

Ben Lomond Fire Protection District

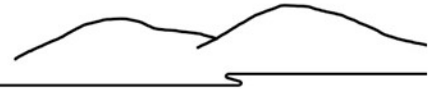
FINANCIAL STATEMENTS

AUDIT REPORT

June 30, 2022

and

June 30, 2023



Ben Lomond Fire Protection District

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of Ben Lomond Fire Protection District as of and for the year-ended June 30, 2022 and June 30, 2023, as listed in the Table of Contents. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ben Lomond Fire Protection District as of June 30, 2022 and June 30, 2023, and the respective changes in financial position, and cash flows where applicable for the years then ended, in conformity 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). 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.

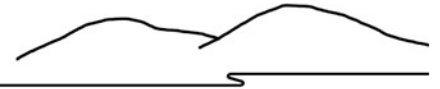
Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of these 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 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, 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.

Other Matters

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis information and Budget VS. Actual comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with managements 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 assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide an assurance.

PNPCPA

Ben Lomond Fire Protection District

**Audit Report
June 30, 2022
and
June 30, 2023**

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Ben Lomond Fire Protection District

Management's Discussion and Analysis for Fiscal Years Ended June 30, 2022 and June 30, 2023

As management of the Ben Lomond Fire Protection District ("the District"), our discussion and analysis of the financial performance of the District offers readers of these financial statements an overview of the District's financial activities for the year ended June 30, 2022 and June 30, 2023, based on currently known facts, decisions, or conditions, as well as a comparative analysis of changes in the District's financial position between FY 2021-2022 and FY 2022-2023. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

Financial Highlights

- The assets of the District exceeded its liabilities by \$4,307,242 (net position) at the close of fiscal June 30, 2022. Unrestricted net position, which is normally used to meet the District's ongoing obligations to its creditors, was \$1,433,245 at June 30, 2022.
- The assets of the District exceeded its liabilities by \$4,773,196 (net position) at the close of fiscal June 30, 2023. Unrestricted net position, which is normally used to meet the District's ongoing obligations to its creditors, was \$1,569,769 at June 30, 2023.
- The District's total net position increased by \$477,452 and 465,954 for 2022 and 2023 respectively.

Using This Annual Report - Overview of the Financial Statements

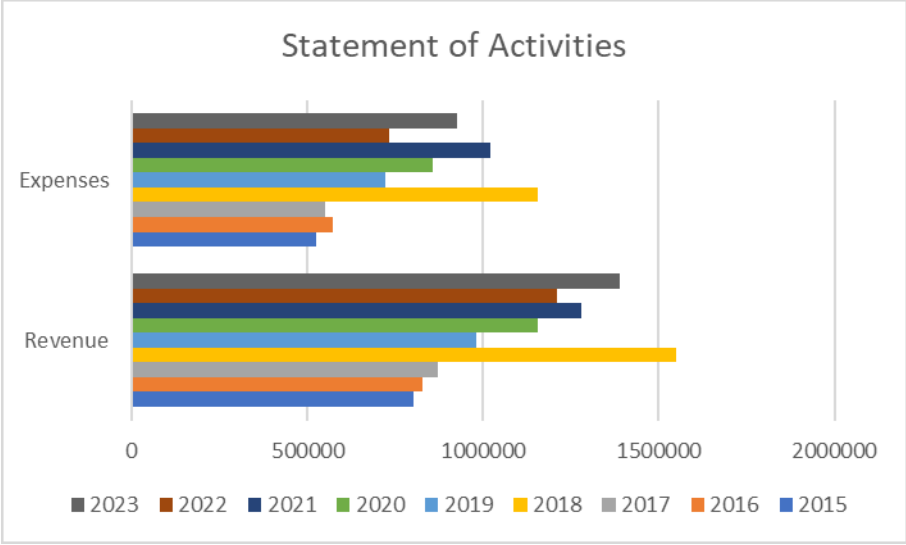
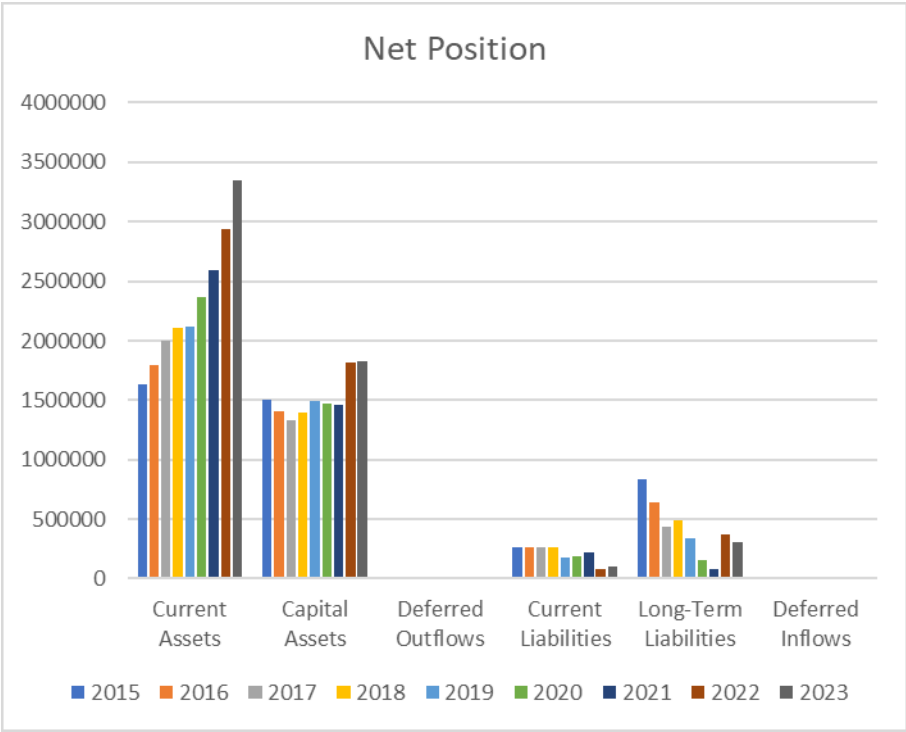
This report consists of several basic financial statements. The Statement of Net Position and the Statement of Activities provide information about the financial activities of the District and present a longer-term view of the District's finances. These statements provide information about the financial activities of the District in a manner similar to private sector companies.

Financial statement notes are an important part of the basic financial statements. They provide the readers additional information required by Generally Accepted Accounting Principles.

Government-wide Financial Statements

The financial provide readers with a broad overview of the District as a whole and about its activities for the current period. They include all assets and liabilities using the accrual basis of accounting. In this method, all the current year's revenues and expenses are considered regardless of when cash is paid or received.

The Statement of Net Position represents the difference between all the District's assets and liabilities and the Statement of Activities reports the changes in net position during the fiscal year. Examining net position is an effective way to measure the District's financial health or position. Increases and decreases in net position is a good indicator of whether the District's financial position is improving or deteriorating



Budget vs Actual

The Statement of Revenues, Expenses and Changes in Fund Net Position Budget and Actual shows a comparison. The budget is based on anticipated cash flows.

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2022-2023, the District had \$3,424,101 invested in a range of capital assets, including land, structures, vehicles and equipment.

Economic Factors and Next Year's Budget

The goal for FY 2023-24 is to continue providing for the safety of the community, safety of District employees and being good stewards of District assets. The FY 2022-2023 budgets reflect such by projecting continued expenditures in personal protective equipment, training, and maintenance of facilities, equipment and vehicles.

Although the District experienced financial growth, the District needs to be aware of external factors that affect the largest cost; wages and benefits. There also is the continuing need to replace vehicles, equipment, and major maintenance projects. The long-term effect of these concerns is routinely reviewed and analyzed when preparing extended projections. The board and staff members use the projections as a basis to gain efficiencies on a number of different levels.

Other Fiscal Matters

As always, the District actively pursues as many sources of funding as are available to us (including grants) to ensure that during these challenging economic times our level of service to the public remains at the high level we have all come to expect.

Requests for Information

This financial report is designed to provide a general overview of the Ben Lomond Fire Protection District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the General Manager, Ben Lomond Fire Protection District, 9430 Highway 9, PO Box, 27, Ben Lomond, CA 95005

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GOVERNMENT FUNDS FINANCIAL STATEMENTS

Ben Lomond Fire Protection District

**Balance Sheet
June 30, 2022
and
June 30, 2023**

	<u>2022</u>	<u>2023</u>
<u>ASSETS</u>		
<u>Assets:</u>		
Cash	\$ 2,941,520	\$ 3,345,050
Prepays	-	-
Accounts Receivable	-	-
	<u>2,941,520</u>	<u>3,345,050</u>
TOTAL ASSETS	2,941,520	3,345,050
 <u>LIABILITIES & FUND BALANCES</u>		
<u>Liabilities:</u>		
Accounts Payable	9,098	4,614
Accrued Payroll	54,194	76,451
	<u>63,292</u>	<u>81,065</u>
TOTAL LIABILITIES	63,292	81,065
 <u>Fund Balances:</u>		
Unassigned	1,433,245	1,569,769
Committed		
Building Improvement	158,000	158,000
Mobile Equipment	648,680	897,913
Workers Comp	412,064	412,064
Contingencies	69,239	69,239
Clothing	157,000	157,000
	<u>2,878,228</u>	<u>3,263,985</u>
Total Fund Balance	2,878,228	3,263,985
 <u>TOTAL LIABILITIES & FUND BALANCE</u>	 <u>\$ 2,941,520</u>	 <u>\$ 3,345,050</u>

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

Ben Lomond Fire Protection District

**Statement of Revenues, Expenditures & Change in Fund Balance
For the Year Ended
June 30, 2022
and
June 30, 2023**

	2022	2023
<u>REVENUE</u>	<u>General Fund</u>	<u>General Fund</u>
Tax Revenue	\$ 1,023,624	\$ 1,101,566
Other Government Agencies	-	-
Interest & Investment Earnings	12,292	55,159
License, Permits & Rents	50,376	51,887
Charges for Service	41,851	68,161
Grants & Contributions	-	-
Miscellaneous	28,439	13,885
TOTAL REVENUE	1,156,582	1,290,658
<u>EXPENDITURES</u>		
Capital Assets	451,417	70,412
Debt Service:		
Principle	77,225	69,271
Interest	2,274	14,247
Salaries and Employee Benefits	290,767	410,446
Professional Fees	27,748	15,274
Repairs and Maintenance	58,607	116,243
Insurance	39,896	41,028
Other Government Agencies	-	-
Services, Supplies and Refunds	177,827	167,980
TOTAL EXPENDITURES	1,125,761	904,901
Excess (Deficit) Revenues over Expenditures	30,821	385,757
Other Financing Sources	373,546	-
<u>CHANGE IN FUND BALANCE</u>	404,367	385,757
<u>FUND BALANCE, BEGINNING OF YEAR</u>	2,473,861	2,878,228
<u>FUND BALANCE, END OF YEAR</u>	\$ 2,878,228	\$ 3,263,985

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Ben Lomond Fire Protection District

Statement of Net Position

June 30, 2022

and

June 30, 2023

<u>ASSETS</u>	<u>2022</u>	<u>2023</u>
<u>Current Assets:</u>		
Cash	\$ 2,941,520	\$ 3,345,050
Accounts Receivable	-	-
Deposits & Prepaid Expenses	-	-
Total Current Assets	<u>2,941,520</u>	<u>3,345,050</u>
<u>Capital Assets:</u>		
Land	521,432	521,432
Buildings & Improvements	545,442	545,442
Firefighting Equipment	2,217,109	2,357,227
Construction in Progress	-	-
Less: Accumulated Depreciation	<u>(1,464,563)</u>	<u>(1,591,914)</u>
Total Capital Assets	<u>1,819,420</u>	<u>1,832,187</u>
TOTAL ASSETS	<u>4,760,940</u>	<u>5,177,237</u>
<u>DEFERRED OUTFLOW</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED OUTFLOW	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>4,760,940</u>	<u>5,177,237</u>
<u>LIABILITIES</u>		
<u>Current Liabilities:</u>		
Accrued Interest	-	-
Current Portion of Long-Term Debt	-	-
Accounts Payable	9,098	4,614
Accrued Payroll Liabilities	54,194	76,451
Accrued Compensated Absences	<u>16,860</u>	<u>18,654</u>
Total Current Liabilities	<u>80,152</u>	<u>99,719</u>
<u>Long-term Liabilities:</u>		
Long-Term Debt	<u>373,546</u>	<u>304,322</u>
Total Long-term Liabilities	<u>373,546</u>	<u>304,322</u>
TOTAL LIABILITIES	<u>453,698</u>	<u>404,041</u>
<u>DEFERRED INFLOWS</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>453,698</u>	<u>404,041</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	1,445,874	1,527,865
Unrestricted	<u>2,861,368</u>	<u>3,245,331</u>
TOTAL NET POSITION	<u>\$ 4,307,242</u>	<u>\$ 4,773,196</u>

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

**BEN LOMOND FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

	June 30, 2022	June 30, 2023
Total Fund Balances - Governmental Funds	\$ 2,878,228	\$ 3,263,985
<p>Capital Assets used in Governmental Funds are not financial resources and therefore are not reported as assets in the Governmental Funds.</p>		
Total Historical Cost of Capital Assets	3,283,983	3,424,101
Less: Accumulated Depreciation	(1,464,563)	(1,591,914)
Prepaid expenses, some expenditures not due & payable within the current period were paid, those amounts are shown as expended in the governmental funds	-	-
Compensated Absences are reported in the Government-Wide Statement of Net Assets, but they do not require the use of current financial resources. Therefore, the liability is not reported in Governmental Funds.	(16,860)	(18,654)
Deferred Outflows not due and receivable in the current period and therefore are not reported as an asset in the governmental funds. This is comprised of GASB 68 Pension Outflows. Deferred Outflows at June 30 was:	-	-
Deferred Inflows are not due in the current period and therefore, are not reported as liabilities in the governmental funds. This is comprised of GASB 68 Pension Inflows. Deferred Inflows at June 30 was:	-	-
Accrued Interest is not due in the current period and therefore, are not reported as liabilities in the governmental funds.	-	-
Long-term liabilities are not due in the current period and therefore, are not reported as liabilities in the governmental funds.	(373,546)	(304,322)
Net Position	\$ 4,307,242	\$ 4,773,196

The accompanying notes are an integral part of these financial statements

Ben Lomond Fire Protection District
Statement of Activities
For the Year-Ended
June 30, 2022
and
June 30, 2023

2022					
	Expenses	Operating Revenues			Excess of Revenues/(Expenses)
		Other Government Agencies	Strike Team Reimbursements	Grants and Contributions	
<u>Governmental Activities</u>					
Public Protection	\$ 606,387	\$ -	\$ 41,851	\$ -	\$ (564,536)
Depreciation (Unallocated)	127,850			-	(127,850)
Total Governmental Activities					(692,386)
General Revenues:					
Tax Revenue					1,023,624
Interest & Investment Earnings					12,292
License, Permits & Rents					50,376
Miscellaneous					83,546
Total General Revenues					1,169,838
NET CHANGE IN NET POSITION					477,452
NET POSITION, BEGINNING OF YEAR					3,829,790
NET POSITION, END OF YEAR					\$ 4,307,242
2023					
	Expenses	Operating Revenues			Excess of Revenues/(Expenses)
		Other Government Agencies	Strike Team Reimbursements	Grants and Contributions	
<u>Governmental Activities</u>					
Public Protection	\$ 797,353	\$ -	\$ 68,161	\$ -	\$ (729,192)
Depreciation (Unallocated)	127,351			-	(127,351)
Total Governmental Activities					(856,543)
General Revenues:					
Tax Revenue					1,101,566
Interest & Investment Earnings					55,159
License, Permits & Rents					51,887
Miscellaneous					113,885
Total General Revenues					1,322,497
NET CHANGE IN NET POSITION					465,954
NET POSITION, BEGINNING OF YEAR					4,307,242
NET POSITION, END OF YEAR					\$ 4,773,196

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

BEN LOMOND FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

	June 30, 2022	June 30, 2023
Excess (Deficit) Revenues over Expenditures	\$ 30,821	\$ 385,757
<p>Amounts reported for governmental activities in the Statement of Activities are different as follows:</p> <p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense during the year</p>		
Current Year Capital Outlays	434,720	40,118
Less: Current Year Depreciation Expense	(127,850)	(127,351)
<p>In the Governmental Funds revenues are measured by the amount of financial resources received. In the Government-Wide Statement of Activities, revenue is measured by the amounts earned during the year</p>		
	55,107	100,000
<p>In the Governmental Funds compensated absences (sick pay and vacation) are measured by the amount of financial resources used, which is the amounts actually paid. In the Government-Wide Statement of Activities, compensated absences are measured by the amounts used during the year</p>		
	7,429	(1,841)
<p>Repayment of principle on long-term liabilities is an expenditure for Governmental funds, but the repayment reduces long-term liabilities on the Government-Wide Statement of Net Position. Principle payments made on long-term liabilities during the year consist of:</p>		
	77,225	69,271
Change in Net Position of Governmental Activities	\$ 477,452	\$ 465,954

The accompanying notes are an integral part of these financial statements

Ben Lomond Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED June 30, 2023 and 2022

Background: The Ben Lomond Fire Protections District was organized June 15, 1923, in conformity with the Deering Act 2593, Statutes of 1881, since codified in the State of California Health and Safety Code, Sections 14001 et seq.

The District was reorganized in September 1966 in conformity with the Health and Safety Code, Sections 13801 et seq. It is governed by a five-member Board of Directors who are elected to four-year terms by area residents. The District provides fire protection in the Town of Ben Lomond and surrounding areas.

Note 1 - Significant Accounting Policies

Accounting Principles

The financial statements of the Ben Lomond Fire Protection District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the District are described below.

Basis of Accounting and Measurement Focus

The accounts of the District are organized on the basis of funds, or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Financial Statement Presentation

Government-Wide Financial Statements

The District Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Ben Lomond Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED June 30, 2023 and 2022

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The District's governmental-wide fund balance is classified in the following categories:

Net Investment in Capital Assets - Includes amount of the fund balance that is invested in capital assets net of any related debt.

Restricted - Includes amounts that can be spent only for the specific purposes stipulated by a formal action of the government's highest level of decision-making authority, external resource providers, constitutionally, or through enabling legislation.

Unrestricted - Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Nonspendable - Includes amounts that are not in a spendable form or are required to be maintained intact.

Restricted - Includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation.

Ben Lomond Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED June 30, 2023 and 2022

Committed - Includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government take the same formal action that imposed the constraint originally.

Assigned - Includes amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates authority.

Unassigned - Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

Use of Restricted/Unrestricted Net Position

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

Budgets and Budgetary Accounting

The District prepares a fiscal year budget in accordance with applicable laws and regulations.

Pooled Cash and Investments

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds monthly using a formula based on the average daily balance of each fund

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

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at cost, as the fair market value adjustment at the yearend was immaterial.

Accounts Receivable

On an accrual basis, revenues are recognized in the fiscal year in which the services are rendered. The District has not established an allowance for uncollectable receivables for Governmental or Grant Funds since prior experience has shown that uncollectable receivables are not significant.

Prepaid Expenditures

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures in the period benefited.

Ben Lomond Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED June 30, 2023 and 2022

Capital Assets

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

General Capital Assets	\$300 and or a serviceable life greater than 5 years
------------------------	--

Depreciation on all assets is provided on the straight-line basis over and estimated useful life.

Buildings	40 years
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Equipment	5-20 years
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Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred outflow/inflows of resources, represents an acquisition/disposition of net position that applies to future period(s) and will not be recognized as an outflow/inflow of resources until that time.

Liability for Compensated Absences

The District is required to recognize a liability for employees' rights to receive compensation for future absences. All vacation and vested sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position

Property Taxes

The County of Santa Cruz assesses properties, bills, and collects property taxes for the District. Assessed values are determined annually by the County Assessor as of March 1, and become a lien on real property as of that date. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. The County bills and collects property taxes and remits them to the District under the state authorized method of apportioning taxes whereby all local agencies, including special districts, receive for the County their respective shares of the amount of ad valorem taxes collected.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Ben Lomond Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2023 and 2022**

Pensions

The District provides retirement benefits through a Defined Contribution Benefit Plan managed by the Public Agency Retirement Services (PARS).

Note 2 – Cash

Summary of Cash

	<u>2022</u>	<u>2023</u>
County Cash	\$ 2,941,420	\$ 3,344,950
Petty Cash	100	100
Total	<u>\$ 2,941,520</u>	<u>\$ 3,345,050</u>

Investment Policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The District does not have an investment policy that addresses its interest rate risk, credit risk, and concentration of credit risk.

Investment in the County of Santa Cruz’s Investment Pool: The District maintains its cash in County of Santa Cruz’s cash and investment pool which is managed by the Santa Cruz County Treasurer. The District’s cash balances invested in the Santa Cruz County Treasurer’s cash and investment pool are stated at amortized cost, which approximates fair value. Santa Cruz County does not invest in any derivative financial products. The Santa Cruz County Treasury Investment Oversight Committee (Committee) has oversight responsibility for Santa Cruz County’s cash and investment pool. The value of pool shares in Santa Cruz County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District’s position in the pool. Investments held in the County’s investment pool are available on demand to the District and are stated at cost, which approximates fair value. This investment is not subject to categorization under GASB No. 3.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Credit Risk: Generally, 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 issued by a nationally recognized statistical rating organization. The County’s investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Risk: Custodial risk is the risk that the government will not be able to recover its deposits or the value of its investments that are in the possession of an outside party. Custodial credit risk does not apply to a local government’s indirect deposits or investment in securities through the use of government investment pools (such as the County’s investment pool).

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to

Ben Lomond Fire Protection District

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED June 30, 2023 and 2022

recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District's deposits were covered by FDIC insurance at June 30, 2017.

Note 3 –Accounts Receivable

On June 30, 2023, the District had \$0 in Accounts Receivable.

On June 30, 2022, the District had \$0 in Accounts Receivable.

Note 4 – Capital Assets

The District believes that sufficient detail of Capital assets balances is provided in the financial statements to avoid obscuring of significant components by aggregation

Note 5 – Compensated Absences

On June 30, 2023, the liability for compensated absences was \$18,654

On June 30, 2022, the liability for compensated absences was \$16,860

Note 6 – Long-Term Debt

Capital Lease agreement for fire engine: dated May 13, 2022 from Osh Kosh Capital. Due in 5 annual payments of \$83,471, including interest at 3.810% per annum. Final payment due May 13, 2027.

Ben Lomond Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2023 and 2022**

FUTURE MINIMUM LEASE PAYMENTS		
	Community First Capital Bank	TOTAL
6/30/2023	69,224	69,224
6/30/2024	71,864	71,864
6/30/2025	74,605	74,605
6/30/2026	77,450	77,450
6/30/2027	80,404	80,404
THEREAFTER	-	-
TOTAL	373,546	373,546
		-
NET PRINCIPAL	\$ 373,546	\$ 373,546
S/T PORTION	\$ 69,224	\$ 69,224
L/T PORTION	\$ 304,322	\$ 304,322

Note 7 - Public Employees' retirement Plan:

The following description provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Effective May 13, 2015, Ben Lomond Fire Protection District adopted a Defined Contribution Plan through Public Agency Retirement Services; PARS Participant-Directed 401(a) Trust. The Plan meets the requirements of a pension trust under California Government Code Sections 53215-53224, or their successor sections.

Eligibility

An eligible employee shall participate in this plan if he or she is the Fire Chief of the Employer on or after May 13, 2015.

Termination of participation.

A participant shall cease to be a participant on the date of his or her termination of employment as determined by the employer.

Effect of Transfer to Ineligible Employment

If a participant is no longer an eligible employee and becomes an ineligible employee, such employee will participate immediately upon returning to the eligible class of employees. Such participation shall commence as of the first day of such eligible employment.

Vesting

Ben Lomond Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2023 and 2022**

Employer contributions are fully vested upon contribution.

Employer contributions shall be 100% vested upon completion of five years of service with the employer or upon attainment of normal retirement age. If the vesting requirements are not met upon termination of employment with the employer, the percent vested in the employer contribution account shall be determined by the following schedule, calculated as of the last day of employment with the employer.

<u>Year(s) of Service</u>	<u>Vesting Percentage For Employer Contributions</u>
Less than 1 year	0%
1	20%
2	40%
3	60%
4	80%
5	100%

Funding Policy

Employer Contributions

For each day that an employee remains a participant under the plan, the employer contribution shall be equal to 21.533% of compensation. The amount shall be made before the close of the plan year and credited to the employer contribution account.

Employee Contributions

For each day that an employee remains a participant under the plan, the employee will make a mandatory contribution to the plan equal to 7.0% of compensation. The amount shall be made before the close of the plan year and credited to the employee contribution account.

Note 8 – Risk Management

The District is a member of the Santa Cruz County Fire Agencies Insurance Group (the "Group"). In a board meeting on June 19, 2002, the Group approved the return of its self-insurance certificates to the State and to accept a proposal from California Public Entity Insurance Authority (CPEIA) and joint powers authority for both primary and excess workers' compensation coverage. In a resolution dated September 20, 2007 the Santa Cruz Fire Agencies Insurance Group's Board of Directors opted to terminate the CPEA joint power agreement and merge into the CSAC Excess Insurance Authority (CSAC-EIA) Joint Power Agreement. This change was predicted on the decision of CSAC-EIA to restructure their bylaws and JPA agreements, discontinuing the operation of CPEIA member granted automatic approval of inclusion into both the Primary and Excess EIA workers' compensation programs beginning with the July 1, 2007 policy renewals. The relationship between the Group and CSAC-EIA ("the JPA") is such that CSACOEIA is not a component unit of the Group for reporting purposes.

Ben Lomond Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2023 and 2022**

CSAC-EIA is a joint powers agency (JPA formed pursuant to Section 6500 et seq. of the California Government Code. Members are assessed a contribution for each program in which they participate. Members may be subject to additional supplemental assessments if it is determined that the contributions are insufficient. Members may withdraw from the CSAC-EIA only at the end of a policy period and only if a sixty day written advance note is given. However, CSAC-EIA may cancel a membership at any time upon a two-thirds vote of the Board of Directors and with sixty days written notice. Upon withdrawal or cancellation, a member shall remain liable for additional assessments for the program periods they have participated. CSAC-EIA is governed by a board of directors. The Board controls the operations of CSAC-EIA including adopting and annual budget.

Primary Workers' Compensation - The Primary Workers' Compensation program is a full service program including claims administration. The program blends pooling of workers' compensation claims with purchased stop loss insurance.

Excess Workers' Compensation - CSAC retains responsibility for payment of claims in excess of \$125,000 for each member who also participates in the primary workers' compensation program. Claim liabilities are recognized based on the actuarial estimate of expected ultimate claim cost discounted at 6%.

Insurance coverage as of June 30, 2023 is as follows:

<u>Property</u>	<u>Deductible</u>	<u>Limits</u>
Real Property, Including Code Upgrade and On-site Equipment Breakdown	\$1,000	Guaranteed Replacement Cost Included
Building Contents and Personal Property	\$1,000	\$1,000,000 Each loss and each location
Building and Contents Sublime, Earthquake and Flood	\$1,000	
Electronic Data Processing		
Business - Personal Property Included	\$500	\$250,000
Equipment	\$500	\$250,000
Software	\$500	\$250,000
<u>Emergency Services</u>	<u>Deductible</u>	<u>Limits</u>
Commandeered and Impounded Property		Larger of Actual Value or Liability
Scheduled Equipment Floater:	\$250	Guaranteed Replacement Cost (Unlimited)
Miscellaneous Portable Equipment		\$250,000
Public Employee Dishonesty/Fidelity Bond		\$1,000,000
Employee Benefits Liability		Agreed Value or ACV
Automobile Comprehensive	\$250/1,000	Agreed Value or ACV
Automobile Collision	\$250/1,000	
<u>Liability</u>		
Commercial/General Liability Each Occurrence		\$1,000,000
General Aggregate Limit		\$10,000,000
<u>Automobile Coverage -</u>		
Combined Single Limit		\$1,000,000

Ben Lomond Fire Protection District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2023 and 2022**

Uninsured/Underinsured Motorists			\$1,000,000
<u>Excess Liability Coverage -</u>			
Operation, Aggregate, Automobile and Public Offices Errors and Omissions, Occurrence			\$5,000,000 Each Occurrence \$10,000,000 Aggregate
Public Officials Errors and Omissions/Management Liability including Emergency Services Liability - Occurrence, Aggregate - Primary			\$1,000,000 Each Wrongful Act \$10,000,000 Aggregate
Medical Expense (Any one person)			\$5,000
Valuable Papers/Records			\$250,000
Loss of Income - Extra Expense			Actual Cost
Money and Securities	\$250		\$25,000
Uncollected Funds			\$250,000
<u>Personnel:</u>			
Workers' Compensation			Statutory
PERS Health to 12/31/05, FDAC EBA from 1/1/06 to current			Per Policy
Dental			Per Policy
Term Life Insurance			Per Policy

Note 9 – Subsequent Events

The District's management has evaluated events and transactions subsequent to June 30, 2023 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through , the date the financial statements became available to be issued. The entity has not evaluated subsequent events after .

Ben Lomond Fire Protection District

Supplemental Information

**June 30, 2022
and
June 30, 2023**

Ben Lomond Fire Protection District

**Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - General Fund
For the Year Ended
June 30, 2023**

<u>REVENUE</u>	<u>Final Budget</u>	<u>General Fund</u>	<u>Variance</u>
Tax Revenue	\$ 1,033,226	\$ 1,101,566	\$ 68,340
Other Government Agencies	-	-	-
Interest & Investment Earnings	-	55,159	55,159
Grants & Contributions	-	68,161	68,161
Other income	-	13,885	13,885
Rental Income	52,152	51,887	(265)
TOTAL REVENUE	1,085,378	1,290,658	205,280
 <u>EXPENDITURES</u>			
Capital Assets	581,863	70,412	511,451
Debt Service:			
Principle	69,300	69,271	29
Interest	14,300	14,247	53
Salaries and Employee Benefits	401,100	410,446	(9,346)
Services, Supplies and Refunds	569,815	340,525	229,290
TOTAL EXPENDITURES	1,636,378	904,901	731,477
Excess (Deficit) Revenues over Expenditures	(551,000)	385,757	(165,243)
<u>CHANGE IN FUND BALANCE</u>	(551,000)	385,757	
<u>FUND BALANCE, BEGINNING OF YEAR</u>		2,878,228	
<u>FUND BALANCE, END OF YEAR</u>		\$ 3,263,985	

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

Ben Lomond Fire Protection District

**Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - General Fund
For the Year Ended
June 30, 2022**

<u>REVENUE</u>	<u>Final Budget</u>	<u>General Fund</u>	<u>Variance</u>
Tax Revenue	\$ 967,755	\$ 1,023,624	\$ 55,869
Charges for Service	-	41,851	41,851
Interest & Investment Earnings	-	12,292	12,292
Grants & Contributions	-	-	-
Other income	-	28,439	28,439
Rental Income	50,214	50,376	162
	<hr/>	<hr/>	<hr/>
TOTAL REVENUE	1,017,969	1,156,582	138,613
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES</u>			
Capital Assets	119,628	451,417	(331,789)
Debt Service:			
Principle	77,225	77,225	-
Interest	2,274	2,274	-
Salaries and Employee Benefits	397,100	290,767	106,333
Other Government Agencies	-	-	-
Services, Supplies and Refunds	421,742	304,078	117,664
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	1,017,969	1,125,761	(107,792)
	<hr/>	<hr/>	<hr/>
Excess (Deficit) Revenues over Expenditures	-	30,821	30,821
Other Financing Sources		373,546	
<u>CHANGE IN FUND BALANCE</u>	-	404,367	
	<hr/>	<hr/>	
<u>FUND BALANCE, BEGINNING OF YEAR</u>		2,473,861	
		<hr/>	
<u>FUND BALANCE, END OF YEAR</u>		\$ 2,878,228	
		<hr/> <hr/>	