

Sonoma Valley Fire District

Board of Directors Meeting

January 13, 2026





**Sonoma Valley Fire District
Board of Directors Meeting**

January 13, 2026

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**MEETING AGENDA
SONOMA VALLEY FIRE DISTRICT
BOARD OF DIRECTORS**

Tuesday, January 13, 2026 at 6:00 P.M.
Location: Sonoma Valley Fire District Station 1
630 2nd Street W., Sonoma, CA 95476

This meeting is being conducted in person with videoconference capabilities in accordance with the Ralph M. Brown Act, California Government Code Section 54950, et seq. Agenda, Zoom link, and board packet materials are available at the following website: <http://sonomavalleyfire.org>

To join by phone: 1-669-900-9128

Meeting ID: 914 153 1767

Meeting Passcode: 3300

1. Call to Order

2. Roll Call and Determination of a Quorum

Board of Directors: President William Norton, Vice President John (Matt) Atkinson, Treasurer Mark Johnson, Brian Brady, John Cooper, Mark Emery, and Robert Uboldi

3. Pledge of Allegiance

4. Confirmation of Agenda

Opportunity for the Board to reorder agenda items.

5. Comments from the Public

(At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for consideration by the Board of Directors.)

6. Presentations

7. Consent Calendar

- a) Approval of minutes from the regular meeting held on, December 9, 2025.
Action Item

8. Fire Chief's Monthly Report

December 2025 Chief's Report

9. Old Business

10. New Business

- a) Fund Balance Allocations base on SVFD FY-23/24 Audit – **Action Item**
- b) Review and Approval of Bond Company, Kenwood Station 6 Remodel – **Action Item**
- c) Resolution 2025/2026-08 - Management Side Letter Agreement – **Action Item w/Roll Call**

11. Other Business to Come before the Board

- a) Kenwood FY-24/25 Audit Report

12. Comments from the Floor

13. Comments/Reports from the Board

14. Closed Session

15. Adjournment

This meeting will be adjourned to a regular Board meeting on Tuesday, February 10, 2026 at 6:00 p.m. in the Training Room of Sonoma Valley Fire District, Station 1, located at 630 2nd Street West, Sonoma, CA.

Copies of all staff reports and documents subject to disclosure that relate to any item of business referred to on the agenda are available at the following website at <http://sonomavalleyfire.org>.



Sonoma Valley Fire District
Board of Directors Meeting
 Agenda Item Summary
 January 13, 2026

Agenda Item No.	Staff Contact		
7a	Maci Bettencourt, Clerk of the Board		
Agenda Item Title			
Approval of the regular meeting minutes held on December 9, 2025			
Recommended Actions			
Approve the minutes.			
Executive Summary			
The minutes have been prepared for Board review and approval.			
Alternative Actions			
Correct or amend minutes prior to approval.			
Strategic Plan Alignment			
Fiscal Summary – FY 25/26			
Expenditures		Funding Source(s)	
Budgeted Amount	\$	District General Fund	\$
Add. Appropriations Req'd.	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
Total Expenditure	\$	Total Sources	\$
Narrative Explanation of Fiscal Impacts (if required)			
Not Required			
Attachments			
1. Minutes for December 9, 2025 regular meeting			

SONOMA VALLEY FIRE DISTRICT

BOARD OF DIRECTORS REGULAR MEETING MINUTES Tuesday, December 9, 2025

**Meeting was held in person at Station 1, 630 2nd Street W, Sonoma, Ca. 95476
and via video conference for general public access.
Join by phone: 1-669-900-9128 | Meeting ID: 914 153 1767 | Meeting Passcode: 3300**

1. Call to Order

President Norton called meeting to order at 6:01 PM

2. Roll Call and Determination of a Quorum

Board of Directors present: President William Norton, Vice President John (Matt) Atkinson, Treasurer Mark Johnson, Director Brian Brady, Director John Cooper Director Mark Emery, and Director Robert Uboldi

3. Pledge of Allegiance

The Pledge of Allegiance was led by Director Cooper and recited by all.

4. Confirmation of Agenda

None

5. Comments from the Public

Public and staff present/virtual: Chief Akre, DC Norrbom, BC Campbell, Capt. Lewis, Capt. Derner, Capt. Loftus, Capt. Montgomery, Capt. Banuelos, Eng. Molesworth, Allison Ash w/MVFF, SIT Reporter - Isabel Beer, KWP Reporter - Ashley Breinlinger, Consultant Tony Ghisla, and Jeff Katz w/Coar.

No comments heard from the public.

6. Presentations

BC Campbell presented the Board with a brief update on the achievements to-date within the strategic plan. Director Johnson shared his appreciation to the level of success and professionalism it takes to achieve successful results within a strategic plan.

7. Consent Calendar

- a) Board reviewed and approved the meeting minutes from the regular board meeting held on, October 14, 2025. **M/S/P Johnson/Emery – 7 ayes**

8. Fire Chief's Monthly Report

October/November 2025 Chief's Report attached.

Additional notations to the Chief's report:

- District Association dinners to transition to two times a year with virtual meetings in between.
- There has been no update on ISO rating information.
- Tony Ghisla gave a brief update on funding possibilities for facility upgrades.

9. Old Business

- a) Director Johnson motioned to accept the proposed contract between the COAR Group and Sonoma Valley Fire District for architectural design services for the Station 6 Kenwood remodel project. **M/S/P Johnson/Emery 6 ayes** – Director Cooper recused himself from the vote.
- Director Emery expressed his complements to the COAR Group, he was very impressed with their completed proposal.

10. New Business

- a) Director Atkinson motion to accept Resolution 2025/2026-08, accepting grant funds from the State of California Department of Forestry and Fire Protection, to increase Volunteer Fire Capacity. **M/S/P Atkinson/Johnson - 7 ayes**
- Director Norton thanked Capt. Montgomery for his efforts in securing these grant funds.

11. Other Business to come before the Board

None

12. Comments from the Floor

None

13. Comments/Reports from the Board

Director Emery thanked the Association and District members for a wonderful holiday party.

14. Closed Session

None

15. Adjournment

M/S Brady/Norton – 7 ayes

Meeting was adjourned at 7:21pm, to a regular Board meeting on January 13, 2026, at 6:00 p.m. This meeting will be conducted in person with videoconference capabilities available to the public. *Copies of all staff reports and documents subject to disclosure that relate to any item of business referred to on the agenda are available at the following website: <http://sonomavalleyfire.org> under the Governance tab.*

Respectfully submitted,

Maci Bettencourt
Clerk of the Board



Sonoma Valley Fire District

Proudly Serving the Communities of

Sonoma, Valley of the Moon, Glen Ellen, Kenwood, and
Mayacamas



DATE: 12/9/2025
TO: Sonoma Valley and Kenwood Board of Directors
FROM: Chief Akre
SUBJECT: Monthly Activity Report – October/November 2025

A. ADMINISTRATIVE:

1. SDC: There are no longer any SDC Fire Employees and there is no fire presence at SDC. We have been asked to schedule a meeting with the developer on what facility needs we have for a future fire station. I continue to be engaged with our Supervisor on the need for Fire/EMS presence and how we could fund this.
2. KWD: DAO Ghisla is working on the with the auditors on the annual audit.
3. REDCOM Update: We are still working on bringing Cloverdale Fire into REDCOM at the first of the year.
4. SCFCA/Measure H update: The FSWG met on 12/4. We continue to move forward with all implementation plans, with a focus on REDCOM, Training, Technology, and Recruitment and Retention Programs. The Oversight Committee's next meeting will be on 12/18. October's meeting was hosted at Healdsburg station 2 and November's meeting at SCFD's Forestville station. Tomorrow's meeting will be held at the new Fountaingrove station. The retirees and installation luncheon will be held in Petaluma on February 11. I attended the SCFCA's EMS Subcommittee meeting.
5. I continue to meet monthly with the CAO's Office as well as Supervisor Hermosillo.
6. We held our weekly Executive Chiefs meetings. We also held monthly Command Staff meetings and we held our semi-annual All Officers meeting on 12/3. The training topic was performance evaluations.
7. Cal Chiefs: I attended the monthly Cal Chiefs E-Board, Northern Area Directors, and Legislative Task Force meetings. We had a good contingent attend the annual Cal Chiefs Conference in the end of October. Additionally, I attended the annual planning meeting in November and a two-day leadership transition meeting last week.
8. FRMS: We held our Board meeting on 11/20 in Sacramento. We, Sonoma Valley Fire, have successfully enrolled all of our people in medical benefits programs for the 2026 calendar year. We have Muchmore than Consulting investigating other options for us into the future.



Sonoma Valley Fire District

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Sonoma, Valley of the Moon, Glen Ellen, Kenwood, and
Mayacamas



B. INCIDENTS:

1. Monthly Incident reports for July are attached.

C. BUDGET/FINANCE:

1. We will receive our fourth Measure H revenues this week.

D. PERSONNEL:

1. Our two new FFs, Michael Harris and Phillip Morrison, are in the pre-employment process and will be starting on shift the week of January 5th.

E. TRAINING:

1. Chief Campbell hosted all 3 shifts for in person inspection program changes, and an inspection walkthrough with each company at the General's Daughter. Well received by the crews and very valuable. We have also committed quite a few regular training hours to getting business inspections completed.
2. Chief Lacy held a Zoom meeting to discuss changes to the Accident Prevention Policy for each of the shifts.
3. I have been doing construction site walkthroughs with the shifts at the Verano Ave construction project, 72 residential units, so we can see building construction, fire prevention systems. We also discussed construction phase fire incidents that may happen as well as other hazards present at the site.
4. 2 Full Time members have completed their probationary periods, 3 probationary members are currently doing their 5 call at other agencies to finish their paramedic training.
5. EMS training group met for planning 2026 as well as trialing some new equipment.
6. Volunteers have been working on Ground Ladders and Aerial Ladders at drill. Andreis, Lacy, and I attended the KWD Vol. Assoc. Meeting.
7. Volunteer Academy is going on its 6th week, its going great. And, getting close to half way done already. (And Sam Morgan is absolutely killing it, he's got every detail covered here)
8. Looking ahead- We will be participating with SCH doing some low visibility search drills at an acquired structure in SCH's district. There is some multi-agency Active Shooting Training reps coming up January, and we're doing a HAZMAT Pipeline Safety course for our members here in January.

630 Second Street West • Sonoma • California • 95476-6901
Business: (707) 996-2102 • svfra@svfra.org • Fax: (707) 996-2868



Sonoma Valley Fire District

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Mayacamas



F. EQUIPMENT:

1. The new Brush 35 is being constructed at Hi-Tech and is expected in Spring.
2. New apparatus naming and numbering system is being phased in throughout the County.

G. BUILDINGS & LAND:

1. The New Station 2 project: we are working on our application to LAFCO through PRMD to be annexed into the Sanitation District, as well as the Use Permit. We are also working on developing an RFQ for a progressive design build model.
2. The RFQ for full architect services is on the agenda as a separate item. DAO Ghisla is working on financing options.
3. The new station/memorial sign is complete, and the 9/11 Steel monument Design was unanimously approved by the City Council.

H. PREVENTION & COMMUNITY OUTREACH:

1. See attached monthly activity report.
2. All Initial DSI Inspections have been completed, now working on follow ups.
3. SVFD ISO Ratings:
 - a. City: Class 1
 - b. Unincorporated valley, including GE, VOM & Eldridge: Class 2 (Class 10 if over 5 miles from a fire station)
 - c. Mayacamas Service Area: Class 8B (Class 10 if over 5 miles from a fire station)

I. ASSOCIATION NEWS AND UPCOMING EVENTS:

1. Association events include Seagrave in the lighted tractor parade, with me and my family, and 2 members from the city council. And Seagrave again at the lighting of the xmas tree with Santa in the Plaza.
2. The next SCFDA Dinner/Meeting will be in April, location TBD. There is a new format for SCFDA meetings now. There will be 2 dinner meetings a year and the other two quarterly meetings will be held via Zoom. In order to keep SCFDA Members engaged and informed, the SCFCA is inviting SCFDA Members to the beginning portions of the SCFCA Meetings. This will include presentations, allied agency reports and Region reports.



Sonoma Valley Fire District
Board of Directors Meeting
 Agenda Item Summary
 January 13, 2026

Agenda Item No.	Staff Contact		
8a	Steve Akre, Fire Chief		
Agenda Item Title			
Monthly Fire Chief's Report			
Recommended Actions			
None			
Executive Summary			
<p>The monthly Fire Chief's report is crucial for maintaining transparency and accountability within the District. It provides an overview of current administrative updates, incident responses, budget and financial status, personnel changes, training activities, and the status of buildings and land. Additionally, it covers equipment readiness, fire prevention initiatives, community outreach efforts, and events hosted by the fire association. This comprehensive report ensures that all stakeholders are informed about the department's operations, challenges, and achievements, fostering better decision-making and community trust.</p>			
Alternative Actions			
None needed			
Strategic Plan Alignment			
Fiscal Summary – FY 25/26			
Expenditures			
Budgeted Amount	\$	Funding Source(s)	\$
Add. Appropriations Req'd.	\$	District General Fund	\$
	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
Total Expenditure	\$	Total Sources	\$
Narrative Explanation of Fiscal Impacts (if required)			
Not Required			
Attachments			
1. Monthly Fire Chief's Report			



Sonoma Valley Fire District
Board of Directors Meeting
 Agenda Item Summary
 January 13, 2026

Agenda Item No.	Staff Contact
10a	Steve Akre, Fire Chief

Agenda Item Title
 Fund balance allocations based on SVFD FY23/24 audit.

Recommended Actions
 Approve new allocations

Executive Summary
 Fund balances have been reallocated based on findings from the Sonoma Valley Fire District’s Annual Financial Audit Reports. The Board is asked to approve the new allocations.

Alternative Actions
 Request information or changes to allocations prior to approval.

Strategic Plan Alignment
 Goal 3 and Goal 4

Fiscal Summary – FY 23/24			
Expenditures		Funding Source(s)	
Budgeted Amount	\$	District General Fund	\$
Add. Appropriations Req’d.	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
		Contingencies	\$
		Grants	\$
Total Expenditure	\$	Total Sources	\$

Narrative Explanation of Fiscal Impacts (if required)
 Undetermined, pending Board Direction

Attachments
 1. Recommended Fund Balance Allocations, June 30, 2024

Sonoma Valley Fire District

Recommended Fund Balance Allocations

Account	Basis of Allocation	SVFD Approved Allocation 8/9/2022	SVFD Approved Allocation 8/8/2023	SVFD Recommended Allocation 4/9/2024	SVFD Recommended Allocation 1/8/2026
Unassigned	2 months of operating expenses Updated to reflect FY 24-25 Operating Budget.	\$ 2,614,370	\$ 2,780,865	\$ 319,320	\$ 319,320
Committed for Emergency / Contingency	10% of Annual Operating Budget. Updated to reflect FY 2024-25 Operating Budget.	\$ 1,568,622	\$ 1,668,519	\$ 1,915,921	\$ 2,259,263
Committed for Compensated Absences	Estimated Compensated Absence liability for employees. Updated based on FY 2024 Annual Financial Audit Report	\$ 340,458	\$ 340,458	\$ 1,091,201	\$ 1,229,223
Committed for Other Post-Employment Benefits Liability	Based on current GASB 45 Report and 2024 Annual Financial Audit Report	\$ 843,900	\$ 843,900	\$ 843,900	\$ 843,900
Committed for Buildings and Improvements	Based on schedule of maintenance and new Station 2 construction	\$ 2,213,839	\$ 2,432,520	\$ 4,377,600	\$ 4,377,600
Committed for Capital Equipment	Based on depreciation schedule	\$ 3,044,881	\$ 3,044,881	\$ 3,485,664	\$ 3,015,819
		\$ 10,626,070	\$ 11,111,143	\$ 12,033,606	\$ 12,045,125



Sonoma Valley Fire District
Board of Directors Meeting
 Agenda Item Summary
 January 13, 2026

Agenda Item No.	Staff Contact		
10b	Steve Akre, Fire Chief		
Agenda Item Title			
Approval of Bond Company			
Recommended Actions			
Approve to engage with Urban Futures Bond Company for the Kenwood Remodel Project			
Executive Summary			
After thorough investigation of financing options, including USDA, Commercial Banks, and Bond Companies, staff is recommending that the Board approve contracting with Urban Futures for the financing of the Kenwood Station Remodel. Staff further requests that the Board authorize President Norton to sign any contracts or other documents as required.			
Alternative Actions			
Deny or suggest modifications prior to approval			
Strategic Plan Alignment			
This is in alignment with Goal 1, Obj 1A and 1B.			
Fiscal Summary – FY 25/26			
Expenditures		Funding Source(s)	
Budgeted Amount	\$	District General Fund	\$
Add. Appropriations Req'd.	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
		Measure H Funding	\$
Total Expenditure	\$	Total Sources	\$
Narrative Explanation of Fiscal Impacts (if required)			
Total fiscal impacts are unknown at this time and will be brought to the Board once known. The fees will be between 2 to 2.5%, plus additional legal expenses.			
Attachments			



Sonoma Valley Fire District
Board of Directors Meeting
 Agenda Item Summary
 January 13, 2026

Agenda Item No.	Staff Contact		
10c	Steve Akre, Fire Chief		
Agenda Item Title			
Side Letter to the Management Agreement			
Recommended Actions			
Approve the Side Letter that updates Article 8 language of the Management Agreement			
Executive Summary			
The District and Management have mutually agreed to update the language in Article 8 of the Management Agreement to provide language that will allow for full reimbursements to the District for all mutual aid deployments. These changes are effective December 1, 2025.			
Alternative Actions			
Deny or suggest modifications prior to approval			
Strategic Plan Alignment			
This reorganization is in alignment with Goal 2 and Goal 4			
Fiscal Summary – FY 25/26			
Expenditures			
Budgeted Amount	\$	Funding Source(s)	\$
Add. Appropriations Req'd.	\$	District General Fund	\$
	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
		Grants	\$
		Measure H Funding	\$
Total Expenditure	\$	Total Sources	\$
Narrative Explanation of Fiscal Impacts (if required)			
There is no financial impact to the District.			
Attachments			
<ol style="list-style-type: none"> 1. Side Letter Agreement 2. Management Agreement 3. Resolution 2025/2026-08 			

SIDE LETTER OF AGREEMENT
BETWEEN THE SONOMA VALLEY FIRE DISTRICT
AND
MANAGEMENT AND ADMINISTRATIVE EMPLOYEES

Sonoma Valley Fire District (“District”) and the representatives of the Management and Administrative Employees (“Management”) have met and conferred in good faith pursuant to the Meyers-Milias-Brown Act concerning their current Memorandum of Understanding (“MOU”) with the term of June 27, 2022 to June 30, 2026. The District and Management have mutually agreed to update the language in Article 8 of the Management Agreement to provide language that will allow for full reimbursements for all mutual aid deployments. The District and Management therefore amend their current MOU pursuant to their authority to do so expressed in Article 4(3) of the current MOU as follows:

ARTICLE 8 OVERTIME

Management and administrative employees are designated as **Exempt** and are not normally entitled to overtime compensation. However, **Battalion Chiefs** who cover operational shifts other than those regularly assigned shall be compensated at **one and one-half (1½) times** their hourly rate. The **Administrative Battalion Chiefs** and **Deputy Chiefs** are eligible to cover operational shifts and shall be compensated at the **shift Battalion Chief overtime rate**. **Fifty-six (56)-hour shift Battalion Chiefs** shall have the **first right of refusal** for all vacant shift Battalion Chief assignments. The current **Fire Chief (S. Akre)**, due to his operational experience and local familiarity, shall be compensated at the **Fire Chief OES straight-time rate** when covering operational Battalion Chief shifts. The District may **recall off-duty personnel** during significant emergency incidents—including fires, rescues, or disasters—or during periods of elevated community risk such as storms or **Red Flag Warning** events, in order to maintain adequate staffing levels. **Battalion Chiefs and Deputy Chiefs** shall be compensated at **one and one-half (1½) times** their hourly rate for any hours worked beyond their normal scheduled hours. When the **Deputy Chief Fire Marshal** performs fire investigation duties outside of normal working hours, compensation shall be paid at **one and one-half (1½) times** the hourly rate. **Battalion Chiefs and Deputy Chiefs** are authorized to respond to **Master Mutual Aid assignments** and shall be compensated at **one and one-half (1½) times** the hourly rate for all hours worked **portal to portal** beyond their normal hours.

Sonoma Valley Fire District:

Management and Administrative
Employees:

William Norton, President

Spencer Andreis, Deputy Chief

Date: _____

Date: _____

**ADMINISTRATIVE AGREEMENT
BETWEEN THE SONOMA VALLEY FIRE DISTRICT
AND
MANAGEMENT & ADMINISTRATIVE EMPLOYEES
FOR THE PERIOD OF**

JUNE 27, 2022 THROUGH JUNE 30, 2026

**Revised:
December 1, 2024**

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DEFINITIONS

1. **ANNIVERSARY DATE** - Shall mean the first day of the month an employee is employed, or the first day of the month an employee is promoted.
2. **BOARD** - Shall mean the Board of Directors of the Sonoma Valley Fire District.
3. **CHIEF** – As determined by the Board of Directors, shall mean the Fire Chief of the Sonoma Valley Fire District.
4. **DISTRICT** - Shall mean the Sonoma Valley Fire District.
5. **EMPLOYEES** - Shall mean all Management and Administrative employees who are covered by this Agreement.
6. **EMPLOYER** (also referred to as DISTRICT) - Shall mean the Sonoma Valley Fire District.
7. **MANAGEMENT** - Shall mean the Board of Directors and Chief Officers of the Sonoma Valley Fire District and Chief Officers.
8. **SONOMA VALLEY FIRE DISTRICT** – The City of Sonoma has entered into a contract for fire and emergency services with the Sonoma Valley Fire District to eliminate duplication of equipment, personnel, and resources, and to provide higher levels of service to the community.
9. **RETIREMENT** - Shall mean a condition by which an employee has terminated their employment, with the District, by retiring through the Sonoma County Employees Retirement Association.

GENERAL PROVISIONS

ARTICLE 1 PREAMBLE

This Agreement is between the Sonoma Valley Fire District (hereinafter referred to as the "District") and the Management and Administrative Employees.

This Agreement shall be presented to the Sonoma Valley Fire District Board of Directors as recommendations of the undersigned for salary and fringe benefit adjustments for the period commencing on June 27, 2022 through June 30, 2026.

This Agreement has been arrived at as a result of meeting and conferring in good faith with two (2) members of the negotiating team for the Sonoma Valley Fire District Board of Directors under the provisions of Section 3500-3509 of the Government Code of the State of California and by Resolution No. 2021/2022-12.

ARTICLE 2 RECOGNITION

Management and Administrative employees shall be considered as "Exempt" employees and include the following classifications:

**Chief Finance Officer
Administrative Battalion Chief (40-HR)
Battalion Chief (56-HR)
Deputy Fire Chief
Fire Chief**

ARTICLE 3 AT-WILL EMPLOYMENT PROVISION

Employment of the Fire Chief at the Sonoma Valley Fire District is offered on an "at will" basis within the meaning of California Labor Code §2922. This means that either the Fire Chief or the District may end the relationship at any time with or without cause or notice.

ARTICLE 4 SEVERANCE

1. If any provision of this Agreement should be found invalid, unconstitutional, unlawful, or unenforceable by reason of any existing or subsequently enacted constitutional or legislative provision or by final judicial authority, the offending provision shall be severed, and all other provisions of the agreement shall remain in full force and effect for the duration of the agreement.
2. In the event that any provision of the Agreement should be found invalid, unconstitutional, unlawful, or unenforceable, the District and representatives of the management and administrative employees agree to meet and confer in a timely manner in an attempt to negotiate a substitute provision. Such negotiations shall apply only to the severed provision of the agreement and shall not in any way modify or impact the remaining provisions of the existing Agreement.

ARTICLE 5 RENEWAL PROVISION

This Agreement will be automatically renewed from year to year thereafter unless amended by Resolution of the District's Board of Directors.

ARTICLE 6 MANAGEMENT RIGHTS

Except as expressly modified or restricted by a specific provision of this Agreement, all statutory and inherent managerial rights, prerogatives, and functions are retained and vested exclusively in the District, including, but not limited to, the rights, in accordance with its sole and exclusive judgment and discretion:

- to reprimand, suspend, discharge, or otherwise discipline employees for cause;
- to hire employees, determine their qualifications and assign and direct their work;
- to promote, demote, transfer, layoff, recall to work and retire employees;
- to maintain the efficiency of operation;
- to determine the personnel, methods, means and facilities by which operations are conducted;
- to set standards;
- to use independent contractors (in accordance with requirements of Meyers-Milias-Brown Act);
- to close down or relocate the district's operations or any part thereof;
- to expand, reduce, alter, combine, transfer, assign or cease any job, department, operation, or service;
- to control and regulate the use of machinery, facilities, equipment and other property of the District;
- to introduce new or improved research, service and maintenance and methods, materials, machinery and equipment;
- to issue, amend and revise policies, rules, regulations and practices;
- to take whatever action is either necessary or advisable to determine, manage and fulfill the mission of the District and to direct the District's employees.

ARTICLE 7 HOURS OF WORK

1. The normal work week for the Fire Chief, Deputy Chief's, Administrative Battalion Chief, and Chief Finance Officer shall be forty (40) hours per week (schedule to be determined by the Chief). The normal work week for Shift Battalion Chiefs shall be fifty-six (56) hours per week. During the term of this agreement, the standard work period for Shift Battalion Chiefs covered in this agreement shall consist of forty-eight (48) hours within six (6) consecutive calendar days corresponding to a fifty-six (56) hour week.
2. Rest and meal periods to be observed in accordance with law.
3. The usual workday for the Fire Chief, Deputy Chief's, Administrative Battalion Chief, and Chief Finance Officer shall be eight (8) hours. The usual workday for Battalion Chiefs shall be twenty-four (24) hours.

ARTICLE 8 OVERTIME

Management and administrative employees are designated as Exempt and are not normally entitled to overtime compensation. However, Battalion Chiefs who cover operational shifts other than those regularly assigned shall be compensated at one and one-half (1½) times their hourly rate. The Administrative Battalion Chiefs and Deputy Chiefs are eligible to cover operational shifts and shall be compensated at the shift Battalion Chief overtime rate. Fifty-six (56)-hour shift Battalion Chiefs shall have the first right of refusal for all vacant shift Battalion Chief assignments. The current Fire Chief (S. Akre), due to his operational experience and local familiarity, shall be compensated at the Fire Chief OES straight-time rate when covering operational Battalion Chief shifts. The District may recall off-duty personnel during significant emergency incidents—including fires, rescues, or disasters—or during periods of elevated community risk such as storms or Red Flag Warning events, in order to maintain adequate staffing levels. Battalion Chiefs and Deputy Chiefs shall be compensated at one and one-half (1½) times their hourly rate for any hours worked beyond their normal scheduled hours. When the Deputy Chief Fire Marshal performs fire investigation duties outside of normal working hours, compensation shall be paid at one and one-half (1½) times the hourly rate. Battalion Chiefs and Deputy Chiefs are authorized to respond to Master Mutual Aid assignments and shall be compensated at one and one-half (1½) times the hourly rate for all hours worked portal to portal beyond their normal hours.

1. Employees who receive overtime compensation under the provisions of this Article will receive that compensation in thirty (30) minute increments for the first hour and for all succeeding hour(s).

PAY PROVISIONS

ARTICLE 9 SALARY

1. The Salary Plan, as contained in Appendix 'A', shall be amended for all classifications listed in Article 2 (RECOGNITION), effective June 27, 2022, with a first pay date of July 15th, 2022. Appendix 'A' is hereby incorporated in and made a part of this Agreement.
2. Normally a management or administrative employee will start at Step A, however an appointment to a higher step may be recommended by the Chief, or in the case of the Chiefs classification the Board of Directors. Such recommendation must meet with approval of the Board of Directors. This action would be based on previous experience and other qualifications shown by the appointed employee.
3. Newly employed employees, to a management or administrative employee class, will become eligible to advance from Step A to Step B after six (6) months of employment, and shall serve in each succeeding Step for a period of one (1) year before advancing to the next step on their anniversary date.
 - (a) Advancement will be based on satisfactory performance evaluation, completion of all Administrative assignments with recommendation and approval of the Chief. All wage, step and longevity increases will take effect at the start of the pay period in which the anniversary occurs.
4. It is agreed that the current Administrative Battalion Chief classification will be removed. However, depending on placements, Chief Lacy will retain his whole current salary if assigned to the Administrative Battalion Chief position.
5. Effective June 27, 2022, with a first pay date of July 15th, the salaries of all employees covered in this Memorandum of Understanding shall be as stated in Appendix A. The basis of these computations shall be as follows:
 - (a) Hourly rates for 56-hour employees shall be calculated by dividing an employee's annual salary by 2920
 - (b) Hourly rates for 40-hour employees shall be calculated by dividing an employee's annual salary by 2080
 - (c) Year 1 - June 27, 2022: 4% COLA plus 3% shared property tax growth based on 2020-21.
 - (d) Year 2 – July 1, 2023: 2% COLA + shared property tax growth from Tax Year 21-22
 - (e) Year 3 – July 1, 2024: 2% COLA + shared property tax growth from Tax Year 22-23
 - (f) Year 4 – July 1, 2025: 2% COLA + shared property tax growth from Tax Year 23-24
 - (g) Formula for Shared Property tax growth – The Sonoma Valley Plan: If the property tax estimate realized by the SVFD as of September in each Property Tax Year is more than 3% above the previous year's property tax revenue, the SVFD's salary plan would be increased by 2%. Then for each full 1% percentage increase in property tax that the SVFD realizes over 3%, the SVFD members will receive a .5% additional increase in their annual base salary capped at a maximum of an additional 1%. As an example, if the SVFD's property tax growth was 5%, employees would receive a 3% wage increase (2% +.5% +.5%)

ARTICLE 10 HOLIDAYS

1. Recognized Holidays include:

New Year's Day - January 1st
Martin Luther King's Birthday - third Monday of January
Lincoln's Birthday - February 12th
President's Day - third Monday of February
Memorial Day - last Monday of May
Juneteenth- June 19th
Independence Day - July 4th
Labor Day - first Monday of September
California Admission Day - September 9th
Columbus Day - second Monday of October
Veterans' Day - November 11th
Thanksgiving Day - fourth Thursday of November
Employee's Birthday - day after Thanksgiving Day
Christmas Day - December 25th

Forty (40) hour employees covered by this agreement are normally paid four (4) hours for the following holiday:

The afternoon of December 24th – Christmas Eve

If December 24th falls on a weekend, Christmas Eve holiday (4 hours paid leave) will be acknowledged on the preceding Friday.

(a) And every special, one-time day appointed by the President of the United States or the Governor of the State of California, which is observed by employees of the appointing authority (e.g. Federal employees are given the day off if the President declares a holiday).

2. Chief Officers and the Fire Marshal shall receive pay for the recognized holidays, whether scheduled on or off duty, by the following formula:

- 12 hours of pay per holiday not to exceed one hundred and sixty-eight (168) hours per year.

(a) Holiday pay will be paid to Chief Officers and the Fire Marshal in the pay period when the Holiday occurs.

(b) An employee must be in pay status on the date of payment to receive any pay for recognized holidays. An employee first employed after the previous payment pay period will receive a pro-rata amount of the half year's pay for recognized holidays, based on the ratio of hours worked to hours in a half year at the employee's regular schedule.

(c) It is understood and agreed that pay for recognized holidays is a form of deferred compensation and is deemed pensionable for the period it was earned and not for the pay period in which it was paid.

3. Other management and administrative employees working a forty (40) hour week schedule will be given the holiday off. If a holiday falls on a weekend or normally scheduled non-work day, the employee has the option to take the holiday on the workday prior to or following the holiday.

ARTICLE 11 LONGEVITY PAY PLAN

1. Effective January 1, 2006, the Educational Incentive Program is replaced by the Longevity Pay Plan.
2. The District agrees to pay Longevity Pay to all management and administrative employees who have been employed on a full-time regular basis and for consecutive years of employment as follows:

Full Years of Employment Completed	Percentage of Pay over Monthly Base
5	2.5 %
10	5 %
15	7.5 %
20	10%

3. Longevity pay will be paid to employees in prorated payments in each payroll check (26 pay periods).
4. Employees transferring from the City of Sonoma shall retain their current longevity accrual benefit effective their last calendar day employed with the City of Sonoma as newly hired employees of the District. Years of service will transfer from the previous employer and continue for consecutive years.

ARTICLE 12 ADMINISTRATIVE LEAVE

1. To complete the responsibilities and tasks associated with their positions, management and administrative employees have additional duties as assigned, whether on forty (40) or fifty-six (56) hour work weeks.
 - (a) In recognition of this, the District will annually grant those employees working a forty (40) hour week ten (10) eight (8) hour days and those working a fifty-six (56) hour week six (6) shifts of "Administrative Leave." Employees accrue administrative leave on a prorated basis each payroll period.
 - (b) Beginning on July 1, 2018, in consideration of increased responsibilities and workloads for management and administrative employees, the District will annually grant those employees working forty (40) hour week an additional ten (10) eight (8) hours days and those working a fifty-six (56) hour week an additional six (6) shifts of "Administrative Leave." Employees will accrue the additional administrative leave on a prorated basis each payroll period. If/when workloads diminish, or if administrative staffing increases, the terms of this additional benefit will be revisited.
 - (c) Beginning January 1, 2025 Fire Chief (S. Akre) shall accrue a total of forty (40) hours per month of administrative leave. In a twelve-month period, the Fire Chief will accrue a total of 480 hours of administrative leave.
2. On the 12th payroll of each year, the management or administrative employee will have the option of receiving payment for a maximum of ninety-six (96) hours of administrative leave. All time cashed out will be deducted from the employee's balance of accrued administrative leave.
 - (a) Fire Chief may request and receive payment at the base hourly rate of administrative leave and any hours will be deducted from the employee's balance of accrued administrative leave.
3. Upon retirement, a management or administrative employee can elect to be compensated a maximum of two years' accrual of unused Administrative Leave. Such compensation will be at the retiring employee's hourly rate of pay. The maximum allowed pensionable hours for Administrative Leave per year are eighty (80) hours for those employees working a forty (40) hour week and ninety-six (96) hours for those employees working a fifty-six (56) hour week.

4. Except as provided in Article 11, sub-section 2 & 3, management and administrative employees terminating employment with the District will not be entitled to compensation for their balance of unused "Administrative Leave."
5. In the event that a management or administrative employee was not able to use their Administrative Leave during the year, that employee will be allowed to carry their unused balance into the next year.

ARTICLE 13 RETIREMENT PLAN

1. The retirement plan in effect on the effective date of this Agreement for employees covered by the Agreement will remain in effect for the duration of this Agreement, unless the parties, as herein below provided, agree otherwise.
2. The District agrees to contribute its proportional share towards employees' retirement in accordance with the rules and regulations applicable to public safety members of the Sonoma County Employees' Retirement Association.
3. Government Code, Section 31581.2, permits the District to agree to pay any portion of retirement contributions required to be paid by an employee. All such payments shall be in lieu of wages and shall be reported simply as normal contributions and shall be credited to employee accounts. The enactment of a resolution pursuant to Section 31581.2, shall not create vested rights in any employee. The District may amend or repeal the resolution at any time, subject to the provisions of Government Code Sections 3504 and 3505, or any similar rule or regulation of the District. The California Public Employees' Pension Reform Act of 2013 [AB 340, §7522.30(c)] prohibits the employer from paying any portion of the employee retirement contribution for those employees hired after December 31, 2012 and that are enrolled in Plan B.
 - (a) For employees hired prior to January 1, 2013, and employees in Plan A hired on or after January 1, 2013, the following employee contributions apply:
 - Plan "A" (Legacy) Safety Employees shall be responsible for 100% of the age-based employee contribution rate plus an additional 3% toward normal cost with a cap of 12%.
 - Employer will pay all contributions in excess of 12% on behalf of Plan "A" (Legacy) Safety Employees and in excess of 8% for Plan "A" (Legacy) non-safety Employees.
4. Effective January 1, 2005, the District authorized enhancement of the retirement plan with the Sonoma County Employees' Retirement System. This plan converted from the 2% at age 50 to the 3% at age 50 formula. The plan for non-safety employees provides 3% at age 60.
 - (a) Management or administrative employees hired after December 31, 2012, are eligible for the following retirement plans. Final compensation is based on 3-year highest salary average.
 - Safety – 2.7% at 57 (Plan B PEPRA)
 - Non-safety – 2.5% at 67 (Plan B PEPRA)

ARTICLE 14 SICK LEAVE

1. Management and administrative employees working a forty (40) hour schedule shall accrue sick leave at the rate of five (5) hours per pay period, equaling sixteen and one-quarter (16.25) eight (8) hour days (130 hours) annually. This is a conversion factor of $40/56 = .714285714$
2. Management and administrative employees working a fifty-six (56) hour schedule shall accrue sick leave at the rate of seven (7) hours per pay period, equaling 7.59 shifts (182 hours) annually.
 - (a) In the event that the District fills a management or administrative position with an individual not previously employed as a regular and full-time employee, the Board of Directors has the authority to advance that individual sick leave not to exceed ninety (90) days.
 - (b) Any sick leave advanced under this paragraph will be offset by the District as that employee accrues annual sick leave up to the amount advanced. Once accrued sick leave equals the original amount advanced by the Board, that employee will continue to accrue sick leave according to the remaining provisions of this Article.
3. Sick leave shall be start being accrued at the beginning of the probationary period.
4. Employees accrue sick leave on a prorated basis each payroll period.
5. With the exception of retirement, employees will not be entitled to compensation of accrued sick leave. At retirement, the employee will be compensated for accrued sick leave as follows.
 - (a) If one hundred percent (100%) of benefit has not been attained, employee's accrued sick leave (including remaining transfer of sick leave from City of Sonoma employment) will be applied towards service credit with SCERA.
 - (b) If one hundred percent (100%) of benefit has been attained (to be determined by SCERA), employee will be paid fifty percent (50%) of unused sick leave, up to a maximum of ninety (90) eight-hour days or thirty (30) shifts (720 hours). This is to be paid to the employee in cash at the employee's hourly rate of pay at the time of retirement.
6. Sick Leave Incentive Program: Shift members using forty-eight (48) hours or less of sick leave, from the first day of the first pay period that begins in January through the last day of the last pay period that ends in December, shall earn one (1) twenty-four hour shift of vacation. Forty (40) hour members using twenty four (24) hours or less of sick leave, on a calendar-year basis, shall earn sixteen (16) hours of vacation.
7. Sick leave may be utilized for any statutory purpose listed in Labor Code Section 246.5. Sick leave (including alternate leave) shall be used in one-hour (1 hour) increments. In the event, an employee meets the aforementioned criteria, the employee can only utilize sick leave. Should the employee's sick leave balance be exhausted, the employee will go on unpaid leave during their absence, unless authorization is given by the Fire Chief to utilize other leave balances. Refer to District criteria and procedures on sick leave usage.
8. The employee shall be entitled to use ten (10) eight-hour days or six (6) shifts of their sick leave during the year for the purposes and criteria set forth in Labor Code Sections 233 and 246.5.
9. The District can authorize the use of family sick leave, in excess of ten (10) eight hour days or six (6) shifts, in those instances where it is necessary for an employee to care for a family member who has a serious long-term health condition. It will be the individual employee's responsibility to request the use of additional accrued sick leave for this purpose. Appropriate documentation of the long-term health condition is to be submitted to the Chief for consideration.
10. Employees shall have seventy-two (72) hours of sick leave designated as "Alternate Leave" per calendar year. The seventy-two (72) alternate leave hours may be used for any reason of the

employee's choosing subject to scheduling considerations by the Fire Chief. Alternate leave cannot accumulate but must be used during the calendar year in which it is granted.

11. When applicable, "Federal Family Medical Leave, California Family Rights Act Leave, and California Pregnancy Disability Leave Act" runs concurrently with California Sick Leave.
12. The District has the right to request proof of illness if there is a question of the validity of the illness or the ability of the employee to return to duty.

ARTICLE 15 FUNERAL LEAVE

1. In the event of a death in the immediate family of an employee, the employee shall, upon request, be granted such time off with pay as is necessary to make arrangements for the funeral and attend same not to exceed six (6) eight-hour, or two (2) regularly scheduled shifts (48 hours). This provision does not apply if a death occurs while the employee is on leave of absence, layoff or sick leave. For the purposes of this provision, the immediate family shall be restricted to the employee's spouse, father, mother, brother, sister, child, in-laws, grandchildren, grandparents, or domestic partner and any other person regularly residing in the employees home as a family member.
2. Substantiation of the death may be required by the Chief.
3. Funeral Leave applies only to instances in which the employee attends the funeral, or is required to make funeral arrangements, but is not applicable for other purposes such as settling the estate of the deceased.

ARTICLE 16 VACATION

1. Management and administrative employees shall accrue vacation leave based on the schedule that they are working be that a forty (40) hour or fifty-six (56) hour work week as follows using a conversion factor of .714285714 for 40 hour compared to the 56 hour accrual rate:

Forty Hour Work Week Schedule:

Years of Service	Annual Hours
1 through 5	137
6 through 10	171
11 through 15	189
16 through 20	223
21+	240

Fifty-Six Hour Work Week Schedule:

Years of Service	Shifts	Annual Hours
1 through 5	8	192
6 through 10	10	240
11 through 15	11	264
16 through 20	13	312
21+	14	336

2. Vacation leave shall be accrued during the twenty-four (24) month probationary period; however, no vacation leave will be granted until the employee has completed one (1) full year of employment based on the employee's anniversary date of hire.

3. Employees accrue vacation leave on a prorated basis each payroll period.
4. Cap on Benefits: Employees are encouraged to use all earned vacation leave each year. The maximum benefits an employee may have at any time shall equal two years vacation accrual (based on the employee's accrual rate). If the employee's earned but unused vacation leave reaches the maximum, the employee will not accrue any additional benefits. If the employee later uses enough vacation leave to fall below the maximum, he/she will resume earning vacation benefits.
 - (a) Exception: If approved by the Chief, vacation leave can exceed the maximum for a limited term based on pending scheduled vacation accrual use or cash out.
5. Employees who terminate or retire will be paid for their accrued and unused vacation leave at their current hourly rate of pay.
6. Use of vacation time shall be charged to each employee at the rate of one hour for each hour of continued absence the employee would have normally worked. Vacation requests shall be made as outlined in District policy.
7. On the 25th payroll of each year, employees will have the option of receiving payment for a maximum of ninety-six (96) hours of their accrued vacation leave. All hours cashed out will be at the employee's current hourly base rate of pay and each hour cashed out will be deducted from their balance of accrued vacation leave. In order to be eligible for this option, employees must notify payroll of the number of vacation hours they are electing to cash out prior to January 1 of the year preceding the cash out. This 1-year advance notice provision is necessary to remain in compliance with IRS rules.

ARTICLE 17 MILITARY LEAVE

Leave is granted to employees ordered to active military service or Administrative in accordance with the provisions of applicable state and federal law.

ARTICLE 18 JURY LEAVE

The District will pay wages for jury duty up to eighty (80) hours per calendar year.

ARTICLE 19 SHIFT TRADE

Shift employees shall have the right to exchange shifts when approved by the Chief and the change does not interfere with the operation of the District or Sonoma Valley Fire District. All trades shall comply with current approved procedures.

ARTICLE 20 HEALTH, DENTAL, VISION INSURANCE AND EMPLOYEE ASSISTANCE PROGRAM

1. The District currently provides health, dental, and vision insurance plans for employees working a forty (40) or fifty-six (56) hour schedule and their eligible dependents. As of July 1, 2022, Health, Dental, and Vision care insurance plans currently include: FDAC EBA Medical Program, Delta Dental Plan, and Vision Service Plan.
 - (a) Employees and eligible dependents are required to register for Medicare and will be moved to Medicare supplemental insurance upon turning 65 years old.
2. The District shall contribute, based on the individual employee's family status, an amount not to exceed specific premium costs associated with the FDAC EBA (Employment Benefits Authority). The Kaiser Premium HMO Health Plan has been chosen as the plan to use for this cap.

- (a) Employees who choose a health plan that exceeds the cost of the Kaiser Premium HMO Health Plan will be required to pay the difference in premium.
3. The District shall contribute an amount equal to 100% of the entire cost of the respective dental and vision insurance coverage.
4. The District also provides, at no cost to the full-time employee, the "Employee Assistance Program", sponsored by the District Insurance carrier FASIS. This provision is not applicable to retirees.
5. Effective June 28, 2021, the District agrees to provide full-time employees covered by this Agreement with \$1,200.00 per year in deferred compensation, to be paid at the rate of \$100.00 per month to a 457 deferred compensation plan to offset the costs of health, dental, and vision care insurance benefit plans at retirement. It is understood that the \$100.00 per month contribution is made on behalf of the employee and does not require an additional dollar contribution by the employee and will be applied at \$50.00 over 24 pay periods.
6. **Employees hired prior to January 1, 2006:** When an employee who is covered by this specific provision retires, the District agrees to contribute an amount equal to sixty (60%) percent of the total cost of the employee's, and the employee's eligible dependents', health, dental, and vision care insurance benefit plans. This provision includes only those types of health, dental, and vision care plans comparable to the benefit levels provided at the time of retirement, and does not include any additions that might be negotiated by the bargaining unit after the employee's retirement. This shall continue on a monthly basis until either: the retired employee fails to make the forty (40%) percent plan contribution; the retired employee's death, or written notification from the retired employee to discontinue the benefit plan(s).
- (a) In the event of the retiree's death, when covered by this specific provision, the surviving spouse will have the option to maintain the plan(s) under the 40% payment provision until remarriage or death.
7. **Employees hired on or after January 1, 2006:** Employees hired on or after January 1, 2006 are not eligible for District-paid health, dental, or vision care insurance benefit plans at retirement. The District will permit a retiree, who is covered by this specific provision, to continue to participate in the District's plans provided the retiree pays 100% of the premium for said plan(s). This shall continue on a monthly basis until either: the retired employee fails to make the one hundred (100%) percent contribution to the plan(s); the retired employee's death, or written notification from the retired employee to discontinue the benefit plan(s).
- (a) In the event of the retired employee's death, when covered by this specific provision, the surviving spouse will have the option to maintain the plans under the 100% payment provision until remarriage or death.
8. The District will not be liable for costs associated with any other health insurance benefit plans a retired employee joins, beyond those provided by the District to its retirees.
9. The District maintains the right to change health plan providers as circumstances warrant.
10. Health Insurance Opt Out
- (a) Proof of Existing Alternative Equivalent Coverage

Employees may opt out of District health coverage and receive a "Cash in-Lieu Payment" if the employee meets the requirements set forth in this section. The employee must provide proof of existing alternative health insurance coverage that provides equivalent coverage to the

FDAC/EBA "Kaiser Premium HMO." The employee must show that he or she has the required alternative health insurance coverage, as do all individuals for whom the employee expects to claim a personal exemption for the plan year. Proof of existing alternative health insurance will be in the form of an attestation signed by the employee. The employee must provide an attestation every plan year during open enrollment period.

(b) Opt-Out Rate

If an employee meets the requirements of this section and elects to opt out of District health coverage, the District will pay the employee a dollar amount equal to 50% of what the District would otherwise pay to cover the employee and his or her qualified dependents under the FDAC/EBA Kaiser Premium HMO plan. This Cash-in-Lieu Payment is taxable and will be paid on a proportionate basis every pay period.

ARTICLE 21 LIFE INSURANCE

The District will pay the full cost of providing term life insurance coverage, for those employees who are eligible and insurable, of One Hundred Thousand Dollars (\$100,000.00).

ARTICLE 22 LONG-TERM DISABILITY INSURANCE

1. The District will pay the full cost of providing long-term disability insurance for all employees in the representation unit.
 - (a) The District will purchase the group long-term disability insurance policy through the California Association of Professional Firefighters Self-Funded Program.

ARTICLE 23 UNIFORMS

1. All management and administrative employees who customarily and regularly wear uniforms, prescribed by the Chief, during scheduled duty hours, shall be covered by the following "Uniform Replacement Program". The District shall replace worn or damaged articles of uniform in kind based on the following:
 - (a) Uniform shirt, pant, T-shirt, work boots (as opposed to dress shoes) jacket or job shirt as needed.
 - (b) Dress uniform, white shirt and black tie, as needed, each five (5) years.
2. Damaged and/or worn articles of uniform shall be turned into the Chief who shall determine if the article warrants replacement. Items damaged as the result of the employee's negligence or carelessness will not be replaced in kind by the District under this program and may not be worn while on duty.
3. As an exception to the foregoing, the District will replace in kind those articles of uniform listed in paragraph 1. (a) above which, in the judgment of the Chief, have been damaged or destroyed as the result of unusual circumstances beyond the control of the employee incurred in the performance of his/her official duties.
4. Article of uniform provided under this program shall remain the property of the District and shall be turned into the Chief when replaced in kind or when the employee retires or terminates his/her employment with the District for any reason.

ARTICLE 24 PROMOTIONS

1. All positions shall be filled per the "Personnel Selection and Hiring Rules". Promotional examinations shall be first offered to qualified employees per Section 502.1 of the "Personnel

Selection and Hiring Rules". Only in the event that there are no qualified employees, or none of those qualified successfully pass the promotional examination process, shall recruitment be open to candidates outside the Sonoma Valley Fire District.

2. The District and Employees have entered into a Career Development plan. All candidates must meet the requirements stipulated in the Sonoma Valley Fire District "Career Development Guide".

ARTICLE 25 PROBATION

1. All newly employed management or administrative employees covered by this Agreement shall be required to serve a twenty-four (24) month probationary period. An employee may be dismissed for any reason during the probationary period without right of appeal to the grievance procedure. Annual performance reviews shall be required after the first six (6) months and again after conclusion of their probationary period.
2. All employees promoted to officer classifications shall serve a twelve (12) month probationary period. A performance review shall be required at the conclusion of the probationary period.

ARTICLE 26 STAFF VEHICLES

1. The Chief is assigned a staff vehicle with use of that vehicle intended for the performance of assigned duties. Off duty use of those vehicles is permitted by the Board of Directors, on a limited basis, due to the nature of the position held and need for emergency recall.
2. Other management and administrative employees can be assigned staff vehicles, as needed, for the conducting of District business including the need for emergency recall.
3. The use of District vehicles shall be in accordance with District procedures as outlined in the Sonoma Valley Fire District Lexipol Manual.

ARTICLE 27 USE OF PRIVATE VEHICLES

1. The use of private vehicles, by management and administrative employees, for conducting District business, shall be limited to those situations approved by the Chief.
 - (a) Those situations can include: an emergency where a staff vehicle is not available; extended absences from the District due to attendance of a school, seminar or other Administrative event; or other situations where the absence of a staff vehicle from the District would create a hardship for the District.
2. Those management and administrative employees who use their private vehicle for District business, as outline in the paragraph above, will be reimbursed on a per mile basis as outlined in District Policy.
3. The use of private vehicles for District business shall be in accordance with District policy as outlined in the Manual of Operations.

ARTICLE 28 LAYOFF AND REHIRE

1. A District employees' departmental seniority date shall be established when the employee is designated as having regular status (as opposed to temporary status) within the District. Where employees are hired or promoted on the same date, the order of seniority either for the department or classification based seniority, shall be based on the respective position each such employee was assigned on the eligibility list (e.g., the employee highest on the eligibility list will be accorded the most seniority).

2. If there should be a reduction from the management or administrative classification the employee with the least seniority within that classification will be laid off. If a demotion is necessary within the management or administrative classifications the management or administrative employee with the least seniority will be demoted to their former classification.
 - (a) Classifications covered by the provisions of the Agreement shall be governed by the appropriate sections thereof.
 - (b) For City of Sonoma employees who transitioned into the District after January 2012, their date of hire by the City of Sonoma as full-time employees will be recognized for seniority purposes.
3. No new employees shall be employed until the laid off employee(s) has been given the opportunity to be reinstated. The last such employee laid off shall be the first rehired, provided not more than eighteen (18) months, per Section 901-A of the "Personnel Selection and Hiring Rules", has elapsed from the date of lay off.
 - (a) If a former District employee has been separated from the District for a period of more than six (6) months they shall, before being considered for reinstatement, pass a physical examination and be held to the hiring criteria in effect at the time of their layoff.
 - (b) A reinstated District employee will have six (6) months, from the date of reinstatement, to successfully update all certifications that they held prior to layoff.

ARTICLE 29 POLICIES SUBJECT TO CHANGE

All of the policies contained herein are subject to change at any time by a Resolution of the Board of Directors. Nothing herein shall bind the Board of Directors for any specific period of time, nor shall this Policy be considered to limit the Board's discretion to make any and all changes hereto that it deems necessary.

ARTICLE 30 TERM

The term of this Agreement shall be June 27, 2022 through June 30, 2026.

ARTICLE 31 EXISTING BENEFITS CONTINUED

Except as provided herein, this Agreement does not modify existing benefits, policies or procedures, nor does it modify provisions in any prior Agreement applicable to the employees covered by this Agreement. Such benefits, policies, procedures and provisions as remain unmodified shall continue in full force and effect throughout the term of this Agreement.

IN WITNESS WHEREOF, the parties hereby have executed this Agreement this 14th day of June, 2022.

Management and Administrative
Employees Group

Sonoma Valley Fire District

By _____
Spencer Andreis Date

By _____
William Norton, President Date

By _____
Maci Bettencourt, Clerk Date

APPENDIX 'A'

**MANAGEMENT & ADMINISTRATIVE EMPLOYEES
SALARY PLAN**

June 27, 2022 through June 30, 2026

Revised: December 1, 2024

Chief Finance Officer (40-HR)

		Step A	Step B	Step C	Step D	Step E
<i>June 27, 2022</i>	Monthly	8,523	8,776	9,041	9,310	9,591
	Hourly	49.17	50.63	52.16	53.71	55.33
<i>June 27, 2023</i>	Monthly	8,949	9,214	9,493	9,776	10,071
	Hourly	51.63	53.16	54.77	56.40	58.10
<i>June 27, 2024</i>	Monthly	9,396	9,675	9,968	10,265	10,575
	Hourly	54.21	55.82	57.51	59.22	61.01
<i>January 1, 2025</i>	Monthly	11,847	12,199	12,568	12,943	13,335
	Hourly	68.35	70.38	72.51	74.67	76.93
<i>June 27, 2025</i>	Monthly	12,381	12,749	13,133	13,525	13,934
	Hourly	71.43	73.55	75.77	78.03	80.39

Deputy Chief (40-HR)

		Step A	Step B	Step C	Step D	Step E
<i>January 1, 2025</i>	Monthly	14,785	15,226	15,685	16,156	16,640
	Hourly	85.30	87.84	90.49	93.21	96.00
<i>June 27, 2025</i>	Monthly	15,451	15,910	16,390	16,883	17,389
	Hourly	89.14	91.79	94.56	97.40	100.32

Battalion Chief (56-HR)

		Step A	Step B	Step C	Step D	Step E
<i>June 27, 2022</i>	Monthly	11,588	11,933	12,288	12,658	13,035
	Hourly	47.62	49.04	50.50	52.02	53.57
<i>June 27, 2023</i>	Monthly	12,167	12,529	12,904	13,291	13,688
	Hourly	50.00	51.49	53.03	54.62	56.25
<i>June 27, 2024</i>	Monthly	12,775	13,155	13,549	13,955	14,371
	Hourly	52.50	54.06	55.68	57.35	59.06
<i>June 27, 2025</i>	Monthly	13,349	13,746	14,160	14,583	15,019
	Hourly	54.86	56.49	58.19	59.93	61.72

Administrative Battalion Chief (40-HR)

		Step A	Step B	Step C	Step D	Step E
<i>January 1, 2025</i>	Monthly	13,411	13,811	14,227	14,654	15,094
	Hourly	77.37	79.68	82.08	84.54	87.08
<i>June 27, 2025</i>	Monthly	14,014	14,433	14,867	15,312	15,773
	Hourly	80.85	83.27	85.77	88.34	91.00

Fire Chief (40-HR)

		Step A	Step B	Step C	Step D	Step E
<i>June 27, 2022</i>	Monthly	14,101	14,524	14,959	15,408	15,872
	Hourly	81.35	83.79	86.30	88.89	91.57

<i>June 27, 2023</i>	Monthly	14,806	15,250	15,707	16,177	16,666
	Hourly	85.42	87.98	90.62	93.33	96.15
<i>June 27, 2024</i>	Monthly	15,546	16,013	16,493	16,987	17,500
	Hourly	89.69	92.38	95.15	98.00	100.96
<i>January 1, 2025</i>	Monthly	16,323	16,813	17,318	17,836	18,375
	Hourly	94.17	97.00	99.91	102.90	106.01
<i>June 27, 2025</i>	Monthly	17,058	17,571	18,098	18,639	19,202
	Hourly	98.41	101.37	104.41	107.53	110.78

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA VALLEY FIRE DISTRICT, SONOMA COUNTY, STATE OF CALIFORNIA, APPROVING REVISIONS TO ARTICLE 8 OF THE MANAGEMENT AGREEMENT, AND ACCEPTANCE OF CORRESPONDING SIDE LETTER OF AGREEMENT BETWEEN SAID EMPLOYEE GROUP, AND THE SONOMA VALLEY FIRE DISTRICT

WHEREAS, the Board of Directors of the Sonoma Valley Fire District, approved Resolution 2021/2022-15, dated June 14, 2022, therein implementing the salary and benefit schedule of the employees covered by the Management and Administrative Employees Agreement and employees covered by the General Employee Agreement, effective June 27, 2022 through June 30, 2026; and

WHEREAS, representatives of the Management and Administrative Employees, have since met and conferred with the District regarding the updated language of the Management Agreement; and

WHEREAS, the attached Side Letter of Agreement outline revisions to Article 8, of the Management Agreement beginning December 1, 2025 through June 30, 2026 within the Memorandum of Understanding.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors approves the reorganization and reclassifications, effective December 1, 2025, and the Side Letter of Agreement to revise Article 8 of the Memorandum of Understanding effective December 1, 2025 through June 30, 2026.

IN REGULAR SESSION, the foregoing resolution was introduced by Director _____, who moved its adoption, seconded by Director _____, and passed by the Board of Directors of the Sonoma Valley Fire Protection District this 13th day of January 2026, on regular roll call vote of the members of said Board:

President Norton	Aye_____	No_____	Absent_____
Vice President Atkinson	Aye_____	No_____	Absent_____
Treasurer Johnson	Aye_____	No_____	Absent_____
Director Brady	Aye_____	No_____	Absent_____
Director Cooper	Aye_____	No_____	Absent_____
Director Emery	Aye_____	No_____	Absent_____
Director Uboldi	Aye_____	No_____	Absent_____
Vote:	Aye_____	No_____	Absent_____

WHEREUPON, the President declared the foregoing resolution adopted, and

SO ORDERED:

ATTEST:

William Norton, President

Maci Bettencourt, Clerk

KENWOOD FIRE PROTECTION DISTRICT

Financial Statements
and
Independent Auditor's Report

June 30, 2025 and 2024



KENWOOD FIRE PROTECTION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Kenwood Fire Protection District
Kenwood, California

Opinion

We have audited the accompanying financial statements for the year ended June 30, 2025, and 2024 and the related notes to the financial statements, which collectively comprise the Kenwood Fire Protection 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 respective financial position of the Kenwood 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 year 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 District*. 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 Kenwood 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 Kenwood Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Kenwood 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 Kenwood 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.

Emphasis of a Matters

Kenwood Fire Protection District has been dissolved as of July 01, 2025. Effective July 01, 2025, the District has consolidated with Sonoma Valley Fire District and the District assets, liabilities, net position, and statement of activities balances have been transferred to Sonoma Valley Fire District. This matter does not modify opinion on 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 3 through 7, changes in fund balance on pages 35-36, schedule of CalPERS on page 37, and notes to required supplementary information on page 38 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, which

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 AC

Blomberg & Griffin A.C.
Stockton, CA
July 20, 2025

KENWOOD FIRE PROTECTION DISTRICT

Management's Discussion and Analysis

June 30, 2025 and 2024

As management of the Kenwood 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 in the fiscal years ending June 30, 2025, and 2024 by \$4,947,826 and \$5,412,212 (net position), respectively. At the fiscal year ending June 30, 2025, the net position includes net investment in capital assets of \$1,207,734 and the unrestricted net position is \$3,740,092. For the fiscal year ending June 30, 2024, the net position includes net investment in capital assets of \$1,289,718 and the unrestricted net position is \$4,122,494.
- The District's total net position (decreased) increased by (\$464,386) and (\$173,009) for the fiscal years ending June 30, 2025, and 2024. The decrease for the fiscal year 2025 is mainly due to retirement pension and health adjustment.
- At the end of the fiscal year ending June 30, 2025, the District's governmental fund reported an ending fund balance of \$4,295,536 an decrease of \$147,753. The fund balance has \$414,497 assigned for capital improvements and \$3,881,039 is available for spending at the District's discretion (unassigned fund balance).
- At the end of the fiscal year ending June 30, 2024, the District's governmental fund reported an ending fund balance of \$4,443,289 an increase of \$64,036. The fund balance has \$393,220 assigned for capital improvements and \$4,050,069 is available for spending at the District's discretion (unassigned fund balance).
- At the end of the fiscal year June 30, 2025, the general unassigned fund balance was \$3,881,039, or 69% of the total general fund expenditure of \$2,671,686. At the end of the fiscal year June 30, 2024, the general unassigned fund balance was \$4,050,069, or 216% of the total general fund expenditure of \$1,875,004.

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.

KENWOOD FIRE PROTECTION DISTRICT

Management's 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 year. 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 state 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.

KENWOOD FIRE PROTECTION DISTRICT

Management's Discussion and Analysis

June 30, 2025 and 2024

Overview of the Financial Statements (continued)

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 \$4,947,826 and \$5,412,212 at the end of the fiscal years ended June 30, 2025, and 2024, respectively.

For the fiscal years ended 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 \$1,207,734 and \$1,289,715, respectively, (e.g., land, construction in progress, buildings and improvements, and equipment less accumulated depreciation). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

TABLE 1: NET POSITION

	June 30, 2025	June 30, 2024	June 30, 2023	2025 vs. 2024		2024 vs. 2023	
				\$	%	\$	%
Assets							
Current Assets and OPEB	\$ 4,465,808	\$ 4,633,104	\$ 4,789,940	\$ (167,296)	-3.61%	\$ (156,836)	-3.27%
Capital Assets - Net	1,207,734	1,289,718	1,413,466	(81,984)	-6.36%	(123,748)	-8.75%
Deferred Outflows	420,529	641,897	280,958	(221,368)	-34.49%	360,939	100.00%
Total Assets	6,094,071	6,564,719	6,484,364	(470,648)	-7.17%	80,355	1.24%
Liabilities							
Current liabilities	170,272	189,815	16,296	(19,543)	-10.30%	173,519	1064.80%
Non-current liabilities	756,513	603,359	319,040	153,154	25.38%	284,319	89.12%
Deferred Outflows	219,460	359,333	563,807	(139,873)	-38.93%	(204,474)	100.00%
Total Liabilities	1,146,245	1,152,507	899,143	(6,262)	-0.54%	5,213,434	48.55%
Net Position							
Invested in Capital Assets, net of related debt	1,207,734	1,289,718	1,413,466	(81,984)	-6.36%	(123,748)	-8.75%
Unrestricted (Deficit)	3,740,092	4,122,494	4,171,755	(382,402)	-9.28%	(49,261)	-1.18%
Total Net Position	\$ 4,947,826	\$ 5,412,212	\$ 5,585,221	\$ (464,386)	-8.58%	\$ (173,009)	-3.10%

For the fiscal year ended June 30, 2025, the balance of unrestricted net position is \$3,740,092 and net investment in capital asset balance is \$1,207,734. For the fiscal year ended June 30, 2024, the balance of unrestricted net position is \$4,122,494 and net investment in capital asset balance is \$1,289,718.

Governmental Activities: The District's total net position (decreased) increased by (\$464,386) and (\$173,009) for the fiscal years ending June 30, 2025, and 2024. The decrease for the fiscal year 2024 is mainly due to retirement pension and health adjustment.

KENWOOD FIRE PROTECTION DISTRICT

Management's Discussion and Analysis

June 30, 2025 and 2024

Government-Wide Financial Analysis (continued)

TABLE 2: CHANGES IN NET POSITION

	June 30, 2025	June 30, 2024	June 30, 2023	2025 vs. 2024		2024 vs. 2023	
				\$	%	\$	%
Revenues							
Charges for Services	\$ -	\$ -	\$ 3,971	\$ -	-100.00%	\$ (3,971)	100.00%
Property Taxes	2,123,613	1,485,303	1,305,319	638,310	42.98%	179,984	13.79%
Intergovernmental Revenues	206,321	201,397	312,548	4,924	2.44%	(111,151)	-35.56%
Investment Earnings (Loss)	194,003	252,340	41,344	(58,337)	-23.12%	210,996	510.34%
Donations & Reimbursement	63,944	-	24,788	63,944	100.00%	(24,788)	-100.00%
Total Revenues	2,587,881	1,939,040	1,687,970	648,841	33.46%	251,070	14.87%
Expenses							
Program Expenses:							
Public Safety - Fire Protection	3,052,267	2,112,049	1,411,030	940,218	44.52%	701,019	49.68%
Change in Net Position	(464,386)	(173,009)	276,940	(291,377)	168.42%	(449,949)	-162.47%
Net Position - Beginning of the Year	5,412,212	5,585,221	5,308,281	(173,009)	-3.10%	276,940	5.22%
Net Position - End of the Year	\$ 4,947,826	\$ 5,412,212	\$ 5,585,221	\$ (464,386)	-8.58%	\$ (173,009)	-3.10%

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. 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, the District's general fund reported an ending fund balance of \$4,295,536, a decrease of \$147,753. The unassigned fund balance of \$3,881,039 is available for spending at the government's discretion.

As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 145% and 216% of total general fund expenditures in fiscal years ended June 30, 2025, and 2024, respectively.

KENWOOD FIRE PROTECTION DISTRICT

Management's Discussion and Analysis

June 30, 2025 and 2024

General Fund Budgetary Highlights

As of June 30, 2025, actual revenues were less than budget by \$205,025 and actual expenditures were more than budget by \$222,951. Overall, there was a negative outcome, \$427,976 before other financing sources (uses).

As of June 30, 2024, actual revenues were less than budget by \$127,444 and actual expenditures were more than budget by \$242,874. Overall, there was negative outcome \$370,318 before other financing sources (uses).

Capital Assets: The District's investment in capital assets, as of June 30, 2025, and 2024 amounts to \$1,207,734 and \$1,289,718 (net of accumulated depreciation), respectively. This investment in capital assets includes land, building improvements, and equipment.

TABLE 3: CAPITAL ASSETS

	June 30, 2025	June 30, 2024	June 30, 2023	2025 vs. 2024		2024 vs. 2023	
				\$	%	\$	%
Capital Assets							
Land	\$ 23,087	\$ 23,087	\$ 23,087	\$ -	0.00%	\$ -	0.00%
Building and Improvements	862,768	862,768	862,768	-	0.00%	-	0.00%
Equipment and Vehicles	2,197,401	2,154,200	2,154,200	43,201	2.01%	-	0.00%
Accumulated Depreciation	<u>(1,875,522)</u>	<u>(1,750,337)</u>	<u>(1,626,589)</u>	<u>(125,185)</u>	<u>7.15%</u>	<u>(123,748)</u>	<u>7.61%</u>
Total Capital Assets - Net	<u>\$ 1,207,734</u>	<u>\$ 1,289,718</u>	<u>\$ 1,413,466</u>	<u>\$ (81,984)</u>	<u>-6.36%</u>	<u>\$ (123,748)</u>	<u>-8.75%</u>

Additional information on the District's capital assets can be found in Note VI.

Economic Factors and Next Year's Budgets and Rates

Effective July 1, 2025, The District merged with the Sonoma Valley Fire District.

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 Sonoma Valley Fire District.

KENWOOD FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets:		
Cash and Investments	\$ 4,374,466	\$ 4,554,614
Taxes and Interest Receivable	91,342	78,490
Total Current Assets	<u>4,465,808</u>	<u>4,633,104</u>
Capital Assets:		
Land	23,087	23,087
Building and Improvements	862,768	862,768
Fire Apparatus	1,678,444	1,678,444
Other Equipment	518,957	475,756
Accumulated Depreciation	<u>(1,875,522)</u>	<u>(1,750,337)</u>
Total Capital Assets, net of accumulated depreciation	<u>1,207,734</u>	<u>1,289,718</u>
Sources of Deferred Outflows		
Pension Contributions	243,070	357,259
OPEB Contributions	177,459	284,638
Total Sources of Deferred Outflows	<u>420,529</u>	<u>641,897</u>
Total Assets and Deferred Outflows of Resources	<u>6,094,071</u>	<u>6,564,719</u>
Liabilities		
Current Liabilities:		
Accounts Payable	12,786	32,329
Payroll Payable	-	-
Compensated Absences	157,486	157,486
Total Current Liabilities	<u>170,272</u>	<u>189,815</u>
Non-Current Liabilities:		
Compensated Absences	-	-
Net OPEB Obligation	286,620	191,293
Net Pension Liability	469,893	412,066
Total Non-Current Liabilities	<u>756,513</u>	<u>603,359</u>
Sources of Deferred Inflows		
Pension Deferred Credits	85,011	206,017
OPEB Deferred Credits	134,449	153,316
Total Sources of Deferred Inflows	<u>219,460</u>	<u>359,333</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,146,245</u>	<u>1,152,507</u>
Net Position		
Net Investment in Capital Assets	1,207,734	1,289,718
Unrestricted	3,740,092	4,122,494
Total Net Position	<u>\$ 4,947,826</u>	<u>\$ 5,412,212</u>

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

KENWOOD FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2025 and 2024

Governmental Activities	<u>2025</u>	<u>2024</u>
Program Expenses		
Public safety - fire protection		
Salaries and employee benefits	\$ 576,213	\$ 933,482
Fire Service Contract	2,062,985	855,459
Materials and Services	287,884	199,360
Depreciation	125,185	123,748
	<u>3,052,267</u>	<u>2,112,049</u>
 Program Revenues		
Charges for services	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
 Net Program Revenues (Expenses)	 <u>(3,052,267)</u>	 <u>(2,112,049)</u>
 General Revenues		
Property taxes	2,123,613	1,485,303
Intergovernmental Revenue	206,321	201,397
Investment earnings (Loss)	194,003	252,340
Reimbursement & Miscellaneous Revenue	63,944	-
	<u>2,587,881</u>	<u>1,939,040</u>
 Change in Net Position	 (464,386)	 (173,009)
 Net Position - Beginning of Year	 <u>5,412,212</u>	 <u>5,585,221</u>
 Net position - End of Year	 <u><u>\$ 4,947,826</u></u>	 <u><u>\$ 5,412,212</u></u>

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

**KENWOOD FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2025**

ASSETS	2025		
	General Fund	Capital Projects Fund	Total Governmental Funds
Cash in County Treasury	\$ -	\$ 414,497	\$ 414,497
Cash in Commercial Banks	22,578	-	22,578
Cash in Investment Account	3,937,392	-	3,937,392
Taxes Receivable	87,654	-	87,654
Interest Receivable	3,687	-	3,687
Total Assets	\$ 4,051,311	\$ 414,497	\$ 4,465,808
LIABILITIES AND FUNDS BALANCE:			
Liabilities:			
Accounts Payable	\$ 12,786	\$ -	\$ 12,786
Compensated Absences	157,486	-	157,486
Total liabilities	170,272	-	170,272
Fund balance:			
Assigned for Capital Improvements	-	414,497	414,497
Unassigned	3,881,039	-	3,881,039
Total Fund Balance	3,881,039	414,497	4,295,536
Total Liabilities and Fund Balance	\$ 4,051,311	\$ 414,497	\$ 4,465,808

KENWOOD FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2024

ASSETS	2024		
	General Fund	Capital Projects Fund	Total Governmental Funds
Cash in County Treasury	\$ -	\$ 393,220	\$ 393,220
Cash in Commercial Banks	95,513	-	95,513
Cash in Investment Account	4,065,882	-	4,065,882
Taxes Receivable	74,801	-	74,801
Interest Receivable	3,688	-	3,688
	Total Assets	\$ 393,220	\$ 4,633,104
	\$ 4,239,884	\$ 393,220	\$ 4,633,104
 LIABILITIES AND FUNDS BALANCE:			
Liabilities:			
Accounts Payable	\$ 32,329	\$ -	\$ 32,329
Compensated Absences	157,486	-	157,486
	Total liabilities	-	189,815
	189,815	-	189,815
 Fund balance:			
Assigned for Capital Improvements	-	393,220	393,220
Unassigned	4,050,069	-	4,050,069
	Total Fund Balance	393,220	4,443,289
	4,050,069	393,220	4,443,289
	Total Liabilities and Fund Balance	\$ 393,220	\$ 4,633,104
	\$ 4,239,884	\$ 393,220	\$ 4,633,104

KENWOOD FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
JUNE 30, 2025

	2025		Total Governmental Funds
	General Fund	Capital Projects Fund	
REVENUES			
Property Taxes	\$ 2,123,613	\$ -	\$ 2,123,613
Intergovernmental	206,321	-	206,321
Charges for Services	172,726	21,277	194,003
Total Revenue	<u>2,502,660</u>	<u>21,277</u>	<u>2,523,937</u>
EXPENDITURES			
Salaries and Employee Benefits	277,616	-	277,616
Materials and Services	2,062,985	-	2,062,985
Capital Outlay	287,884		
Capital Outlay	43,201	-	43,201
Total Expenditures	<u>2,671,686</u>	<u>-</u>	<u>2,671,686</u>
Excess of Revenues over Expenditures Before Transfers	(169,026)	21,277	(147,749)
Other Financing Sources (uses)			
Transfer in	-	-	-
Transfer Out	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(169,026)	21,277	(147,749)
Fund Balance, Beginning of The Year	<u>4,050,065</u>	<u>393,220</u>	<u>4,443,285</u>
Fund Balance, End of Year	<u>\$ 3,881,039</u>	<u>\$ 414,497</u>	<u>\$ 4,295,536</u>

KENWOOD FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
JUNE 30, 2024

	2024		
	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES			
Property Taxes	\$ 1,485,303	\$ -	\$ 1,485,303
Intergovernmental	201,397	-	201,397
Investment Earnings	150,818	101,522	252,340
	<u>1,837,518</u>	<u>101,522</u>	<u>1,939,040</u>
Total Revenue	<u>1,837,518</u>	<u>101,522</u>	<u>1,939,040</u>
EXPENDITURES			
Salaries and Employee Benefits	820,185	-	820,185
Fire Service Contract	855,459	-	855,459
Materials and Services	199,360	-	199,360
	<u>1,875,004</u>	<u>-</u>	<u>1,875,004</u>
Total Expenditures	<u>1,875,004</u>	<u>-</u>	<u>1,875,004</u>
Excess of Revenues over Expenditures	(37,486)	101,522	64,036
Other Financing Sources (uses)			
Transfer in	2,000,000	-	2,000,000
Transfer Out	-	(2,000,000)	(2,000,000)
	<u>2,000,000</u>	<u>(2,000,000)</u>	<u>-</u>
Total Other Financing Sources	<u>2,000,000</u>	<u>(2,000,000)</u>	<u>-</u>
Net Change in Fund Balances	1,962,514	(1,898,478)	64,036
Fund Balance, Beginning of The Year	<u>2,087,555</u>	<u>2,291,698</u>	<u>4,379,253</u>
Fund Balance, End of Year	<u>\$ 4,050,069</u>	<u>\$ 393,220</u>	<u>\$ 4,443,289</u>

KENWOOD 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

	2025	2024
Total Fund Balances - Governmental Fund	\$ 4,295,536	\$ 4,443,289
Amount reported for governmental activities in the statement of net position are different because :		
Capital assets used in the operation of governmental funds are not financial resources and, therefore, are not reported in the general fund. These assets consist of:		
Capital Assets:		
Land	23,087	23,087
Building and Improvements	862,768	862,768
Fire Apparatus	1,678,444	1,678,444
Other Equipment	518,957	475,756
Less: Accumulated Depreciation	(1,875,522)	(1,750,337)
Deferred Pension Credits	243,070	357,259
Deferred OPEB Credits	177,459	284,638
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the general fund. These consist of:		
Compensated Absences	-	-
Net OPEB Obligation	(286,620)	(191,293)
Net Pension Liability	(469,893)	(412,066)
Deferred Pension Charges and Credits	(85,011)	(206,017)
Deferred OPEB Charges and Credits	(134,449)	(153,316)
Net Position of Governmental Activities	\$ 4,947,826	\$ 5,412,212

KENWOOD FIRE PROTECTION DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE

June 30, 2025 and 2024

	2025	2024
NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUND TYPE	\$ (147,749)	\$ 64,036
Amount reported for governmental activities in the statement of activities are different because :		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as a depreciation expense. Differences are as follows:		
Capital Assets Additions	43,201	-
Current Year Depreciation Expense	(125,185)	(123,748)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds, as follows:		
Compensated Absences	-	130,852
OPEB Adjustment	(183,643)	16,222
Pension Expense - GASB 68 Adjustment	(51,010)	(260,371)
Change in Net Position of Governmental Activities	\$ (464,386)	\$ (173,009)

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

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note I. Summary of Significant Accounting Policies

A. Organization

The Kenwood Fire Protection District (the District) was formed by resolution on May 21, 1945 by the Board of Supervisors of the County of Sonoma as a Fire Protection District under and pursuant to provisions of the Health and Safety Code of the State of California. The purpose of the District is to provide fire protection, emergency medical and related services to the unincorporated township known as Kenwood. The District serves taxpayers and residents in a special unincorporated area of the County of Sonoma, the boundaries of which are set by resolution by the Board of Supervisors. The District's governmental powers are exercised through the Board of Directors.

B. Significant Accounting Policies

The District financial statement are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow pronouncements of the Financial Accounting Standard Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

1. Government-wide 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 and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 segment 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.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary fund financial statements. 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 grantor have been met.

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note I. Summary of Significant Accounting Policies (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts recorded as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

2. Governmental Fund Financial Statement

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for its governmental funds. An accompanying schedule is presented to reconcile and explain the difference in Net Position as presented in these statements to the Net Position presented in the Government-wide financial statements. The District's General Fund is its only major governmental fund.

Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenue, and expenditures.

The District reports the following major governmental fund:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.

Capital Fund: The Capital Projects Fund accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements, and/or equipment. Most of the capital outlays are financed via annual transfer from the General Fund plus interest earnings.

3. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expense are recognized in the account and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note I. Summary of Significant Accounting Policies (Continued)

4. Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the time of the cash flows.

5. Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e. both measurable and available. "Available" means collective within the current period or within 60 days after year-end. The Board recognizes 360 days for grant reimbursement and charges and services. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that payments for general obligation long-term liabilities are recognized when due.

6. Cash and cash equivalents

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with its commercial bank.

7. Prepaid Items

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

8. Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the applicable governmental activity 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 over two (2) 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 the assets' lives are not capitalized.

Buildings and improvements, fire apparatus and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and Improvements	30-50
Fire Apparatus	20
Truck/Automobile	5
Operating Equipment	10-15

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note I. Summary of Significant Accounting Policies (Continued)

9. Net Position

Net position is classified into three components – 1) net invested in capital assets, net of related debt (if any) 2) restricted, and 3) unrestricted. These classifications are defined as follows:

- Invested in capital assets net of related debt (if any) – This component of net position groups all capital assets, including infrastructure, into one component of net position, net of accumulated depreciation and reduced by outstanding debt related to the acquisition, construction, or improvement of these assets.
- Restricted net position (if any) — This component consists of external constraints or restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments or restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position — This component is the net position of the entity not restricted for any project or other purpose.

10. 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:

- *Restricted Fund Balance* - the portion of fund balance that can only be spent for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *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, 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.

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note I. Summary of Significant Accounting Policies (Continued)

11. 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.

12. Encumbrances

Encumbrances represent commitment related to unperformed contracts for good or services. Encumbrances outstanding at year-end are reported as assigned fund balance and do not constitute expenditures or liabilities.

13. Vacation and Sick Leave

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 incurred in the government-wide financial statements. A liability for these amounts is reported in the government funds only if they have matured, for example, as a result of employee resignations and retirements.

Note II. Stewardship, Compliance, and Accountability

A. Budgetary Information

The budget of the District is a detailed annual operating plan that identifies estimated cost (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 establish 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 recommended budget. On or before September 30, the Board formally approves the recommended budget. The Board conducts hearings to obtain public comments on the recommended annual budget.

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note II. Stewardship, Compliance, and Accountability (continued)

C. Budgetary Information (continued)

1. Final Amended Budget

The legal level of control for appropriations is exercise at the chief's level within the fund level. Appropriations at this level may only 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.

Note III. Cash and Investments

A. Investment in the Sonoma County Treasurer's Investment Pool

Portion of the District's cash is pooled with the Sonoma County Treasurer, who acts as a disbursing agent for the District. The fair value of the District's investment in this pool is reported in the accompanying financial statement at the amounts based upon the District's pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Funds are generally available and disbursed to the District upon collection and allocation to the District account. Interest earned on investments pooled with the County is allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter. The Treasury Oversight Committee has regulatory oversight for all monies deposited into the Treasury Pool.

B. Investments 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.

A copy of the Treasury Pool investment policy is available upon request from the Sonoma County Treasurer at 585 Fiscal Drive, Suite 100, Santa Rosa, California, 95403-2871.

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note III. Cash and Investments (continued)

C. Investments by District in Commercial Bank

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's investments are carried 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 effect of these adjustments' income or a loss for that fiscal year. The District has never sold an investment before maturity and has not incurred any of the losses or gains accrued as a result of differences between the purchase price and fair value of investments. The actual profit or loss will be recorded when the investment is sold or reaches maturity.

D. 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.

E. Disclosures Relating to 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. The Treasury Pool does not have a rating provided by a nationally recognized statistical rating organization.

F. 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.

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note III. Cash and Investments (continued)

F. Custodial Credit Risk (continued)

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a 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.

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

For 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).

G. 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 June 30, 2024, Sonoma County Annual Comprehensive Financial Report (the last one available).

H. Cash on Hand and in Banks

Cash Investments not included in pooled cash are as follows:

	<u>2025</u>	<u>2024</u>
Cash in County Treasury - CF	\$ 414,497	\$ 393,219
Cash in Commercial Bank - GF	22,578	95,513
Investment in CA CLASS	<u>3,937,391</u>	<u>4,065,882</u>
Total	<u>\$ 4,374,466</u>	<u>\$ 4,554,614</u>

Bank accounts are subject to FDIC insurance for amounts up to \$250,000.

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note IV. 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 on January 1 for the ensuing fiscal year. The property tax is levied as of July 1 on all taxable property located in 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 fiscal year 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 29, 1993, the Board of Supervisors adopted the "Teeter" Alternate 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's delinquent property taxes. In exchange, the County receives the penalties and interest on delinquent taxes when collected. The penalties and interest are used to pay the interest cost of borrowing cash for the advances.

Property tax receivable on June 30, 2025, is:	\$87,654
Property tax receivable on June 30, 2024, is:	\$74,801

Note V. Interest Receivable

Interest in pooled cash accounts from the period 1st, through June 30, 2025, and 2024:

Interest receivable on June 30, 2025, is:	\$3,688
Interest receivable on June 30, 2024, is:	\$3,688

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note VI. Capital Asset Activity

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

	Beginning Balance 7/1/2024	Additions	Reclassifications Retirements	Ending Balance 6/30/2025
Capital Assets, not Being Depreciated:				
Land	\$ 23,087	\$ -	\$ -	\$ 23,087
Total Capital Assets, not Being Depreciated	<u>23,087</u>	<u>-</u>	<u>-</u>	<u>23,087</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	862,768	-	-	862,768
Fire apparatus and vehicles	1,678,444	-	-	1,678,444
Equipment	<u>475,756</u>	<u>43,201</u>	<u>-</u>	<u>518,957</u>
Total Capital Assets, Being Depreciated, Net	<u>3,016,968</u>	<u>43,201</u>	<u>-</u>	<u>3,060,169</u>
Less Accumulated Depreciation	<u>(1,750,337)</u>	<u>(125,185)</u>	<u>-</u>	<u>(1,875,522)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,266,631</u>	<u>(81,984)</u>	<u>-</u>	<u>1,184,647</u>
Governmental Activities, Capital Assets, Net	<u>\$ 1,289,718</u>	<u>\$ (81,984)</u>	<u>\$ -</u>	<u>\$ 1,207,734</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	2025	2024
Public Safety - Fire Protection/Ambulance	<u>\$ 125,185</u>	<u>\$ 123,748</u>
Total Depreciation Expense - governmental Activities	<u>\$ 125,185</u>	<u>\$ 123,748</u>

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note VI. Capital Asset Activity

Capital asset activity for the year ending June 30, 2024, was as follows:

	Beginning Balance 7/1/2023	Additions	Reclassifications Retirements	Ending Balance 6/30/2024
Capital Assets, not Being Depreciated:				
Land	\$ 23,087	\$ -	\$ -	\$ 23,087
Total Capital Assets, not Being Depreciated	<u>23,087</u>	<u>-</u>	<u>-</u>	<u>23,087</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	862,768	-	-	862,768
Fire apparatus and vehicles	1,678,444	-	-	1,678,444
Equipment	<u>475,756</u>	<u>-</u>	<u>-</u>	<u>475,756</u>
Total Capital Assets, Being Depreciated, Net	<u>3,016,968</u>	<u>-</u>	<u>-</u>	<u>3,016,968</u>
Less Accumulated Depreciation	<u>(1,626,589)</u>	<u>(123,748)</u>	<u>-</u>	<u>(1,750,337)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,390,379</u>	<u>(123,748)</u>	<u>-</u>	<u>1,266,631</u>
Governmental Activities, Capital Assets, Net	<u>\$ 1,413,466</u>	<u>\$ (123,748)</u>	<u>\$ -</u>	<u>\$ 1,289,718</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	2025	2024
Public Safety - Fire Protection/Ambulance	\$ 125,185	\$ 123,748
Total Depreciation Expense - governmental Activities	<u>\$ 125,185</u>	<u>\$ 123,748</u>

Note VII. Current Liabilities

Current liabilities balances for the years ended June 30, 2025, and 2024 were as follows:

	June 30, 2025	June 30, 2024
Accounts Payable	\$ 12,786	\$ 32,329
Accrued Payroll	-	-
Compensated Absences	<u>157,486</u>	<u>157,486</u>
Total Current Liabilities	<u>\$ 170,272</u>	<u>\$ 189,815</u>

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note VIII. Long-Term Liability

Changes in long-term Liability

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

	Beginning Balance 7/1/2024	Additions	Reductions	Ending Balance 6/30/2025	Current Portion
Compensated Absences	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability (GASB 68)	412,066	57,827	-	412,066	-
Net Health Liability (GASB 75)	191,293	95,327	-	286,620	-
Total Long-Term Liabilities	\$ 603,359	\$ 153,154	\$ -	\$ 756,513	\$ -

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

	Balance 7/1/2023	Additions	Reductions	Balance 6/30/2024	Current Portion
Compensated Absences	\$ 130,582	\$ -	\$ 130,582	\$ -	\$ -
Net Pension Liability (GASB 68)	188,188	223,878	-	412,066	-
Net Health Liabilities (GASB 75)	-	191,293	-	191,293	-
Total Long-Term Liabilities	\$ 318,770	\$ 415,171	\$ 130,582	\$ 603,359	\$ -

Note IX. Insurance

The District is exposed to various risks of loss related to torts, loss or damage to assets, injuries to employees, errors and omissions, for the District carries commercial insurance or is self-insured up to a certain limit. During the year, the District maintained five types of insurance: General liability, public official's errors and omissions, professional automobile, special events, and host and liquor liability. The District obtains its insurance coverage as a member of the Fire Agencies Insurance Risk Authority (FAIRA).

The District is self-insured for potential liabilities arising from worker's compensation claims. The District obtains its insurance coverage as a member of the Fire Agency Self-Insurance System (FASIS).

As a member of a public entity risk pool, the District is responsible for appointing an employee as a liaison between the District and the system, implementing all policies of the system, promptly paying all contributions, and cooperating with the system and any insurer of the system. The system is responsible for providing insurance coverage as agreed upon, assisting the District with implementation, providing claims adjusting and defense of any civil action brought against an officer of the system.

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note X. District Employees Retirement Plan (Defined Benefit Pension Plan)

A. Plan Description

The District contributes to the California Public Employees Retirement System (CalPERS), an agency multiple-employer public retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. Copies of CalPERS annual financial report may be obtained from their Executive Office – 400 Q Street, Sacramento, CA 95814.

Defined Benefit Pension Plan - (Safety Plan)

The District provides eligible employee’s pension plan benefits through the Kenwood Fire Protection District – Safety.

Plan Description, Benefits Provided and Employees Covered

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2023 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report is a publically available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

Funding Policy

Participants are required to contribute a percentage of their annual covered salary. The District pays both employee and employer contribution rates for fire chief positions only. The contribution rates are as follows:

	<u>Employee Contribution</u>	<u>Employer Contribution</u>	<u>Unfunded Accrued Liability Payment</u>
Safety Plan	8.96%	21.30%	\$ 30,056
PEPRA Safety Plan	13.76%	13.75%	\$ 1,270

Funded Status and Funding Progress of the Plan

The CalPERS Public Agency Cost-Sharing Multiple Employer Defined Benefit Pension Plan for BDO, date June 30, 2024, provided a pooled report and AAL to the District as 82% funded. For the Valuation report, there is a two-year lag between the valuation date and the state of the contribution fiscal year.

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note X. District Employees Retirement Plan (Defined Benefit Pension Plan) (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2024 measurement period was determined by an actuarial valuation as of June 30, 2023, with updated procedures used to roll forward the total pension liability to June 30, 2024. The collective total pension liability was based on the following 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	Derived 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 percent. 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 ran 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 is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" which can be obtained at CalPERS' website under the GASB 68 section.

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 geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>
Global Equity- cap-weighted	30.00%	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

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note X. District Employees Retirement Plan (Defined Benefit Pension Plan) (continued)

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:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Plan's Net Pension Liability/(Asset) - 2025	\$ 822,677	\$ 469,893	\$ 181,365
Plan's Net Pension Liability/(Asset) - 2024	\$ 644,307	\$ 412,066	\$ 222,192

Pension Expenses, Deferred Outflows, and Deferred Inflows

For the fiscal years ended June 30, 2025, and 2024 pension expenses recognized are as follows:

	2025	2024
Service Costs	\$ 39,042	\$ 31,492
Interest on TPL	131,959	107,466
Changes of Benefit Terms	1	7
Changes of Assumptions	16,539	14,146
Difference between Expected & Actual Experience	21,178	18,636
Net Plan to Plan Resource Movement	221	(7,551)
Contributions	(36,656)	(83,340)
Net Investment Income	4,360	(80,145)
Administrative Expenses	1,159	854
Projected Earnings on PPI	(98,011)	11,297
Other Miscellaneous Expense	-	-
Total Pension Expense (Income)	\$ 79,792	\$ 12,862

For the fiscal year ended June 30, 2025, the Kenwood Fire Protection District incurred a pension expense/ (income) of \$79,792 for the Plan (the pension expense for the risk pool for the measurement period is \$1,553,850,734).

For the fiscal year ending June 30, 2024, the Kenwood Fire Protection District incurred a pension expense/ (income) of (\$46,728) for the Plan (the pension expense for the risk pool for the measurement period is \$1,299,786,418).

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note X. District Employees Retirement Plan (Defined Benefit Pension Plan) (continued)

For the fiscal years ended June 30, 2025, and 2024, the Kenwood Fire Protection District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources - 2025	Deferred Inflows of Resources - 2025	Deferred Inflows/(Outflows) of Resources - 2024
Difference between Expected and Actual Experience	\$ 38,347	\$ 1,247	\$ 27,663
Changes of Assumptions	11,577	-	24,049
Difference between Projected and Actual Investment Earnings	22,712	-	56,391
Proportionate Share of Contribution	22,603	-	34,809
Changes in Employer's Proportion Pension Contributions made Subsequent to Measurement Date	111,175 - 36,656	83,764 - -	(75,010) - 83,340
Total	\$ 243,070	\$ 85,011	\$ 151,242

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

Measurement Period Ended June 30,	Deferred Outflows/(Inflows) of Resources - June 30, 2025	Deferred Outflows/(Inflows) of Resources - June 30, 2024
2025	\$ -	\$ 14,373
2026	15,794	3,701
2027	113,908	98,259
2028	21,466	18,242
2029	(440)	16,667
2030	7,331	-
Thereafter	-	-
Total	\$ 158,059	\$ 151,242

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note XI. Post-Employment Benefits Obligation

A. Plan Description

The Kenwood Fire Protection District defined benefits Postemployment Healthcare Plan provides medical benefits to eligible retired District employees and their beneficiaries. The authority to amend the plan rests with the District's Board of Directors. The District is affiliated with the California Employer's Retiree Benefits Trust (CERBT), an agent plan consisting of an aggregation of single-employer plans for prefunding postemployment benefits. CalPERS issues a publicly available financial report that includes financial statements and required supplemental information for CERBT. Copies of CERBT's annual financial report may be obtained by writing the plan: California PERS, CERBT, (OBEP), P.O. Box 942709, Sacramento, CA 94229-2709.

Funding Policy

The District has been and continues to pre-fund its OPEB liability, contributing 100% or more of the Actuarially Determine Contributions each year. With the District's approval, the assumed trust rate and discount rate applied for accounting purposes in this report is 5.40% reflecting the District's expectations as of the measurement date.

Actuarial Method and Assumptions

The ultimate real cost of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These payments depend only on the terms of the plan and the administrative arrangements adopted. The actuarial assumptions are used to estimate the cost of these benefits; the funding methods spreads the expected costs on a level basis over the life of the plan.

Fiscal Year End	June 30, 2025
GASB 75 Measurement Date	Last day of the prior fiscal year (June 30, 2024)
Valuation Date	June 30, 2024
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Salary Increase	3.0% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.
General Inflation Rate	2.50% per year
Long Term Return on Assets/Discount Rates for Funding	5.40% as of June, 2024 and 5.40% as of June 30, 2023, net of plan investment expenses, trust administrative expenses, and including inflation.

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note X. Post-Employment Benefits Obligation (continued)

Changes in Total OPEB Liability (TOL):

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change During Period</u>
Total OPEB Liability	\$ 1,360,292	\$ 1,183,663	\$ 176,629
Fiduciary Net Position	<u>1,073,672</u>	<u>992,370</u>	<u>81,302</u>
Net OPEB Liability (Asset)	<u>\$ 286,620</u>	<u>\$ 191,293</u>	<u>\$ 95,327</u>
Deferred Resource (Outflows Inflows Due to:			
Assumption Changes	\$ 14,981	\$ (99,832)	\$ 114,813
Plan Experience	39,526	66,978	(27,452)
Investment Experience	(43,922)	(86,787)	42,865
Deferred Contributions	<u>(53,595)</u>	<u>(11,681)</u>	<u>(41,914)</u>
Net Deferred (Outflows) Inflows	<u>(43,010)</u>	<u>(131,322)</u>	<u>88,312</u>
Impact on Statement of Net Position	<u>\$ 243,610</u>	<u>\$ 59,971</u>	<u>\$ 7,015</u>

The Total OPEB liability increased by \$95,327 for the fiscal year ended June 30, 2025.

- Plan experience includes differences between what was previously assumed and what occurred since the prior valuation. The net change from plan experience for the fiscal year 2025 was \$39,526.
- Investment experience includes differences between what was previously assumed and what occurred since the prior valuation. The net change from investment experience for the fiscal year 2025 was (\$43,922).

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Assets (Liability) (b-a)	Funded Ration (a/b)	Covered payroll	UAAL as a Percentage of Covered Payroll ((b- a)/c)	Discount Rate
6/30/2013	\$ -	\$ 402,253	\$ (402,253)	0.00%	\$ 104,652	384.37%	7.00%
7/1/2015	\$ 602,181	\$ 657,930	\$ (55,749)	91.53%	\$ 119,494	46.65%	6.73%
7/1/2017	\$ 784,744	\$ 997,028	\$ (212,284)	78.71%	\$ 177,473	119.61%	6.73%
6/30/2019	\$ 870,131	\$ 744,516	\$ 125,615	116.87%	\$ 398,472	-31.52%	6.15%
6/30/2019	\$ 916,802	\$ 766,141	\$ 150,661	119.66%	\$ 351,415	-42.87%	6.15%
6/30/2021	\$ 1,096,724	\$ 702,446	\$ 394,278	156.13%	\$ 432,463	-91.17%	5.55%
6/30/2023	\$ 992,370	\$ 1,183,663	\$ (191,293)	83.84%	\$ 245,807	77.82%	5.40%
6/30/2024	\$ 1,073,672	\$ 1,360,292	\$ (286,620)	78.93%	\$ 266,109	107.71%	5.40%

KENWOOD FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

June 30, 2025 and 2024

Note X. Post-Employment Benefits Obligation (continued)

Deferred Resources as of Fiscal Year End and Expected Future Recognition

	Deferred Outflows of Resources - 2025	Deferred Inflows of Resources - 2025	Deferred Outflows/(Inflows) of Resources - 2024
Changed of Assumptions	\$ 256	\$ 15,237	\$ 99,832
Difference Between Expected and Actual Experience	32,658	72,184	(66,978)
Net Difference Between Projected and Actual Earnings on Investments	43,922	-	86,787
Deferred Contributions	<u>53,595</u>	<u>-</u>	<u>11,681</u>
Total	<u>\$ 130,431</u>	<u>\$ 87,421</u>	<u>\$ 131,322</u>

The District will recognize the Deferred Contributions in the next fiscal year. In addition, future recognition of these deferred resources is shown below.

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources
2026	\$ 83,168
2027	21,253
2028	(18,507)
2029	(19,627)
2030	(10,301)
2029	(12,976)
Thereafter	-

Note XI. Subsequent Events

The District has evaluated after June 30, 2025, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through October 10, 2025, 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.

KENWOOD FIRE PROTECTION DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES, BUDGET AND ACTUAL-GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenues	Preliminary Budget	Final Budget	Actual Amounts	Variance with Budget-Positive (Negative)
Property taxes	\$ 2,429,093	\$ 2,429,093	\$ 2,123,613	\$ (305,480)
Intergovernmental	208,592	208,592	206,321	(2,271)
Charges for Services	-	-	-	-
Investment earnings	70,000	70,000	172,726	102,726
Reimbursement/Transfers In	-	-	-	-
Total Revenues	<u>2,707,685</u>	<u>2,707,685</u>	<u>2,502,660</u>	<u>(205,025)</u>
 Expenditures				
Salaries and employee benefits	156,403	156,403	277,616	(121,213)
Fire Service Contract	2,062,985	2,062,985	2,062,985	-
Materials and Services	209,347	209,347	287,884	(78,537)
Capital Outlay	20,000	20,000	43,201	(23,201)
Total Expenditures	<u>2,448,735</u>	<u>2,448,735</u>	<u>2,671,686</u>	<u>(222,951)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>258,950</u>	<u>258,950</u>	<u>(169,026)</u>	<u>(427,976)</u>
 Other financing sources (uses)				
Transfer in	-	-	-	-
Transfer out	(258,950)	(258,950)	-	(258,950)
UNCLM-OT- Within Fund	-	-	-	-
Total other sources	<u>(258,950)</u>	<u>(258,950)</u>	<u>-</u>	<u>(258,950)</u>
Fund Balance - Beginning of Year			<u>4,050,065</u>	
Fund Balance - End of Year			<u>\$ 3,881,039</u>	

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

KENWOOD FIRE PROTECTION DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES, BUDGET AND ACTUAL-GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Revenues	Preliminary Budget	Final Budget	Actual Amounts	Variance with Budget-Positive (Negative)
Property taxes	\$ 1,549,055	\$ 1,549,055	\$ 1,485,303	\$ (63,752)
Intergovernmental	314,644	314,644	201,397	(113,247)
Charges for Services	6,474	6,474	-	(6,474)
Investment earnings	70,000	70,000	150,818	80,818
Reimbursement/Transfers In	24,789	24,789	-	(24,789)
	<u>1,964,962</u>	<u>1,964,962</u>	<u>1,837,518</u>	<u>(127,444)</u>
Total Revenues				
 Expenditures				
Salaries and employee benefits	634,593	634,593	820,185	(185,592)
Fire Service Contract	758,057	758,057	855,459	(97,402)
Materials and Services	219,480	219,480	199,360	20,120
Capital Outlay	20,000	20,000	-	20,000
	<u>1,632,130</u>	<u>1,632,130</u>	<u>1,875,004</u>	<u>(242,874)</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>332,832</u>	<u>332,832</u>	<u>(37,486)</u>	<u>(370,318)</u>
Other financing sources (uses)				
Transfer in	39,250	39,250	2,000,000	(1,960,750)
Transfer out	(326,982)	(326,982)	-	(326,982)
UNCLM-OT- Within Fund	(45,100)	(45,100)	-	(45,100)
	<u>(332,832)</u>	<u>(332,832)</u>	<u>2,000,000</u>	<u>(2,332,832)</u>
Total other sources				
Fund Balance - Beginning of Year			<u>2,087,551</u>	
Fund Balance - End of Year			<u>\$ 4,050,065</u>	

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

KENWOOD FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION- SAFETY
JUNE 30, 2025

Funding History

The funding history belows shows the plan's actuarial accrued liability, share of pool's market value of assets, share of the pool's unfunded liability, funded ration, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2013	648,476	511,292	137,184	78.85%	62,991
6/30/2014	719,499	592,627	126,872	82.37%	64,112
6/30/2015	792,686	626,166	166,520	78.99%	114,621
6/30/2016	837,146	613,327	223,819	73.26%	87,745
6/30/2017	915,057	687,637	227,420	75.15%	110,250
6/30/2018	1,172,199	901,349	270,850	76.89%	183,712
6/30/2019	1,193,741	904,601	289,140	75.78%	229,735
6/30/2020	1,448,013	1,121,883	326,130	77.48%	312,986
6/30/2021	1,609,124	1,420,936	188,188	88.30%	335,937
6/30/2022	1,692,943	1,280,877	412,066	75.66%	452,924
6/30/2023	2,582,626	2,112,733	469,893	81.81%	144,821

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

NOTE 1 - BUDGETARY INFORMATION

Annual budgets are adopted on a non-GAAP basis for all governmental funds. All annual appropriations lapse at fiscal year-end.

Before May 31, the proposed budget is presented to the board of directors for review. The board holds public hearings, and the final budget must be prepared and adopted no later than September 30.

The appropriated budget is prepared by character and subject. Transfers of appropriations between characters require the approval of the board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the character level. The board made several supplemental budgetary appropriations throughout the year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be appropriated and honored during the subsequent year. The District had no encumbrances outstanding on June 30, 2025 and 2024.

Effective 7-1-25 District merged with Sonoma Valley Fire District.