

RODEO -HERCULES FIRE PROTECTION DISTRICT

MEASURE O REPORT

JUNE 30, 2025



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Rodeo Hercules Fire Protection District
Hercules, California

Report on the Financial Statements

We have performed the procedures enumerated below, which were agreed to by the Rodeo Hercules Fire Protection District's management, on the Rodeo Hercules Fire Protection District's (the "District") Measure O - Special Tax revenues received and expenditures made by the District for the fiscal year ended June 30, 2025. The District's management is responsible for the receipt of Measure O - Special Tax revenues and deposit of such proceeds into the District's Measure O - Special Tax Revenue Fund and use it solely for any lawful purpose permissible to the District as instructed in Ordinance 2016-1. The sufficiency of these procedures is solely the responsibility of the District's management. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Emphasis of Matter

We draw attention to Note 1A of the financial statements, which describes the approval of the annexation of the District into the Contra Costa County Fire Protection District. The District's Board of Directors approved the annexation on July 31, 2024. On February 12, 2025, Contra Costa LAFCO ordered the annexation of the Rodeo-Hercules Fire Protection District into Contra Costa County Fire Protection District and the dissolution of the Rodeo-Hercules Fire Protection District, which became effective on July 1, 2025. Upon completion of the annexation, the District was dissolved and fully absorbed by the Contra Costa County Fire Protection District. Management's evaluation of these matters and related plans are also described in Note 1A.

The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Procedures:

The procedures performed and findings are listed below:

1. We agreed the actual Measure O - Special Tax proceeds collected and expended to the amounts recorded in the District's general ledger and recalculated the mathematical accuracy of the following schedule provided by the District:

Revenues:	
Measure O - special tax revenue	<u>\$ 2,724,985</u>
Expenditures:	
Permanent salaries	1,576,876
Group insurance health active employees	141,868
Group insurance - retiree	76,992
County collection fee	11,252
Services and supplies	<u>196,379</u>
Total expenditures	<u>2,003,367</u>
Other financing sources/ uses:	
Transfer out	<u>1,712,656</u>
Total other financing sources/ uses	<u>1,712,656</u>
Net change in Measure O Fund	(991,038)
Available Measure O fund, beginning of year	<u>1,210,389</u>
Available Measure O fund, ending of year	<u><u>\$ 219,351</u></u>

The District received the Measure O Parcel tax funds mostly in September 2024. During fiscal year 2024-25, funds were used as follows:

Permanent Salaries - The District expended a total of \$1,576,876 from the Measure O Fund on salaries through June 30, 2025.

Group Insurance Active Employees - The District expended a total of \$141,868 from the Measure O Fund to cover Group Insurance of active employees through June 30, 2025. Details of insurance paid through Measure O Fund resources were as follows:

Group insurance active employees paid through Measure O:	
August 2024	\$ 46,948
September 2024	46,948
October 2024	<u>47,972</u>
Total	<u><u>\$ 141,868</u></u>

Group Insurance - Retiree - The District expended a total of \$76,992 from the Measure O Fund to cover Group Insurance Retiree through June 30, 2025. Details of insurance paid through Measure O Fund resources were as follows:

Group Insurance - Retiree paid through Measure O:	
August 2024	\$ 25,664
September 2024	25,664
October 2024	<u>25,664</u>
Total	<u><u>\$ 76,992</u></u>

Procedures - Cont'd:

County Collection Fees - Contra Costa County charges fees to levy assessments and taxes. The total charges for the Measure O Levy amounted to \$11,252, which were paid using Measure O Fund resources.

Services and Supplies - The District expended a total of \$196,379 from the Measure O Fund on services and supplies through June 30, 2025. Of this amount, \$17,980 was spent on capital outlay expenditure. The details of services and supplies expenditures from Measure O Fund resources are as follows:

Services and Supplies:

June 2025	<u>\$ 196,379</u>
Total	<u><u>\$ 196,379</u></u>

Transfer in/ transfer out: The District transferred a total of \$1,712,656 from the Measure O Fund to General Fund and Capital Project Fund of District. Of this amount, \$1,390,113 was transferred to General Fund was spent on Contra Costa County Employee Retirement Association Payout and \$322,543 to Capital Project Fund of District.

2. We traced the proceeds of the Measure O tax and reviewed the expenditures made by using those proceeds, as listed in the aforementioned schedules, in accordance with Ordinance 2016-1 Section 4 and California Health and Safety Code section 13800 et seq. regarding use of tax proceeds.
3. In accordance with the adopted FY 2024-25 budget, Measure O Funds were utilized to reimburse capital outlay expenditure. This process was carried out in consultation with the Measure O Oversight Committee, with journal transfers executed in compliance with standard accounting procedures.

Findings:

Proceeds of taxes, as listed in the schedule presented by the District's management were paid into the District's Measure O Special Revenue Fund and had been used by the District's, in compliance with Ordinance 2016-1 Section 4 and California Health and Safety Code section 13800 et seq, with no exceptions.

This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's Measure O - Special Tax revenues received and expenditures made by the District for the fiscal year ended June 30, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the District's management and is not intended to be and should not be used by anyone other than these specified parties.

Harshmal & Company LLP

San Diego, California
March 11, 2026