

**SCHELL VISTA FIRE
PROTECTION DISTRICT**

Financial Statements
and
Independent Auditor's Report

For the Years Ended
June 30, 2025 and 2024

SCHELL VISTA FIRE PROTECTION DISTRICT

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Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Schell Vista Fire Protection District
Sonoma, California

Opinions

We have audited the accompanying financial statements of the and for the years ended June 30, 2025, and 2024 and the related notes to the financial statements, which collectively comprise the Schell Vista Fire Protection District, 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 Schell Vista Fire Protection District, as of June 30, 2025, and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. 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 the Schell Vista Fire Protection 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 opinions.

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 Schell Vista Fire Protection District 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 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 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:

- 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 Schell Vista Fire Protection 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 the Schell Vista Fire Protection 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8, statement of revenue and expenditures – compared to budget on page 30-31, schedule of CalPERS on pages 32, Schedule of Fiduciary Net Position on page 33, Schedule of Changes in Fiduciary Net Position – Agency Fund on Page 34, and notes to required supplementary information on page 35 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, 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.

Blomberg & Griffin A.C.

Blomberg & Griffin A.C.
Stockton, CA

October 01, 2025

SCHELL VISTA FIRE PROTECTION DISTRICT

Management Discussion and Analysis

June 30, 2025 and 2024

As management of the Schell Vista Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2025, and 2024. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements and the accompanying notes to the financial statements.

Financial Highlights

- The assets of the District exceeded their liabilities at the close of fiscal years June 30, 2025, and 2024, by \$7,793,823 and \$7,267,779 (net position), respectively. The June 30, 2025, and 2024 net position amounts to \$4,089,360 and \$3,320,080, respectively, and are unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- At the fiscal year ended June 30, 2025, and 2024, the District's total net position changed by \$526,044 and 520,780 respectively. An increase in the current year was mainly due to Measure H sales tax revenue. An increase in FY2024 was due to pension-related adjustments and the increase in property tax revenue
- At fiscal year ended June 30, 2025, and 2024, the District's general fund reported an ending fund balance of \$4,100,104 and \$3,555,623, respectively. The change in the fund balance is positive \$544,481 and \$406,614 for the fiscal years ended June 30, 2025, and 2024, respectively. The unassigned fund balance is available for spending at the District's discretion.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$943,083, or 31% of the total general fund expenditure of \$3,078,272. At the end of the current fiscal year, the unassigned fund balance for the general fund was \$1,107,623, or 42% of the total general fund expenditure of \$2,620,062.
- At the end of the fiscal year, June 30, 2025, the District's long-term liability decreased by \$64,134, or 10.52%, primarily due to an increase in net pension liability. At the end of the fiscal year, June 30, 2024, the District's long-term liability increased by \$288,849, or 90.08%, primarily due to an increase in net pension liability

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, like a private-sector business.

SCHELL VISTA FIRE PROTECTION DISTRICT

Management Discussion and Analysis

June 30, 2025 and 2024

Overview of the Financial Statements (Continued)

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 position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal years. All changes in net position 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).

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other states and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are governmental funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District uses governmental funds to account for its activities, which include fire protection services in the district boundaries. The District adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

SCHELL VISTA FIRE PROTECTION DISTRICT
Management Discussion and Analysis
June 30, 2025 and 2024

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$7,793,823 and \$7,267,779 at the close of the most recent fiscal years ended June 30, 2025, and 2024, respectively.

At the end of fiscal years June 30, 2025, and 2024, the net position category labeled "Net investment in Capital Assets" reflects the District's investment in capital assets (net of depreciation) of \$3,420,958 and \$3,947,699, respectively, (land, construction in progress, buildings and improvements, and equipment). The District utilizes these capital assets to provide services to its citizens; consequently, these assets are not available for future expenditures. At the end of the fiscal years ended June 30, 2025, and 2024, the District's net investment in capital assets was \$3,704,463 and \$3,947,699, or 47.53% and 54% of total net position, respectively.

TABLE 1: STATEMENT OF NET POSITION
For the Fiscal Year's ended June 30,

	For the Fiscal Year's ended June 30,			2025 vs. 2024		2024 vs. 2023	
	2025	2024	2023	\$	%	\$	%
Current assets & Outflows	\$ 5,172,769	\$4,498,008	\$3,435,889	\$ 674,761	15.00%	\$1,062,119	30.91%
Capital assets, net depreciation	<u>3,704,463</u>	<u>3,947,699</u>	<u>4,017,421</u>	<u>(243,236)</u>	<u>-6.16%</u>	<u>(69,722)</u>	<u>-1.74%</u>
Total Assets & Outflows	<u>8,877,232</u>	<u>8,445,707</u>	<u>7,453,310</u>	<u>431,525</u>	<u>5.79%</u>	<u>992,397</u>	<u>13%</u>
Current Liabilities	415,677	369,243	77,400	46,434	12.58%	291,843	377.06%
Non-Current Liabilities	545,371	609,505	320,656	(64,134)	-10.52%	288,849	90.08%
Deferred Inflows	<u>122,361</u>	<u>199,180</u>	<u>314,334</u>	<u>(76,819)</u>	<u>-38.57%</u>	<u>(115,154)</u>	<u>-36.63%</u>
Total Liabilities & Inflows	<u>1,083,409</u>	<u>1,177,928</u>	<u>712,390</u>	<u>(94,519)</u>	<u>-8.02%</u>	<u>465,538</u>	<u>65.35%</u>
Net Position							
Net Investment in Capital Assets	3,704,463	3,947,699	4,017,421	(243,236)	-6.16%	(69,722)	-1.74%
Unrestricted	<u>4,089,360</u>	<u>3,320,080</u>	<u>2,723,499</u>	<u>769,280</u>	<u>23.17%</u>	<u>596,581</u>	<u>21.90%</u>
Total Net Position	<u>\$ 7,793,823</u>	<u>\$7,267,779</u>	<u>\$6,740,920</u>	<u>\$ 526,044</u>	<u>7.24%</u>	<u>\$ 526,859</u>	<u>7.82%</u>

The balance at fiscal year-end, as of June 30, 2025, and 2024, of unrestricted net position was \$4,089,360 and \$3,320,080, respectively, and available to be used to meet the District's ongoing obligations to citizens and vendors.

At the end of the current fiscal year, the District is able to report positive balances in net investment in capital assets and in the unrestricted balance of net position.

SCHELL VISTA FIRE PROTECTION DISTRICT
Management Discussion and Analysis
June 30, 2025 and 2024

TABLE 2: CHANGES IN NET POSITION
For the Fiscal Year's Ended June 30,

	For the Fiscal Year's Ended June 30,			2025 vs. 2024		2024 vs. 2023	
	2025	2024	2023	\$	%	\$	%
Revenues:							
Program Revenue:							
Public Safety - Fire Protection	\$ 245,185	\$ 289,147	\$ 201,233	\$ (43,962)	-15.20%	\$ 87,914	43.69%
General Revenues:							
Property & Sales Taxes	3,308,344	2,584,083	2,072,682	724,261	28.03%	511,401	24.67%
Investment Earnings and Other	69,224	153,446	118,829	(84,222)	-54.89%	34,617	29.13%
Total Revenues	<u>3,622,753</u>	<u>3,026,676</u>	<u>2,392,744</u>	<u>596,077</u>	<u>19.69%</u>	<u>633,932</u>	<u>26.49%</u>
Expenses:							
Program Expenses:							
Public Safety - Fire Protection	<u>3,096,709</u>	<u>2,505,896</u>	<u>2,516,426</u>	<u>590,813</u>	<u>23.58%</u>	<u>(10,530)</u>	<u>-0.42%</u>
Change in Net Position	526,044	520,780	(123,682)	5,264	-98.99%	644,462	521.06%
Net Position - Beginning of The Year	<u>7,267,779</u>	<u>6,740,920</u>	<u>6,864,602</u>	<u>526,859</u>	<u>7.82%</u>	<u>(123,682)</u>	<u>-1.80%</u>
Prior Period Adjustment	-	6,079	-	(6,079)	100.00%	6,079	0.00%
Net Position - End of The Year	<u>\$7,793,823</u>	<u>\$7,267,779</u>	<u>\$6,740,920</u>	<u>\$ 526,044</u>	<u>7.24%</u>	<u>\$ 526,859</u>	<u>7.82%</u>

Governmental Activities: At fiscal years ended June 30, 2025, and 2024, the governmental activities changed the District's net position by \$526,044 and \$526,859 (including \$6,079 in prior period adjustment), respectively. An increase in the current year was mainly due to Measure H, Sales tax revenue, and an increase in the prior year's net position was mainly due to the property tax revenues.

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with legal and governmental accounting requirements.

Governmental Funds: The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year. The District uses and reports one governmental fund, the General Fund.

The general fund is the chief operating fund of the District. As of June 30, 2025, and 2024, the District's general fund reported ending fund balances of \$4,100,104 and \$3,555,623, respectively. The fund balance had a positive change of \$544,481 and of \$412,693 (including \$6,079 in the prior period adjustment) in the fiscal years ended June 30, 2025, and 2024, respectively. The unassigned, which is available for spending at the government's discretion, is \$943,083 and \$1,107,623 for the fiscal years ended June 30, 2025, and 2024, respectively. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 31% and 42% of total general fund expenditures in fiscal years ended June 30, 2025, and 2024, respectively.

SCHELL VISTA FIRE PROTECTION DISTRICT

Management Discussion and Analysis

June 30, 2025 and 2024

Capital Asset and Debt Administration

Capital Assets: The District's investment in capital assets, as of June 30, 2025, and 2024, amounts to \$3,704,463 and \$3,947,699 (net of accumulated depreciation), respectively. This investment in capital assets includes land, building improvements, and equipment. The total change in the District's investment in capital assets for the fiscal years ended June 30, 2025, and 2024 were \$(243,236) and \$(69,722), respectively, and is explained by the following events:

	<u>2025</u>	<u>2024</u>
Depreciation of the capital assets	\$ (420,503)	\$ (399,071)
Capital expenditures for equipment	\$ 97,802	\$ -
Capital expenditures for Building & Improvements	\$ 79,465	\$ 329,349

Debt Administration

The District in 1999/2000 formed Community Facilities District No. 1 (Mello-Roos) to finance and pay for the construction of a new fire station. Neither the District nor the CFD No. 1 has any obligation to pay the special assessment debt. The property tax apportionments are collected by the Treasurer/Tax Collector of Sonoma County. The District then transfers those funds to a trustee to pay for the principal and interest on the outstanding bond issue, a Series 2012 Bond, for \$1,602,000 at a rate of 4.35 percent to be paid off in semi-annual payments up to September 2029. The second special assessment debt issue, a Series 2005 bond, for \$403,463 with a variable rate between 5.34 to 6.35 percent, is paid off in semi-annual payments up to September 2032. The outstanding debt as of June 30, 2025, for the Series 2012 bond is \$550,000. The outstanding debt as of June 30, 2025, for the Series 2005 bond is \$140,185.

Long-Term Liability Fiscal year 2024/2025: The District's total long-term obligations outstanding were \$545,371. The long-term obligations include \$304,792 in compensated absences and a net pension liability of \$240,579.

Long-Term Liability Fiscal year 2023/2024: The District's total long-term obligations outstanding were \$609,505. The long-term obligations include \$258,029 in compensated absences and a net pension liability of \$351,476.

Request for Additional Information

This financial report is designed to provide a general overview of the 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 District, 22950 Broadway, Sonoma, California, or call (707) 938-2633.

SCHELL VISTA FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025 and 2024

	2025	2024
Assets		
Cash and investments	\$ 4,151,592	\$ 3,718,002
Accounts and Taxes receivable	172,703	206,864
Measure H - Sales Tax Receivable	191,486	-
Capital assets (net of accumulated depreciation)		
Non depreciable	283,505	283,505
Depreciable, net	3,420,958	3,664,194
Total Assets	8,220,244	7,872,565
Deferred Outflows of Resources-Pension	656,988	573,142
Total Assets & Deferred Outflows of Resources	\$ 8,877,232	\$ 8,445,707
Liabilities		
Current liabilities		
Accounts payable & accrued expenses	\$ 330,112	\$ 284,159
Accrued Payroll	85,565	85,084
Total Current liabilities	415,677	369,243
Non-current liabilities		
Compensated absences	304,792	258,029
Net Pension Liability	240,579	351,476
Total Non-current liabilities	545,371	609,505
Total Liabilities	961,048	978,748
Deferred Inflows of Resources		
Deferred Inflows of Resources - Pension	122,361	199,180
Total Liabilities & Deferred Inflows of Resources	1,083,409	1,177,928
Net Position		
Net investment in capital assets	3,704,463	3,947,699
Unrestricted	4,089,360	3,320,080
Total Net Position	\$ 7,793,823	\$ 7,267,779

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

SCHELL VISTA FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 and 2024

Governmental Activities	<u>2025</u>	<u>2024</u>
Program Expenses		
Public safety - fire protection		
Salaries and employee benefits	\$ 2,199,693	\$ 1,649,809
Services and supplies	476,513	457,016
Depreciation	420,503	399,071
	<u>3,096,709</u>	<u>2,505,896</u>
 Program Revenues		
Intergovernmental revenue	<u>245,185</u>	<u>289,147</u>
	<u>245,185</u>	<u>289,147</u>
 Net Program Expenses (Revenues)	<u>2,851,524</u>	<u>2,216,749</u>
 General Revenues		
Property taxes	2,749,018	2,578,156
Homeowner property taxes	5,800	5,927
Measure H - Sales Tax Revenue	553,526	-
Investment earnings	30,939	28,570
Rental Income	-	3,000
Miscellaneous income	38,285	110,458
Refunds	-	11,418
	<u>3,377,568</u>	<u>2,737,529</u>
 Change in net position	526,044	520,780
 Net Position - Beginning of Year	<u>7,267,779</u>	<u>6,740,920</u>
 Prior Period Adjustment	<u>-</u>	<u>6,079</u>
 Net Position - End of Year	<u><u>\$ 7,793,823</u></u>	<u><u>\$ 7,267,779</u></u>

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

SCHELL VISTA FIRE PROTECTION DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Receipts From Program Revenues	\$ 279,346	\$ 288,340
Cash paid for Employees Salaries & Benefits	(2,424,011)	(1,789,231)
Cash paid for Services and Supplies	(430,560)	(209,639)
Net Cash Provided By (Used In) - Operating Revenues	(2,575,225)	(1,710,530)
Cash Flows From Non- Capital Financing Activities		
Cash Received from Property Taxes	2,754,818	2,584,083
Cash Received from Measure H	362,040	-
Miscellaneous Income, Rentals and Refunds	38,285	124,876
Net Cash Provided by (Used In) Non-Capital - Financing Activities	3,155,143	2,708,959
Cash Flows From Capital And Related - Financing Activities		
Acquisition of Capital Asset	(177,267)	(329,349)
Net Cash Provided by (Used In) Capital - And Related Financing Activities	(177,267)	(329,349)
Cash Flows From Investing Activities		
Interest Received	30,939	28,570
Net Cash Provided by (Used In) Investing Activities	30,939	28,570
Net Increase (Decrease) In Cash	433,590	697,650
Cash and Investments - Beginning	3,718,002	3,014,273
Prior Period Adjustment	-	6,079
Cash and Investments - Ending	\$ 4,151,592	\$ 3,718,002
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ (2,851,524)	\$ (2,216,749)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities		
Depreciation	420,503	399,071
Change in Assets and Liabilities		
Accounts and Taxes Receivable	34,161	(807)
Accounts Payable & Accrued Expenses	45,953	247,377
Accrued Liabilities	481	44,466
Compensated Absences	46,763	75,306
Retirement Obligations (Liabilities)	(271,562)	(259,194)
Net Cash Provided by (used for) Operating Activities	\$ (2,575,225)	\$ (1,710,530)

See accompanying notes to basic financial statements.

SCHELL VISTA FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2025 and 2024

	2025	2024
Assets		
Cash and investments	\$ 4,151,592	\$ 3,718,002
Accounts receivable	172,703	206,864
Measure H - Sales Tax Receivable	191,486	-
Total Assets	\$ 4,515,781	\$ 3,924,866
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 330,112	\$ 284,159
Accrued expenses	85,565	85,084
Total liabilities	415,677	369,243
Fund balance:		
Assigned	3,157,021	2,448,000
Unassigned	943,083	1,107,623
Total Fund Balance	\$ 4,100,104	\$ 3,555,623
Reconciliation of Balance Sheet to the Statement of Net Position		
Fund balances - total government funds	\$ 4,100,104	\$ 3,555,623
Amount reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	3,704,463	3,947,699
Deferred Outflows of Resources	656,988	573,142
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Compensated absences	(304,792)	(258,029)
Net Pension Liability	(240,579)	(351,476)
Deferred Inflows of Resources	(122,361)	(199,180)
Net Position of Governmental Activities	\$ 7,793,823	\$ 7,267,779

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

SCHELL VISTA FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Revenues		
Property taxes	\$ 2,749,018	\$ 2,578,156
Homeowner property taxes	5,800	5,927
Measure H - Sales Tax Revenue	553,526	-
Investment earnings	30,939	28,570
Intergovernmental revenue	245,185	289,147
Refunds	-	11,418
Rental income	-	3,000
Miscellaneous income	38,285	110,458
	<u>3,622,753</u>	<u>3,026,676</u>
Expenditures		
Current:		
Salaries and employee benefits	2,424,492	1,833,697
Services and supplies	476,513	457,016
Capital outlay	177,267	329,349
	<u>3,078,272</u>	<u>2,620,062</u>
Excess of revenues over expenditures	<u>544,481</u>	<u>406,614</u>
Net change in fund balance	544,481	406,614
Fund Balance - Beginning of Year	<u>3,555,623</u>	<u>3,142,930</u>
Prior Period Adjustment	<u>-</u>	<u>6,079</u>
Fund Balance - End of Year	<u><u>\$ 4,100,104</u></u>	<u><u>\$ 3,555,623</u></u>

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

SCHELL VISTA FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES

June 30, 2025 and 2024

Amount reported for governmental activities in the statement of activities
 (page 9) is different because :

	2025	2024
Net change in fund balance - governmental funds	\$ 544,481	\$ 406,614
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense</p>		
Current year depreciation	(420,503)	(399,071)
Capital outlay	177,267	329,349
<p>Change in compensated absences reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds</p>		
	(46,763)	(75,306)
<p>Change in pension obligation reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds</p>		
	271,562	259,194
Change in Net Position of Governmental Activities	\$ 526,044	\$ 520,780

SCHELL VISTA FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Schell-Vista Fire Protection District (District) was officially created in 1955 by the Board of Supervisors of the County of Sonoma as a Fire Protection District. The purpose of the District is to provide fire protection, emergency medical and related services to an area of about 65 square miles covering the hills north and east of Sonoma and the area south of Sonoma to Highway 37. The boundaries are set by the resolution of the Board of Supervisors. The District's governmental powers are exercised through the Board of Directors. The District is staffed by dedicated employees, volunteers' officers, and firefighters who maintain a 24/7 presence through staffing assignments, sleeper shifts and on call status. The District responds to about 500 calls per year.

The community Facilities District No. 1 (Schell-Vista Fire Station Project) (CFD No. 1) was established in 1999/2000 to provide financing for the District's new fire station. CFD No. 1 provides financing for the District Project exclusively. The entity is presented as supplementary information as an agency fund to the District.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or section and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

SCHELL VISTA FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

I. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. Reimbursements, interest, and charges for services are accrued when all eligibility requirements are met, and our receipt is expected to occur within 365 days of the end of the accounting period so as to be both measurable and available. Licenses, permits, fines, forfeitures, and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Property taxes are considered to be available when their receipt occurs within sixty days of the end of the accounting period. Expenditures are generally recorded when liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims judgments, are recorded only when payment is due.

Amounts recorded as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) capital grants and contributions restricted to acquiring or constructing capital assets. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes.

D. Assets, Liabilities, and Net Position or Fund Balance

1. Cash and Investments

The District reports certain investments at fair value on the balance sheet and recognizes the corresponding change in the fair value of investments in the year in which the change occurred.

2. Prepaid Items

Payments to vendors that benefit future accounting periods are classified as a prepaid item until charged to expenditures in the period benefited.

3. Receivables

a. Flat Charges Receivable

Flat charges collected are apportioned to the District to supplement property taxes collected for operating costs. Not all of the assessments are collected as of June 30, 2025; therefore, the remainder of the uncollected assessments is considered flat charges receivable.

SCHELL VISTA FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

I. Summary of Significant Accounting Policies (Continued)

3. Receivables (Continued)

b. Property Taxes

The County of Sonoma is responsible for assessing, collecting, and distributing property taxes in accordance with state law. Liens on real property are established January 1 for the ensuing fiscal year. The property tax is levied as of July 1 on all taxable property located in the County of Sonoma. Secured property taxes are due in two installments, on November 1 and February 1, and are delinquent after December 10, and April 10, respectively. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

Since the passage of California's Proposition 13, beginning with the fiscal years 1978/1979, general property taxes are based either on a flat 1% rate applied to the 1975/1976 full value, or on 1% of the sales price of the property on sales transactions and construction after the 1975/1976 valuation. Taxable values on properties (exclusive of increases related to sales and construction) can rise at a maximum of 2% per year.

On June 30, 1993, the Board of Supervisors adopted the "Teeter" Method of property tax allocation. This method allocates property taxes based on the total property tax billed. At year-end, the County advances cash to each taxing jurisdiction equal to its current year delinquent property taxes.

In consideration, the District gives the County of Sonoma its rights to the penalties and interest on delinquent taxes receivable and actual proceeds collected. The penalties and interest are used to pay the interest cost of borrowing the cash used for the advances.

c. Measure H – Sales Tax Revenue

On March 5, 2024, the voters of Sonoma County approved Measure H, "The Improved and Enhanced Local Fire Protection, Paramedic Services and Disaster Response Transactions and Use Tax Ordinance," a one-half cent sales tax to provide funding to Sonoma County fire agencies for the purpose of achieving effective and efficient regional fire response services throughout the county.

The District recognized \$553,526 in Measure H for the fiscal year ended June 30, 2025. The District has effectively utilized Measure H funds to benefit the community.

SCHELL VISTA FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

I. Summary of Significant Accounting Policies (Continued)

4. Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the applicable governmental activity's columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000, and an estimated useful life in excess of five (5) years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. 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.

Buildings and improvements and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	5-50
Fire Apparatus	20
Truck/Automobile	5
Operating Equipment	10-20

5. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirement.

6. Deferred Inflows and Outflows

The District has deferred inflows and outflows for the CalPERS retirement plans they hold and per GASB No. 68.

7. Net Position

Net position is classified into three components — net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- Net investment in capital assets — This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation, and net of related debt.

SCHELL VISTA FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

I. Summary of Significant Accounting Policies (Continued)

- Restricted net position – This component of net position consists of net position with limits on its use that are imposed by outside parties.
- Unrestricted net position – This component of net position consists of net position that does not meet the definition of “restricted net position” or “net investment in capital assets.”

8. Fund Balance

In the fund financial statements, governmental funds report fund balance using the classifications listed in GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. Initial distinction is made in reporting fund balance information identifying amounts that are considered non-spendable, such as fund balance associated with inventories. Spendable fund balance for the governmental fund consists of the following classifications:

- Nonspendable Fund Balance* – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The District does not have a nonspendable fund balance.
- Restricted* – This component consists of amount that have constraints laced on them either eternally by third-parties or by law through constitutional provisions or enabling legislation. The District does not have a restricted fund balance.
- Committed Fund Balance* - the portion of fund balance whose use is subject to formal action of the government's highest-level decision-making authority. These commitments remain binding unless changed or removed by formal action of the Board as the formal authority that imposed the constraint. The underlying action that imposed, modified, or removed the limitation would need to occur no later than the close of the reporting period.
- Assigned* - the portion of fund balance that is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed.
- Unassigned* – the residual amount of all general fund spendable resources not contained in the other classifications.

SCHELL VISTA FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

I. Summary of Significant Accounting Policies (Continued)

9. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the report's amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

The budget of the District is a detailed annual operating plan that identifies estimates costs (appropriations) and results in relating to estimated revenues. The budget includes (1) Services and activities to be provided during the fiscal year, (2) the estimated revenue available to finance the operating plan, and (3) the estimated spending requirement of the operating plan. The budget represents a process through which policy decisions are made, implemented, and controlled. State Law prohibits expanding governmental funds for which there is no legal appropriation except under court order, for an emergency as defined by statute, or as otherwise provided by law. Annual appropriations that have not been encumbered lapse at year-end. The following procedures established the budgetary data reflected in the financial statements.

B. Original Adopted Budget

On or before June 30, the Fire Chief prepares and submits to the Board a draft budget. Review and approval of the draft budget is included on the regular Board meeting agenda, which allows for public comments.

On or before September 30, the Board reviews any additional changes to the draft budget following the year-end financial information. Similar to the draft budget, the final budget review and approval is scheduled on a regular Board meeting agenda for public comments.

C. Final Amended Budget

The legal level of control for appropriations is exercised at the Chief's level within the fund level. Appropriations at this level may be adjusted during the year with the approval of the Board. The Fire Chief may adjust at his discretion below that level. Such adjustments by the Board and the Fire Chief are reflected in the revised budgetary data present in the financial statements. Budgetary data is presented in the accompanying fund financial statements for the General Fund since the operations of these funds are budgeted annually.

SCHELL VISTA FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

III. Cash and Investments

The amount of cash at June 30, 2025, and 2024, is as follows:

	<u>2025</u>	<u>2024</u>
Cash in Commercial Bank	\$ 4,151,592	\$ 3,718,002
Total	<u>\$ 4,151,592</u>	<u>\$ 3,718,002</u>

The District pools cash from all sources and all funds so that it can be invested consistently with safety and liquidity, while funds can make expenditures at any time. The District investments are carried out at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect fair value at each fiscal year end, and it includes the effects of these adjustments' income for that fiscal year.

Investment Guidelines

The District's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity, and maximum rate of return. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

The District has funds secured by the FDIC and insured under the program for public funds.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways that the Treasury Pool manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of June 30, 2025, approximately one hundred percent of the investments had maturities of one year or less.

SCHELL VISTA FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

III. Cash and Investments (continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Exchange Bank invests funds in government securities with a rating provided by a nationally recognized statistical rating organization.

State law limits investment in commercial paper, corporate bonds, and medium-term notes to the rating of "A" or higher as provided by Mood's investors Service or Standard and Poor's Corporation.

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 deposits 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 to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Treasury Pool'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 and securities lending transactions:

The California Government Code requires that a financial institution secure deposit made by state or local governmental units by pledging securities in an undivided collateral pool held by depository regulated under state law. The market 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 County's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Treasury Pool).

SCHELL VISTA FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

III. Cash and Investments (continued)

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. For a listing of investments in any one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represent 5% or more of total County investments, refer to the 2025 Sonoma County Annual Comprehensive Financial Report.

IV. Accounts Receivable and Due from Other Governments

On June 30, 2025, the District owed \$20,000 from Community Services District No.1 (Schell-Vista Fire Station Project) (CFD No. 1). This receivable is for the reimbursement of CFD No. 1 expenses paid by the District during the Fiscal Year 2008/2009. Additional monies owed to the District from other governments are as follows:

The amount of accounts and taxes receivable at June 30, 2025, and 2024, is as follows:

	<u>2025</u>	<u>2024</u>
Accounts & Taxes Receivable	<u>\$ 364,189</u>	<u>\$ 206,864</u>

V. Capital Assets

Capital asset activity for the year ending June 30, 2025, was as follows:

	<u>Beginning Balance 7/1/2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance 6/30/2025</u>
Capital assets, not being depreciated:				
Land	\$ 283,505	\$ -	\$ -	\$ 283,505
Total capital assets, not being depreciated	<u>283,505</u>	<u>-</u>	<u>-</u>	<u>283,505</u>
Capital assets, being depreciated:				
Buildings and improvements	5,069,957	79,465	-	5,149,422
Equipment	4,118,989	97,802	-	4,216,791
Total capital assets, being depreciated	<u>9,188,946</u>	<u>177,267</u>	<u>-</u>	<u>9,366,213</u>
Accumulated Depreciation - Net	<u>(5,524,752)</u>	<u>(420,503)</u>	<u>-</u>	<u>(5,945,255)</u>
Total capital assets, being depreciated, net	<u>3,664,194</u>	<u>(243,236)</u>	<u>-</u>	<u>3,420,958</u>
Capital assets, net	<u>\$ 3,947,699</u>	<u>\$ (243,236)</u>	<u>\$ -</u>	<u>\$ 3,704,463</u>

SCHELL VISTA FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

V. Capital Assets (continued)

For the fiscal year ending June 30, 2025, the depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:

 Public safety - fire protection \$420,503

Capital asset activity for the years ended June 30, 2024, was as follows:

	Beginning Balance 7/1/2023	Additions	Retirements	Ending Balance 6/30/2024
Capital assets, not being depreciated:				
Land	\$ 283,505	\$ -	\$ -	\$ 283,505
Total capital assets, not being depreciated	<u>283,505</u>	<u>-</u>	<u>-</u>	<u>283,505</u>
Capital assets, being depreciated:				
Buildings and improvements	4,740,608	329,349	-	5,069,957
Equipment	4,118,989	-	-	4,118,989
Total capital assets, being depreciated	<u>8,859,597</u>	<u>329,349</u>	<u>-</u>	<u>9,188,946</u>
Accumulated Depreciation - Net	<u>(5,125,681)</u>	<u>(399,071)</u>	<u>-</u>	<u>(5,524,752)</u>
Total capital assets, being depreciated, net	<u>3,733,916</u>	<u>(69,722)</u>	<u>-</u>	<u>3,664,194</u>
Capital assets, net	<u>\$ 4,017,421</u>	<u>\$ (69,722)</u>	<u>\$ -</u>	<u>\$ 3,947,699</u>

For the fiscal year ending June 30, 2024, the depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:

 Public safety - fire protection \$399,071

SCHELL VISTA FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

VI. Long-Term Liabilities

Changes in long-term debt

Long-term liability activity for the years ended June 30, 2025, and 2024, was as follows:

June 30, 2025	Beginning Balance <u>07/01/2024</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>06/30/2025</u>
Long-Term Liabilities				
Compensated Absences	\$ 258,029	\$ 46,763	\$ -	\$ 304,792
Net Pension Liability	<u>351,476</u>	<u>-</u>	<u>110,897</u>	<u>240,579</u>
Total Long-Term Liabilities	<u>\$ 609,505</u>	<u>\$ 46,763</u>	<u>\$ 110,897</u>	<u>\$ 545,371</u>
June 30, 2024	Beginning Balance <u>07/01/2023</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>06/30/2024</u>
Long-Term Liabilities				
Compensated Absences	\$ 182,723	\$ 75,306	\$ -	\$ 258,029
Net Pension Liability	<u>137,933</u>	<u>213,543</u>	<u>-</u>	<u>351,476</u>
Total Long-Term Liabilities	<u>\$ 320,656</u>	<u>\$ 288,849</u>	<u>\$ -</u>	<u>\$ 609,505</u>

VII. Other Information

A. Risk Management

The District is exposed to various risks of loss related to torts, loss or damage to assets, injuries to employees, errors, or omissions, so the District carries commercial insurance.

The District receives insurance through George Peterson Insurance Company. The District is a member of the Volunteer Fireman's Insurance Services, Inc. (VFIS). The District carries property and casualty insurance, general liability, public official's errors and omissions, and professional automobile coverage. This insurance coverage insures the fire station, fire apparatus equipment, and vehicle against risk of loss.

The District is a member of the Fire Agencies Self-Insurance System through which it receives worker's compensation coverage. The District has a second letter of workmen's compensation coverage through the Group Insurance Trust.

SCHELL VISTA FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

VII. Other Information (continued)

B. Fund Balances

The District's fund balance is reported in classifications as described in Note 1. The following amounts are assigned to fund balances as of the balance sheet date:

Assigned for:	2025	2024
Equipment Replacement	\$ 78,000	\$ 78,000
Facilities Capital Improvement	250,000	345,000
Apparatus Replacement	1,000,000	600,000
Pension Unfunded Liability	500,000	450,000
Others	629,021	325,000
Debt Sinking Fund	150,000	150,000
Future Cost of Living Adjustment	150,000	100,000
Compensated Absences	400,000	400,000
Total	<u>\$ 3,157,021</u>	<u>\$ 2,448,000</u>

VIII. District Employees Retirement Plan (Defined Benefit Pension Plan)

Defined Benefit Pension Plan

The District enrolled in the California Public Employees Retirement System (PERS) cost-sharing multiple-employer Defined Benefit Pension Plan. In cost-sharing multiple-employer plans, the benefit obligations are pooled. A single actuarial valuation is performed covering all participants, all employers contribute at the same rate, and all plan assets are available to pay plan benefits for the employee and retirees of any employer.

Summary of Significant Accounting Policies

To measure the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable under the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires that the reported results pertain to liability and assets information within certain defined timeframes. The timeframe for this reporting is:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

SCHELL VISTA FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

VIII. District Employees Retirement Plan (Defined Benefit Pension Plan) (continued)

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. The contribution rate and unfunded liability information are as follows:

	<u>Employer Contribution Rate</u>	<u>Unfunded Contribution</u>	<u>Employee Contribution Rate</u>
PEPRA Safety Plan	14.72%	\$15,428	14.50%

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2024, valuation was rolled forward to determine the June 30, 2024, total pension liability based on the following actuarial methods of assumptions.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Delivered using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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.

SCHELL VISTA FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

IX. District Employees Retirement Plan (Defined Benefit Pension Plan) (continued)

Long-term Expected Rate of Return

CalPERS considered both short-term and long-term market return expectations as well as the expected pension fund cash flow. 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. The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>
Global Equity- cap-weighted	30.0%	4.54%
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

The following presents the net pension liability/(assets) of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	<u>Discount Rate - 1% (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>Discount Rate + 1% (7.90%)</u>
Plan's Net Pension Liability/(Asset) at June 30, 2025	\$ 517,724	\$ 240,579	\$ 13,914
	<u>Discount Rate - 1% (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>Discount Rate + 1% (8.15%)</u>
Plan's Net Pension Liability/(Asset) at June 30, 2024	\$ 593,430	\$ 351,476	\$ 153,661

SCHELL VISTA FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

IX. District Employees Retirement Plan (Defined Benefit Pension Plan) (continued)

Deferred Outflows and Deferred Inflows

As of June 30, 2025, and 2024, the Schell-Vista Fire Protection District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources - FY25</u>	<u>Deferred Inflows of Resources- FY25</u>	<u>Deferred Inflows of Resources - FY24 Net</u>
Difference between Expected and Actual Experience	\$ 19,633	\$ 638	\$ 18,995
Changes of Assumptions	5,927	-	5,927
Difference between Projected and Actual Earnings on Pension Plan Investments	11,628	-	11,628
Difference between Employer's Contribution and Proportionate Share of Contribution	212,152	2,201	209,951
Changes in Employees Proportion Pension Contributions made Subsequent to Measurement Date	60,920	119,522	(58,602)
	<u>346,728</u>	<u>-</u>	<u>346,728</u>
Total	<u>\$ 656,988</u>	<u>\$ 122,361</u>	<u>\$ 534,627</u>

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expenses as follows:

<u>Measurement Period Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources - FY25</u>	<u>Deferred Outflows/(Inflows) of Resources - FY24</u>
2025	\$ -	\$ 51,463
2026	100,468	48,642
2027	185,693	139,215
2028	113,753	67,993
2029	65,367	66,649
2030	69,346	-
Thereafter	-	-

X. Subsequent Events

The District has evaluated events after June 30, 2025, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through February 13, 2026, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that required recognition or additional disclosures in the financial statements.

SCHELL VISTA FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - COMPARED TO BUDGET
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property and homeowner taxes	\$ 2,723,004	\$ 2,723,004	\$ 2,754,818	\$ 31,814
Measure H - Sales Tax Revenue	540,000	\$ 540,000	553,526	13,526
Investment earnings	20,800	20,800	30,939	10,139
Intergovernmental revenue	132,716	132,716	245,185	112,469
Refunds	-	-	-	-
Rental Income	-	-	-	-
Miscellaneous income	38,118	38,118	38,285	167
Total Revenues	<u>3,454,638</u>	<u>3,454,638</u>	<u>3,622,753</u>	<u>168,115</u>
EXPENDITURES				
Salaries and employee benefits	2,580,498	2,525,467	2,424,492	100,975
Services and supplies	793,995	793,995	476,513	317,482
Capital Assets	642,703	562,558	177,267	385,291
Total Expenditures	<u>4,017,196</u>	<u>3,882,020</u>	<u>3,078,272</u>	<u>803,748</u>
Net change in fund balance			544,481	
Fund Balance - Beginning of Year			<u>3,555,623</u>	
Fund Balance - End of Year			<u>\$ 4,100,104</u>	

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

SCHELL VISTA FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - COMPARED TO BUDGET
For the Year Ended June 30, 2024

REVENUES	Budgeted Amounts		Actual	Variance
	Original	Final		
Property and homeowner taxes	\$ 2,312,841	\$ 2,594,520	\$ 2,584,083	\$ (10,437)
Investment earnings	12,450	14,800	28,570	13,770
Intergovernmental revenue	4,950	4,950	289,147	284,197
Refunds	-	-	11,418	11,418
Rental Income	15,000	15,000	3,000	(12,000)
Miscellaneous income	-	-	110,458	110,458
Total Revenues	2,345,241	2,629,270	3,026,676	397,406
EXPENDITURES				
Salaries and employee benefits	1,551,659	1,679,535	1,833,697	(154,162)
Services and supplies	629,250	625,920	457,016	168,904
Capital Assets	177,000	347,000	329,349	17,651
Total Expenditures	2,357,909	2,652,455	2,620,062	32,393
Net change in fund balance			406,614	
Fund Balance - Beginning of Year			3,142,930	
Prior Period Adjustment - Note XI			6,079	
Fund Balance - End of Year			\$ 3,555,623	

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

SCHELL VISTA FIRE PROTECTION DISTRICT
SCHEDULE OF CALPERS SAFETY PLAN
REQUIRED SUPPLEMENTARY INFORMATION
 June 30,

Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date in Relation to PERFC

	2025	2024	2023	2022	2021	2020
Plan's Proportionate Share of the Net Pension Liability/(Asset)	0.0019300%	0.0015780%	0.0006505%	0.0011980%	0.0013986%	0.0011710%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 240,579	\$ 351,476	\$ 137,933	\$ 271,955	\$ 253,424	\$ 201,404
Plan's Covered-Employee Payroll	\$ 627,710	\$ 598,206	\$ 542,659	\$ 459,474	\$ 217,946	\$ 214,654
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	38.33%	58.76%	25.42%	59.19%	116.28%	93.83%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	88.14%	80.07%	90.88%	61.18%	51.38%	34.74%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 95,662	\$ 88,504	\$ 68,086	\$ 53,032	\$ 123,791	\$ 88,647
Schedule of Plan Contributions						
Actuarially Determined Contribution	\$ 95,662	\$ 88,504	\$ 68,086	\$ 53,032	\$ (123,791)	\$ 88,647
Contributions in Relation to the Actuarially Determined Contribution	(95,662)	(88,504)	(68,086)	(53,032)	(123,791)	(88,647)
Contribution Deficiency (Excess)	-	-	-	-	-	-
Covered-Employee Payroll	\$ 670,007	\$ 627,710	\$ 598,206	\$ 542,659	\$ 459,474	\$ 217,946
Contributions as a Percentage of Covered-Employee Payroll	14.28%	14.10%	11.38%	9.77%	-26.94%	40.67%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2023 as they have minimal cost impact.

Change in Assumptions: None

COMMUNITY FACILITIES DISTRICT NO. 1
SCHELL VISTA FIRE PROTECTION DISTRICT
Schedule of Fiduciary Net Position
June 30, 2025 and 2024

	2025	2024
Assets		
Cash and investments	\$ 228,244	\$ 226,177
Accounts receivable	5,622	8,666
Prepaid Expense	13,360	6,680
Total Assets	\$ 247,226	\$ 241,523
Liabilities		
Due to other government	\$ 20,000	\$ 20,000
Accrued interest payable	22,949	22,949
Due to bondholders and others	204,277	198,574
Total liabilities	\$ 247,226	\$ 241,523

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

COMMUNITY FACILITIES DISTRICT NO. 1
SCHELL VISTA FIRE PROTECTION DISTRICT
Schedule of Changes in Fiduciary Net Position Agency Fund
June 30, 2025 and 2024

	2025			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Assets				
Cash and investments	\$ 226,177	\$ 334,725	\$ (332,658)	\$ 228,244
Accounts receivable	8,666	5,622	(8,666)	5,622
Prepaid Expense	6,680	13,360	(6,680)	13,360
	<u>6,680</u>	<u>13,360</u>	<u>(6,680)</u>	<u>13,360</u>
Total Assets	<u>\$ 241,523</u>	<u>\$ 353,707</u>	<u>\$ (348,004)</u>	<u>\$ 247,226</u>
Liabilities				
Due to other government	\$ 20,000	\$ -	\$ -	\$ 20,000
Accrued interest payable	22,949	22,949	(22,949)	22,949
Due to bondholders and others	198,574	204,277	(198,574)	204,277
	<u>198,574</u>	<u>204,277</u>	<u>(198,574)</u>	<u>204,277</u>
Total liabilities	<u>\$ 241,523</u>	<u>\$ 227,226</u>	<u>\$ (221,523)</u>	<u>\$ 247,226</u>
	2024			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Assets				
Cash and investments	\$ 220,028	\$ 343,610	\$ (337,461)	\$ 226,177
Accounts receivable	12,490	8,666	(12,490)	8,666
Prepaid Expense	6,680	6,680	(6,680)	6,680
	<u>6,680</u>	<u>6,680</u>	<u>(6,680)</u>	<u>6,680</u>
Total Assets	<u>\$ 239,198</u>	<u>\$ 358,956</u>	<u>\$ (356,631)</u>	<u>\$ 241,523</u>
Liabilities				
Due to other government	\$ 20,000	\$ -	\$ -	\$ 20,000
Accrued interest payable	23,199	22,949	(23,199)	22,949
Due to bondholders and others	195,999	198,574	(195,999)	198,574
	<u>195,999</u>	<u>198,574</u>	<u>(195,999)</u>	<u>198,574</u>
Total liabilities	<u>\$ 239,198</u>	<u>\$ 221,523</u>	<u>\$ (219,198)</u>	<u>\$ 241,523</u>

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

SCHELL VISTA FIRE PROTECTION DISTRICT
Notes to Required Supplementary Information
June 30, 2025 and 2024

NOTE I – NET PENSION LIABILITY

Change in Benefit Terms: The figures in the net pension liability do not include any liability impact that may have resulted from place changes that occurred after June 30, 2020, as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credits (a.k.a Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statements as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Change in Assumption: None.

NOTE II – AGENCY FUND-SPECIAL ASSESSMENT DEBT

During Fiscal Year 1999-2000, the District formed the Community Facilities District No. (Schell Vista Fire Station Project) (CFD No. 1), a Mello-Ross Community Facility District. The CFD No. 1 was formed to provide financing for the construction of a new fire station. CFD No. 1 issued \$2,020,000 of special assessment serial bonds (Series 1999) with Semi-annual interest payments due March 1 and September 1. The first payments were due March 1, 2000. The first series of bonds matured on September 1, 2001. The interest was 4.5% to 6.00%. The last payment would have been made on September 1, 2009. These bonds were retired in February 2012.

During the fiscal year 2005/2006, CFD No. 1 issued an additional \$403,463 of special assessment serial bonds (Series 2005) with semi-annual interest payments due March 1 and September 1. The first payment was due September 1, 2006. The first series of bonds matures, on September 1, 2007. The interest rate is 5.34 to 6.35 percent. The last payment will be made on September 1, 2032. The balance on the series 2005 bond as of June 30, 2025 is \$140,185.

In February 2012, CFD No. 1 issued \$1,602,000 of special tax refunding bonds with semi-annual interest payments due March 1 and September 1. The first payment was due March 1, 2012. The interest rate for these bonds is 4.35 percent, and the final payment will be made September 1, 2029. Proceeds from this bond were used to retire the Series 1999 Special Tax Bonds. The refund was undertaken to take advantage of lower interest rates thereby reducing future debt service payments. Bond issuance costs of \$33,985, as well as the premium received on the sales, are being amortized over the life of the new debt. This transaction resulted in future value savings of \$245,438 and net present value savings, using the discount rate yield of 3.96 percent of \$171,302. The balance of the series 2012 bond as of June 30, 2025, is \$550,000.

Neither the District nor the Community Facilities District No.1 has any obligation to pay the special assessment debt. Their only obligation is to be an agent for collecting the special assessment revenue and to transfer it to the Trustee, US Bank Inc.

SCHELL VISTA FIRE PROTECTION DISTRICT
Roster of Board Members

Directors:

Ken Finn

Mindy Neves

Bob Kruljac

Hal Stober

Bill Steach

Office

Chair

Vice Chair

Treasurer

Member

Member

Clerk of the Board:

Robin Woods

Administrative Assistant

Regular Meetings:

The regular meeting of the Board of Directors is held at 7:00 P.M. on the first Wednesday of each month. The schedule of locations can be found on the District website.