Governmental activities report capital outlay in the governmental funds statement as expenditures in the period they are incurred. However, in the statement of activity the costs of those assets are not expensed in the period of expenditure but are included with the assets of the District as a whole and depreciated over their estimated useful lives.

| | |
|----------------------------------|-----------|
| Recategorized capital assets | (137,200) |
| Capitalized in 2023-24 | 40,639 |
| Depreciation expense for 2023-24 | (101,645) |

| | |
|--|-------|
| Compensated absences 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 fund. | 4,022 |
|--|-------|

| | |
|---|-----------------|
| Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB Statement No. 68. | <u>(31,565)</u> |
|---|-----------------|

| | |
|---|---------------------------|
| Change in net position of governmental activities | <u><u>\$ (97,864)</u></u> |
|---|---------------------------|

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2024

Note 1: **Summary of Significant Accounting Policies**

The Governmental Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the principles are described below.

A. Organization

Woodlake Fire Protection District (the District) was formed February 11, 1924, to provide fire protection and related services to the City of Woodlake and surrounding areas.

B. Reporting Entity

The District's basic financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these basic financial statements. The criteria for including organizations as component units within the District's reporting entity include whether:

- The organization is legally separate (can sue and be sued in its name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is fiscal dependency by the organization on the District
- Exclusion of the organization would render the financial statements incomplete or misleading

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB statements.

C. Government-wide and fund financial statements

The accounts of the District are organized on the basis of fund accounting. Under fund accounting, different types of District operations are accounted for in different funds, each with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures as appropriate. Resources are allocated to and accounted for in individual funds, based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Since the District does not have any financial resources that are required to be accounted for in other funds, it utilizes only a "General Fund" for its operations.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible soon enough thereafter to be used to pay liabilities of the current period (within 60 days).

Expenditures are generally recognized when the related fund liability is incurred, except that principal and interest on general long-term debt is recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are the only activities conducted by the District. The District conducts no *business-type* activities.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2024

Note 1: **Summary of Significant Accounting Policies** (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The District has no proprietary funds.

D. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual include sales taxes, intergovernmental revenues, interest and charges for services.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the District may fund certain programs and projects with a combination of cost reimbursement grants and general revenues. Thus, both restricted and unrestricted net position may be available to finance program and project expenditures.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods or services, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Certain indirect costs are included in program and project expenses reported for individual functions and activities.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2024

Note 1: **Summary of Significant Accounting Policies** (continued)

E. Major funds

GASB Statement 34 defines major funds and requires that the District's major governmental funds be identified and presented separately in the fund financial statements. The District currently has no non-major funds.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures equal to ten percent of their fund-type total and five percent of the grand total. The general fund is always a major fund. The District may also select other funds it believes should be presented as major funds.

The District reports the following major governmental funds:

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

F. Cash

The District holds its cash in the County of Tulare's and the City of Woodlake's treasuries. The County and City maintain cash and investment pools. Each fund type's portion of these pools is displayed on the combined balance sheet as "cash." Cash in excess of current requirements is invested in various interest bearing securities. Interest is apportioned quarterly to the various funds, based on the average monthly balance. Information, regarding categorization of investments, can be found in the County of Tulare's and City of Woodlake's financial statements.

G. Capital Assets

Capital assets, which include equipment, are reported in the governmental activities column of the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years.

As the District acquires additional capital assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts essentially spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimates. In the case of donations, capital assets are valued at their acquisition value at the date of the donation.

Capital assets of the District are depreciated using the straight-line method and the estimated useful life of equipment is 3 – 40 years.

H. Receivables and Payables

Activity between funds that represents current portion of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds." Grant revenues are recorded as "due from other governments" when all eligibility requirements have been met. The corresponding governmental revenues are recorded when they become available, with the differences recorded in deferred revenue.

I. Use of Management Estimates

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

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2024

Note 1: **Summary of Significant Accounting Policies** (continued)

J. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability of the District. Employees do not gain a vested right to accumulated sick leave; therefore, accumulated sick leave benefits are not recognized as liabilities of the District, but are recorded as expenditures in the year the sick leave is taken.

K. Net Position/Fund Balance

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

Net investment in capital assets – This category groups all capital assets into one component of net position. Accumulated depreciation reduces the balance in this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions of enabling legislation.

Unrestricted net position – This category represents net position of the District, not restricted for any project or other purpose.

When expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District's policy is to apply restricted net assets first.

The fund financial statements utilize a fund balance presentation. Fund balances are categorized as nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable – to reflect amounts that cannot be spent because they are (1) not in spendable form, such as prepaid items, inventories, and long-term receivables for which the payment of proceeds are not restricted or committed with respect to the nature of the specific expenditures of that fund, or (2) legally or contractually required to remain intact.

Restricted – to reflect amounts that are restricted by external parties such as creditors or imposed by grants, laws, or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed – to reflect amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action by the entity's "highest level of decision-making authority," which the District considers to be the District Board. As of June 30, 2017, the District had no committed fund balance.

Assigned – to reflect amounts that have been allocated by action of the District Board in which the District's intent is to use the funds for a specific purpose.

Unassigned – to reflect amounts that constitute the residual balances that have no restrictions placed on them.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (continued)

The District does not have a policy on the order of spending of unrestricted amounts when an expenditure is incurred for which amounts in any of the unrestricted fund balance classifications could be used. Therefore, by default under GASB Statement No. 54, the District uses committed resources first, then assigned resources, and unassigned resources last as they are needed.

L. Stewardship (Budget)

Budgetary Information

The District operates under a budget prepared and approved annually by the Board of Commissioners. The budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by use (salaries and employee benefits, services and supplies, other charges, fixed asset acquisitions and contingencies). Once approved, the Board of Commissioners may amend the adopted budget when unexpected modifications are required in estimated revenues and expenditures.

Excess Expenditures over Appropriations

For this fiscal year ended, the expenditures exceeded appropriations by \$120,800. The major factors of this were wages for out of county fires which resulted in an overage of \$76,134, vehicle and equipment maintenance, which resulted in an overage of amount of \$21,518, increased fire prevention costs of \$8,248, increased insurance costs of \$5,386 and fuel and oil of \$5,734. The board approved capital expenditures after the original budget was adopted. A fire truck was purchased with reserves and the remodel of the ambulance building was purchased with a grant and district match.

Excess Revenues over Budget Projections

Out-of-county fire activity, grant revenues and property taxes collected were the major contributors that resulted in an overage of \$173,336 in original budgeted revenues for the current period.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. These taxes are levied from July 1 through June 30. Taxes are payable in two installments on November 1 and February 1 and are collected December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Tulare bills and collects the taxes for the District.

M. Pension Plan

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

GASB 68 requires that the reported results must pertain to liability and asset information within certified defined timeframes. For this report, the following timeframes are used.

| | |
|-------------------------|-------------------------------|
| Valuation Date (VD) | June 30, 2022 |
| Measurement Date (MD) | June 30, 2023 |
| Measurement Period (MP) | July 1, 2022 to June 30, 2023 |

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2024

Note 2: **Cash**

Cash and cash investments as of June 30, 2024, were as follows:

| | |
|-----------------------------------|----------------------------|
| Cash in County of Tulare Treasury | \$ 424,422 |
| Cash in City of Woodlake Treasury | 665,581 |
| Total cash and cash investments | <u><u>\$ 1,090,003</u></u> |

Restricted and unrestricted cash and cash investments:

| | |
|---------------------------------|----------------------------|
| Unrestricted | \$ 1,090,003 |
| Restricted | - |
| Total cash and cash investments | <u><u>\$ 1,090,003</u></u> |

Statutes authorize districts to invest cash in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit, bankers' acceptances, repurchase agreements, insured money market accounts, commercial paper, county investment pools and the State Treasurer's Local Agency Investment Fund. The District currently follows the City of Woodlake's investment policy.

Cash of the District, deposited with the City of Woodlake Treasury, is invested in savings accounts and short-term investments by the City Finance Director, under their cash management programs. Interest income is allocated to the District by the City of Woodlake (the District's fiscal agents), based on its average daily cash balances.

The District's cash in City of Woodlake Treasury and cash in County Treasury are not subject to credit risk categorization and are carried at cost, which approximates fair value. All pooled funds are regulated by the California Government Code.

Fair Value Measurement

The District does not have any investments subject to the fair value standards.

Note 3: **Capital Assets**

A summary of changes in the capital assets follows:

| | Balance July 1, 2023 | Additions | Retirements | Balance June 30, 2024 |
|-----------------------------|----------------------------|---------------------------|--------------------------|--------------------------|
| Equipment | \$ 1,810,429 | \$ 40,639 | \$ 137,200 | \$ 1,713,868 |
| Accumulated Depreciation | <u>(713,061)</u> | <u>(101,645)</u> | <u>-</u> | <u>(814,706)</u> |
| Net book value | <u><u>\$ 1,097,368</u></u> | <u><u>\$ (61,006)</u></u> | <u><u>\$ 137,200</u></u> | <u><u>\$ 899,162</u></u> |

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2024

Note 4: **Employee Retirement System**

A. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (fire). Plan assets may be used to pay benefits for any employer rate plan of the safety pool. Accordingly, rate plans within the safety pool are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the safety risk pool. The District participates in two rate plans. Benefit provisions under the Plan are established by State statute and the 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, at www.calpers.ca.gov.

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

The Plan operates under the provisions of the California Public Employees’ Retirement Law (PERL), the California Public Employees’ Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan’s authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature, and in some cases require approval by the CalPERS Board.

The Plans’ provisions and benefits in effect at June 30, 2024, are summarized as follows:

| | Safety | |
|---|---|--|
| | <u>Hired prior to January 1, 2013</u> | <u>Hired on or after January 1, 2013</u> |
| Hire date | | |
| Benefit formula | 2% @ 55 | 2% @ 57 |
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age (eligible at age 50) | 50 | 57 |
| Monthly benefits, as a % of eligible compensation | 2.0% | 2.0% |
| Required employee contribution rates | 7% | 11.00% |
| Required employer contribution rates | 16.45% + \$17,792 | 10.85% + \$0 |

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2024

Note 4: **Employee Retirement System** (continued)

Contributions - Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by the Safety risk pool, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Employer contributions to the Plan for the fiscal year ended June 30, 2024, were \$54,549. The actual employer payments of \$53,396 made to CalPERS by the District during the measurement period ended June 30, 2023, differed from the District's proportionate share of the employer's contributions of \$44,824 by \$8,572, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

B. Net Pension Liability

The District's net pension liability for Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

| | |
|----------------------------------|--|
| Valuation Date | June 30, 2022 |
| Measurement Date | June 30, 2023 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Asset valuation method | Fair Value of Assets |
| Actuarial Assumptions: | |
| Discount Rate | 6.90% |
| Inflation | 2.30% |
| Salary increases | Varies by Entry Age and Service |
| Mortality rate table (1) | Derived using CalPERS' membership data for all funds |
| Post Retirement Benefit Increase | The lesser of contract COLA up to 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter. |

(1) The mortality rate table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the *2021 CalPERS Experience Study and Review of Actuarial Assumptions*. Mortality rates incorporate full generational mortality improvement improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2024

Note 4: **Employee Retirement System** (continued)

All other actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period 2000 to 2019, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at the CalPERS website at www.calpers.ca.gov.

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compounding (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

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

| Asset Class ¹ | Assumed asset allocation | Real return ^{1,2} |
|----------------------------------|-----------------------------|----------------------------|
| Global Equity - Cap-weighted | 30.0% | 4.54% |
| Global Equity - Non-Cap-weighted | 12.0% | 3.84% |
| Public 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% |
| | <u>100.0%</u> | |

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

Change in Assumption

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. 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, combined with risk estimates, and 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. In addition, demographics assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2024

Note 4: **Employee Retirement System** (continued)

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.9%. 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.

Pension Plan Fiduciary Net Position

Information about the pension plans' assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are reported at fair value.

C. Proportionate Share of Net Pension Liability

The following table shows the Plans' proportionate share of the net pension liability over the measurement period:

| | Increase (decrease) | | |
|-----------------------------|---------------------------------|--------------------------------|-------------------------------|
| | Plan Total Pension Liability | Plan Fiduciary Net Position | Plan Net Pension Liability |
| | (a) | (b) | (c) = (a) - (b) |
| Balance at: 6/30/2022 (VD*) | \$ 1,288,692 | \$ 1,041,141 | \$ 247,551 |
| Balance at: 6/30/2023 (MD*) | 1,413,062 | 1,124,824 | 288,238 |
| Net changes during 2022-23 | \$ 124,370 | \$ 83,683 | \$ 40,687 |

*Valuation Date (VD), Measurement Date (MD)

The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The District's proportionate share of the net pension liability for the total as of the June 30, 2022 and 2023 measurement dates was as follows:

| | Safety |
|------------------------------|----------|
| Proportion - June 30, 2022 | 0.00360% |
| Proportion - June 30, 2023 | 0.00386% |
| Change - increase/(decrease) | 0.00026% |

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2024

Note 4: **Employee Retirement System** (continued)

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

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

| | Discount rate -1% 5.90% | Current discount rate 6.90% | Discount rate +1% 7.90% |
|---|----------------------------|--------------------------------|----------------------------|
| Employer's Net Pension Liability - Safety | \$ 482,085 | \$ 288,238 | \$ 129,754 |

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

| | |
|--|--|
| Difference between projected and actual earnings on pension plan investments | 5-year straight-line amortization |
| All other amounts | Straight-line amortization over the average expected remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period |

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2023, is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2024

Note 4: **Employee Retirement System** (continued)

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

As of the start of the measurement period (July 1, 2022), the net pension liability for the plan was \$247,551. For the measurement period ending June 30, 2023 (the measurement date), the District incurred a pension expense of \$86,113.

At June 30, 2024, the District has deferred outflows of resources and deferred inflows of resources related to pensions as follows:

| | Deferred outflows of resources | Deferred inflows of resources |
|--|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date | \$ 54,549 | \$ - |
| Change in assumptions | 16,822 | - |
| Differences between actual contributions and proportionate share of employer contributions | 6,316 | 13,329 |
| Differences between actual and expected experience | 21,162 | 1,812 |
| Net differences between projected & actual earnings on pension plan investments | 39,445 | - |
| Change in proportion | 29,926 | - |
| Total | \$ 168,220 | \$ 15,141 |

The amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense. Contributions subsequent to the measurement date of \$54,549 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

| Fiscal Year Ending June 30: | Deferred Outflows/(Inflows) of Resources |
|--------------------------------|--|
| 2025 | \$ 37,308 |
| 2026 | 24,430 |
| 2027 | 35,692 |
| 2028 | 1,101 |
| 2029 | - |
| Thereafter | - |
| | \$ 98,531 |

E. Payable to the Pension Plan

At June 30, 2024, the District reports a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year then ended.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2024

Note 5: **Commitments and Contingencies**

Tulare County Fire Department Agreement

Effective July 1, 2024, the District and the County of Tulare for emergency dispatching and communications for the District responders. The current “per call” charge will be thirty-two dollars and seventy-seven cents (\$32.77). The rate per call shall be reviewed annually by the County. Any rate adjustment, as indicated on that review, shall be applied to the current service period beginning the 1st day of the following month. Notice of any rate changes shall be made by the County to the District in writing at the time of the change. This agreement shall terminate on June 30, 2025, provided, however, such agreement shall automatically be extended for one or more consecutive terms of one year each, upon the same terms and conditions, which are applicable to the original term of the agreement. Either party shall have the right to terminate this agreement without cause upon ninety days prior written notice to the other party.

Lease of Building

Effective July 1, 2023, the District entered into a month-to-month lease agreement to rent a building to a local entity. The terms of the lease are monthly rent of \$1,500 and the lease term is five years. Rent will increase by \$50 per month annually starting two years after the effective date.

Note 6: **Subsequent Events**

Subsequent events have been evaluated through January 14, 2025, the date these financial statements have been made available to be issued. There were no subsequent events identified by management which would require disclosure in the financial statements.

Note 7: **Governmental Accounting Standards Board Statements Issued**

GASB Statement No. 99 – Omnibus 2022: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during the implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. There was little impact on the current year financial statements due to the implementation of this standard.

GASB Statement No. 100 – Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62: The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. There was little impact on the current year financial statements due to the implementation of this standard.

GASB Statement No. 101 – Compensated Absences: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurements guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2024

Note 7: **Governmental Accounting Standards Board Statements Issued** (continued)

GASB Statement No. 102 – Certain Risk Disclosure: This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by a formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 103 – Financial Reporting Model Improvements: The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 104 – Disclosure of Certain Capital Assets: State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Schedule of District's Proportionate Share of Net Pension Liabilities as Related Ratios

- A ratio of the District's share of plan net position divided by the total pension liability, the payroll amount for employees in the plan (covered-employee payroll), and a ratio of the District's share of net pension liability divided by covered-employee payroll

SCHEDULE OF CONTRIBUTIONS

- If an agent employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the agent employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

WOODLAKE FIRE PROTECTION DISTRICT
FOR THE YEAR ENDED JUNE 30, 2024
**Schedule of the Proportionate Share of the Net Pension Liability and
Related Ratios as of the Measurement Date
Last 10 Years**

| Measurement Date | Employer's Proportion of the Collective Net Pension Liability ¹ | Employer's Proportionate Share of the Collective Net Pension Liability | Covered Payroll | Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Employer's Covered Payroll | Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability |
|------------------|---|--|-----------------|---|---|
| 6/30/2014 | 0.0016% | \$ 100,879 | \$ 125,622 | 80.30% | 81.902% |
| 6/30/2015 | 0.0012% | 81,561 | 129,129 | 63.16% | 86.544% |
| 6/30/2016 | 0.0014% | 121,641 | 121,397 | 100.20% | 80.441% |
| 6/30/2017 | 0.0015% | 144,686 | 153,961 | 93.98% | 79.327% |
| 6/30/2018 | 0.0015% | 146,325 | 187,862 | 77.89% | 81.970% |
| 6/30/2019 | 0.0016% | 165,257 | 222,978 | 74.11% | 82.722% |
| 6/30/2020 | 0.0018% | 194,574 | 243,626 | 79.87% | 80.804% |
| 6/30/2021 | 0.0016% | 73,516 | 360,300 | 20.40% | 93.159% |
| 6/30/2022 | 0.0021% | 247,551 | 334,974 | 73.90% | 80.791% |
| 6/30/2023 | 0.0036% | 288,238 | 300,614 | 95.88% | 79.602% |

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes Safety Risk Pools excluding the 1959 Survivors Risk Pool.

WOODLAKE FIRE PROTECTION DISTRICT
FOR THE YEAR ENDED JUNE 30, 2024
Schedule of Plan Contributions
Last 10 Years

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|---|--|--|-----------------|--|
| 6/30/2015 | \$ 30 | \$ (30) | - | \$ 129,129 | 0.02% |
| 6/30/2016 | 30,767 | (30,767) | - | 121,397 | 25.34% |
| 6/30/2017 | 40,583 | (40,583) | - | 153,961 | 26.36% |
| 6/30/2018 | 26,154 | (26,154) | - | 187,862 | 13.92% |
| 6/30/2019 | 35,128 | (35,128) | - | 222,978 | 15.75% |
| 6/30/2020 | 36,767 | (36,767) | - | 243,626 | 15.09% |
| 6/30/2021 | 42,283 | (42,283) | - | 360,300 | 11.74% |
| 6/30/2022 | 45,063 | (45,063) | - | 334,974 | 13.45% |
| 6/30/2023 | 53,396 | (53,396) | - | 300,614 | 17.76% |
| 6/30/2024 | 54,549 | (54,549) | - | 264,853 | 20.60% |

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. 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, combined with risk estimates, and 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. In addition, demographics assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes in 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains and losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

**WOODLAKE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ORIGINAL, FINAL AND ACTUAL - REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

| | Budgeted Amounts | | Actual Amounts | Variance |
|--|------------------|--------------------|---------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| REVENUES | | | | |
| Property taxes | \$ 100,000 | \$ 100,000 | \$ 185,936 | \$ 85,936 |
| Other property assessments | 382,181 | 382,181 | 374,215 | (7,966) |
| Intergovernmental revenues | - | - | 50,451 | 50,451 |
| Interest | 7,000 | 7,000 | 20,790 | 13,790 |
| Other | 78,000 | 78,000 | 109,125 | 31,125 |
| | <u>567,181</u> | <u>567,181</u> | <u>740,517</u> | <u>173,336</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries and employee benefits | 463,690 | 423,690 | 499,824 | (76,134) |
| Telephone | 4,000 | 4,000 | 8,267 | (4,267) |
| Office supplies and postage | 2,400 | 2,400 | 3,722 | (1,322) |
| Repairs and maintenance, fire station | 5,000 | 5,000 | 21,820 | (16,820) |
| Repairs and maintenance, vehicles and equipment | 9,000 | 9,000 | 30,518 | (21,518) |
| Fuel and oil | 10,000 | 10,000 | 15,734 | (5,734) |
| Medical supplies fire gear | 7,291 | 7,291 | 11,276 | (3,985) |
| Utilities | 8,000 | 8,000 | 10,775 | (2,775) |
| Contractual services, county dispatch fees | 22,500 | 22,500 | 4,788 | 17,712 |
| Insurance | 13,000 | 13,000 | 18,386 | (5,386) |
| Professional services | 11,000 | 11,000 | 11,654 | (654) |
| Training, travel, conferences and meetings | 4,500 | 4,500 | 5,396 | (896) |
| Special department expenditures | 5,300 | 5,300 | 5,473 | (173) |
| Fire prevention | 1,500 | 1,500 | 9,748 | (8,248) |
| Volunteer stipend | - | 40,000 | 30,600 | 9,400 |
| Capital outlay | - | 23,914 | 23,914 | - |
| | <u>567,181</u> | <u>591,095</u> | <u>711,895</u> | <u>(120,800)</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ (23,914)</u> | 28,622 | <u>\$ 52,536</u> |
| Fund Balance, Beginning | | | <u>1,020,382</u> | |
| Fund Balance, End | | | <u>\$ 1,049,004</u> | |



735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

**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**

Independent Auditor's Report

PARTNERS

Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

Board of Commissioners
Woodlake Fire Protection District
Woodlake, California

We have audited, 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, the financial statements of the Woodlake Fire Protection District (the District), Woodlake, California, 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 January 14, 2025.

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA
Jacob Weatherbie, CPA, MSA
Bolim Han, CPA, MAcc
Anny Gonzalez, CPA

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.

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

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

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



Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
January 14, 2025