

**CONFIRE**

## STAFF REPORT

**DATE: May 27, 2025**

**FROM: Nathan Cooke, Interim Director  
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**TO: CONFIRE Board of Directors**

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**SUBJECT: Fund Balance Allocation for Budget Year 2023-2024**

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### **Recommendation**

Approve the proposed fund balance allocation plan for budget year 2023-2024 as listed below:

Operating Fund (5008) 2023-24 Year End Fund Balance was \$3,335,344.

1. Retain \$1,765,394 to meet the Board policy of carrying a 5%-10% reserve in said fund. (BP 4.002 Adopted 4.29.2021 and Revised 1.09.2023)
2. Allocate the remaining balance of \$1,569,951 to Fund 5010 to meet the Board policy of carrying a minimum 25% reserve in its operating reserve fund. (BP 4.002 Adopted 4.29.2021 and Revised 1.09.2023).

### **Background Information**

As part of the regular budget and planning cycle, CONFIRE staff brings the annual audit from the previous fiscal year to the Admin Committee and the BOD around the mid-year point of the subsequent fiscal year. However, the 2023-24 audit was not completed until April 2025. During this process, if a fund balance was realized staff makes recommendations to the BOD for allocating those funds per the Board Fund Balance Policy which was adopted in 2018.

The aforementioned recommendations provide a clear picture of how those funds would be best allocated and utilized going into budget year 2025-26. It is important to note that the guidance provided by the Board's Fund Balance Policy has enabled CONFIRE to maintain its service levels through several challenging seasons. This recommendation enables CONFIRE to meet all funding goals set by the Board.

The fund balance that is available beyond those goals in the past has allowed CONFIRE to build its reserves toward crucial Capital Improvement Projects, such as the new Valley

Communications Center, developing the High Desert Communication Center infrastructure to make it a stand-alone facility, and to build equity in its Term Benefit Fund (5011) which is designed to manage employee pension and benefit costs in a long-term manner, thus reducing the risk of spikes and fluctuations in that area of the budget.

The \$1,765,394 remaining in Fund 5008 includes an additional \$293,000 that will be utilized to fund implementation and first year costs of the new financial accounting and budgeting system, per the Staff Report approved by the Administrative Committee on April 22,2025.

### **Fiscal Impact**

This recommendation has no immediate impact on the proposed 2025-26 budget. The following actions will occur:

- \$1,765,394 will remain in Fund 5008
- \$1,569,951 will be transferred to Fund 5010 from Fund 5008