Redwood Valley Calpella Fire Protection District

FINANCIAL STATEMENTS

AUDIT REPORT

June 30, 2024

February 21, 2025

Redwood Valley Calpella Fire Protection District

Redwod Valley

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of Redwood Valley Calpella Fire Protection District as of and for the year-ended June 30, 2024, 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 Redwood Valley Calpella Fire Protection District as of June 30, 2024, 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 statem ent 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

Pehling's PnPCPA
1 E Liberty St, Ste 600 | Reno, NV 89501 | Phone: 707-279-4259 | Zach@PehlingCPA.com

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

Pehling's PnPCPA
1 E Liberty St, Ste 600 | Reno, NV 89501 | Phone: 707-279-4259 | Zach@PehlingCPA.com

Redwood Valley Calpella Fire Protection District

Audit Report
June 30, 2024

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Financial Statements	
Funds Balance Sheet	9
Statement of Revenues, Expenses and Change in Fund Balance	10
Statement of Net Assets	11
Statement of Activities	12
Notes to Financial Statements	13

Redwood Valley Calpella Fire Protection District

Management's Discussion and Analysis
For the year ended June 30, 2024

The intent of the management's discussion and analysis is to provide highlights of the Redwood Valley Calpella Fire Protection District's financial activities for the fiscal year ended June 30, 2024.

The District's Operations – an Overview

The District was formed on October 9, 1958 and has since held the responsibility of providing a constant vigilance of safety and fire protection to those within its boundaries and outlying areas. The District functions through the efforts of the Redwood Valley-Calpella Fire Department, a mostly volunteer organization that dates back to the formation of the Redwood Valley improvement Club on November 17, 1917.

The District is located in Mendocino County, California with its southern boundary 1.5 miles south of State Route 20 (east of U.S. Hwy 10 l) and extends north to the Cave Creek subdivision area off of Tomki Road (approximately 14 miles from south to north). The lateral borders are roughly as far west as Eagle Peak and the Hell's Delight subdivision of Black Bart Trail on the east (ten miles west to east). In total, the District currently encompasses nearly sixty square miles.

The staffing of the District begins with five elected board members, five paid personnel (a clerk, fire chief, an assistant fire chief, two captains) with an allotment for twenty-four volunteers and seven explorer scouts. The District is currently run from one station, The Delbert L Phelps Firehouse, located at 8481 East Road in Redwood Valley at the intersection of School Way and East Road. The fire station is equipped with eleven emergency responding apparatus (two structure fire pumpers, three fire engines, one water tender, one rescue unit, one air support unit, two quick attack patrol units and one utility unit).

The fire department currently responds to approximately five hundred emergency calls per year, two-thirds of which are medical in nature. The balance varies from fires, public assists, hazardous material situations and false alarms. The volunteers receive regular training every week on all facets of emergencies with new techniques and regulations being required of them at a constant rate. In house training by senior and experienced members makes up most of the hours, with occasional paid instruction and combined training with neighboring departments.

The funding for operating the department comes from an ad valorem tax, a special tax and local charges for services. The District does, on occasion receive financial assistance from monies earned from the volunteer's annual fundraiser, private donations and occasional grants.

FINANCIAL HIGHLIGHTS

Revenues

Combined revenues for the fiscal year totaled $ 1,346,901.

Expenses

Combined expenses for the fiscal year totaled $ 1,058,938.

Expenditures

Combined expenditures for the fiscal year totaled $ 1,104,063.

Capital Contributions
During the fiscal year, the District budgeted funds for the purchase of equipment and spent $928,592.

Interest Earnings
Interest earnings for the year totaled $14,917.

General and Administrative
The District did not have any changes in its general and administrative expenses.

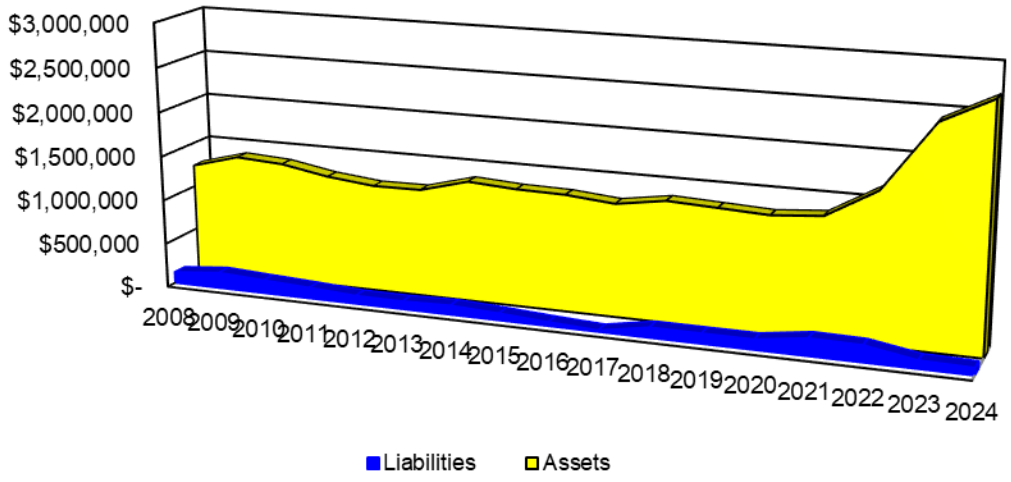
BASIS OF ACCOUNTING

The District's financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

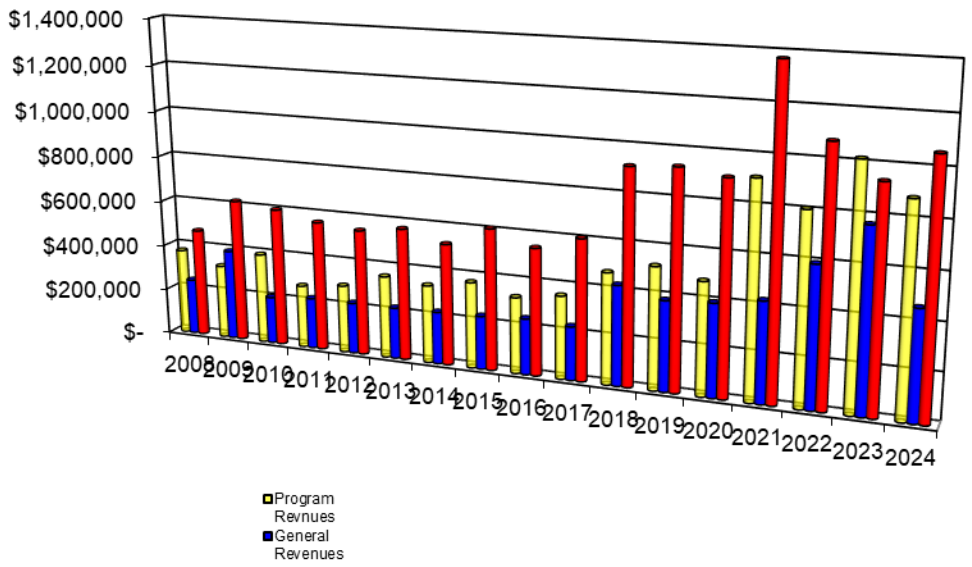
Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

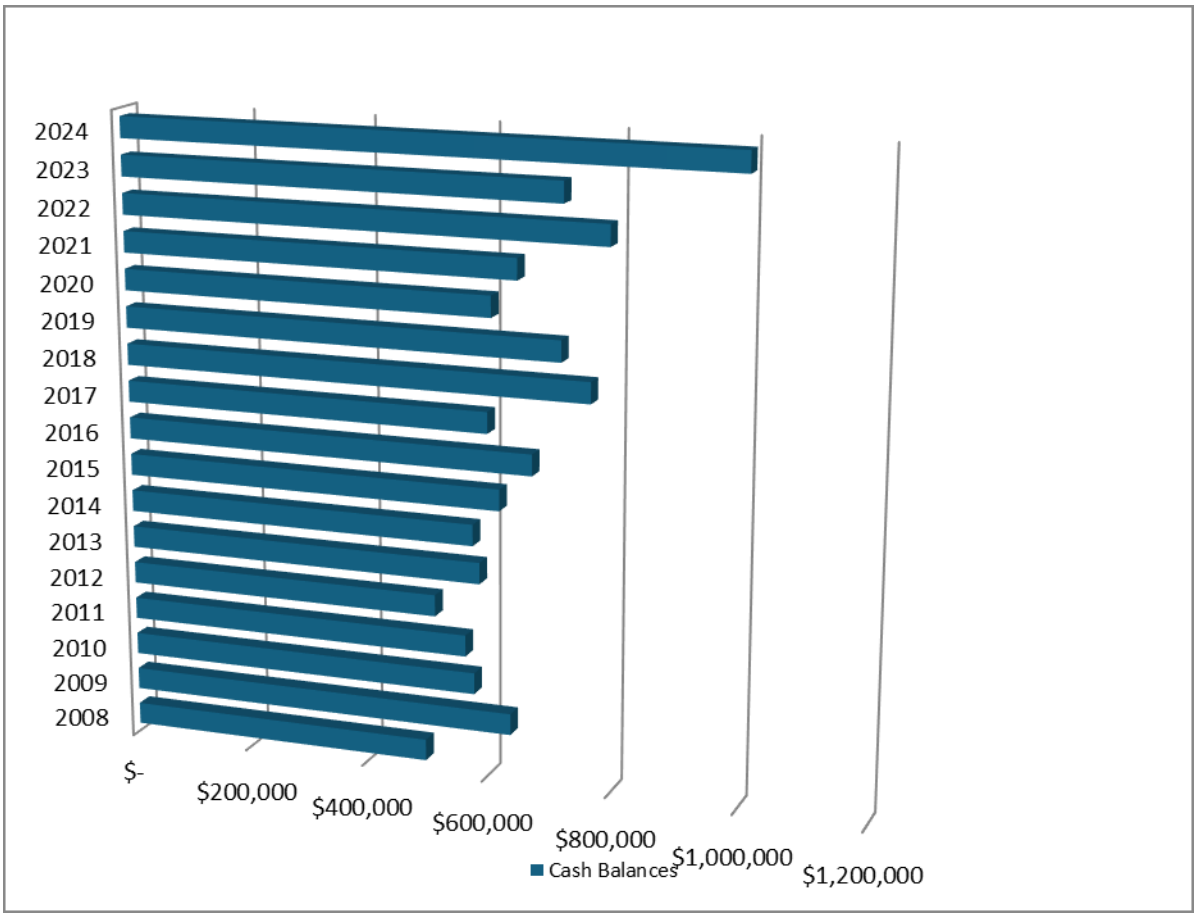
The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving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



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



The *Cash Flows* presents information showing how the District's cash changed during the most recent fiscal year. Observing the cash balances at the District's year-end shows the funds available to meet current operating needs, pay current liabilities, and meet the amount of capital improvements required to carry on the Districts activities and objectives.



The government-wide financial statements report on the function of the District that is principally supported by intergovernmental revenues, and charges for services.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District maintains one governmental fund (general fund). Information in the fund financial statements is presented separately for the general fund. The governmental funds statement provides a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spend in the near future to finance the District's programs.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

The District has capital assets (e.g. land, structures, and equipment). Any investment in capital assets would restrict the use of assets for future spending. The unrestricted net assets of the District are available for future use to provide program services.

Budgetary Comparison

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the District's budget for the 2024 fiscal year:

- Property tax rates
- Actual expenditures for 2023

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all citizens, taxpayers, customers, investors, and creditors. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Redwood Valley-Calpella Fire District, 8481 East Road, Redwood Valley, California 95470.

Redwood Valley Calpella Fire Protection District

Balance Sheet
June 30, 2024

ASSETS		
Cash	$	1,001,361
Accounts Receivable		1,257
Prepaids		16,454
TOTAL ASSETS		1,019,072
LIABILITIES & FUND BALANCES		
Liabilities:		
Accounts Payable		41,324
Total Current Liabilities		41,324
Total Liabilities		41,324
Fund Balances:		
Unassigned		849,923
Committed		127,825
Assigned		-
Total Fund Balance	$	977,748
TOTAL LIABILITIES & FUND BALANCE	$	1,019,072
Fund Balance		977,748
Amounts reported for governmental activities on the Statement of Net Position are different because:		
Capital Assets are not current financial resources and therefore are not reported in the funds.		1,666,364
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.		(35,161)
Long-term liabilities, including bonds payable are not due in the current period and therefore are not reported in the funds.		-
Net Position of governmental activities	$	2,608,951

The accompanying notes are an integral part of these financial statements

Redwood Valley Calpella Fire Protection District

Statement of Revenues, Expenditures & Change in Fund Balance
For the Year Ended
June 30, 2024

REVENUE		
Special Tax	$	260,395
Charges for Service		128,806
Other Income		98,471
Interest		14,917
Capital Contributions		493,784
Taxes and Intergovernmental		350,528
TOTAL REVENUE		1,346,901
EXPENDITURES		
Salaries and Employee Benefits		594,313
Principle		-
Interest		-
Fixed Assets		300,838
Professional Fees		24,107
Repairs and Maintenance		25,819
Services, Supplies and Refunds		158,986
TOTAL EXPENDITURES		1,104,063
Excess (Deficit) Revenues over Expenditures		242,838
Other Financing Sources/(Uses)		-
CHANGE IN FUND BALANCE		242,838
FUND BALANCE, BEGINNING OF YEAR		734,910
FUND BALANCE, END OF YEAR	$	977,749
Reconciliation of net change in Fund Balance	$	242,838
To the change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets are allocated over their estimated lives and reported as depreciation expense. This is the amount which capital outlays exceed depreciation in the current period.		44,052
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 earned during the year		1,073
Change in Net Position of Governmental Activities	$	287,963

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

Redwood Valley Calpella Fire Protection District

Statement of Net Position
June 30, 2024

	General
ASSETS	
Current Assets:	
Cash in County Treasury - Equip Trust	$ 127,825
Cash in County Treasury	777,497
Cash on Hand and in Banks	96,038
Accounts Receivable	1,257
Prepaid Expenses	16,454
Total Current Assets	1,019,071
Fixed Assets:	
Land	20,000
Construction-in-Process	-
Buildings and Improvements	449,302
Equipment & Vehicles	2,618,605
Less: Accumulated Depreciation	(1,421,542)
Total Fixed Assets	1,666,365
TOTAL ASSETS	2,685,435
LIABILITIES	
Current Liabilities:	
Accounts Payable	41,323
Accrued Liabilities	35,160
Current Portion	-
Total Current Liabilities	76,483
Long-Term Liabilities:	
Note Payable	-
(Less) Current Portion	-
Total Long-Term Liabilities	-
TOTAL LIABILITIES	76,483
NET POSITION	
Net Investment in Fixed Assets	1,666,365
Unrestricted	942,587
TOTAL NET POSITION	$ 2,608,952

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

Redwood Valley Calpella Fire Protection District

Statement of Activities
For the Year-Ending
June 30, 2024

	General
EXPENSES	
Program Expenses:	
Depreciation	$ 112,407
Small tools and Equip	144,379
Interest Expense	-
Professional Fees	24,107
Maintenance	25,819
Salaries and Employee Benefits	593,240
Services and Supplies	158,986
TOTAL EXPENSES	1,058,938
REVENUE	
Program Revenue:	
Assessments	260,395
Capital Contributions	493,784
Charges for Services	128,806
Total Program Revenue	882,985
General Revenue:	
Taxes and Intergovernmental	350,528
Use of Money and Property	14,917
Other Income	98,471
Total General Revenue	463,916
TOTAL REVENUE	1,346,901
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	287,963
NET CHANGE IN NET POSITION	287,963
NET POSITION, BEGINNING OF YEAR	2,320,989
NET POSITION, END OF YEAR	$ 2,608,952

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

NOTE 1: SUMMARY OF GENERAL AND SIGNIFICANT ACCOUNTING POLICIES

General

The District was formed on October 9, 1958 and has since held the responsibility of providing a constant vigilance of safety and fire protection to those within its boundaries and outlying areas. The District functions through the efforts of the Redwood Valley-Calpella Fire Department, a mostly volunteer organization that dates back to the formation of the Redwood Valley improvement Club on November 17, 1917.

The District is a governed entity administered by a Board of Directors (the Board) that acts as the authoritative and legislative body of the entity.

The Board appoints the Chair (person) of the Board from existing board members. The Chair's responsibilities are to preside at all meetings of the Board; be the chief officer of the District; perform all duties commonly incident to the position of presiding officer of a board, commission, or business organization; and exercise supervision over the business of the District, its officers, and its employees.

The accompanying general-purpose financial statements comply with the provisions of GASB Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units.

B. Basis of Accounting/Measurement Focus

The accounts of the District are organized on the basis of funds, 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.

C. 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 activities..

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.

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.

D. Governmental 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 assets and changes in net assets 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.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities demonstrating the degree to which the direct expenses of a given project are offset by project revenues. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function or segment. Program revenues include (1) charges paid by the recipients of services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements if a particular program. Revenues that are not classified as program revenues, including taxes are presented instead as general revenues.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to various governmental funds

according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental assets and liabilities is reported as net assets. The District reports using the major governmental fund of General Fund. The District reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the District. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of California and the bylaws of the District.

Exchange and Non-Exchange Transactions of Revenues – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non-exchange transactions, in which the District receives value without directly giving value in return, include taxes and donations. Revenues are recognized when susceptible to accrual, when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. The assessor of the County of Mendocino determines the assessed valuations of such property and the tax collector of the County collects the taxes. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

Expenses/Expenditures- On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

D. Budgets and Budgetary Accounting

The District operates under the general laws of the State of California and annually adopts a budget to be effective July 1 for the ensuing fiscal year. Formal budgetary integration is employed as a management control device during the year for the General Fund. The level of control (level at which expenditures may not exceed budget) is the fund. Unused appropriations for all the above annually budgeted funds lapse at the end of the fiscal year. Budgeted amounts are the final authorized amount as revised during the year. Actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items to the General Fund.

E. Cash

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term

investments with original maturities of three months or less from the date of acquisition, to maximize investment opportunities, the District participate in a pooling of cash and investment income with other local agencies. Each fund may liquidate its equity in the pool on demand. Investments are recorded at fair value, except for investments with maturity of one year or less from date of purchase, which are stated at amortized cost. Fair value is based on quoted market prices.

As of June 30, 2024, the primary government had the following investments:

	Fair Value	Rating	Rating Agency
Pooled investment in County	$788,857	Unrated	NA
Equip Fund in County	$127,825	Unrated	NA
Cash in Local Bank	$ 96,038	FDIC INS.	NA

Interest rate risk. - The District does not currently have a formal policy regarding interest rate risk.

Credit risk. - The District does not have a formal policy regarding credit risk

Custodial credit risk. -The District's investment in the State and County Treasurer's investment pools represents a proportionate interest in the pool's portfolio; however, the District's portion is not identified with specific investments and is not subject to custodial credit risk. Cash in local bank is covered by federal depository insurance.

Concentration of credit risk. - The District does not have a policy for concentration of credit risk.

F. Accounts Receivable

On an accrual basis, revenues from charges for services are recognized in the fiscal year in which the services are rendered. Receivables are resources provided to the District on a reimbursement basis.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

H. Capital Assets

Capital assets, which include property, plant, and equipment, infrastructure assets and intangible are reported in the applicable governmental -type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of one year. Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost... Donated or contributed capital assets are recorded at their estimated fair value on the date received.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

I. Accrued Liabilities

On an accrual basis, expenses are recognized in the fiscal year in which the services are received. Liabilities are comprised of accrued vacation liability. As these payments are due upon an employee leaving the district, they are not carried as a liability on the balance sheet as they do not meet the economic resource measurement focus.

J. Accounts Payable

On an accrual basis, expenses/expenditures are recognized in the fiscal year in which the services are received. Liabilities are comprised of payroll withholdings and wages that were earned in the current fiscal year and paid in the next.

K. Notes Payable

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from the governmental resources are reported as liabilities in the government-wide statements. The long-term liabilities consist of mortgages, equipment leases and unfunded workmen's compensation liability.

Long-term liabilities for governmental funds are not reported as a liability in the fund financial statements. The liability proceeds are reported as other financing sources and payments of principal and interest as expenditures.

L. Net Position

The District's net position represents the difference between its assets and liabilities in the statement of net position. Net position is reported as restricted with there are legal limitations imposed on their use by their source. Portions of the unreserved net position or fund balance may be designated to indicate tentative plans for financial resources utilization in a future period, such as for general contingencies, purchase of capital assets, or debt service. Such plans or intent are subject to change and may never be legally authorized or result in expenditures

M. Property Tax Revenue

The District assesses tax through the Mendocino County tax rolls. Property taxes attach as an enforceable lien on property as of March 1. Taxes are levied on July 1 and payable in two installments on December 10 and April 10, for the secured roll. The unsecured roll is due August 31. All taxes become delinquent if not paid on the due dates.

N. Estimates

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

NOTE 2: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2024, the District contracted with insurance agencies for liability, property, crime damage, and employee and director insurances.

NOTE 3: CONTIGENCIES

As of June 30, 2024, the District did not have any pending litigation or potential nondisclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 4: DATE OF MANAGEMENT'S REVIEW

Subsequent events have been evaluated through **February 21, 2025**, which is the date the financial statements were available to be issued.