

**KENTFIELD FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS MEETING**

MEETING TYPE: Regular

DATE: Wednesday, December 11, 2024

CALL TO ORDER: 5:00 p.m. by Chairman Corbet who led the assembly in the Pledge of Allegiance.

ROLL CALL: Corbet-present; Evergettis-present; Gerbsman-present; Murray-present; Naso-absent. Also in attendance were Chief Pomi, Deputy Fire Marshal Pasero, Accountant Phillip Chavira, B-Shift, and Recording Secretary Wilson.

APPROVAL OF PRIOR MONTH'S MINUTES: M/S Evergettis/Gerbsman to approve the minutes of November 13, 2024.

Roll Call Vote: Corbet-Aye; Evergettis-Aye; Gerbsman-Aye; Murray-Aye; Naso-Absent

Ayes: 4; Noes: 0; Absent: 1

Motion passes

ORAL COMMUNICATION: None

AGENDA ADJUSTMENTS: None

SPECIAL ANNOUNCEMENTS/PRESENTATIONS:

- a. ***Presentation of Independent Audit of Kentfield Fire District's Financial Statement for FY ended June 30, 2024 and Memorandum on Internal Controls and Required Communications*** – Vikki Rodriguez introduced herself as an audit partner of Maze & Associates, in charge of the District's audit this year. Specializing in municipal and nonprofit audits, Maze & Associates is independent from the District. They audit over one hundred different entities a year and are familiar with governmental accounting and the municipal industry.

Maze & Associates completed an audit of Kentfield Fire Protection District's financial statements for fiscal year ended June 30, 2024. Ms. Rodriguez explained the interim phase of the audit began in July. During this phase, the internal control environment was assessed for various procedures including receipts, deposits, disbursements, purchases, journal entries, payroll, and checks or wire transactions processed through the District's financial statements. Selected samples and tests of transaction were performed. It is also determined whether there is proper segregation of duties in place. In September, the final phase of the audit was completed. Maze & Associates verified the financial balances on the trial balance provided by the District staff. To prepare the audit reports, an analytical review of reconciliations, procedures, third-party confirmations, and external documents such as actuarial reports was conducted.

Maze & Associates complies with two separate standards: the Generally Accepted Auditing Standards in the United States and the Government Auditing Standards (Yellow Book). There was one new accounting pronouncement this year by the Governmental Accounting Standards Board (GASB). Pronouncements dictate how municipalities record their transactions and what needs to be included in footnote disclosures. GASB 100, which pertains to accounting for changes and error corrections, was applicable this year. It will be relevant in any year where the District experiences a change in its accounting method or if there are any prior period adjustments. For example, if an error was found from a prior year and there needed to be a restatement or a correction, GASB 100 would apply. Fortunately, for the fiscal year ending June 30, 2024, there were no corrections or changes in accounting. As a result, there was no impact related to this new pronouncement.

Maze & Associates issued Kentfield Fire District with an unmodified opinion on the Basic Financial Statements. This is the cleanest opinion the District can receive and is the highest level of assurance provided. Ms. Rodriguez congratulated KFD on the audit results. She explained there's two sets of financial statements, Entity-wide Statements and Fund Level Statements. The Entity-wide Level Statements, found on pages 9 and 10 of the Basic Financial Statements, provide a long-term perspective of the District, encompassing both current and long-term assets and liabilities. The equity section for those statements is called net position. The Fund Level statements, located on pages 11 to 14 of the report, emphasize a short-term perspective. The equity section is referred to as the fund balance. The Entity-wide statement reveals that the District's assets amounted to \$22.2m for FY 24, representing an increase of \$1.8m from the previous year, primarily due to growth in cash and investments. Deferred outflows of resources totaled \$5.7m, reflecting a decrease of \$.3m compared to the previous year. Total liabilities amounted to \$11.5m, reflecting an increase of \$.7m, largely due to changes in pension and OPEB liabilities. Deferred inflows were \$3.3m, a decrease of \$.6m. The Net Position saw an increase of \$1.4m, reaching a total of \$13.1m.

The District's net pension liability rose by approximately \$.7m over the year, from \$8.6m to \$9.3m. The net pension liability has shown greater stability amidst market fluctuations over the past two years. Other

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Post Employment Benefits (OPEB) increased from \$1.3m to \$1.4m. The total OPEB liability increased by about \$360k and the asset value decreased by \$293k.

The Net Position consists of three distinct categories. Net Investment in Capital Assets consists of capital assets and any debt related to purchasing those capital assets. Since the District doesn't have any debt, its capital assets amount to \$4.8m, making up about 37% of the total net position. The Restricted Net Position totaled \$1.3m, representing approximately 10% of the overall Net Position. This category primarily comprises the section 115 pension trust and the restricted balances of the Marine Wildfire Prevention Authority. The Unrestricted portion, amounting to \$7m, constitutes approximately 53% of the total Net Position. Comparing the current audit year to the prior year, the Net Investment in Capital Assets increased by approximately \$87k, Restricted funds increased by \$407k, and Unrestricted funds increased by \$927k, totaling an increase of \$1.4m in the Net Position.

The General Fund, viewed from a shorter-term perspective in the financial statements, concluded FY 24 with a Fund Balance of \$14.7m. At the Fund level, \$1.3m was Restricted, and \$8.9m in Assigned funds represents the District's allocated monies. Note 6 of the financial statements details the specific purposes for these assigned amounts. The District has \$4.5m in Unassigned funds. Regarding operations, Ms. Rodriguez highlighted that the Unrestricted fund balance could sustain the District's expenditures for 24 months without any incoming revenue. This is an increase from last year's audit, which was 20 months.

Maze & Associates provides the Memorandum on Internal Control (MOIC) and Required Communications as supplementary documents. These reports communicate control deficiencies and other matters to the Board. During the audit, Ms. Rodriguez reported their review did not identify any control deficiencies, material weaknesses, significant deficiencies, or notable accounting changes for the current year. The District staff were very prompt in providing information and were very responsive to requests. Maze & Associates had open communication throughout the year and there were no disagreements with management. The financial balances seemed reasonable, and there were no issues with management's accounting estimates. Ms. Rodriguez expressed that it was a pleasure working with the District and inquired if the Board had any questions. None were asked. The Board congratulated the District staff and thanked Ms. Rodriguez and her team at Maze and Associates for their work.

UNFINISHED BUSINESS: None

NEW BUSINESS:

- a. ***Independent Audit of District's Basic Financial Statements for FY ended June 30, 2024*** – Chairman Corbet asked if there were questions regarding the Basic Financial Statements. None were asked. M/S Gerbsman/Evergettis to approve the Independent Audit of District's Financial Statements for FY ended June 30, 2024

OPPORTUNITY FOR PUBLIC COMMENTS: There were no public comments made.

Roll Call Vote: Corbet-Aye; Evergettis-Aye; Gerbsman-Aye; Murray-Aye; Naso-Absent
Ayes: 4; Noes: 0; Absent: 1
Motion passes

- b. ***Memorandum on Internal Controls and Required Communications*** – Chairman Corbet asked if there are any questions regarding the MOIC or Required Communications. There were none.

M/S Evergettis/Murray to approve the Memorandum on Internal Controls and Required Communications

OPPORTUNITY FOR PUBLIC COMMENTS: There were no public comments made.

Roll Call Vote: Corbet-Aye; Evergettis-Aye; Gerbsman-Aye; Murray-Aye; Naso-Absent
Ayes: 4; Noes: 0; Absent: 1
Motion passes

CHIEF'S REPORT:

- a. ***Station Roof Project*** – The contractors are scheduled to begin working on the roof after the rainstorm. The solar panels will be taken off the west side of the firehouse.
- b. ***Chairman Corbet*** – Chief Pomi thanked and recognized Director Corbet for his year of service as the Board Chairman. Director Murray will become Chairman starting January of 2025.
- c. ***MERA Update*** – The new generation system is now operational. They are going through a list of tasks and aiming to have everything resolved soon.

DIRECTOR MATTERS:

Director Evergettis – Reported there was an MWPA article included in the Board Packet which contained an update.

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CORRESPONDENCE: Were reviewed.

DISTRICT OPERATIONS: November Incident Logs and Overtime Reports were reviewed.

APPROVAL OF WARRANTS:

M/S Murray/Gerbsman to approve November warrant 805305771 to and including 805305813 for \$372,843.63

OPPORTUNITY FOR PUBLIC COMMENTS: There were no public comments made.

Roll Call Vote: Corbet-Aye; Evergettis-Aye; Gerbsman-Aye; Murray-Aye; Naso-Absent

Ayes: 4; Noes: 0; Absent: 1

Motion passes

NEXT MEETING: The next regular meeting will be held on January 8, 2025.

ADDITIONAL ACTIONS: Director Corbet asked for a moment of silence.

ADJOURNMENT: M/S Gerbsman/Murray to adjourn meeting at 5:34 p.m. All ayes.

Respectfully submitted,

Jena Wilson
Recording Secretary