COAST LIFE SUPPORT DISTRICT
FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

COAST LIFE SUPPORT DISTRICT

FINANCIAL STATEMENTS
June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Coast Life Support District
Gualala, California

Opinion

We have audited the accompanying financial statements of Coast Life Support District, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coast Life Support District as of June 30, 2025, and the changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coast Life Support District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Coast Life Support District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–6, and the District's Employees' Retirement System Schedule of the District's Proportionate Share of the Net Pension Liability and the Retirement System Schedule of the District's Contributions on pages 22-23; be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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.



Larry Bain, CPA
An Accounting Corporation

May 21, 2026

COAST LIFE SUPPORT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

Management of the Coast Life Support District ("the District", or "CLSD") offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ending June 30, 2025.

Management of the Coast Life Support District ("the District", or "CLSD") offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ending June 30, 2025.

Financial Highlights

I. Emergency Medical Services (EMS) Operating Costs remained static for FY25 compared to FY24.

CLSD continued to staff two paramedic/EMT Advanced Life Support (ALS) ambulances 24 hours a day. CLSD has also started staffing a third ALS ambulance as needed due to increasing run volumes and a new initiative to reduce use of mutual aid partners necessitating coverage in the district when both ambulances are busy. This initiative has reduced the need for mutual aid ambulance response from 102 times in FY20 to three times in FY23. *This trend has continued with the need for mutual aid ambulance response remaining below 5 for both FY24 and FY25.*

II. CLSD continues to be a certified Emergency Medical Responder (EMR) and Emergency Medical Technician (EMT) training facility. The Rural EMS Training Grant was awarded to the district in 2020 and ran in FY21 and FY22. The grant ended funding in FY23. Despite the loss of grant funding, CLSD has continued to operate and fund these needed trainings for the district's first responders and public. The CPR/First Aid *program taught over 428 community members in FY25.* The EMT program continues to help with staffing of EMTs for the ambulance.

III. In FY25, ambulance billings are timely and remain current. We have been able to track our accounts receivables on a regular basis. The BOD enabled a Hardship policy, established in FY21, which has been working well. Bookkeeping staff have been trained on the procedure and implemented the policy to good effect.

IV. Urgent Care operating costs remained at the same level as FY23. Urgent Care services are provided by Redwood Coast Medical Services (RCMS) through a contract that CLSD entered into in 2014. In FY23 a new RFP for Urgent Care services was proposed and sent out for competitive bid. Two companies ultimately bid for the contract with RCMS being awarded the contract by the CLSD BOD. The new contract is set at an annual rate of $800,000, *and expires in June 30, 2028.*

V. Net position decreased $578,939 in FY25.

Net position consists of the net investment in capital assets and unrestricted net position.

Net position for the last three years are:

	FY25	FY24	FY23
Net position:	$1,124,327	$1,703,266	$2,106,608

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise two components: *Basic Financial Statements*, and *Notes to the Financial Statements*. This report also contains other supplementary information in addition to the basic financial statements themselves.

1. *Basic Financial Statements*: the basic financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.
    a. The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets and equity. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
    b. The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).
    c. The *Statement of Cash Flows* presents the cash flows resulting from operating, non-capital financing, capital and related financing and investing activities, with a reconciliation to operating income (loss).
    d. The basic financial statements can be found on pages 7-9 of this report.

2. *Notes to the Financial Statements*. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 10-21 of this report.

3. *Other Information*. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information about the District's funding and obligations for CalPERS. Required supplementary information can be found on pages 22-23 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Position

	2025	FY 2024	FY 2023
Assets and Deferred Outflows			
Assets			
Current assets	$ 1,437,723	$ 1,873,453	$ 2,246,509
Capital assets	397,722	520,338	497,858
Total assets	**$ 1,835,445**	**$ 2,393,791**	**$ 2,744,367**
Deferred outflows of resources	596,228	688,607	575,765
Total assets and deferred outflows	**$ 2,431,673**	**$ 3,082,398**	**$ 3,320,132**
Liabilities and Deferred Inflows			
Liabilities			
Current liabilities	$ 160,838	$ 114,708	$ 273,786
Long-term liabilities	1,143,452	1,256,713	928,660
Total liabilities	**$ 1,304,290**	**$ 1,371,421**	**$ 1,202,446**
Deferred inflows of resources	3,056	7,711	11,078
Total liabilities and deferred inflows	**$1,307,346**	**$1,379,132**	**$1,213,524**
Net Position			
Net investment in capital assets	$ 327,123	$ 380,102	$ 423,963
Unrestricted	797,204	1,323,164	1,682,645
Total net position	**$ 1,124,327**	**$ 1,703,266**	**$ 2,106,608**

Change in Net Position

The statement of activities identifies the various revenue and expense items which affect the change in net position, highlights of which were noted above.

	FY 2025	FY 2024	FY 2023
Revenues and Other Income			
Special and ad valorem taxes	$ 2,117,729	$ 2,134,079	$ 2,124,016
Ambulance transports, net of uncollectible accounts	1,039,058	1,147,826	1,287,400
Other income	56,927	47,038	110,874
Total revenues and other income	**$ 3,213,714**	**$ 3,328,943**	**$ 3,522,290**
Expenses			
Ambulance operations, excluding uncollectible accounts	$ 2,984,514	$ 2,892,547	$ 2,812,780
Urgent care	800,000	836,376	836,310
Interest expense	8,139	3,362	2,822
Total expenses	**$ 3,792,653**	**$ 3,732,285**	**$ 3,651,912**
Change in net position	$ (578,939)	$ (403,342)	$ (129,622)
Net position, beginning of year, original	1,703,266	2,106,608	2,236,230
Net position, end of year	**$ 1,124,327**	**$ 1,703,266**	**$ 2,106,608**

a. At the close of FY2025 the District's single proprietary fund reported combined ending net position of $1,124,327, a decrease of $578,939 in comparison with the prior year. Unrestricted net position of $797,204 is comprised of all the District assets less liabilities, except for the capital assets (net of accumulated depreciation and the related debt) owned by the District which are used in operations and unavailable for spending.

b. The District's total liabilities decreased $67,131 to $1,304,290 at June 30, 2025. The decrease was mainly attributed to the net pension liability and reduction of debt.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Coast Life Support District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Coast Life Support District, PO Box 1056, Gualala, CA 95445.

COAST LIFE SUPPORT DISTRICT

STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Assets	
Current assets:	
Cash and investments	$ 706,964
Accounts receivable	458,224
Less allowance for doubtful accounts	(272,363)
Receivable - special and ad valorem taxes	109,120
Due from other governments	430,791
Prepaid expenses and other current assets	4,987
Total current assets	1,437,723
Property and equipment:	
Land	76,500
Buildings, improvements, and equipment	1,816,831
Less accumulated depreciation	(1,495,609)
Total property and equipment, net	397,722
Total non current assets	397,722
Total assets	1,835,445
Deferred Outflows of Resources	
Deferred outflows related to pensions	596,228
Liabilities	
Current liabilities:	
Accounts payable	49,569
Accrued wages and benefits	54,399
Compensated absences	22,639
Capital lease, current portion	34,231
Total current liabilities	160,838
Long-term liabilities:	
Compensated absences	67,917
Capital lease, long-term portion	36,368
Net pension liability	1,039,167
Total long-term liabilities	1,143,452
Total liabilities	1,304,290
Deferred Inflows of Resources	
Deferred inflows related to pensions	3,056
Net Position	
Net investment in capital assets	327,123
Unrestricted	797,204
Total net position	$ 1,124,327

The notes to financial statements are an integral part of this statement

COAST LIFE SUPPORT DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Operating Revenue	
Ambulance billings	$ 771,736
IGT and GEMT ambulance transports	267,322
Other operating income	37,680
Total operating revenues	1,076,738
Operating Expenses	
Ambulance services	
Salaries	1,857,079
Employee benefits	452,488
Insurance	23,371
Office expense	10,535
Professional expenses	216,989
Dispatch services	58,593
Travel	4,569
Vehicle expense	128,586
Crew housing expenses	36,326
Training expense	14,650
Other	44,212
Depreciation	137,116
Total Ambulance Services	2,984,514
Urgent care	
Salaries and benefits	
UC Contract	800,000
Total Urgent care	800,000
Total operating expenses	3,784,514
Operating income (loss)	(2,707,776)
Other Income (Expense)	
Special and ad valorem taxes	2,117,729
Grant revenue	7,698
Interest income	11,549
Interest expense	(8,139)
Total other income (expense)	2,128,837
Change in net position	(578,939)
Net position, beginning of year	1,703,266
Net position, end of year	$ 1,124,327

The notes to financial statements are an integral part of this statement

COAST LIFE SUPPORT DISTRICT

STATEMENT OF CASH FLOWS
JUNE 30, 2025

Cash Flows From Operating Activities:	
Cash receipts from customers	$ 1,186,998
Cash payments to suppliers for goods and services	(1,328,684)
Cash payments to employees for services and benefits	(2,228,727)
Net cash provided by (used in) operating activities	(2,370,413)
Cash Flows From Noncapital and Related Financing Activities:	
Proceeds from property tax and assessments	2,148,051
Proceeds from grant revenue	7,698
Net cash provided by noncapital financing activities	2,155,749
Cash Flows From Capital and Related Financing Activities:	
Proceeds of debt	-
Principal payments on long-term debt	(69,637)
Interest paid on long-term debt	(8,139)
Additions to capital assets	(14,500)
Net cash used in capital and related financing activities	(92,276)
Cash Flows From Investing Activities:	
Interest received on investments	11,549
Net increase (decrease) in cash and cash equivalents	(295,391)
Cash and cash equivalents, beginning of year	1,002,355
Cash and cash equivalents, end of year	$ 706,964
Reconciliation of cash and cash equivalents to the balance sheet:	
Cash and cash equivalents	$ 706,964
Cash and cash equivalents, June 30	$ 706,964
Reconciliation of Operating Income (Loss) to	
Net Cash Provided by Operating Activities	
Operating income (loss)	$(2,707,776)
Adjustments to reconcile operating income (loss) to	
net cash provided by operating activities:	
Depreciation	137,116
Changes in Assets and Liabilities:	
Accounts receivable	92,387
Allowance for doubtful accounts	(41,740)
Due from other governments	59,613
Prepaid expenses	(243)
Accounts payable	9,390
Accrued wages and benefits	14,101
GASB 68-pension adjustments	70,730
Compensated absences	(3,991)
Net cash provided by (used in) operating activities	$(2,370,413)

The notes to financial statements are an integral part of this statement

Note 1: Summary of Significant Accounting Policies

The District was established in 1986 to provide basic and advanced emergency medical services, including ambulance and life support services to a specified area of Sonoma and Mendocino Counties. In addition, the District provides medical training to fire agencies and other first responders in the District's response area. In 1997, the District's scope was increased to fill the need to financially support local health care facilities. The District now collects tax revenue and provides urgent care through a contract with Redwood Coast Medical Services (RCMS). It is operated under the direction of a seven-member board duly elected and empowered by the electorate with sole authority over the District operations.

The accounting policies of the District conform to U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The District has defined its reporting entity in accordance with U.S. generally accepted accounting principles, which provides guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit, or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the component unit has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

No operations of other entities met the aforementioned oversight criteria for inclusion or exclusion from the accompanying financial statements in accordance with GASB. Based upon the aforementioned oversight criteria, the District will report no component units.

B. Proprietary Fund Accounting

The accounting records of the District are organized on the generally accepted basis of accounting for an enterprise fund.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection to the proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to the customers in the form of ambulance services. Operating expenses include the cost of providing the ambulance services, administrative expenses and depreciation on capital assets. Ad valorem tax revenues, special taxes, grants used to finance operations, and expenses not directly related to the provision of the ambulance services and the accomplishment of the District's primary purposes are reported as the non-operating revenues and expenses.

Note 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied. This is a basis of accounting that conforms to accounting principles generally accepted in the United States of America.

D. Use of Estimates

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

E. Net Position

Net position comprises the various net earnings from operating income, non-operating revenues and expenses and capital contributions. Net position is classified in the following three components:

Net investment in capital assets-This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted-This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position-This component of net position consists of net position that does not meet the definition of "restricted" or "investment in capital assets."

F. Account Receivables

A provision for doubtful accounts has been established because the District incurs significant write-offs of billed Receivables. The District accepts payments by Medicare and Medi-Cal as required by law. Such acceptances results in significant write-offs of billed ambulance receivables. Write-offs necessitated by the acceptance of Medicare and Medi-Cal are recorded as deductions to ambulance revenue because the District was never legally entitled to collect the full amount from these patients. When receivable billed directly to the ambulance customers are deemed uncollectible, they are submitted to a collection agency and written off as bad debt at that time. The District reviews actual collections of its ambulance receivables after the end of the year. The allowance for doubtful accounts is based on the amounts written off after year-end, plus estimates of future write-offs, for items that were included in the receivable balance as of June 30.

Note 1: Summary of Significant Accounting Policies (Continued)

G. Receivable- Special and Ad Valorem Taxes

This receivable represents amounts of ad valorem property taxes and special taxes that have been received by Mendocino County, but not submitted to the District until after the balance sheet date.

H. Due from Other Governments

The receivables represents amounts owed to the District under the Ground Emergency Medical Transport (GEMT) and Intergovernmental Transfer (IGT) programs, for supplemental reimbursement under California's state MediCal program. Beginning January 1, 2023 the PP-GEMT IGT Program replaced the GEMT QAF and GEMT CPE Program for all public providers of ground emergency medical transportation in California. Beginning July 1, 2023 the Voluntary Rate Range Program replaced the IGT program.

I. Compensated Absences

Compensated absences represent the vested portion of accumulated paid time off (PTO). The maximum an accumulated balance an employee may carry is the most recent twenty-four month period. Upon the termination of employment, employees will be paid any unused PTO benefits.

J. Capital Assets

Capital assets are recorded at historical or estimated historical cost if historical cost is not available. Capital assets include land, buildings, equipment, office furniture and vehicles. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and the expected useful life exceeds 3 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded on the straight-line basis over the useful life of the assets as follows:

Assets	Useful Life
Building and improvements	30 years
Equipment and Infrastructure	5-10 years

K. Property Tax

The District receives property taxes and special taxes from Sonoma and Mendocino Counties, which have been assigned the responsibility for assessment, collections, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are levied on January 1 for the following fiscal year and on which date it becomes a lien on real property. Secured property taxes are due on November 1 and February 1 and are delinquent after December 10 and April 10, respectively, for the secured roll. Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District, eliminating the need for an allowance for uncollectible. The County, in return, receives all penalties and interest on delinquent taxes. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

The special tax is a type of flat charge applied to each parcel of property within the District, regardless of the property value. A special tax was approved by the voters in March 2007. In May 2020 the voters approved increasing the special tax from $44 to $61 per unit of benefit per year for emergency services. In June 1997 the voters in the District also approved a special tax to fund after hour urgent care availability for the residents of the District at the rate of $18 for undeveloped parcels, and $36 for developed parcels. On April 10, 2013, the voters approved a measure broadening the purpose of this tax by dropping the "after hours" restriction with the intention that the tax also be used to provide daytime urgent care services, but with no change to the tax rate. In April 2014, voters in the District passed Measure J authorizing an increase in the special tax for urgent care up to a maximum of $74 per unit of benefit.

Note 2: Cash and Investments

Cash and investments are reported on the balance sheet as follows:

Cash and investments	$	706,964
Total cash and investments	$	706,964

Cash and investments at June 30, 2025, consisted of the following:

Checking	$	122,896
Money market	$	584,053
Petty cash		15
Total cash and investments	$	706,964

A. Investments Authorized by the California Government Code and the Entity's Investment Policy

The table below identifies the **investment types** that are authorized for the Coast Life Support District (District) by the California Government Code (GC) (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California GC (or the District's investment policy, where more restrictive) that address **interest rate risk, credit risk** and **concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California GC or the District investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local agency bonds	5 years	None	None
U.S. treasury obligations	5 years	None	None
State of California obligations	5 years	None	None
U.S. agency securities	5 years	None	None
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	40%	10%
Negotiable CDs	5 years	30%	None
Repurchase agreements	1 years	None	None
Reverse repurchase agreements	92 days	20%	None
Medium term notes	5 years	30%	None
Mutual/money market funds	5 years *	20%	10%
Collateralized bank deposits	5 years	None	None
Mortgage pass-through securities	5 years	20%	15%
Time deposits	5 Years	None	None
Local Agency Investment Fund (LAIF)	5 years *	None	None

* The five year maximum maturity can be extended by the Board of Directors. Also, the maximum maturity can be extended if the funds are reserved for bond, COP or note payments to coincide with the required repayments.

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of and investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District held no investments at June 30, 2025 where the fair values of the District's investments to market interest rate fluctuations was at risk.

Note 2: Cash and Investments

C. Concentrations of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments to one issuer exceeding those limits.

D. Custodial Credit Risk

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

The District maintains one checking account with Exchange Bank for the purposes of depositing tax and assessment revenue from the county and for operations of the District. At June 30, 2025 the District's bank balance was $707,563 and the carrying amount was $706,949. The difference between the bank balance and the carrying amount was due to normal outstanding checks and deposits in transit. Of the bank balance all was covered by the Federal Depository Insurance and/or by collateral held in the bank's trust department in the District's name.

Note 3: Property, Plant and Equipment

Activity for general fixed assets capitalized by the District for the year ended June 30, 2025 is summarized below:

	Balance 7/1/2024	Additions	Retirements	Balance 6/30/2025
Capital Assets Not Being Depreciated				
Land	$ 76,500	$ -	$ -	$ 76,500
Total capital assets, not being depreciated	76,500			76,500
Capital Assets, Being Depreciated				
Buildings	777,262			777,262
Equipment	1,025,069	14,500		1,039,569
Total capital assets, being depreciated	1,802,331	14,500		1,816,831
Less accumulated depreciation:	(1,358,493)	(137,116)		(1,495,609)
Total capital assets, being depreciated, net	443,838	(122,616)		321,222
Total capital assets, net	$ 520,338	$ (122,616)	$ -	$ 397,722

Note 4: Long-Term Liabilities

A summary of the changes in the District's long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2025.

	Balance 7/1/2024	Additions	Retirements	Balance 6/30/2025	Due Within One Year
Compensated absences	$ 94,547		$ (3,991)	$ 90,556	$ 22,639
Net pension liability	1,056,161		(16,994)	1,039,167	-
Capital lease 1	37,418		(37,418)	-	-
Capital lease 2	102,818		(32,219)	70,599	34,231
Totals	$ 1,290,944	$ -	$ (90,622)	$ 1,200,322	$ 56,870

Capital Lease 1

On October 15, 2020, the District entered into a lease agreement with the REV Financial Services for the purpose of acquiring an ambulance. The principal portion of the lease was $181,724 and the effective annual interest rate per year on the capital lease is 2.55 %. This lease was paid off in the current fiscal year.

Capital Lease 2

On February 15, 2024 the District entered into a lease agreement with Community First National Bank for the purpose of acquiring an ambulance. The principal portion of the lease was $140,000 and the effective annual interest rate per year on the capital lease is 6.24 %. The cost of the leased asset and the accumulated depreciation attributable to it is as follows:

Minimum Lease Payments	
2025-2026	$ 38,639
2026-2027	38,639
Less interest	(6,679)
Total	$ 70,599

Accumulated Depreciation	
Cost	$ 321,724
Less accumulated depreciation	(200,065)
Remaining Book Value at June 30, 2025	$ 121,659

Note 5: Risk Management

The District 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 District purchases commercial insurance to cover the risk of loss. The District pays an annual premium for its general insurance coverage

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan

A. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the District's Safety Employee Pension Plan, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. 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.

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. Classic members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits and new employees are eligible to retire at age 57. All members are eligible for non-duty disability benefits after 10 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 Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Safety Classic Plan	Safety Pepra Plan	Miscellaneous-Pepra
Hire date	Prior to January 1, 2013	On or after January 1, 2013	On or after January 1, 2013
Benefit formula	2.00% @ 55	2.70% @ 57	2.00% @ 62
Benefit vesting s chedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	52-57	57-62
Monthly benefits , as a % of eligible compensation	1.50% to 2.00%	2.20% to 2.70%	1.00% to 2.00%
Required employee contribution rates	7.00%	11.00%	7.75%
Required employer contribution rates	16.56%	11.05%	7.87%

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 annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2025, the contributions recognized as part of pension expense for each Plan were as follows:

Contributions-employer	$	255,307

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate share of Net pension liability
Miscellaneous and Safety Plans	$ 1,039,167

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability as of June 30, 2024 and 2025 was as follows:

	Safety and Misc Plan
Proportion - June 30, 2024	0.00847%
Proportion - June 30, 2025	0.00857%
Change - Increase (Decrease)	0.00010%

For the year ended June 30, 2025, the District recognized pension expense of $326,034. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 86,816	$ (3,056)
Changes of assumptions	26,044	
Net difference between projected and actual earnings on pension plan investments	54,055	
Changes in proportion	49,310	
Changes in contributions and proportionate share of contributions	124,696	
District contributions subsequent to the measurement date	255,307	
Total	$ 596,228	$ (3,056)

$255,307 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:		
2026	$	(147,388)
2027		(187,757)
2028		(21,226)
2029		18,506
2030		-
Thereafter		-

Actuarial Assumptions – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	6.90%

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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 rounded down to the nearest one quarter of one percent.

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10 (1)(2)
Global equity-cap weighted	30.0%	4.45%
Global equity non-cap weighted	12.0%	3.84%
Private equity	13.0%	7.28%
Treasury	5.0%	27.00%
Mortgage backed securities	5.0%	50.00%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

(1) An expected inflation of 2.30% used for this period

(2) Figures are based on the 2021-22 Asset Liability Management study.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate -1% PERS 5.90%	Current Discount Rate PERS 6.90%	Discount Rate +1% PERS 7.90%
Safety and Misc Plans	$ 1,683,264	$ 1,039,167	$ 510,913

Note 7: Gann Limit

The Proposition Four appropriations limit (also known as the Gann Limit) creates a restriction on the amount of revenue that can be appropriated in any fiscal year. Only revenues that are "proceeds of taxes" are subject to limitation. The basis for calculating the limit began in 1978-79 for all California government entities and is calculated each year based on population changes and inflation. Government Code Section 7910 requires a local government to establish its appropriations limit by resolution each year, at regularly scheduled or noticed special meeting. The District is also required to formally adopt the two variables used in the calculation, which are the cost-of-living change factor and the population change factor. From base-year recognition of special tax proceeds of $300,000 in 1986-87, the current year calculations of the limit is as follows:

Proceeds subject to the limit for 2024-25	$ 2,129,278
Amount of limit for 2024-25	3,170,627
Amount (under)/over the limit	$ (1,041,349)
Per capita percentage change	3.62%
Population change	-0.40%

Note 7: Gann Limit (Continued)

On April 10, 2012, the voters approved a temporary increase in the District's Proposition 4 Appropriations Limit equal to the additional taxes raised by the increase in the District's special tax from $32 per unit of benefit to $44 per unit of benefit. This special tax was again increased from $44 to $61 in June 2020. In April 2014, the voters approved an additional temporary increase in the District's Proposition 4 Appropriations Limit equal to the additional taxes raised by the increase of the District's urgent care special tax from $18 per unit of benefit to $74 per unit of benefit. The temporary appropriations limit increase for all previously voter approved taxes was renewed by voter approval in June 2018 for the maximum renewal period of 4 years. Unless the voters extend each of these increased appropriation limits after four years, the limit will revert to the amount it would have been if it had only been adjusted by the customary population change and inflation factors without the temporary increase in each of the four years.

Note 8: Revenue Limitations Imposed by California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the District's ability to impose, increase, and extend taxes and assessments. Any new increase or extended taxes and assessments subject to the provisions of Proposition 218, requires voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative and may be rescinded in the future years by the voters.

Note 9: Commitments and Contingencies

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the district expects such amounts, if any, to be immaterial.

Contractual Commitments/Urgent Care Service

In April 2014, voters in the District passed Measure J authorizing a special tax for urgent care at a maximum of $74 per unit of benefit. In May 2014, the District entered into a contract with Redwood Coast Medical Services (RCMS) to provide urgent care services to the community for 10 hours each day, seven days per weeks for a five-year period beginning July 1, 2014 and ending June 30, 2019. Equal payments to RCMS are made monthly as the contract period progresses. During the 2018/19 fiscal year this agreement was extended through June 30, 2023 and then in 2023 the agreement was extended through June 30, 2028. The total amount paid to RCMS during the 2023/24 fiscal year under the agreement was $800,000.

Emergency Ground Transportation Programs

The District takes part in the Voluntary Rate Range Program and the Public Provider Ground Emergency Medical Transport programs. As of June 30, 2025 the District has recorded $430,791 net receivables for these programs, however because of assumptions made to estimate the receivable the actual amount received in future years could vary substantially.

Note 10: Subsequent Events

Subsequent to fiscal year end the District borrowed $300,000 against the line of credit with Exchange Bank to fund dry period financing prior to receiving the first installments of property taxes and assessments in December or January. The interest paid on the borrowing was $2,175.

In October 2025 the District borrowed $200,000 from a private party at 3% interest. This loan was paid back in January 2026 with $1,500 interest.

Subsequent events were evaluated through May 13, 2026, the date which these financial statements were available for distribution.

COAST LIFE SUPPORT DISTRICT

SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Reporting date-safety and miscellaneous plans	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered-employee payroll	District's proportionate share of the net pension liability (asset) (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
6/30/2016	0.00628%	$431,165	$600,632	71.79%	78.40%
6/30/2017	0.00662%	$573,515	$543,343	105.55%	84.32%
6/30/2018	0.00662%	$656,993	$585,449	112.22%	76.09%
6/30/2019	0.00857%	$619,757	$654,297	94.72%	77.47%
6/30/2020	0.00694%	$710,965	$700,236	101.53%	75.78%
6/30/2021	0.00732%	$796,786	$720,333	110.61%	75.34%
6/30/2022	0.00730%	$395,073	$1,159,841	34.06%	75.09%
6/30/2023	0.00743%	$858,535	$1,426,481	60.19%	87.33%
6/30/2024	0.00847%	$1,056,161	$1,629,966	64.80%	75.45%
6/30/2025	0.00857%	$1,039,167	$1,783,973	58.25%	75.52%

COAST LIFE SUPPORT DISTRICT

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Reporting date-safety and miscellaneous plans	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contribution as a percentage of covered employee payroll
6/30/2016	$92,913	($92,913)	$0	$600,632	15.47%
6/30/2017	$98,660	($98,660)	$0	$543,343	18.16%
6/30/2018	$87,564	($87,564)	$0	$585,449	14.96%
6/30/2019	$111,246	($111,246)	$0	$654,297	17.00%
6/30/2020	$154,820	($154,820)	$0	$700,236	22.11%
6/30/2021	$187,933	($187,933)	$0	$720,333	26.09%
6/30/2022	$212,001	($212,001)	$0	$1,159,841	18.28%
6/30/2023	$239,101	($239,101)	$0	$1,426,481	16.76%
6/30/2024	$230,534	($230,534)	$0	$1,629,966	14.14%
6/30/2025	$255,307	($255,307)	$0	$1,783,973	14.31%