

Central Marin Fire Authority

Corte Madera, California

Annual Financial Report

For the Year Ended June 30, 2025



Central Marin Fire Authority
Annual Financial Report
For the Year Ended June 30, 2025
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Chair and Members of the Fire Council
of the Central Marin Fire Authority
Corte Madera, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Central Marin Fire Authority (the "Authority"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Change in Accounting Principle

As discussed in Note 13 to the financial statements, the Authority implemented Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*, effective July 1, 2024. The implementation of this standard required the Authority to change its method of accounting for compensated absences and resulted in a restatement of beginning net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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 Authority’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 Authority’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, Schedule of the Authority’s Proportionate Share of the Net Pension Liability and Related Ratios, Schedules of Contributions – Pension, Schedule of Changes in Net OPEB Liability and Related Ratios, and Schedules of Contributions – OPEB, as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Honorable Chair and Members of the Fire Council
of the Central Marin Fire Authority
Corte Madera, California
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Management has omitted the Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

The Pw Group, LLP

Walnut Creek, California
April 15, 2026

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

Central Marin Fire Authority
Statement of Net Position
June 30, 2025

	Primary Government
	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 1,078,784
Intergovernmental receivable	99,940
Interest receivable	644
Total current assets	1,179,368
Noncurrent assets:	
Capital assets:	
Non-depreciable	130,234
Depreciable, net	1,289,582
Total capital assets	1,419,816
Total noncurrent assets	1,419,816
Total assets	2,599,184
DEFERRED OUTFLOWS OF RESOURCES	
Pension-related deferred outflows of resources	2,780,124
OPEB-related deferred outflows of resources	2,274,065
Total deferred outflows of resources	5,054,189

Central Marin Fire Authority
Statement of Net Position (Continued)
June 30, 2025

	Primary Government
	Governmental Activities
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	572,232
Interest payable	1,858
Compensated absences - due within one year	912,821
Claims payable - due within one year	95,351
Long-term debt - due within one year	149,597
Total current liabilities	1,731,859
Noncurrent liabilities:	
Compensated absences - due in more than one year	608,547
Claims payable - due in more than one year	1,873,649
Net OPEB liability	9,525,020
Net pension liability	832,110
Total noncurrent liabilities	12,839,326
Total liabilities	14,571,185
DEFERRED INFLOWS OF RESOURCES	
OPEB-related deferred inflows of resources	3,810,709
Total deferred inflows of resources	3,810,709
NET POSITION (DEFICIT)	
Net investment in capital assets	1,270,219
Restricted:	
Fire protection	158,411
Total restricted	158,411
Unrestricted (deficit)	(12,157,151)
Total net position (deficit)	\$ (10,728,521)

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Central Marin Fire Authority
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position
	Governmental Activities
Expenses:	
Governmental activities:	
Personnel	\$ 12,224,921
Outside services	1,642,838
Training and education	20,210
Dues and subscriptions	5,333
Equipment maintenance	29,213
Building maintenance	88,040
Vehicle maintenance	118,486
Utilities	141,315
Supplies	452,215
Minor equipment	8,564
Insurance claims	1,120,877
Interest and fiscal charges	158,119
Depreciation	159,054
Total governmental activities	16,169,185
Program revenues:	
Charges of services	152,662
Operating grants and contributions	14,417,398
Total revenues	14,570,060
General revenues:	
Miscellaneous revenue	460,347
Total general revenues	460,347
Change in net position	(1,138,778)
Net Position (Deficit):	
Beginning of year, as restated (Note 13)	(9,589,743)
End of year	\$ (10,728,521)

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FUND FINANCIAL STATEMENTS

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Governmental Funds Financial Statements

General Fund - This fund accounts for resources traditionally associated with governmental activities that are not required legally or by sound financial management to be accounted for in another fund.

Measure C Special Revenue Fund - This fund accounts for the Measure C Wildfire JPA tax revenue received and the expenditures paid with this tax revenue.

Measure F Special Revenue Fund - This fund accounts for the Measure F sales tax ordinance revenue received and the expenditures paid with this tax revenue.

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Central Marin Fire Authority
Balance Sheet
Governmental Funds
June 30, 2025

	Major Funds		Non-Major Fund	Total Governmental Funds
	General Fund	Measure C Special Revenue Fund	Measure F Special Revenue Fund	
ASSETS				
Cash and investments	\$ 911,262	\$ 166,934	\$ 588	\$ 1,078,784
Intergovernmental receivable	99,940	-	-	99,940
Interest receivable	644	-	-	644
Total assets	\$ 1,011,846	\$ 166,934	\$ 588	\$ 1,179,368
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 543,659	\$ 8,523	\$ 20,050	\$ 572,232
Total liabilities	543,659	8,523	20,050	572,232
Fund Balances:				
Restricted	-	158,411	-	158,411
Unassigned (Deficit)	468,187	-	(19,462)	448,725
Total fund balances	468,187	158,411	(19,462)	607,136
Total liabilities and fund balances	\$ 1,011,846	\$ 166,934	\$ 588	\$ 1,179,368

Central Marin Fire Authority
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2025

Total Fund Balances - Total Governmental Funds	<u>\$ 607,136</u>
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Capital Assets used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.	
Government-Wide Statement of Net Position	<u>1,419,816</u>
Total capital assets	<u>1,419,816</u>
Long-term liabilities are not due and payable in the current period and therefore were not reported in the Governmental Funds Balance Sheet.	
Amount reported in Government-Wide Statement of Net Position	
Compensated absences - due within one year	(912,821)
Compensated absences - due in more than one year	(608,547)
Claims payable - due within one year	(95,351)
Claims payable - due in more than one year	(1,873,649)
Long-term debt - due within one year	<u>(149,597)</u>
Total long-term liabilities	<u>(3,639,965)</u>
Aggregate net pension liability and net OPEB liability used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.	
Net OPEB liability	(9,525,020)
Net pension liability	<u>(832,110)</u>
Total net pension liability and total OPEB liability	<u>(10,357,130)</u>
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.	
	(1,858)
Deferred outflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.	
Amount reported in Government-Wide Statement of Net Position	
Deferred outflows of resources related to pensions	2,780,124
Deferred outflows of resources related to OPEB	<u>2,274,065</u>
Total deferred outflows of resources	<u>5,054,189</u>
Deferred inflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.	
Amount reported in Government-Wide Statement of Net Position	
Deferred inflows of resources related to OPEB	<u>(3,810,709)</u>
Total deferred inflows of resources	<u>(3,810,709)</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (10,728,521)</u></u>

Central Marin Fire Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	Major Funds		Non-Major Fund	Total Governmental Funds
	General Fund	Measure C Special Revenue Fund	Measure F Special Revenue Fund	
REVENUES:				
Intergovernmental:				
Contributions from Larkspur	\$ 6,370,603	\$ -	\$ -	\$ 6,370,603
Contributions from Corte Madera	6,370,603	97,747	-	6,468,350
State revenue	669,602	-	-	669,602
Grant revenue	94,004	-	-	94,004
Special taxes	-	814,447	-	814,447
Charges for services	152,662	-	-	152,662
Miscellaneous revenue	455,994	4,353	-	460,347
Total revenues	14,113,860	916,547	-	15,030,407
EXPENDITURES:				
Current:				
Personnel	11,009,766	257,751	-	11,267,517
Outside services	1,047,998	574,790	20,050	1,642,838
Training and education	20,210	-	-	20,210
Dues and subscriptions	5,333	-	-	5,333
Equipment maintenance	29,213	-	-	29,213
Building maintenance	88,040	-	-	88,040
Vehicle maintenance	118,486	-	-	118,486
Utilities	141,315	-	-	141,315
Supplies	447,974	4,241	-	452,215
Minor equipment	8,564	-	-	8,564
Insurance claims	634,174	-	-	634,174
Capital outlay	145,419	-	-	145,419
Debt service:				
Principal	145,972	-	-	145,972
Interest and fiscal charges	159,932	-	-	159,932
Total expenditures	14,002,396	836,782	20,050	14,859,228
NET CHANGE IN FUND BALANCES	111,464	79,765	(20,050)	171,179
FUND BALANCES:				
Beginning of year	356,723	78,646	588	435,957
End of year	<u>\$ 468,187</u>	<u>\$ 158,411</u>	<u>\$ (19,462)</u>	<u>\$ 607,136</u>

Central Marin Fire Authority
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ 171,179
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position the cost of those assets was allocated over their estimated useful lives as depreciation expenses. This is the amount of capital assets recorded in the current period.	145,419
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources.	(159,054)
Claims payable expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(486,703)
Compensated absences expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(453,205)
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	145,972
Interest expenses on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. This amount represented the changes in accrued interest from prior year.	1,813
Certain pension expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in pension related deferred outflows of resources	(30,315)
Changes in net pension liabilities	27,189
Changes in pension related deferred inflows of resources	5,441
Certain OPEB expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in OPEB related deferred outflows of resources	(240,537)
Changes in net OPEB liabilities	(305,692)
Changes in OPEB related deferred inflows of resources	39,715
Change in Net Position of Governmental Activities	\$ (1,138,778)

NOTES TO THE BASIC FINANCIAL STATEMENTS

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Central Marin Fire Authority
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For the Year Ended June 30, 2025

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Central Marin Fire Authority
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

The basic financial statements of the Central Marin Fire Authority (the “Authority”) have been prepared in conformity with accounting principles generally accepted of the United States of America (“U.S. GAAP”) as applied to Governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing accounting and financial reporting principles. The more significant of the Authority’s accounting policies are described below.

A. Reporting Entity

The Town of Corte Madera, California (the “Town”) and the City of Larkspur, California (the “City”) began implementing shared services agreements between their respective fire departments in 2012. These agreements, which included sharing a single command staff and cross-staffing fire stations, resulted in two legally distinct departments functioning as one operation. The two fire departments have operated under one Fire Chief since 2016.

In 2016, the Town and the City initiated a formal process to study the possibility of consolidating their fire protection and prevention services within a Joint Powers Authority (JPA). This process involved councilmembers as well as management and labor from both agencies. In 2017, all of the parties involved recommended the formation of a Joint Powers Authority (JPA). Following this recommendation, Central Marin Fire Authority (the Authority) was formed in August 2017, with the intention for staff to resolve various administrative matters so that all fire department personnel from both agencies could transfer to the new agency as of January 1, 2018.

The January 1, 2018 effective date was delayed due to issues regarding the retirement contract with the California Public Employees Retirement System (CalPERS), resulting in employees continuing to be paid by the Town and City while Central Marin Fire Authority operated as a single agency. The Town and the City shared all costs equally. CalPERS approved the contract in March 2019 and all fire department employees transferred to the new agency as of March 25, 2019. Prior to the consolidation, the Town fire department employees enrolled in the classic CalPERS safety plan were enrolled in the 3% at 50 plan while the City fire department employees enrolled in the classic CalPERS plan were enrolled in the 3% at 55 plan. After consolidation, all classic employees were enrolled in the 3% at 55 plan, resulting in significant pension savings. The Town and the City each retain pension liability for service incurred prior to March 25, 2019.

The Town and the City each retain ownership of their fire station real estate, while all other assets were transferred to the new agency. All operating costs, including salaries, are shared equally by the two agencies.

The Authority is a legally separate and independent entity that is not a component unit of the Town or the City. Further, the Authority has no component unit organizations under its control. Therefore, the financial statements contained within represent solely the activities, transactions, and status of the Authority. The Authority is governed by a Council (“Fire Council”) consisting of representatives from each the Town and City.

The Authority maintains its headquarters at 342 Tamalpais Drive, Corte Madera, CA 94925.

B. Basis of Accounting and Measurement Focus

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Government - Wide Financial Statements

The Authority's 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 for the Authority.

These financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the Authority's assets and liabilities, including capital assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents change 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.

Certain types of transactions are reported as program revenues for the Authority in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Fund Financial Statements

Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances. The Authority considers all funds as major funds since they met the applicable criteria in accordance with GASB Statement No. 34. An accompanying schedule is presented to reconcile and explain the differences in Net Position as presented in these statements to the Net Position presented in the Government-Wide Financial Statements.

All 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 Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents 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.

Revenues are considered to be available when they are collectible within the current period as soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the Authority, are member agency operating contributions and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Non-exchange transactions, in which the Authority gives or receives value without directly receiving or giving equal value in exchange, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences.

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Fund Financial Statements (Continued)

The Authority reports the following major governmental funds:

General Fund is the general operating fund of the Authority. It is used to account for all financial resources of the Authority except those required to be accounted for in another fund.

Measure C Special Revenue Fund accounts for the Measure C Wildfire JPA tax revenue received and the expenditures paid with this taxes.

C. Cash and Investments

The Authority's cash and investments considered to be cash equivalents, consist of cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and reported as cash and investments. The Authority's cash and investments are held by the Town in its pooled cash and investments.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

D. Capital Assets and Depreciation

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are valued at their acquisition value on the date donated. the Authority policy has set the capitalization threshold for reporting capital assets at \$25,000. As stipulated in the JPA agreement, fire stations remain the assets of the individual member agencies. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

<u>Asset Type</u>	<u>Years</u>
Machinery & equipment	5-15

Major outlays for capital assets are capitalized as construction in progress, once constructed, the repairs and maintenance costs are expensed.

E. Long-Term Debt

Government-Wide Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using straight line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed when incurred. Gains or losses on bond refunding are reported as either deferred outflows of resources or deferred inflows of resources and amortized over the term of the related debt.

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

E. Long-Term Debt (Continued)

Governmental Fund Financial Statements

The governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

F. Compensated Absences

The City's recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation: The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment. Employees accrue vacation, annual leave, earned time off, and holiday leave up to certain maximums, based on the employee's bargaining unit. Employees may elect to be paid a portion of these leaves at various times according to the applicable Memorandum of Understanding. Sick leave may be accumulated without limit. Sick leave may be exchanged for service credit in the Authority's pension plan upon retirement.

Sick Leave: The City's policy permits employees to accumulate earned but unused sick leave. There is no cap on the amount of sick leave that can be accrued. Employees with less than five years of employment do not have vested privilege on sick leave and their sick leave is forfeited upon termination. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

In government-wide financial statements compensated absences are recorded as expenses and liabilities as incurred.

In fund financial statements, compensated absences are recorded as expenditures in the years paid, as it is the Authority's policy to liquidate any unpaid annual leave at year-end from future resources rather than currently available and expendable resources. The General Fund is typically used to liquidate compensated absences.

G. Pensions

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

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

G. Pensions (Continued)

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

H. Other Postemployment Benefits

For purposes of measuring the net other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, and other postemployment benefits expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at market value.

The following timeframes are used for other postemployment benefits reporting:

<u>OPEB</u>	
Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024

Gains and losses related to changes in total other postemployment benefits liability and fiduciary net position are recognized in other postemployment benefits expense systematically over time. The first amortized amounts are recognized in other postemployment benefits expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to other postemployment benefits and are to be recognized in future other postemployment benefits expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

I. *Deferred Outflows and Inflows of Resources*

The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as revenue until that time.

J. *Unearned Revenue*

Inflows that do not meet the criteria for revenue recognition are recorded as unearned revenues in the governmental funds and the government-wide financial statements.

K. *Net Position*

In government-wide financial statements, net position is categorized as follows:

Net Investment in Capital Assets component of net position consists of capital assets, net of accumulated depreciation and reduced by any lease liability or long-term debt outstanding.

Restricted – This component of net position consists of restricted assets reduced by liabilities and related deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

L. *Fund Balances*

In fund financial statements, fund balances are categorized as follows:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body and that remain binding unless removed in the same manner. The Fire Council is considered the highest authority for the Authority. A Council resolution is required to have fund balance committed.

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

L. Fund Balances (Continued)

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government’s intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The general fund is the only fund that reports a positive unassigned fund balance amount. In other funds, it is not appropriate to report a positive unassigned fund balance amount. However, in funds other than general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

M. Spending Policy

Government-Wide Financial Statements

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

Fund Financial Statements

When expenditures are incurred for purposes where only unrestricted fund balances are available, the Authority uses the unrestricted resources in the following order: committed, assigned, and unassigned.

N. Use of Estimates

The preparation of basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates and assumptions.

O. Implementation of New GASB Pronouncements

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the Authority, for the year ended June 30, 2025. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Implementation of this Statement had a significant effect on the Authority's financial statements for the fiscal year ended June 30, 2025. See Note 18.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Implementation of this Statement did not have a significant effect on the Authority's financial statements for the fiscal year ended June 30, 2025.

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments

The carrying amounts of the Authority’s pooled cash and investment with the Town was \$1,097,087 at June 30, 2025.

The Authority pools its cash and investments of all funds with the Town to facilitate the management of cash and achieve the goal of obtaining the highest yield with the greatest safety and least risk. The pool is managed by the Town Treasurer for investing, except for certain restricted funds and investments held in trust, which are held and invested by outside custodians through contractual agreements. These restricted funds include cash with fiscal agents.

Investments held in the Town's cash and investments pool are available on demand. Information regarding the Town's cash and investment pools is described in the Town's Annual Financial Report.

The Authority does not have a specific investment policy but follows the guidelines of the Town’s Investment Policy. All funds invested are managed to meet the guidelines stated in both California Code Section 53600, et. seq. and the Town’s investment policy.

Note 3 – Capital Assets

Summary of changes in capital assets activity for the year ended June 30, 2025, is shown below:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ 130,234	\$ -	\$ 130,234
Total capital assets, not being depreciated	-	130,234	-	130,234
Capital assets, being depreciated				
Machinery & equipment	\$ 4,746,237	\$ 15,185	\$ -	\$ 4,761,422
Total capital assets, being depreciated	4,746,237	15,185	-	4,761,422
Accumulated depreciation:				
Machinery & equipment	(3,312,786)	(159,054)		(3,471,840)
Total accumulated depreciation	(3,312,786)	(159,054)	-	(3,471,840)
Total capital assets, being depreciated, net	1,433,451	(143,869)	-	1,289,582
 Total capital assets, net	 \$ 1,433,451	 \$ (13,635)	 \$ -	 \$ 1,419,816

Depreciation expense was charged to the Governmental Activities in the amount of \$159,054.

Note 4 – Long-Term Debt

A summary of changes in the long-term debt of the governmental activities for the year ended June 30, 2025, is as follows:

Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Classification	
				Due Within One Year	Due In More Than One Year
\$ 295,569	\$ -	\$ (145,972)	\$ 149,597	\$ 149,597	\$ -

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Long-Term Debt (Continued)

Note Payable – Fire Engine (Lease-Purchase Agreement)

On January 4, 2021, the Authority entered into a lease-purchase agreement in the amount of \$712,598 for the purchase of one Pierce Enforcer Custom Pumper. The lease payments of \$153,314 due on January 4, 2022 through January 4, 2026 with an interest rate of 2.48 percent. At June 30, 2025, the outstanding principal balance of the lease-purchase agreement was \$149,597.

Principal and interest payments to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 149,597	\$ 3,717	\$ 153,314

Note 5 – Compensated Absences

Summary of changes in compensated absences for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024, as restated	Increase/ (Decrease)	Balance June 30, 2025	Classification	
				Due within One Year	Due in More Than One Year
Compensated absences	\$ 1,068,163	\$ 453,205	\$ 1,521,368	\$ 912,821	\$ 608,547

The Authority’s liability for vested and unpaid compensated absences (accrued vacation, sick time, comp time, and annual leave) has been accrued and amounts to \$1,521,368 at June 30, 2025. The amount due within one year of \$912,821 represents the estimated amount for anticipated retirees.

Note 6 – Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Authority is a member of the Bay Cities Joint Powers Insurance Authority (BCJPIA), an established public entity risk pool that operates as a common risk management and insurance program for government members. The Authority pays an annual premium to the pool for property and general coverage, and for workers compensation insurance. Risk of loss is retained for general liability claims. The agreement with the risk pool provides that it will be self-sustaining through member premiums and additional policies purchased from commercial insurance companies for general liability claims, and for excess workers’ compensation claims.

BCJPIA was created as a California Public Agency by an agreement between certain public agencies in the San Francisco Bay Area to provide workers’ compensation coverage. BCJPIA is governed by a Board of Directors which is comprised of officials appointed by each member town, city or agency. Financial statements may be obtained from BCJPIA, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

The Authority contributes its pro-rata share of anticipated losses to a pool administered by BCJPIA. Should actual losses among participants be greater than the anticipated losses, the Authority will be assessed its pro-rata share of the deficit. Conversely, if the actual losses are less than anticipated, the Authority will be refunded its pro-rata share of the excess. The Authority paid insurance premiums of \$718,398 during the year ended June 30, 2025. Settled claims have not exceeded commercial excess liability coverage in any of the past three fiscal years.

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 6 – Risk Management (Continued)

The accrued claims payable is based upon an actuarial review of the program’s discounted and undiscounted liability for outstanding claims. The claims are classified as current or noncurrent, based upon expected payment dates, and will be paid from available resources.

A summary of the changes in claims payable for the past three fiscal years is as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End	Balance at Due Within One Year	Due In More Than One Year
2022-2023	828,474	492,962	(28,171)	1,293,265	452,643	840,622
2023-2024	1,293,265	280,991	(91,959)	1,482,297	443,166	1,039,131
2024-2025	1,482,297	521,734	(35,031)	1,969,000	95,351	1,873,649

Note 7 – Pension Plans

A. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. the Authority sponsors eleven rate plans. Benefit provisions under the Plan are established by State statute and the Authority resolution.

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

Employees Covered by Benefit Terms

At June 30, 2023 valuation date, the following members were covered by the benefit terms for each Plan:

	Miscellaneous Plans	Safety Plans
Active	3	34
Transferred or separated	-	8
Retired	-	6
Total	3	48

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Pension Plans (Continued)

A. General Information about the Pension Plans (Continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Safety members with five years or more of total service are eligible to retire at age 50. Miscellaneous members with five years or more of total service are eligible to retire at age 50, with exception of those that fall under the 2% at 62 formula, who are eligible to retire at age 52. Those that retire before the “normal retirement age” listed in their formula will receive statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2023, valuation date, are summarized below:

	Classic - Misc	PEPRA - Misc	Classic - Safety	PEPRA - Safety
Benefit formula	2.5% at age 55	2% at age 62	3% at age 55	2.7% at age 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	62	55	57
Required employee contribution rates	8.000%	8.250%	9.000%	14.500%
Negotiated additional employee contribution rates	5.500%	0.000%	6.000%	0.000%
Required employer contribution rates	14.990%	8.180%	26.290%	14.720%
Final Annual Compensation	1 year	3 years	1 year	3 years

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an actuarial basis, annually and is effective on July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability, the Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Pension Plans (Continued)

A. General Information about the Pension Plans (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2024 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2024 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Tables ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

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

Discount Rate

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

Long-Term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Pension Plans (Continued)

A. General Information about the Pension Plans (Continued)

Long-Term Expected Rate of Return (Continued)

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

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1-10 ²
Global Equity - Cap-weighted	30.00%	4.45%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

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

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

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

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

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

	Plan's Aggregate Net Pension Liability/(Asset)		
	Discount Rate	Current Discount	Discount Rate
	- 1% (5.90%)	Rate (6.90%)	+ 1% (7.90%)
Miscellaneous Plans	\$ 82,271	\$ 28,336	\$ (16,060)
Safety Plans	2,191,227	803,774	(330,968)
Total	\$ 2,273,498	\$ 832,110	\$ (347,028)

Pension Plan Fiduciary Net Position

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

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Pension Plans (Continued)

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

Pension Plan Fiduciary Net Position (Continued)

The following table shows the plan’s proportionate share of the risk pool collective net pension liability over the measurement period:

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
Miscellaneous Plan:			
Balance at: 6/30/23 (Valuation date)	\$ 272,320	\$ 247,701	\$ 24,619
Balance at: 6/30/24 (Measurement date)	399,693	371,357	28,336
Net Changes during 2023-2024	127,373	123,656	3,717
Safety Plan:			
Balance at: 6/30/23 (Valuation date)	\$ 6,672,627	\$ 5,837,947	\$ 834,680
Balance at: 6/30/24 (Measurement date)	10,157,123	9,353,349	803,774
Net Changes during 2023-2024	3,484,496	3,515,402	(30,906)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2023). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2024). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2024 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2023-24).
- (3) The individual plans’ TPL, FNP, and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plans’ TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plans’ NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Pension Plans (Continued)

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

Pension Plan Fiduciary Net Position (Continued)

The Authority’s proportionate share of the net pension liability as of June 30, 2025 was as follows:

	Miscellaneous Plan	Safety Plan
Proportion June 30, 2023	0.000492%	0.011166%
Proportion June 30, 2024	0.000586%	0.011024%
Change - Increase (Decrease)	0.000094%	-0.000142%

For the year ended June 30, 2025, the Authority recognized pension expense (income) in the amounts of \$44,466 and \$1,225,327, for the Miscellaneous plans and Safety plans, respectively.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The Expected Average Remaining Service Lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for risk pool for the 2023-24 measurement period is 3.8 years, which was obtained by dividing the total service years of 630,177 (the sum of remaining service lifetimes of the active employees) by 166,163 (the total number of participants: active, inactive, and retired).

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Pension Plans (Continued)

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

Pension Plan Fiduciary Net Position (Continued)

At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plans		Safety Plans	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 47,677	\$ -	\$ 1,224,428	\$ -
Changes in assumptions	729	-	19,803	-
Difference between actual and expected experience	2,354	-	63,462	-
Difference between projected and actual earning on pension plan investments	1,631	-	38,851	-
Adjustment due to differences in proportions	12,779	-	234,457	-
Difference between Employer's actual contributions and proportionate share of contributions	38,846	-	1,095,107	-
Total	\$ 104,016	\$ -	\$ 2,676,108	\$ -

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 1,272,105	\$ -
Changes in assumptions	20,532	-
Difference between actual and expected experience	65,816	-
Difference between projected and actual earning on pension plan investments	40,482	-
Adjustment due to differences in proportions	247,236	-
Difference between Employer's actual contributions and proportionate share of contributions	1,133,953	-
Total	\$ 2,780,124	\$ -

For the Miscellaneous plans and Safety plans, \$47,677 and \$1,224,428, respectively, was reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of collective the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total
2026	\$ 26,827	\$ 721,567	\$ 748,394
2027	22,138	558,075	580,213
2028	7,933	185,331	193,264
2029	(559)	(13,293)	(13,852)
2030	-	-	-
Thereafter	-	-	-
Total	\$ 56,339	\$ 1,451,680	\$ 1,508,019

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Other Postemployment Benefits

A. General Information about OPEB

Plan Description

The Authority administers a single-employer defined benefit post-employment healthcare plan. The amount and type of benefit is contingent on date of hire.

Employees Covered

As of the July 1, 2024 measurement date, the following current and former employees were covered by the benefit terms:

Active employees	37
Retired employees or beneficiaries currently receiving benefits	6
Total	43

Contribution

Beginning in the fiscal year 2019-20, the Authority funds the Plan partially through a trust held by Keenan by contributing the employee required every year.

The Authority’s net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions

The total OPEB liability, measured as of June 30, 2024, was determined using the following actuarial assumptions:

Actuarial Valuation Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost
Asset Valuation Method	Market Value
Inflation	2.50%
Payroll Growth	Aggregate - 2.75% annually
Salary Increases	Merit - CalPERS 2000-2019 Experience Study
Contribution Policy	Contributes full ADC
Discount Rate	3.95%
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Medical Trend	Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076

*The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2000 through June 30, 2019.

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Other Postemployment Benefits (Continued)

B. Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

Actuarial Assumptions

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Change of Assumption

In 2023, the accounting discount rate was increased from 3.67% to 3.95%.

Discount Rate

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	45.00%	4.56%
Fixed Income	55.00%	0.78%
	100.00%	
Long-term assumed rate of inflation		2.50%

The discount rate used to measure the total OPEB liability was 3.95 percent. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Authority plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB liability of the Authority, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2024:

Plan's Net OPEB Liability		
Discount Rate -1% (2.95%)	Current Discount Rate (3.95%)	Discount Rate +1% (4.95%)
\$ 10,997,098	\$ 9,525,020	\$ 8,334,107

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Other Postemployment Benefits (Continued)

B. Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Authority, as well as what the net OPEB liability would be if it were calculated using a health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates, for the measurement period ended June 30, 2024:

Plan's Net OPEB Liability		
1% Decrease	Current Healthcare Trend Rate	1% Increase
\$ 8,053,747	\$ 9,525,020	\$ 11,394,923

Change in Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023, valuation date	\$ 9,301,801	\$ 82,473	\$ 9,219,328
Changes Recognized for the Measurement Period:			
Service Cost	472,407	-	472,407
Interest on the total OPEB liability	356,562	-	356,562
Changes in benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumptions	(380,418)	-	(380,418)
Contribution from the employer	-	117,562	(117,562)
Contribution from the employee	-	16,068	(16,068)
Net investment income	-	9,664	(9,664)
Benefit payments	(117,219)	(117,219)	-
Administrative expenses	-	(435)	435
	331,332	25,640	305,692
Balance at June 30, 2024, measurement date	\$ 9,633,133	\$ 108,113	\$ 9,525,020

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2025, OPEB expense in the amount of \$647,927 is included in the accompanying statement of activities.

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Other Postemployment Benefits (Continued)

B. Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 141,413	\$ -
Differences between expected and actual experience	206,116	(1,120,147)
Changes in assumptions	1,925,700	(2,690,562)
Net difference between projected and actual earnings of OPEB Plan investments	836	-
	\$ 2,274,065	\$ (3,810,709)

For the OPEB plan, \$141,413, was reported as deferred outflows of resources related to OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of collective the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30	Amount
2026	\$ (160,573)
2027	(159,392)
2028	(162,735)
2029	(162,488)
2030	(161,506)
Thereafter	(871,363)
Total	\$ (1,678,057)

Note 9 – Deferred Compensation

The Authority contracts with the ICMA Retirement Corporation, and with CalPERS, to provide deferred compensation plans. Employees may defer up to the IRS established limits each year through payroll deductions. For employees in the management unit only, there is a mandatory 1% of salary contribution and a 1% of salary employer match to the employee's choice of the two plans. The plan is in conformity with Section 457 of the Internal Revenue Code.

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 10 – Classification of Fund Balances

The Authority classifies fund balances, as shown on the *Balance Sheet – Governmental Funds*, as follows as of June 30, 2025:

	General Fund	Measure C Special Revenue Fund	Measure F Special Revenue Fund	Total
Restricted				
Wildfire prevention and mitigation	\$ -	\$ 158,411	\$ -	\$ 158,411
Total restricted	-	158,411	-	158,411
Unassigned (Deficit)	468,187	-	(19,462)	448,725
Total fund balances	<u>\$ 468,187</u>	<u>\$ 158,411</u>	<u>\$ (19,462)</u>	<u>\$ 607,136</u>

Marin County voter approved Measure C special tax charged to all real estate parcel owners. The special tax revenues are restricted to plan, finance, implement, manage, own and operate a multi-jurisdictional agency to prevent and mitigate wildfires in Marin County.

The Town voter approved Measure F Ordinance is funded from sales tax. The sales tax revenues are restricted for flood/sea level rise/disaster preparedness, fire prevention, street repair, improved traffic flow, safety improvements, 911 response and other program expenditures.

Note 11 – Other Required Disclosures

A. Deficit Net Position/Fund Balance

At June 30, 2028, the Governmental Activities Statement of Net Position had an unrestricted net position deficit of \$(12,157,151). This is mainly due to reporting of reporting of net pension liability and net OPEB liability of \$(10,357,130) as required under GASB Statements No. 68 and 75.

At June 30, 2025, Measure F Special Revenue Fund had a deficit fund balance of \$19,462. The deficit will be addressed in future years through additional revenue sources and/or transfers from the General Fund.

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2025, expenditures exceeded appropriations in the following funds:

Fund	Excess Expenditures over Appropriations
General Fund	\$ 457,042

Central Marin Fire Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Commitments and Contingencies

A. Commitments

The Authority had no significant outstanding or planned construction commitments as of June 30, 2025.

B. Litigation

The Authority is a defendant in certain legal actions arising in the normal course of operations. The accompanying basic financial statements reflect a liability for the probable amounts of loss associated with these claims.

C. Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. While no matters of non-compliance were disclosed by the audit of the financial statements or single audit of the Federal grant programs, grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have a material adverse effect on the financial position of the Authority.

Note 13 – Restatement of Beginning Balances

During the current year, the Authority implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the Authority now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the “Restatement – GASB 101 implementation” column in the table below.

	June 30, 2024, As Previously Reported	Restatement - GASB 101 implementation	June 30, 2024, As Restated
Government-wide			
Governmental activities	\$ (8,830,205)	\$ (759,538)	\$ (9,589,743)
Total government-wide	<u>\$ (8,830,205)</u>	<u>\$ (759,538)</u>	<u>\$ (9,589,743)</u>

REQUIRED SUPPLEMENTARY INFORMATION

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Central Marin Fire Authority
Required Supplementary Information (Unaudited)
Budgetary Information
For the Year Ended June 30, 2025

A. Budgetary Control and Budgetary Accounting

Budgets are adopted annually for the General Fund and Measure C Special Revenue Fund. The Budget is adopted by the Council and can be amended only by the Council.

The Measure F Fund was not budgeted for the year ended June 30, 2025.

An annual operating budget is adopted by the Council on or before June 30. The operating budget may be reallocated among programs, but expenditures may not exceed budgeted appropriations each year without Council acknowledgment and approval.

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to close of the fiscal year, management submits to the Central Marin Fire Authority Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed revenue and expenditures.
- Public hearings are conducted at Council meetings to obtain taxpayer comments prior to adoption of the budget in June.
- Prior to July 1, the budget is legally adopted for all governmental fund types through the Council approved budget.
- Management is authorized to transfer budget amounts within and between funds as deemed desirable and necessary in order to meet the Authority's needs; however, revisions that alter the total expenditures must be approved by the Council. Formal budgetary integration is employed as a management control device during the year for the governmental type funds.
- Budgets for the governmental type funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts presented are as originally adopted and as further amended by the Council.

Central Marin Fire Authority
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Contributions from Larkspur	\$ 6,144,603	\$ 6,370,603	\$ 6,370,603	\$ -
Contributions from Corte Madera	6,144,603	6,370,603	6,370,603	-
State revenue	-	191,334	669,602	478,268
Grant revenue	-	-	94,004	94,004
Charges for services	150,000	150,000	152,662	2,662
Miscellaneous revenue	317,814	462,814	455,994	(6,820)
Total revenues	<u>12,757,020</u>	<u>13,545,354</u>	<u>14,113,860</u>	<u>568,506</u>
EXPENDITURES:				
Current:				
Personnel	9,591,429	10,429,763	11,009,766	(580,003)
Outside services	1,170,723	1,120,723	1,047,998	72,725
Training and education	20,000	20,000	20,210	(210)
Dues and subscriptions	9,000	9,000	5,333	3,667
Equipment maintenance	59,100	59,100	29,213	29,887
Building maintenance	110,000	88,000	88,040	(40)
Vehicle maintenance	100,000	100,000	118,486	(18,486)
Utilities	106,500	106,500	141,315	(34,815)
Supplies	465,425	465,425	447,974	17,451
Minor equipment	-	-	8,564	(8,564)
Insurance claims	676,273	676,273	634,174	42,099
Debt service:				
Principal	123,638	145,638	145,972	(334)
Interest and fiscal charges	159,932	159,932	159,932	-
Total expenditures	<u>12,757,020</u>	<u>13,545,354</u>	<u>14,002,396</u>	<u>(457,042)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>111,464</u>	<u>\$ 111,464</u>
FUND BALANCE:				
Beginning of year			<u>356,723</u>	
End of year			<u>\$ 468,187</u>	

Central Marin Fire Authority
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedule – Measure C Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Contributions from Corte Madera	\$ 97,747	\$ 97,747	\$ 97,747	\$ -
Property taxes	813,700	813,700	814,447	747
Miscellaneous revenue	-	-	4,353	4,353
Total revenues	<u>911,447</u>	<u>911,447</u>	<u>916,547</u>	<u>5,100</u>
EXPENDITURES:				
Current:				
Personnel	241,251	241,251	257,751	(16,500)
Outside services	630,000	630,000	574,790	55,210
Supplies	7,565	7,565	4,241	3,324
Total expenditures	<u>878,816</u>	<u>878,816</u>	<u>836,782</u>	<u>42,034</u>
Net change in fund balance	<u>\$ 32,631</u>	<u>\$ 32,631</u>	79,765	<u>\$ 47,134</u>
FUND BALANCE:				
Beginning of year			<u>78,646</u>	
End of year			<u>\$ 158,411</u>	

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Central Marin Fire Authority
Required Supplementary Information (Unaudited) (Continued)
Schedules of the Authority's Proportionate Share of the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2025

Miscellaneous Plans

Measurement period, year ended	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020¹</u>
Plan's proportion of the net pension liability	0.000586%	0.000492%	0.000026%	-0.000178%	-0.000010%
Plan's proportionate share of the net pension liability (asset)	\$ 28,336	\$ 24,619	\$ 2,956	\$ (9,613)	\$ (1,036)
Plan's covered payroll	\$ 419,976	\$ 407,744	\$ 395,868	\$ 379,392	\$ 230,412
Plan's proportionate share of the net pension liability (asset) as a percentage of covered payroll	6.75%	6.04%	0.75%	-2.53%	-0.45%
Plan's fiduciary net position	\$ 371,357	\$ 247,701	\$ 164,353	\$ 79,489	\$ 164,353
Plan's fiduciary net position as a percentage of the total pension liability (asset)	7.63%	9.94%	1.80%	-12.09%	-0.63%
Plan's proportionate share of aggregate employer contributions	\$ 42,307	\$ 37,698	\$ 35,677	\$ 36,169	\$ 26,012

¹ Information is only presented from the start of Authority operations in March 2019.

Safety Plans

Measurement period, year ended	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020¹</u>
Plan's proportion of the net pension liability	0.011024%	0.011166%	0.003167%	-0.002786%	0.000011%
Plan's proportionate share of the net pension liability (asset)	\$ 803,774	\$ 834,680	\$ 365,794	\$ (150,651)	\$ 1,157
Plan's covered payroll	\$ 5,292,708	\$ 5,138,552	\$ 4,988,885	\$ 4,668,318	\$ 4,629,737
Plan's proportionate share of the net pension liability (asset) as a percentage of covered payroll	15.19%	16.24%	7.33%	-3.23%	0.02%
Plan's fiduciary net position	\$ 9,353,349	\$ 5,837,947	\$ 4,325,718	\$ 2,907,980	\$ 501,928
Plan's fiduciary net position as a percentage of the total pension liability (asset)	8.59%	14.30%	8.46%	-5.18%	0.23%
Plan's proportionate share of aggregate employer contributions	\$ 1,088,092	\$ 1,097,131	\$ 1,020,144	\$ 996,253	\$ 1,208,868

¹ Information is only presented from the start of Authority operations in March 2019.

Central Marin Fire Authority
Required Supplementary Information (Unaudited) (Continued)
Schedules of Contributions - Pension
For the Year Ended June 30, 2025

Miscellaneous Plans

Fiscal Year:	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20¹</u>
Contractually determined contribution (actuarially determined)	\$ 47,677	\$ 42,307	\$ 37,698	\$ 35,677	\$ 36,169	\$ 26,012
Contributions in relation to the actuarially determined contributions	(47,677)	(42,307)	(37,698)	(35,677)	(36,169)	(26,012)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 432,576	\$ 419,976	\$ 407,744	\$ 395,868	\$ 379,392	\$ 230,412
Contributions as a percentage of covered payroll	11.02%	10.07%	9.25%	9.01%	9.53%	11.29%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2025 were derived from the June

Actuarial cost method	Entry-Age Normal Cost Method
Amortization method/period	For details, see June 30, 2023 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2023 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.50%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2000 and 2019.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2000 to 2019. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

¹ Information is only presented from the start of Authority operations in March 2019.

Central Marin Fire Authority
Required Supplementary Information (Unaudited) (Continued)
Schedules of Contributions – Pension (Continued)
For the Year Ended June 30, 2025

Safety Plans						
Fiscal Year:	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20¹</u>
Contractually determined contribution (actuarially determined)	\$ 1,224,428	\$ 1,088,092	\$ 1,097,131	\$ 1,020,144	\$ 996,253	\$ 1,208,868
Contributions in relation to the actuarially determined contributions	(1,224,428)	(1,088,092)	(1,097,131)	(1,020,144)	(996,253)	(1,208,868)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,451,489	\$ 5,292,708	\$ 5,138,552	\$ 4,988,885	\$ 4,668,318	\$ 4,629,737
Contributions as a percentage of covered payroll	22.46%	20.56%	21.35%	20.45%	21.34%	26.11%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2025 were derived from the June

Actuarial cost method	Entry-Age Normal Cost Method
Amortization method/period	For details, see June 30, 2023 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2023 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.50%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2000 and 2019.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2000 to 2019. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

¹ Information is only presented from the start of Authority operations in March 2019.

Central Marin Fire Authority
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2025

Measurement period, year ending:	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019¹</u>
Total OPEB liability						
Service cost	\$ 472,407	\$ 457,518	\$ 624,198	\$ 814,109	\$ 568,643	\$ 140,000
Interest	356,562	295,067	208,013	261,137	296,893	75,000
Changes of benefit terms	-	-	-	-	-	7,303,000
Differences between expected and actual experience	-	247,756	-	(1,641,143)	-	-
Changes of assumptions	(380,418)	479,151	(1,841,556)	(1,379,153)	2,127,789	396,000
Benefit payments, including refunds of member contributions	(117,219)	(63,870)	(44,231)	(22,520)	-	-
Net change in total OPEB liability	<u>331,332</u>	<u>1,415,622</u>	<u>(1,053,576)</u>	<u>(1,967,570)</u>	<u>2,993,325</u>	<u>7,914,000</u>
Total OPEB liability - beginning	<u>9,301,801</u>	<u>7,886,179</u>	<u>8,939,755</u>	<u>10,907,325</u>	<u>7,914,000</u>	<u>-</u>
Total OPEB liability - ending (a)	<u>\$ 9,633,133</u>	<u>\$ 9,301,801</u>	<u>\$ 7,886,179</u>	<u>\$ 8,939,755</u>	<u>\$ 10,907,325</u>	<u>\$ 7,914,000</u>
OPEB fiduciary net position						
Contributions - employer	\$ 117,562	\$ 64,068	\$ 44,380	\$ 22,563	\$ -	\$ -
Contributions - employee	16,068	14,696	16,559	17,195	32,402	-
Net investment income	9,664	4,949	(13,158)	8,446	1,585	-
Benefit payments, including refunds of member contributions	(117,219)	(63,870)	(44,231)	(22,520)	(18)	-
Administrative expense	(435)	(270)	(214)	(89)	-	-
Net change in plan fiduciary net position	<u>25,640</u>	<u>19,573</u>	<u>3,336</u>	<u>25,595</u>	<u>33,969</u>	<u>-</u>
Plan fiduciary net position - beginning	<u>82,473</u>	<u>62,900</u>	<u>59,564</u>	<u>33,969</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ 108,113</u>	<u>\$ 82,473</u>	<u>\$ 62,900</u>	<u>\$ 59,564</u>	<u>\$ 33,969</u>	<u>\$ -</u>
Plan net OPEB liability - ending (a) - (b)	<u>\$ 9,525,020</u>	<u>\$ 9,219,328</u>	<u>\$ 7,823,279</u>	<u>\$ 8,880,191</u>	<u>\$ 10,873,356</u>	<u>\$ 7,914,000</u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.12%	0.89%	0.80%	0.67%	0.31%	0.00%
Covered-employee payroll	\$ 8,083,546	\$ 7,848,103	\$ 7,619,518	\$ 7,397,590	\$ 10,873,356	\$ 1,270,000
Plan net OPEB liability as a percentage of covered-employee payroll	119.17%	118.52%	103.50%	120.85%	100.31%	623.15%

¹ Information is only presented from the start of Authority operations in March 2019.

Central Marin Fire Authority
Required Supplementary Information (Unaudited) (Continued)
Schedules of Contributions – OPEB
For the Year Ended June 30, 2025

Fiscal Year:	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20¹</u>
Actuarially determined contribution	\$ 141,413	\$ 117,562	\$ 64,068	\$ 44,380	\$ 22,563	\$ 33,969
Contributions in relation to the actuarially determined contributions	(141,413)	(117,562)	(64,068)	(44,380)	(22,563)	(33,969)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 8,326,052	\$ 8,083,546	\$ 7,848,103	\$ 7,619,518	\$ 7,397,590	\$10,873,356
Contributions as a percentage of covered payroll	1.70%	1.45%	0.82%	0.58%	0.31%	0.31%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June

Methods and assumptions used to determine contribution rates:

ADC for fiscal year	6/30/2023
Actuarial valuation date	6/30/2023
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.50%
Investment rate of return	5.25% net of investment expenses
Healthcare cost trend rate	Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076; Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076; Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Projected salary growth and increase	Aggregate - 2.75% annually
Mortality	CalPERS 2000-2019 Experience Study

¹ Information is only presented from the start of Authority operations in March 2019.

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