SCOTTS VALLEY FIRE PROTECTION DISTRICT
7 Erba Lane, Scotts Valley, CA 95066-4199 ● scottsvalleyfire.com ● 831-438-0211

Board of Directors
Regular Meeting Agenda
Wednesday, November 13, 6:00 P.M.
Scotts Valley City Hall
One Civic Center Drive, Scotts Valley CA 95066

Agendas and Board Packets are available on the Scotts Valley Fire Protection District (SVFPD) website at [www.scottsvalleyfire.com.](http://www.scottsvalleyfire.com)

Any person who requires a disability-related modification or accommodation in order to participate in a public meeting should make such a request to Mark Correira, Board Secretary, for immediate consideration.

1. Opening Business

1.1 Call to Order

1.2 Pledge of Allegiance and Moment of Silence

1.3 Roll Call

2. Special Presentations

2.1 Presentation to Joe Parker for his public service as a Board of Director

3. Public Comment (GC §54954.3)

This portion of the meeting is reserved for persons wishing to address the Board on any matter that is within the subject matter of the jurisdiction, and either on the agenda or not on the agenda. To ensure fair and equal treatment of all who appear before the Board, and to expedite Agency business, speakers will be limited to three minutes. The three-minute per speaker time limitation may be extended for good cause by the Board President, or by majority vote of the Board Members. Anyone wishing to be placed on the Agenda for a specific topic should contact the Fire Chief's Office and submit correspondence at least 10 days before the desired date of appearance. Any matter that requires Board action will be referred to staff for a report and action at a subsequent Board meeting.

4. Agenda Amendments (GC§54954.2) – Discussion/Action

5. Consent Calendar

(Consent calendar items will be considered and enacted upon by one motion. There will be no separate discussion on items unless a Board Member, Staff, or member of the public requests the removal of the item for separate action.)

5.1 Minutes: Approve Regular Board Meeting Minutes of October 9, 2024

5.2 Approve SVFPD Claims Disbursements for the Month of October 1, 2024 through October 31, 2024 in the Amount of:

Payroll and Benefits:	$ 799,163.12
General Fund:	$ 64,092.40
Capital Outlay:	$ 37,423.00
SCHMIT:	$ 4,419.01
TOTAL:	$ 905,097.53

5.3 Accept and File the SVFPD Financial Audit for 2023-2024 Fiscal Year Ending June 30, 2024

5.4 Accept and File the Branciforte Fire Protection District Financial Audit for 2023-2024 Fiscal Year Ending December 10, 2023

5.5 Accept the CERBT and CEPPT Account Update Summary as of September 30, 2024

6. Discussion Items

6.1 Marywood Property Lease

6.2 La Madron Fire Station Planning

7. Board of Directors and Administrative Reports – Information/Discussion
(No action will be taken on any questions raised by the Board at this time.)

7.1 Board of Directors Report – Directors

7.2 Administrative Report – Chief Officers

8. Correspondence

8.1 Letter request from Colly Gruczelak, President of Damien's Ladder

9. Request for Future Agenda Items

10. Closed Session: Government Code §54957

10.1 Closed Session Conference with Legal Counsel – Threatened/Anticipated Litigation

Significant exposure to litigation pursuant to Government Code sections 54956.6(d)(2) and 54956.6(e)(2): 1 case based regarding Agreement for Bond Counsel Services between the Scotts Valley Fire Protection District and the Weist Law Firm.

11. Open Session: Government Code §54957.1

11.1 Report on closed session

12. Adjournment

Next Regularly Scheduled Board Meeting: Wednesday, December 11, 2024 at 6:00 p.m.

MINUTES OF THE
SCOTTS VALLEY FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING OF
October 9, 2024

1. Opening Business

1.1 Call to Order

The Regular Meeting of the Board of Directors of the Scotts Valley Fire Protection District (SVFPD) was held on Wednesday, October 9, 2024 at the City of Scotts Valley Council Chambers. President Parker called the meeting to order at 6:02 p.m.

1.2 Pledge of Allegiance and Moment of Silence

President Parker called for the Pledge of Allegiance and a Moment of Silence to follow.

1.3 Roll Call

Director(s) Present:	President Joe Parker (JP) Vice President Adam Cosner (AC) Director Philip Hover-Smoot (PHS) Director Kris Hurst (KH) Director Daron Pisciotta (DP)
Director(s) Virtual at Alternate Location:	N/A
Director(s) Absent:	N/A
Fire District Staff:	Chief Correira Battalion Chiefs LoFranco and McNeil Administrative Services Manager Rodriguez

2. Public Comment (GC §54954.3)

- No public comment.

3. Agenda Amendments (GC§54954.2) – Discussion/Action

- No agenda amendments.

4. Consent Calendar

4.1 Minutes: Approve Regular Board Meeting Minutes of September 11, 2024

4.2 Approve SVFPD Claims Disbursements for the Month of September 1, 2024 through September 30, 2024 in the Amount of:

Payroll and Benefits:	$ 597,851.00
General Fund:	$ 47,738.91
Capital Outlay:	$ 5,185.00
SCHMIT:	$ 1,251.12
TOTAL:	$ 646,026.03

4.3 Adopt Resolution 2024-13 Establishing Appropriation Limit in the Amount of $26,984,261 for Fiscal Year 2024/2025

Board Comment/Questions: None
Public Comment: None

Motion to approve Consent Calendar Items 4.1-4.3 as presented was made by Director Cosner, seconded by Director Pisciotta, and approved unanimously by voice vote, with 5 ayes.

5. Discussion Items

5.1 Measure S Update

Chief Correira provided the Board with an update on activities related to Measure S. A "Yes on Measure S" Committee, consisting of district staff, union members, and community residents, has been actively working on outreach efforts. These efforts include community engagement, print ads in local newspapers, and media outreach through partnerships with local online publications and Tripepi Smith.

Chief Correira shared how he presented on Measure S at various community meetings, including the State of the City event, the Happy Valley School Board meeting. Public outreach efforts will continue with upcoming engagements with local clubs, a senior luncheon, and an appearance on a community radio show.

Chief Correira emphasized that despite some community concerns regarding the tax structure, efforts to address these concerns are ongoing, including letters to the editor from supporters. The Board was informed of the strong efforts to educate and engage the public ahead of the November election.

5.2 Fire Chief's Work Plan Review

Chief Correia provided a review of the third quarter work plan, setting the stage for the fourth quarter. This plan, approved as part of the Chief's annual evaluation, outlines the organization's key tasks and goals.

Ongoing projects include the review of policies, a gap analysis, and updates to the Employer Handbook.

The Measure S campaign and La Madrona fire station project will require significant attention, with current focus on resolving issues related to water retention and parking, which are being addressed in collaboration with consulting engineers and the water district.

The Chief reported that with the exception of one, all employee performance evaluations have been completed. Regular "admin huddles" have been implemented with the administrative staff to address weekly priorities, and the leadership team is working on developing performance measures, such as response times and training.

The Chief also discussed the status of impact fees. NBS Consulting provided an initial memorandum, and further meetings are scheduled to finalize the documents. The Finance Committee will be involved before the matter is brought to the full Board for consideration.

Regarding future planning, financial and strategic planning are set to begin in the fourth quarter, starting with a strategic debt management plan. This will serve as the foundation for broader strategic planning, which will include community input and engagement.

The district voting evaluation will be deferred until the first quarter of 2025. The Chief will consult with NDC (National Demographic Corporation) to begin the demographic analysis in January.

The Chief concluded by noting he plans to provide quarterly updates on progress to the Board.

6. Board of Directors and Administrative Reports – Information/Discussion

6.1 <u>Board of Directors Report – Directors</u>

- None

6.2 <u>Administrative Report – Chief Officers</u>

Chief Correira provided the following updates:
Preferred Dispatching: A new system has been implemented to send the closest available unit, even from neighboring agencies, to high-risk incidents like cardiac arrests and structure fires. This change, led by Battalion Chief Stubendorff, aims to improve response times without affecting routine calls.
Marywood Property Lease: The current lease for the Marywood property is likely to end soon as the lessee plans to move out of state. A neighbor may be interested in leasing it for similar purposes. The lease agreement, which hasn’t been updated in 20 years, will need revision, and the District will work with the board to bring a new agreement forward.

Battalion Chief McNeil provided the following update:
HVAC at Station One:
The HVAC system at Station One went out of service last month. Efforts are underway to schedule its replacement and obtain the necessary permit from the city.
Branciforte Remodel Update:
The remodel of the community room and bathroom is progressing. The architect has completed the floor plan, which has been handed off to the contractor, pending permit approval.

Battalion Chief LoFranco provided the following updates:
Paid Call Firefighter Update:
The department is moving forward with a joint academy with Central Fire. Orientation and interviews have been completed, and seven candidates will proceed in the hiring process. BC LoFranco expressed appreciation for the Administrative staff's assistance with organizing the process.
Training Update:
This month's training focused on fire-related winter practices, including updates to seasonal procedures. There will be additional training next month to include Rock Ops.

7. Correspondence

7.1 Thank You Card- Chief Walpole of Scotts Valley Police Department

The Board received and filed the correspondence.

8. Request for Future Agenda Items

- None

9. Closed Session: Government Code §54957

9.1 Labor Negotiations: Government Code §65957.6
Conference with Labor Negotiators, Directors Cosner and Hurst
Employee Organization: Local 3577, International Association of Firefighters

At 6:36 p.m., President Parker announced the Board would be going into Closed Session for the purpose to discuss item listed in 9.1.

10. Open Session: Government Code §54957.1

10.1 Report on closed session

At 7:56 p.m., the Board reconvened to Open Session and President Parker reported on Item 9.1. Information was received, and direction was given. No action taken.

11. Adjournment

The meeting was adjourned at 7:56 p.m.

Attest ____________________________ ____________________________

Joe Parker
Board President

Mark Correira
Board Secretary

Scotts Valley Fire Protection District (SVFPD)

Date: November 13, 2024

To: Board of Directors

From: SVFPD

Subject: Approve Claim Disbursements

SVFPD Claims have been approved for payment out of SVFPD Funds totaling $ 905,097.53

These payments have been approved by the Board of Directors during their meeting on November 13, 2024

October 2024/2025 F.Y.

685010- Payroll and Benefits:	$	799,163.12
685010- General Fund:	$	64,092.40
685030- Capital Outlay:	$	37,423.00
685040- SCHMIT:	$	4,419.01

ATTEST ______________________ ______________________

Joe Parker
Board President

Mark Correira
Board Secretary

Actual Transactions

Transaction Type = Actual; Revenues/Expenditures = R,(E; Chart Fields = GLKey,Character,Object
Post On [@prior-month] and Revenues/Expenditures [XP] and GL Key [685010, 685020, 685030, 685040]

Fiscal Year	Fiscal Month	Post On	Document No	Doc Ref	Revenues/Expenditures	GL Key	Character	Object	Amount	Description	Vendor No	Warrant No
GL Key: 685010 – SCOTTS VALLEY FIRE PROT SVC												
Character: 50 – SALARIES AND EMPLOYEE BENEF												
Object: 51000 – REGULAR PAY-PERMANENT												
2025	04	10/02/2024	PAYPERIOD 20		Expenditures	685010	50	51000	-152,963.00	PAYPERIOD 20PAYDATE 10042024		
2025	04	10/16/2024	PAYPERIOD 21		Expenditures	685010	50	51000	-153,071.41	PAYPERIOD 21PAYDATE 10182024		
2025	04	10/30/2024	PAYPERIOD 22		Expenditures	685010	50	51000	-153,598.71	PAYPERIOD 22PAYDATE 11012024		
Total 51000 – REGULAR PAY-PERMANENT									-459,633.12			
Object: 51005 – OVERTIME PAY-PERMANENT												
2025	04	10/02/2024	PAYPERIOD 20		Expenditures	685010	50	51005	-27,666.98	PAYPERIOD 20PAYDATE 10042024		
2025	04	10/16/2024	PAYPERIOD 21		Expenditures	685010	50	51005	-11,912.90	PAYPERIOD 21PAYDATE 10182024		
2025	04	10/30/2024	PAYPERIOD 22		Expenditures	685010	50	51005	-39,838.75	PAYPERIOD 22PAYDATE 11012024		
Total 51005 – OVERTIME PAY-PERMANENT									-79,418.63			
Object: 51010 – REGULAR PAY-EXTRA HELP												
2025	04	10/02/2024	PAYPERIOD 20		Expenditures	685010	50	51010	-3,408.45	PAYPERIOD 20PAYDATE 10042024		
2025	04	10/30/2024	PAYPERIOD 22		Expenditures	685010	50	51010	-4,088.00	PAYPERIOD 22PAYDATE 11012024		
Total 51010 – REGULAR PAY-EXTRA HELP									-7,496.45			
Object: 51035 – HOLIDAY PAY												
2025	04	10/02/2024	PAYPERIOD 20		Expenditures	685010	50	51035	-12,754.29	PAYPERIOD 20PAYDATE 10042024		
2025	04	10/16/2024	PAYPERIOD 21		Expenditures	685010	50	51035	-12,754.29	PAYPERIOD 21PAYDATE 10182024		
2025	04	10/30/2024	PAYPERIOD 22		Expenditures	685010	50	51035	-12,754.29	PAYPERIOD 22PAYDATE 11012024		
Total 51035 – HOLIDAY PAY									-38,262.87			
Object: 51040 – DIFFERENTIAL PAY												
2025	04	10/02/2024	PAYPERIOD 20		Expenditures	685010	50	51040	-7,729.54	PAYPERIOD 20PAYDATE 10042024		
2025	04	10/16/2024	PAYPERIOD 21		Expenditures	685010	50	51040	-7,729.54	PAYPERIOD 21PAYDATE 10182024		
2025	04	10/30/2024	PAYPERIOD 22		Expenditures	685010	50	51040	-7,729.54	PAYPERIOD 22PAYDATE 11012024		
Total 51040 – DIFFERENTIAL PAY									-23,188.62			
Object: 52010 – OASDI-SOCIAL SECURITY												
2025	04	10/02/2024	PAYPERIOD 20		Expenditures	685010	50	52010	-3,207.93	PAYPERIOD 20PAYDATE 10042024		
2025	04	10/16/2024	PAYPERIOD 21		Expenditures	685010	50	52010	-2,978.66	PAYPERIOD 21PAYDATE 10182024		
2025	04	10/30/2024	PAYPERIOD 22		Expenditures	685010	50	52010	-3,422.60	PAYPERIOD 22PAYDATE 11012024		
Total 52010 – OASDI-SOCIAL SECURITY									-9,609.19			
Object: 52015 – PERS												
2025	04	10/02/2024	PAYPERIOD 20		Expenditures	685010	50	52015	-31,883.75	PAYPERIOD 20PAYDATE 10042024		
2025	04	10/16/2024	PAYPERIOD 21		Expenditures	685010	50	52015	-32,832.75	PAYPERIOD 21PAYDATE 10182024		
2025	04	10/21/2024	BT16404 GASB68-S		Expenditures	685010	50	52015	-1,400.00	BT FOR GASB 68 REPORT SD17	V116512	16404
2025	04	10/21/2024	PERSPP20YR24		Expenditures	685010	50	52015	-588.11	ER UNDERFUND PP20/24		
2025	04	10/30/2024	PAYPERIOD 22		Expenditures	685010	50	52015	-31,847.27	PAYPERIOD 22PAYDATE 11012024		
Total 52015 – PERS									-98,551.88			
Object: 53010 – EMPLOYEE INSURANCE & BENEFITS												
2025	04	10/02/2024	PAYPERIOD 20		Expenditures	685010	50	53010	988.79	PAYPERIOD 20PAYDATE 10042024		
2025	04	10/02/2024	PAYPERIOD 20		Expenditures	685010	50	53010	-1,250.00	PAYPERIOD 20PAYDATE 10042024		
2025	04	10/03/2024	DU109723	DU109723	Expenditures	685010	50	53010	91.85	H.Bustichi Oct24 DentalCK#4260	C99999	
2025	04	10/03/2024	DU109723	DU109723	Expenditures	685010	50	53010	48.56	D.Lipkowitz Oct24 DentalCK#809	C99999	
2025	04	10/03/2024	DU109723	DU109723	Expenditures	685010	50	53010	48.56	M.Marsano Sept24 Dental CK#303	C99999	
2025	04	10/03/2024	DU109723	DU109723	Expenditures	685010	50	53010	137.94	S.Kovacs Oct24 Dental	C99999	
2025	04	10/03/2024	DU109723	DU109723	Expenditures	685010	50	53010	48.56	S.Downey Sept24 Dental CK#2404	C99999	
2025	04	10/03/2024	DU109723	DU109723	Expenditures	685010	50	53010	48.56	M.Pasquini Sept24 DentalCK#111	C99999	
2025	04	10/08/2024	1024SVFD		Expenditures	685010	50	53010	-5,078.93	HEALTH CARE EMP SVFD Group 367	V108670	00469695
2025	04	10/10/2024	OCT24HLTH		Expenditures	685010	50	53010	-69,686.07	SV FIRE OCT 2024	V116512	16359
2025	04	10/16/2024	PAYPERIOD 21		Expenditures	685010	50	53010	988.79	PAYPERIOD 21PAYDATE 10182024		
2025	04	10/16/2024	PAYPERIOD 21		Expenditures	685010	50	53010	-1,250.00	PAYPERIOD 21PAYDATE 10182024		
2025	04	10/17/2024	DU110049	DU110049	Expenditures	685010	50	53010	48.56	M.Marsano Oct24 Dental CK#324	C99999	
2025	04	10/17/2024	DU110049	DU110049	Expenditures	685010	50	53010	48.56	S.Downey Oct24 dental CK#2407	C99999	
2025	04	10/17/2024	DU110049	DU110049	Expenditures	685010	50	53010	275.55	D.Grebil Oct-Dec24 Dental	C99999	
2025	04	10/21/2024	1124SVFD		Expenditures	685010	50	53010	-1,418.99	FIRE RISK MANAG SVFD	V45930	00470501
2025	04	10/24/2024	DU110261	DU110261	Expenditures	685010	50	53010	137.94	S.Kovacs Nov24 Dental	C99999	
2025	04	10/30/2024	PAYPERIOD 22		Expenditures	685010	50	53010	-1,250.00	PAYPERIOD 22PAYDATE 11012024		

Actual Transactions

Transaction Type = Actual; Revenues/Expenditures = R,(E; Chart Fields = GLKey,Character,Object
Post On [@prior-month] and Revenues/Expenditures [XP] and GL Key [685010, 685020, 685030, 685040]

Fiscal Year	Fiscal Month	Post On	Document No	Doc Ref	Revenues/Expenditures	GL Key	Character	Object	Amount	Description	Vendor No	Warrant No
GL Key: 685010 – SCOTTS VALLEY FIRE PROT SVC												
Character: 50 – SALARIES AND EMPLOYEE BENEF												
Object: 53010 – EMPLOYEE INSURANCE & BENEFITS												
2025	04	10/30/2024	PAYPERIOD 22		Expenditures	685010	50	53010	988.79	PAYPERIOD 22PAYDATE 11012024		
Total 53010 – EMPLOYEE INSURANCE & BENEFITS									-76,032.98			
Object: 53015 – UNEMPLOYMENT INSURANCE												
2025	04	10/02/2024	PAYPERIOD 20		Expenditures	685010	50	53015	-54.52	PAYPERIOD 20PAYDATE 10042024		
2025	04	10/30/2024	PAYPERIOD 22		Expenditures	685010	50	53015	-61.03	PAYPERIOD 22PAYDATE 11012024		
Total 53015 – UNEMPLOYMENT INSURANCE									-115.55			
Object: 55021 – OTHER BENEFITS MISC												
2025	04	10/02/2024	PAYPERIOD 20		Expenditures	685010	50	55021	-2,284.61	PAYPERIOD 20PAYDATE 10042024		
2025	04	10/16/2024	PAYPERIOD 21		Expenditures	685010	50	55021	-2,284.61	PAYPERIOD 21PAYDATE 10182024		
2025	04	10/30/2024	PAYPERIOD 22		Expenditures	685010	50	55021	-2,284.61	PAYPERIOD 22PAYDATE 11012024		
Total 55021 – OTHER BENEFITS MISC									-6,853.83			
Total 50 – SALARIES AND EMPLOYEE BENEF									-799,163.12			
Character: 60 – SERVICES AND SUPPLIES												
Object: 61110 – CLOTHING & PERSONAL SUPPLIES												
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	61110	-328.10	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
2025	04	10/21/2024	872106		Expenditures	685010	60	61110	-1,065.03	L N CURTIS & SO SVFD Cust 3627	V115989	80073416
Total 61110 – CLOTHING & PERSONAL SUPPLIES									-1,393.13			
Object: 61221 – TELEPHONE-NON TELECOM 1099												
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	61221	-2,883.54	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
Total 61221 – TELEPHONE-NON TELECOM 1099									-2,883.54			
Object: 61310 – FOOD												
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	61310	-100.00	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
Total 61310 – FOOD									-100.00			
Object: 61425 – OTHER HOUSEHOLD EXP-SERVICES												
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	61425	-613.53	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
Total 61425 – OTHER HOUSEHOLD EXP-SERVICES									-613.53			
Object: 61720 – MAINT-MOBILE EQUIPMENT-SERV												
2025	04	10/08/2024	1024SVFD1		Expenditures	685010	60	61720	-126.17	SCARBOROUGH LUM SVFD Acct 1169	V1233	80073032
2025	04	10/08/2024	170		Expenditures	685010	60	61720	-5,701.62	CHUCK WISE EMER SVFD	V42413	00469694
2025	04	10/08/2024	863638		Expenditures	685010	60	61720	-331.79	L N CURTIS & SO SVFD Cust 3627	V115989	80073029
2025	04	10/08/2024	864467		Expenditures	685010	60	61720	-81.06	L N CURTIS & SO SVFD Cust 3627	V115989	80073029
2025	04	10/08/2024	865551		Expenditures	685010	60	61720	-428.17	L N CURTIS & SO SVFD Cust 3627	V115989	80073029
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	61720	-2,552.93	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
2025	04	10/21/2024	047477		Expenditures	685010	60	61720	-2,801.89	GOLDEN STATE EM SVFD PIE-0143	V129826	00470502
Total 61720 – MAINT-MOBILE EQUIPMENT-SERV									-12,023.63			
Object: 61725 – MAINT-OFFICE EQUIPMNT-SERVICES												
2025	04	10/08/2024	16097		Expenditures	685010	60	61725	-2,043.67	PAGODA TECHNOLO SVFD	V125184	80073030
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	61725	-42.99	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
Total 61725 – MAINT-OFFICE EQUIPMNT-SERVICES									-2,086.66			
Object: 61730 – MAINT-OTH EQUIP-SERVICES												
2025	04	10/08/2024	1024SVFD3		Expenditures	685010	60	61730	-102.27	SCARBOROUGH LUM SVFD Acct 1169	V1233	80073032
Total 61730 – MAINT-OTH EQUIP-SERVICES									-102.27			
Object: 61845 – MAINT-STRUCT/IMPS/GRDS-OTH-SRV												
2025	04	10/08/2024	018455		Expenditures	685010	60	61845	-666.33	STATE ELECTRIC SVFD	V41709	00469698
2025	04	10/08/2024	1024SVFD2		Expenditures	685010	60	61845	-246.80	SCARBOROUGH LUM SVFD Acct 1169	V1233	80073032
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	61845	-54.67	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
Total 61845 – MAINT-STRUCT/IMPS/GRDS-OTH-SRV									-967.80			
Object: 61920 – MEDICAL, DENTAL & LAB SUPPLIES												
2025	04	10/08/2024	85480340		Expenditures	685010	60	61920	-533.86	BOUND TREE MEDI SVFD	V12149	00469692
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	61920	-14.66	U S BANK CORPOR SVFD 4246-0445	V992019	80073157

Actual Transactions

Transaction Type = Actual; Revenues/Expenditures = R,(E; Chart Fields = GLKey,Character,Object
Post On [@prior-month] and Revenues/Expenditures [XP] and GL Key [685010, 685020, 685030, 685040]

Fiscal Year	Fiscal Month	Post On	Document No	Doc Ref	Revenues/Expenditures	GL Key	Character	Object	Amount	Description	Vendor No	Warrant No
GL Key: 685010 – SCOTTS VALLEY FIRE PROT SVC												
Character: 60 – SERVICES AND SUPPLIES												
Object: 61920 – MEDICAL, DENTAL & LAB SUPPLIES												
2025	04	10/21/2024	85512284		Expenditures	685010	60	61920	-158.48	BOUND TREE MEDI SVFD	V12149	00470500
Total 61920 – MEDICAL, DENTAL & LAB SUPPLIES									-707.00			
Object: 62020 – MEMBERSHIPS												
2025	04	10/08/2024	202408		Expenditures	685010	60	62020	-250.00	SANTA CRUZ CO E SVFD 202408	V120732	00469697
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	62020	-460.45	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
Total 62020 – MEMBERSHIPS									-710.45			
Object: 62111 – MISCELLANEOUS EXPENSE-SERVICES												
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	62111	-761.63	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
Total 62111 – MISCELLANEOUS EXPENSE-SERVICES									-761.63			
Object: 62219 – PC SOFTWARE PURCHASES												
2025	04	10/08/2024	105682		Expenditures	685010	60	62219	-3,660.48	TARGET SOLUTION SVFD	V31376	00469524
2025	04	10/08/2024	151110		Expenditures	685010	60	62219	-3,595.00	ESO SOLUTIONS I SVFD	V36065	00469523
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	62219	-91.50	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
Total 62219 – PC SOFTWARE PURCHASES									-7,346.98			
Object: 62301 – ACCOUNTING AND AUDITING FEES												
2025	04	10/08/2024	13582		Expenditures	685010	60	62301	-2,070.00	TOTAL COMPENSAT SVFD ACCOUNTS	V129212	00469699
Total 62301 – ACCOUNTING AND AUDITING FEES									-2,070.00			
Object: 62327 – DIRECTORS' FEES												
2025	04	10/16/2024	PAYPERIOD 21		Expenditures	685010	60	62327	-3,300.00	PAYPERIOD 21PAYDATE 10182024		
Total 62327 – DIRECTORS' FEES									-3,300.00			
Object: 62381 – PROF & SPECIAL SERV-OTHER												
2025	04	10/08/2024	203105		Expenditures	685010	60	62381	-210.00	CENTRAL COAST C SVFD	V15383	00469693
2025	04	10/08/2024	58194		Expenditures	685010	60	62381	-1,202.00	CSG CONSULTANTS SVFD	V121100	80073033
2025	04	10/08/2024	725383		Expenditures	685010	60	62381	-11,566.73	ATKINSON ANDELS SVFD	V48005	00469691
2025	04	10/21/2024	58384		Expenditures	685010	60	62381	-639.00	CSG CONSULTANTS SVFD	V121100	80073419
Total 62381 – PROF & SPECIAL SERV-OTHER									-13,617.73			
Object: 62715 – SMALL TOOLS & INSTRUMENTS												
2025	04	10/08/2024	1024SVFD		Expenditures	685010	60	62715	-89.23	SCARBOROUGH LUM SVFD Acct 1169	V1233	80073032
Total 62715 – SMALL TOOLS & INSTRUMENTS									-89.23			
Object: 62826 – EDUCATION AND/OR TRAINING												
2025	04	10/08/2024	1024SVFD		Expenditures	685010	60	62826	-261.00	COLLINS, ERIN SVFD	V116856	00469522
2025	04	10/21/2024	1024SVFD		Expenditures	685010	60	62826	-125.00	SUNDERMIER, AND SVFD	V126288	00470387
Total 62826 – EDUCATION AND/OR TRAINING									-386.00			
Object: 62888 – SPEC DIST EXP-SERVICES												
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	62888	-1,305.24	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
Total 62888 – SPEC DIST EXP-SERVICES									-1,305.24			
Object: 62890 – SUBSCRIPTIONS BOOKS & ED MATER												
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	62890	-159.90	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
Total 62890 – SUBSCRIPTIONS BOOKS & ED MATER									-159.90			
Object: 62914 – EDUCATION & TRAINING(REPT)												
2025	04	10/08/2024	1024SVFD4		Expenditures	685010	60	62914	-12.35	SCARBOROUGH LUM SVFD Acct 1169	V1233	80073032
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	62914	-2,445.82	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
Total 62914 – EDUCATION & TRAINING(REPT)									-2,458.17			
Object: 62920 – GAS, OIL, FUEL												
2025	04	10/08/2024	853657		Expenditures	685010	60	62920	-2,126.41	WESTERN STATES SVFD	V39738	00469700
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	62920	-715.48	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
2025	04	10/21/2024	854667		Expenditures	685010	60	62920	-3,625.82	WESTERN STATES SVFD	V39738	00470505
Total 62920 – GAS, OIL, FUEL									-6,467.71			
Object: 63070 – UTILITIES												
2025	04	10/08/2024	1024SVFD1		Expenditures	685010	60	63070	-284.14	CITY OF SCOTTS SVFD	V102713	80073028

Actual Transactions

Transaction Type = Actual; Revenues/Expenditures = R,(E; Chart Fields = GLKey,Character,Object
Post On [@prior-month] and Revenues/Expenditures [XP] and GL Key [685010, 685020, 685030, 685040]

Fiscal Year	Fiscal Month	Post On	Document No	Doc Ref	Revenues/Expenditures	GL Key	Character	Object	Amount	Description	Vendor No	Warrant No
GL Key: 685010 – SCOTTS VALLEY FIRE PROT SVC												
Character: 60 – SERVICES AND SUPPLIES												
Object: 63070 – UTILITIES												
2025	04	10/08/2024	1024SVFD2		Expenditures	685010	60	63070	-210.44	CITY OF SCOTTS SVFD	V102713	80073028
2025	04	10/15/2024	0924SVFD		Expenditures	685010	60	63070	-4,047.22	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
Total 63070 – UTILITIES									-4,541.80			
Total 60 – SERVICES AND SUPPLIES									-64,092.40			
Total 685010 – SCOTTS VALLEY FIRE PROT SVC									-863,255.52			

Actual Transactions

Transaction Type = Actual; Revenues/Expenditures = R,(E; Chart Fields = GLKey,Character,Object
Post On [@prior-month] and Revenues/Expenditures [XP] and GL Key [685010, 685020, 685030, 685040]

Fiscal Year	Fiscal Month	Post On	Document No	Doc Ref	Revenues/Expenditures	GL Key	Character	Object	Amount	Description	Vendor No	Warrant No
GL Key: 685030 – SCOTTS VLY FIRE DIST.-CAPITAL												
Character: 60 – SERVICES AND SUPPLIES												
Object: 61845 – MAINT-STRUCT/IMPS/GRDS-OTH-SRV												
2025	04	10/08/2024	635		Expenditures	685030	60	61845	-4,000.00	MANDELLA, JOHN SVFD	V43108	00469696
Total 61845 – MAINT-STRUCT/IMPS/GRDS-OTH-SRV									-4,000.00			
Object: 62381 – PROF & SPECIAL SERV-OTHER												
2025	04	10/08/2024	3001020824		Expenditures	685030	60	62381	-6,608.75	RRM DESIGN GROU SVFD	V126553	80073031
2025	04	10/21/2024	14229		Expenditures	685030	60	62381	-2,414.00	PACIFIC CREST E SVFD	V11635	80073417
2025	04	10/21/2024	202410-3478		Expenditures	685030	60	62381	-6,915.00	NBS GOVERNMENT SVFD	V33471	00470503
2025	04	10/21/2024	3001-02-0924		Expenditures	685030	60	62381	-17,485.25	RRM DESIGN GROU SVFD	V126553	80073418
Total 62381 – PROF & SPECIAL SERV-OTHER									-33,423.00			
Total 60 – SERVICES AND SUPPLIES									-37,423.00			
Total 685030 – SCOTTS VLY FIRE DIST.-CAPITAL									-37,423.00			

Actual Transactions

Transaction Type = Actual; Revenues/Expenditures = R,(E; Chart Fields = GLKey,Character,Object

Post On [@prior-month] and Revenues/Expenditures [XP] and GL Key [685010, 685020, 685030, 685040]

Fiscal Year	Fiscal Month	Post On	Document No	Doc Ref	Revenues/Expenditures	GL Key	Character	Object	Amount	Description	Vendor No	Warrant No
GL Key: 685040 – SV FIRE DIST-REGIONAL HAZ RESP												
Character: 60 – SERVICES AND SUPPLIES												
Object: 61221 – TELEPHONE-NON TELECOM 1099												
2025	04	10/15/2024	0924SVFD		Expenditures	685040	60	61221	-152.04	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
Total 61221 – TELEPHONE-NON TELECOM 1099									-152.04			
Object: 62914 – EDUCATION & TRAINING(REPT)												
2025	04	10/21/2024	817		Expenditures	685040	60	62914	-4,200.00	RW JONES AND AS SVFD	V129231	00470504
Total 62914 – EDUCATION & TRAINING(REPT)									-4,200.00			
Object: 62920 – GAS, OIL, FUEL												
2025	04	10/15/2024	0924SVFD		Expenditures	685040	60	62920	-66.97	U S BANK CORPOR SVFD 4246-0445	V992019	80073157
Total 62920 – GAS, OIL, FUEL									-66.97			
Total 60 – SERVICES AND SUPPLIES									-4,419.01			
Total 685040 – SV FIRE DIST-REGIONAL HAZ RESP									-4,419.01			
									-905,097.53			

Scotts Valley Fire Protection District

FINANCIAL STATEMENTS

AUDIT REPORT

June 30, 2024

September 6, 2024

Scotts Valley Fire Protection District

Scotts Valley, CA

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of Scotts Valley Fire Protection District as of and for the year-ended June 30, 2024, as listed in the Table of Contents. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Scotts Valley Fire Protection District as of June 30, 2024, and the respective changes in financial position, and cash flows where applicable for the years then ended, in conformity 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 (GAAS). 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 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

The District's management is responsible for the preparation and fair presentation of these 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 District's ability to continue as a going concern for twelve months beyond the financial statem ent 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 GAAS 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,

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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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and Budget VS. Actual comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with managements 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 assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide an assurance.

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Scotts Valley Fire Protection District

Audit Report
June 30, 2024

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7 Erba Lane, Scotts Valley, CA 95066-4199 ● scottsvalleyfire.com ● 831-438-0211

Mark Correira
Fire Chief

October 30, 2024

The Scotts Valley Fire Protection District (SVFPD) provides fire protection and EMS services to the City of Scotts Valley, and adjacent unincorporated regions of Santa Cruz County including Pasatiempo and Glennwood neighborhoods. In December of 2023, the former Branciforte Fire District area was merged into the Scotts Valley District. Today, the SVPFD serves an approximate area of thirty (30) square miles and a population of approximately twenty-two thousand (22,000) residents. SVFPD is an independent government entity, separate from the City of Scotts Valley, classified as a California Special District, and is governed by a five-member board of elected citizens. This section of the SVFPD financial report presents the discussion and analysis of the SVFPD financial performance during the fiscal year ending June 30, 2024. It also includes the auditing of the former Branciforte Fire District financial performance during the same fiscal year.

Description of the Basic Financial Statements

The financial statements consist of the following parts: Management discussion and analysis; the basic financial statements consisting of government-wide financial statements, and fund financial statements (governmental and fiduciary); notes to the financial statements; and required supplementary information.

The basic government-wide and fund financial statements present the financial results on different methods of accounting. Included in the financial statements are reconciliations that explain the difference between the two methods.

Government-wide financial statements are prepared on the modified accrual basis of accounting and economic resources focus. The required financial statements are: Statement of Net Position (Statement A) and Statement of Activities. The Statement of Net Position reports all assets and liabilities, both financial and capital, and short-term and long-term, of the SVFPD. The Statement of Activities reports all revenue and expenses during the year, regardless of when cash was received or paid.

Governmental Funds financial statements are prepared on the modified accrual basis of accounting and current financial resources focus. This is the traditional form for our financial statements. The required financial statements are Balance Sheet, and Statement of Revenues, Expenditures, and Changes in Fund Balances. The Balance Sheet shows only assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during or soon after the end of the year.

Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position explains the differences between the two balance sheets. Reconciliation of the Statement Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities traces the change in fund balances to the change in net position.

Governmental Fiduciary financial statements for the Hazardous Materials Interagency Team are prepared on the accrual basis of accounting and economic resources focus. The required financial statements are: Statement of Fiduciary Net Position and Statement of Activities and Changes in Fiduciary Net Position. The Statement of Net Position reports all assets and liabilities, both financial and capital, and short-term and long-term of the fund. The Statement of Activities reports all revenue and expenses of the fund during the year, regardless of when the cash is received or paid.

The Government-Wide and Governmental Funds financial statements show the results of the following funds:

General Fund - This fund is used to finance the operations of the SVFPD. Tax revenues are placed in the General Fund and regular operating expenses are charged here. For the 2024/2025 FY, Capital Structure and Improvements (86110) was included $1 million in the General Fund. These funds are to be used for the La Madrona Fire Station, but will also lessen the need to borrow money from the County prior to the first property tax distribution in December.

Capital Outlay/Zone A Fund - A legally formed zone of benefits established in 1969 that receives revenues and expenditures that are budgeted for capital projects. With the advent of the Branciforte Reorganization, the former Branciforte District had a Capital fund where special measure (Measure T) funds were placed. As part of the reorganization, the proceeds from the Branciforte Capital Fund were transferred into the Capital Outlay/Zone A Fund. The amount of this transfer was $750,304.

Branciforte Service Zone – A new fund added in the 2023/2024 FY was the Branciforte Service Zone. This fund was required under the reorganization agreement with the Branciforte Fire District and allows for the general fund tax revenue from this former district to be placed in it. Under the recommendation of the Branciforte Advisory Commission and approved from the Board of Directors, 100% of the funds ($462,457) in this account were transferred to the SVPFD General Fund and used to support the Fire District operations. As part of the 2024/2025 FY Budget, the Board of Directors eliminated the Branciforte Service Zone and the general fund tax revenue that went into this fund will be placed in the SVPFD General Fund.

The fiduciary fund financial statements show the results of the following:

Santa Cruz Hazardous Materials Interagency Team (SCHMIT) - The SVFPD reports the resources held and administered by the SVFPD in acting in a fiduciary capacity for other agencies involved in the Team. Operational funding is received through a memorandum of understanding with Santa Cruz County, UCSC, City of Scotts Valley, City of Capitola, City of Santa Cruz, City of Watsonville, and the California State Parks. When available, additional funding had been received from grants.

Financial Analysis of the District as a Whole

Net Position - The SVFPD net change in net position was $2,982.616 for the fiscal year ended June

30, 2024. The adoption of GASB 68 put the SVFPD in a negative net position with further negative net position from the adoption of GASB 74/75. The negative net position will not adversely affect the SVFPD as the positive fund balance will allow the SVFPD to continue to offer services to the public. Approximately 25 percent of the $20,688,410 in assets, $4,486,924 are invested in capital assets (net of accumulated depreciation and related debt).

Financial Analysis of the District's Funds

Governmental fund balances increased by $2.324,686. The main reason for the difference between the $2,982,616 increase in SVFPD net position and the $2,324,686 increase in fund balances is timing differences in accounting for expenditures, principal payments made on long-term liabilities, and the difference in accounting for fixed asset purchases and depreciation.

Budgetary Highlights

General Fund revenue was 3.94% above what was budgeted at $11,135,107.05. The delta of 3.94% was caused by the distribution due to the dissolution of the Redevelopment Agency (RDA) ($88,248.69), and interest income ($98,162.86)

Budgeted revenues from the district consolidation in the General Funds exceeded actual amounts by 65% or $(484,856). In preparation for the district consolidation a budget amendment was done based on County calculations of residual net assets at Branciforte. This included government-wide accruals that are not reported in governmental funds. Page 41.

Total Salaries and Benefits were $577,334.58 or 6.44% under budget. Services and supplies were $138,270.27 or 13.83% under budget. This was due to the differences both favorable and unfavorable between budgeted and actual expenditures in the thirty separate accounts that make up this category.

Total General Fund expenditures were $9,566,367.10 or 17.04% less than the amount budgeted, including contingency appropriation, which did not need to be used during the year. A major portion of the 17.04% is made up of the $1 million added to the General Fund's Structures and Improvements for the La Madrona Fire Station and to lessen the amount borrowed from the County during the dry tax season of the year.

Capital Outlay/Zone A expenditures were under budget by $853,928.67 or 70.39% due to the continuation of architectural contracts for the La Madrona station, and utilizing the former Branciforte Fire Chief vehicle preventing the purchase of a command vehicle.

Revenues from the district consolidation in the Capital Funds were not budgeted; resulting in actual amounts of district consolidation contribution exceeding the budget by 100% or $750,304. Page 42.

Capital Assets

As of June 30, 2024, the SVFPD had invested $9,708,4001 in a broad range of capital assets including land, structures and improvements, equipment, and construction in progress. This was an increase from the prior years' amount of $7,928,532; primarily due to the consolidation of Branciforte and Scotts Valley Fire Protection District.

Long-Term Liabilities

At June 30, 2024 the SVFPD had $17,877,247 in long-term liabilities which consists of postemployment benefits obligation and the Net Pension Liability. In September 2020, the SVFPD established the California Employers' Pension Prefunding Trust (CEPPT) to prefund future pension costs and the California Employers' Retiree Benefit Trust (CERBT) in an effort to reduce the Other Post-Employment Benefits (OPEB) Liability. The other postemployment benefits obligation is a result of the implementation of GASB 74/75. Detailed information can be found in Note 8 to the financial statements.

Economic Factors and Next Year's Budget

The main source of SVFPD revenue is property tax. Estimates from the Santa Cruz County Auditor project a 4% growth in the secured property tax (real estate). The SVFPD has budgeted the 4% growth in the property tax elements for the General Fund and Capital Outlay/Zone A. Other non-tax elements of revenue are projected using past trends. There is potential for variances due to re-assessments of real property values and new construction within the SVFPD.

Total budgeted General Fund expenditures for 2024/2025 fiscal year (FY), is $15,675,347, which includes reserve funds. Salaries and Benefits budget includes a 3% salary increase for safety and 4% increase for nonsafety. All authorized positions are funded this FY. The SVFPD contribution to the CalPERS retirement program is 21.73% of payroll plus an annual Unfunded Accrued Liability (UAL) payment of $1,209,214 (estimated) for the Classic Safety plan; 12.52% of payroll and an annual UAL payment of $4,789 for the Classic Miscellaneous plan; and total UAL for all PEPRA classes of $27,971. Classic Safety members contribute 9% of salary and the SVPFD contributes 24.33% of salary to CalPERS for retirement and the Classic Miscellaneous members contribute 7% of salary and the SVPFD contributing 12.52% of salary. CalPERS PEPRA Safety Members hired after January 1, 2013, contribute 13.75% of salary with the SVPFD paying 13.76% up to the annual salary cap established by CalPERS. PEPRA Miscellaneous Members contribute 7.7% of salary with the SVPFD contributing 7.87% of salary.

This represents a budgeted amount of $2,143,980.44 payable to CalPERS, which is an increase of $372,311.44 over 2023/2024 FY. In addition, $150,000 is budgeted in the Contributions to Trust/Agency Fund to the California Employers' Pension Prefunding Trust (CEPPT). The CEPPT will allow the SVFPD to prefund future pension lability with an expected growth rate of 4% average over ten years.

Health insurance is budgeted for an increase effective January 1, 2025. Retiree health insurance is budgeted at $108,396.18, an increase of $9,586.26 over last year. In addition, $155,000 is budgeted in the Contributions to Trust/Agency Fund to the California Employers' Other Retiree Benefits Trust (CERBT). The CERBT will allow the SVFPD to prefund Other Post-Employment Benefits (OPEB) for retiree healthcare with a projected 6% long-term expected rate of return.

Workers compensation insurance for FY2024/25 is $539,390 an increase of $74,997 over last FY. This increase includes the addition of the former Branciforte Fire District and its three (3) employees being added to the SVPFD payroll. The Services and Supplies budget is $1,063,387, an increase of $151,961 over last FY.

The Contributions to Other Agencies is for the SVPFD share of the LAFCO budget at $10,500, a slight increase over last FY.

The beginning balance of the Capital Outlay/Zone A fund is $1,265,381. A 4% increase in property tax revenue is estimated for this FY totaling an estimated $4,606. The Service and Supplies Budget is $1,043,471 which includes $943,182 for the La Madrona Fire Station. Fixed Assets for Fire Facilities upgrades and Equipment is $394,653, Reserves in the amount of $648,911 for future expenditures and $200,000 for contingencies.

The beginning fund balance for the Santa Cruz Hazardous Materials Interagency Team (SCHMIT) is $393,893. Services and supplies are to support the operating costs of the team in the amount of $90,024, which includes a $9,000, charge for management of the program. Personnel costs include $20,000 for reimbursement to response agencies in the event of an activation, and $270,000 for reimbursement to agencies for their technician-certified response personnel - which accounts for 30 total members.

Contacting the District's Financial Management

This financial statement is designed to provide a general overview of the SVFPD finances. If you have questions about these financial statements or need additional financial information, contact the SVFPD Office at 7 Erba Lane, Scotts Valley, California 95066. Financial statements from previous fiscal years may be found on the SVFPD website at www.scottsvalleyfire.com.

GOVERNMENT FUNDS FINANCIAL STATEMENTS

Scotts Valley Fire Protection District

Balance Sheet
June 30, 2024

	General Fund	Capital
ASSETS		
Assets:		
Cash	$ 5,351,599	$ 2,123,344
Accounts Receivable	23,778	-
Deposits & Prepaid Expenses	-	-
TOTAL ASSETS	5,375,377	2,123,344
LIABILITIES, DEFERRED INFLOWS & FUND BALANCES		
Liabilities:		
Accounts Payable	11,171	-
Accrued Payroll	114,032	-
TOTAL LIABILIITES	125,203	-
Deferred Inflows		
Unavailable Revenue	-	-
TOTAL DEFERRED INFLOWS	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS	125,203	-
		-
Fund Balances:		
Unassigned	5,250,174	-
Unspendable	-	-
Committed	-	2,123,344
Total Fund Balance	5,250,174	2,123,344
TOTAL LIABILITIES & FUND BALANCE	$ 5,375,377	$ 2,123,344

The accompanying notes are an integral part of these financial statements.

Scotts Valley Fire Protection District

Statement of Revenues, Expenditures & Change in Fund Balance
For the Year Ended
June 30, 2024

REVENUE	General Fund	Capital
Tax Revenue	$ 10,462,043	$ 155,498
Charges for Service	280,217	-
Fire Protection Tax	-	80,789
Interest & Investment Earnings	103,163	62,856
License & Permits	30,637	-
Grants & Contributions	-	-
District Consolidation Contribution	256,727	750,304
Miscellaneous	9,121	54,891
TOTAL REVENUE	11,141,908	1,104,338
EXPENDITURES		
Capital Assets	-	90,545
Debt Service:		
Principle	-	-
Interest	-	-
Professional Fees	134,969	134,089
Salaries and Employee Benefits	8,694,336	-
Repairs and Maintenance	225,803	65,771
Insurance	57,538	-
Services, Supplies and Refunds	451,445	67,064
TOTAL EXPENDITURES	9,564,091	357,469
Excess (Deficit) Revenues over Expenditures	1,577,817	746,870
Transfer In/(Out)	-	-
CHANGE IN FUND BALANCE	1,577,817	746,870
FUND BALANCE, BEGINNING OF YEAR	3,672,357	1,376,474
FUND BALANCE, END OF YEAR	$ 5,250,174	$ 2,123,344

The accompanying notes are an integral part of these financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Scotts Valley Fire Protection District

Statement of Net Position
June 30, 2024

ASSETS	2024
Current Assets:	
Cash	$ 7,474,943
Accounts Receivable	23,778
Deposits & Prepaid Expenses	-
Total Current Assets	7,498,721
Capital Assets:	
Land	824,574
Buildings & Improvements	2,231,492
Firefighting Equipment	5,086,091
Construction in Progess	1,565,844
Less: Accumulated Depreciation	(5,130,532)
Total Capital Assets	4,577,469
TOTAL ASSETS	12,076,190
DEFERRED OUTFLOW	
GASB 75	91,895
GASB 68 Pension	8,520,325
TOTAL DEFERRED OUTFLOW	8,612,220
TOTAL ASSETS AND DEFERRED OUTFLOWS	20,688,410
LIABILITIES	
Current Liabilities:	
Accounts Payable	11,171
Accrued Payroll Liabilities	114,032
Current Portion	-
Accrued Compensated Absences	288,999
Total Current Liabilities	414,202
Long-term Liabilities:	
OPEB	1,274,807
Note Payable	-
Net Pension Liability	16,602,440
Total Long-term Liabilities	17,877,247
TOTAL LIABILITIES	18,291,449
DEFERRED INFLOWS	
GASB 75	575,011
GASB 68 Pension	527,272
TOTAL DEFERRED INFLOWS	1,102,283
TOTAL LIABILITIES AND DEFERRED INFLOWS	19,393,732
NET POSITION	
Net Investment in Capital Assets	4,577,469
Unrestricted	(3,282,791)
TOTAL NET POSITION	$ 1,294,678

The accompanying notes are an integral part of these financial statements.

SCOTTS VALLEY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

	June 30, 2024
Total Fund Balances - Governmental Funds	$ 7,373,518
Capital Assets used in Governmental Funds are not financial resources and therefore are not reported as assets in the Governmental Funds.	
Total Historical Cost of Capital Assets	9,708,001
Less: Accumulated Depreciation	(5,130,532)
Compensated Absences are reported in the Government-Wide Statement of Net Assets, but they do not require the use of current financial resources. Therefore, the liability is not reported in Governmental Funds.	(288,999)
Deferred Outflows not due and receivable in the current period and therefore are not reported as an asset in the governmental funds. This is comprised of GASB 68 Pension Outflows. Deferred Outflows at June 30 was:	8,612,221
Some Deferred Inflows are not due in the current period and therefore, are not reported as liabilities in the governmental funds.This is comprised of GASB 68 Pension Inflows. Net Deferred Inflows at June 30 was:	(1,102,283)
Long-term liabilities are not due in the current period and therefore, are not reported as liabilities in the governmental funds.	(17,877,248)
Net Position	$ 1,294,678

The accompanying notes are an integral part of these financial statemnets

Scotts Valley Fire Protection District
Statement of Activities
For the Year-Ended
June 30, 2024

		Operating Revenues		
2024	**Expenses**	**Charges for Services**	**Grants and Contributions and Fire Fee**	Excess of Revenues/(Expenses)
Governmental Activities				
Public Protection	$ 9,182,248	$ 280,217	1,357,397	$ (7,544,634)
Depreciation (Unallocated)	286,344	-	-	(286,344)
Total Governmental Activites				(7,830,978)
General Revenues:				
Tax Revenue				10,617,541
Interest & Investment Earnings				166,018
Change in Fair value of investments				-
License, Permits & Rents				30,637
Miscellaneous				(602)
Total General Revenues				10,813,594
NET CHANGE IN NET POSITION				2,982,616
NET POSITION, BEGINNING OF YEAR				(1,687,938)
NET POSITION, END OF YEAR				$ 1,294,678

The accompanying notes are an integral part of these financial statements.

SCOTT'S VALLEY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

	June 30, 2024
Net Change in Fund Balances - Total Governmental Funds	2,324,686
Amounts reported for governmental activities in the Statement of Activities are different as follows:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense during the year	
Current Year Capital Outlays	90,545
Less: Current Year Depreciation Expense	(286,344)
In the Governmental Funds revenues are measured by the amount of financial resources received. In the Government-Wide Statement of Activities, revenues are measured by the amounts earned during the year	227,744
In the Governmental Funds CalPers expenditures are measured by the amount of financial resources used, which is the amounts actually paid. In the Government-Wide Statement of Activities, CalPers expenditures are measured by the amounts expensed during the year	338,336
In the Governmental Funds OPEB expenditures are measured by the amount of financial resources used, which is the amounts actually paid. In the Government-Wide Statement of Activities, OPEB expenditures are measured by the amounts expensed during the year	300,653
In the Governmental Funds compensated absences (sick pay and vacation) are measured by the amount of financial resources used, which is the amounts actually paid. In the Government-Wide Statement of Activities, compensated absences are measured by the amounts earned during the year	(13,004)
Repayment of principle on long-term liabilities is an expenditure for Governmental funds, but the repayment reduces long-term liabilities on the Government-Wide Statement of Net Position. Principle payments made on long-term liabilities during the year consist of:	-
Change in Net Position of Governmental Activities	$ 2,982,616

FIDUCIARY FUNDS FINANCIAL STATEMENTS
SCHMIT

Scotts Valley Fire Protection District

Statement of Fiduciary Net Position
SCHMIT
June 30, 2024

ASSETS	**2024**
Current Assets:	
Cash	$ 393,893
Total Current Assets	393,893
Capital Assets:	
Firefighting Equipment	411,631
Computer Equipment	948
Less: Accumulated Depreciation	(396,586)
Total Capital Assets	15,993
TOTAL ASSETS	409,886
LIABILITIES	
Current Liabilities:	
Accounts Payable	-
Total Current Liabilities	-
TOTAL LIABILITIES	-
NET POSITION	
SCHMIT Fund	409,886
TOTAL NET POSITION	$ 409,886

The accompanying notes are an integral part of these financial statements.

Scotts Valley Fire Protection District

Statement of Activities & Change in Fiduciary Net Position - Fiduciary Funds
SCHMIT
For the Year Ended
June 30, 2024

	2024 Fiduciary Fund
ADDITIONS	
Aid from other government agencies	$ 261,795
Use of Money and Property (Interest)	14,915
TOTAL ADDITIONS	276,710
DEDUCTIONS	
Depreciation	18,670
Services, Supplies and Refunds	144,683
TOTAL DEDUCTIONS	163,353
CHANGE IN NET POSITION	113,357
NET POSITION, BEGINNING OF YEAR	296,529
NET POSITION, END OF YEAR	$ 409,886

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Organization

The Scotts Valley Fire Protection District was organized July 17, 1956, under the authority of Section 56000 et. seq. of the California Government Code, in conformity with the Health and Safety Code, Sections 14001 et. seq. and was reorganized in September 1987 in conformity with the Health and Safety Code, Sections 13801 et. seq. The District provides fire protection for the City of Scotts Valley and vicinity.

The Special Fire Protection Zone A was organized December 22, 1969, in conformity with the Health and Safety Code, Sections 13991 et. seq. The boundaries of the fire zone fall totally within Scotts Valley Fire Protection District. By Resolution2003-2 the funding derived from Zone A may be used for capital improvements, where a beneficial relationship to Zone A can be demonstrated as established during the annual budget hearings.

During the fiscal year ended June 30, 2002, the Santa Cruz Hazardous Materials Interagency Team (SCHMIT) was formed. The District has been appointed as the Program Manager for SCHMIT. As program manager, the District is acting as the fiscal agent. The District accounts for all receipts and disbursements for SCHMIT, a separate Fiduciary Fund of the District.

Accounting Records

The official accounting records of the District are maintained in the office of the Auditor-Controller of the County of Santa Cruz. Supporting documents are maintained by the District.

Minutes

Minutes were recorded for meetings and contained approvals for disbursements.

Budgetary Procedure

The District prepares a fiscal year budget in accordance with applicable laws and regulations.

Note 1 - Significant Accounting Policies

Accounting Principles

The financial statements of the Scotts Valley Fire Protection District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the District are described below.

Basis of Accounting and Measurement Focus

The Budget of the District are organized on the basis of funds, or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Financial Statement Presentation

Government-Wide Financial Statements

The District Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The District's governmental-wide fund balance is classified in the following categories:

> Net Investment in Capital Assets - Includes amount of the fund balance that is invested in capital assets net of any related debt.
>
> Restricted - Includes amounts that can be spent only for the specific purposes stipulated by a formal action of the government's highest level of decision-making authority, external resource providers, constitutionally, or through enabling legislation.
>
> Unrestricted - Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Nonspendable - Includes amounts that are not in a spendable form or are required to be maintained intact.

Restricted - Includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation.

Committed - Includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government take the same formal action that imposed the constraint originally.

Assigned - Includes amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates authority.

Unassigned - Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

Fiduciary Fund Financial Statements

The District entered into an arrangement whereby the District reports resources held and administered by the District in a fiduciary capacity for the Santa Cruz Hazardous Materials Interagency Team (SCHMIT). Per definition, the resources held under this agreement are not available to support the District's own programs. Fiduciary Fund financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position.

The basic financial statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Fiduciary Fund's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period the liability is incurred.

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position first.

Budgets and Budgetary Accounting

The District prepares a fiscal year budget in accordance with applicable laws and regulations.

Pooled Cash and Investments

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds monthly using a formula based on the average daily balance of each fund

The California Government Code requires California banks and savings and loan associations to secure the County's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such a collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the County's name.

Accounts Receivable

On an accrual basis, revenues are recognized in the fiscal year in which the services are rendered. The District has not established an allowance for uncollectable receivables for Governmental or Grant Funds since prior experience has shown that uncollectable receivables are not significant.

Prepaid Expenditures

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures in the period benefited.

Capital Assets

Capital assets, which include land, buildings, improvements, and equipment are reported in the Government-Wide financial statements. Capital Assets are recorded at historical cost or estimated historical cost, if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. The District had set capitalization thresholds for reporting capital assets at the following:

Structures	$5,000	
Equipment	5,000	
Improvements	5,000	or 20% of cost of existing asset (lesser of)

Depreciation is recorded on the straight-line method (with no depreciation applied to the first year of acquisition) over the useful lives of the assets as follows:

Station and Improvements	15-40 years

Equipment	3-40 years
Mobile Equipment	10-20 years

Inventory, Materials, and Supplies

The inventory on hand at any time is small. Accordingly, purchases are charges directly to fixed assets or to maintenance costs, as applicable.

Liability for Compensated Absences

The District is required to recognize a liability for employees' rights to receive compensation for future absences. All vacation and vested sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

District Special Expense

Because fire hose couplings and nozzles are peculiar to fire districts, the manual of the State Controller provides that purchases of such items be charged to the expense account "District Special Expense".

Unrealized Gains and Losses

Governmental Accounting Standards Board (GASB) has established GASB-31 which requires public agencies to report the financial effect of all unrealized gains and losses on invested funds. As of June 30, 2024 the unrealized gains for Scotts Valley Fire Protection District were not considered to be material to the financial statements taken as a whole, and accordingly, has not been reflected in the financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred outflow/inflows of resources, represents an acquisition/disposition of net position that applies to future period(s) and will not be recognized as an outflow/inflow of resources until that time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position

Property Taxes

The County of Santa Cruz assesses properties, bills, and collects property taxes for the District. Assessed values are determined annually by the County Assessor as of March 1, and become a lien on real property as of that date. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. The County bills and collects property taxes and remits them to the District under the state authorized method of apportioning taxes whereby all local agencies, including special districts, receive for the County their respective shares of the amount of ad valorem taxes collected.

Estimates

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

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2 – Cash

Summary of Cash

	June 30, 2024 Value
County Cash	$ 7,474,843
Petty Cash	100
Total	$ 7,474,943

Investment Policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The District does not have an investment policy that addresses its interest rate risk, credit risk, and concentration of credit risk.

Investment in the County of Santa Cruz's Investment Pool: The District maintains its cash in County of Santa Cruz's cash and investment pool which is managed by the Santa Cruz County Treasurer. The District's cash balances invested in the Santa Cruz County Treasurer's cash and investment pool are stated at amortized cost, which approximates fair value. Santa Cruz County does not invest in any derivative financial products. The Santa Cruz County Treasury Investment Oversight Committee (Committee) has oversight responsibility for Santa Cruz County's cash and investment pool. The value of pool shares in Santa Cruz County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool.

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 to changes in market interest rates.

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 issued by a nationally recognized statistical rating organization. The County's investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Risk: Custodial risk is the risk that the government will not be able to recover its deposits or the value of its investments that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect deposits or investment in securities through the use of government investment pools (such as the County's investment pool).

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

Note 3 –Accounts Receivable

On June 30, 2024, the District had $23,778 in Accounts Receivable. No allowance for doubtful accounts had been recorded per historical collections

Note 4 – Capital Assets

The District believes that sufficient detail of Capital assets balances is provided in the financial statements to avoid obscuring of significant components by aggregation

Note 5 – Compensated Absences

On June 30, 2024, the liability for compensated absences was $288,999.

Note 6 - Changes in Long-term debt

A summary of long-term debt transactions of Scotts Valley Fire Protection District for the year ended June 30, 2024 is as follows:

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Balance July 1,	Reductions/ Additions	Reductions/ Additions	Balance June 30,
Accumulated Unpaid Compensated Absences	$ 275,996	$ 13,003	$ -	$ 288,999
Net Other Post Employment Benefits Obligation	$ 1,428,111	$ -	$ 153,304	$ 1,274,807
CalPERs UAL	$ 7,133,352	$ -	$ 153,304	$ 6,980,048

Note 7 - Public Employees' retirement Plan:

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Comprehensive Annual Financial Report, which is available online at www.calpers.ca.gov.

The Plan consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the Scotts Valley Fire Protection District. The Scotts Valley Fire Protection District's employer rate plans in the miscellaneous risk pool include the Miscellaneous plan (Miscellaneous) and the PEPRA Miscellaneous plan (PEPRA Misc.). The Scotts Valley Fire Protection District's employer rate plans in the safety risk pool include the Safety plan (Safety) and the PEPRA Safety Fire plan (PEPRA Fire).

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

Employer Rate Plans in the Miscellaneous Risk Pool

Employer rate plan	**Miscellaneous**	**PEPRA Misc.**
Hire Date	Prior to January 01, 2013	On or after January 01, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52
Monthly benefits, as of % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%

Employer Rate Plans in the Safety Risk Pool

Employer rate plan	**Safety**	**PEPRA Fire**
Hire Date	Prior to January 01, 2013	On or after January 01, 2013
Benefit formula	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	50
Monthly benefits, as of % of eligible compensation	2.4% to 3.0%	2.0% to 2.7%

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS’ annual actuarial valuation process. Each employer rate plan’s actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan’s allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The Scotts Valley Fire Protection District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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

The Scotts Valley Fire Protection District's net pension liability for each risk pool is measured as the proportionate share of each risk pool's net pension liability. GASB 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer's proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer's rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

In determining an employer's proportionate share, the employer rate plans included in the Plan were assigned to either the Miscellaneous or Safety risk pool. Estimates of the total pension liability and the fiduciary net position were first determined for the individual rate plans and each risk pool as of the valuation date, June 30, 2023. Each employer rate plan's fiduciary net position was subtracted from its total pension liability to obtain its net pension liability as of the valuation date. The Scotts Valley Fire Protection District's proportionate share percentage for each risk pool at the valuation date was calculated by dividing the Scotts Valley Fire Protection District's net pension liability for each of its employer rate plans within each risk pool by the net pension liability of the respective risk pool as of the valuation date.

The Scotts Valley Fire Protection District's proportionate share of the net pension liability as of June 30, 2020, the measurement date, was calculated as follows:

> Each risk pool's total pension liability was computed at the measurement date, June 30, 2020, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for each risk pool at the measurement date was determined by CalPERS' Financial Office. The net pension liability for each risk pool at June 30, 2020, was computed by subtracting the respective risk pool's fiduciary net position from its total pension liability.
>
> The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2023, was calculated by applying Scotts Valley Fire Protection District's proportionate share percentage as of the valuation date (described above) to the respective risk pool's total pension liability and fiduciary net position as of June 30, 2023, to obtain the total pension liability and fiduciary net position as of June 30, 2023. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

Scotts Valley Fire Protection District

Ending Balances - Net Pension Liability & Deferred Outflows/Deferred Inflows of Resources Related to Pensions - 6/30/2024 Reporting Date:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	929,277	-
Differences between Expected and Actual Experience	1,064,739	-
Differences between Projected and Actual Investment Earnings	2,182,290	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	526,042
Change in Employer's Proportion	667,973	-
Pension Contributions Made Subsequent to Measurement Date	1,791,598	-
	6,635,876	526,042
Net Pension Liability as of 6/30/2024	15,917,297	

Branciforte Fire Protection District

Ending Balances - Net Pension Liability & Deferred Outflows/Deferred Inflows of Resources Related to Pensions - 6/30/2024 Reporting Date:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	39,986	-
Differences between Expected and Actual Experience	45,996	-
Differences between Projected and Actual Investment Earnings	93,762	-
Differences between Employer's Contributions and Proportionate Share of Contributions	32,105	-
Change in Employer's Proportion	-	1,230
Pension Contributions Made Subsequent to Measurement Date	91,582	-
	303,431	1,230
Net Pension Liability as of 6/30/2024	685,143	

Scotts Valley Fire Protection District

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Scotts Valley Fire Protection District

Pension Expense as of June 30, 2024	2,919,042

At 6/30/2024, proportionate shares of Net Pension Liability/(Asset) by plan(s):

	Proportionate Share of Net Pension Liability/(Asset)
Miscellaneous	160,096
Safety	15,757,201
Total	**15,917,297**
	-

Proportionate share of the Net Pension Liability/(Asset) for the Plan as of 6/30/2023 and 6/30/2024:

	Miscellaneous	Safety	Total
Proportion - June 30, 2023	0.00527%	0.21041%	0.12730%
Proportion - June 30, 2024	0.00320%	0.21080%	0.12759%
Change - Increase/(Decrease)	-0.00207%	0.00039%	0.00029%

Note: Due to the nature of calculating proportionate share of the Net Pension Liability/(asset), total proportion for all employer plans will not equal the sum of the miscellaneous proportion % and the safety proportion %

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

Fiscal Year Ending June 30:	Miscellaneous	Safety	Total
2025	$ (35,621)	$ 1,487,530	$ 1,451,909
2026	(29,706)	1,045,840	1,016,134
2027	(4,350)	1,793,611	1,789,261
2028	744	60,188	60,932
2029	-	-	-
Thereafter	-	-	-
	(68,933)	4,387,169	$ 4,318,236

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate:

	Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Employer's Net Pension Liability/(Asset) - **Miscellaneous**	324,603	160,096	24,692
Employer's Net Pension Liability/(Asset) - **Safety**	23,520,874	15,757,201	9,409,847
Employer's Net Pension Liability/(Asset) - **Total**	23,845,477	15,917,297	9,434,538
	-	-	-

Branciforte Fire Protection District

Pension Expense as of June 30, 2024	206,821

At 6/30/2024, proportionate shares of Net Pension Liability/(Asset) by plan(s):

	Proportionate Share of Net Pension Liability/(Asset)
Miscellaneous	-
Safety	685,143
Total	**685,143**
	-

Proportionate share of the Net Pension Liability/(Asset) for the Plan as of 6/30/2023 and 6/30/2024:

	Miscellaneous	Safety	Total
Proportion - June 30, 2023	0.00000%	0.00980%	0.00980%
Proportion - June 30, 2024	0.00000%	0.00917%	0.00917%
Change - Increase/(Decrease)	0.00000%	-0.00063%	-0.00063%

Note: Due to the nature of calculating proportionate share of the Net Pension Liability/(asset), total proportion for all employer plans will not equal the sum of the miscellaneous proportion % and the safety proportion %

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

Fiscal Year Ending June 30:	Miscellaneous	Safety	Total
2025	$ -	$ 75,719	$ 75,719
2026	-	53,236	53,236
2027	-	79,046	79,046
2028	-	2,617	2,617
2029	-	-	-
Thereafter	-	-	-
	-	210,618	$ 210,618

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate:

	Discount Rate -1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Employer's Net Pension Liability/(Asset) - **Miscellaneous**	-	-	-
Employer's Net Pension Liability/(Asset) - **Safety**	1,214,855	685,143	252,065
Employer's Net Pension Liability/(Asset) - **Total**	1,214,855	685,143	252,065
	-	-	-

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The collective total pension liability was based on the following assumptions:

Investment rate of return	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality rate table[1]	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

[1]The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan 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 employer rate plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, *GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2018 based on June 30, 2017 Valuations,* that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 6.90% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.05%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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

In determining the long-term expected rate of return, CalPERS took into account both short- term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 11 years) and the long-term (60 years) using a building-block approach. Using the expected nominal returns for both short-term and long- term, the present value of benefits was calculated for the Plan. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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.

The expected real rates of return by asset class are as followed:

Asset class	Assumed Asset Allocation	Real Return Years 1 - 10[1,2]
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)

[1] An expected inflation of 2.30% used for this period.
[2] Figures are based on the 2021-22 Asset Liability Management study.

SCHEDULE OF THE SCOTTS VALLEY FIRE PROTECTION DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

LAST TEN YEARS*

SAFETY	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.210800%	0.210410%	0.200330%	0.183990%	0.177280%	0.172620%	0.100686%	0.100810%	0.095210%
Proportionate share of the net pension liability	$ 15,757,201	$ 14,458,220	$ 7,030,709	$ 12,258,129	$ 11,066,890	$ 10,128,398	$ 9,985,259	$ 8,723,472	$ 6,535,150
Covered - employee payroll - measurement period	$ 3,671,208	$ 3,252,990	$ 3,212,073	$ 3,237,215	$ 3,123,389	$ 3,089,191	$ 3,018,958	$ 2,999,215	$ 2,844,227
Proportionate share of the net pension liability as a percentage of covered pay	429.21%	444.46%	218.88%	378.66%	354.32%	327.87%	330.75%	290.86%	229.77%
Plan fiduciary net position as a percentage of the total pension liability	72.15%	73.11%	85.80%	74.14%	74.95%	75.47%	74.70%	75.36%	80.72%
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution (actuarially determined)	$ 1,753,655	$ 1,675,719	$ 1,522,718	$ 1,368,411	$ 1,202,912	$ 1,020,979	$ 923,886	$ 851,899	$ 726,938
Contributions in relation to the actuarially determined contributions	1,753,655	1,675,719	1,522,718	1,409,318	1,202,912	1,020,979	923,886	851,899	726,938
Contribution deficiency (excess)	$ -	$ -	$ -	$ (40,907)	$ -	$ -	$ -	$ -	$ -
Covered - employee payroll - fiscal year	3,661,705.90	3,671,207.52	3,252,990.00	3,212,073.00	$ 3,237,215	$ 3,123,389	$ 3,089,191	$ 3,018,958	$ 2,999,215
Contributions as a percentage of covered - employee payroll	47.89%	45.64%	46.81%	42.60%	37.16%	32.69%	29.91%	28.22%	24.24%

Misc.	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.003200%	0.005270%	0.005410%	0.005090%	0.004950%	0.004850%	0.004620%	0.004600%	0.004611%
Proportionate share of the net pension liability	$ 160,096	$ 246,479	$ 102,644	$ 214,664	$ 198,412	$ 182,742	$ 188,159	$ 161,983	$ 123,372
Covered - employee payroll - measurement period	$ 191,320	$ 187,569	$ 171,369	$ 158,405	$ 154,625	$ 171,988	$ 138,063	$ 107,963	$ 99,863
Proportionate share of the net pension liability as a percentage of covered pay	83.68%	131.41%	59.90%	135.52%	128.32%	106.25%	136.28%	150.04%	123.54%
Plan fiduciary net position as a percentage of the total pension liability	86.83%	77.73%	89.57%	76.75%	77.25%	76.69%	74.57%	75.54%	79.75%
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution (actuarially determined)	$ 37,943	$ 42,231	$ 41,361	$ 36,294	$ 30,992	$ 29,320	$ 19,103	$ 16,335	$ 13,592
Contributions in relation to the actuarially determined contributions	37,943	42,231	41,361	36,294	30,992	29,320	19,103	16,335	13,592
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered - employee payroll - fiscal year	$ 200,822	$ 191,320	$ 187,569	$ 171,369	$ 158,405	$ 154,625	$ 171,988	$ 138,063	$ 107,963
Contributions as a percentage of covered - employee payroll	18.89%	22.07%	22.05%	21.18%	19.57%	18.96%	11.11%	11.83%	12.59%

Notes to Schedule:

Changes of benefit terms – There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Changes in assumptions – In 2022, the accounting discount rate reduced from 7.15 percent to 6.90 percent.

Note 8 – Post Retirement Benefits:

In addition to the pension benefits described in Note 6, Employees' Retirement Plan, the District provides medical insurance to some retired employees. The scope of the benefits provided depends on the memorandum of understanding between the District and the various employee groups.

Plan Description

The District provides contributions for post retirement health, dental, and life to some retired employees. The scope of the benefits provided depends on the memorandum of understanding between the District and the various employees.

Current Accounting and Funding Policy of the Plan

The District had previously financed the plan on a pay-as-you-go basis and the expenditures for post-retirement benefits other than pension benefits are recognized as payments are made. During the year ended June 30, 2024, expenditures of approximately $79,175 were paid for post-employment benefits other than pension benefit.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events in the future. The actuarial assumptions included (a) Demographic assumptions affected by mortality, turnover, disability, and retirement based on the June 30, valuation.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern on sharing benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective on the calculations.

APPENDIX C: GASB 74/75 ACCOUNTING ENTRIES AND DISCLOSURES

This report does not necessarily include the entire accounting values. As mentioned earlier, there are certain deferred items that are employer-specific. The District should consult with its auditor if there are any questions about what, if any, adjustments may be appropriate.

GASB 74/75 include a large number of items that should be included in the Note Disclosures and Required Supplementary Information (RSI) Schedules. Many of these items are outside the scope of the actuarial valuation. However, following is information to assist the District in complying with GASB 74/75 disclosure requirements:

Paragraph 50: **Information about the OPEB Plan**

Most of the information about the OPEB plan should be supplied by Scotts Valley Fire Protection District. Following is information to help fulfill Paragraph 50 reporting requirements.

50.c: Following is a table of plan participants

	Number of Participants
Inactive Employees Currently Receiving Benefit Payments	18
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments*	0
Participating Active Employees	32
Total Number of participants	50

*We were not provided with information about any terminated, vested employees

Paragraph 51: **Significant Assumptions and Other Inputs**

Shown in Part III.

Paragraph 52: **Information Related to Assumptions and Other Inputs**

The following information is intended to assist Scotts Valley Fire Protection District in complying with the requirements of Paragraph 52.

52.b: Mortality Assumptions Following are the tables the mortality assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Mortality Table	2021 CalPERS Mortality for Miscellaneous and Schools Employees
Disclosure	The mortality assumptions are based on the 2021 CalPERS Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

Mortality Table	2021 CalPERS Mortality for Safety Employees
Disclosure	The mortality assumptions are based on the 2021 CalPERS Mortality for Safety Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

Mortality Table	2021 CalPERS Retiree Mortality for Safety Employees
Disclosure	The mortality assumptions are based on the 2021 CalPERS Retiree Mortality for Safety Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

52.c: Experience Studies Following are the tables the retirement and turnover assumptions are based upon. Inasmuch as these tables are based on appropriate populations, and that these tables are used for pension purposes, we believe these tables to be the most appropriate for the valuation.

Retirement Tables

Retirement Table	2021 CalPERS 2.0%@55 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2021 CalPERS 2.0%@55 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Retirement Table	2021 CalPERS 2.0%@62 Rates for Miscellaneous Employees
Disclosure	The retirement assumptions are based on the 2021 CalPERS 2.0%@62 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Retirement Table	2021 CalPERS 2.7%@57 Rates for Fire Employees
Disclosure	The retirement assumptions are based on the 2021 CalPERS 2.7%@57 Rates for Fire Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Retirement Table	2021 CalPERS 3.0%@55 Rates for Fire Employees
Disclosure	The retirement assumptions are based on the 2021 CalPERS 3.0%@55 Rates for Fire Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Turnover Tables

Turnover Table	2021 CalPERS Turnover for Fire Employees
Disclosure	The turnover assumptions are based on the 2021 CalPERS Turnover for Fire Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Turnover Table	2021 CalPERS Turnover for Miscellaneous Employees
Disclosure	The turnover assumptions are based on the 2021 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

For other assumptions, we use actual plan provisions and plan data.

52.d: The alternative measurement method was not used in this valuation.

52.e: NOL using alternative trend assumptions The following table shows the Net OPEB Liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation.

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	$1,167,552	$1,274,807	$1,412,030

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

The following table shows the reconciliation of the June 30, 2023 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2024 NOL. For some plans, it will provide additional detail and transparency beyond that shown in the table on Page 2.

	TOL	*FNP*	*NOL*
Balance at June 30, 2023	**$2,047,694**	**$619,582**	**$1,428,112**
Service Cost	$47,077	$0	$47,077
Interest on Total OPEB Liability	$126,769	$0	$126,769
Expected Investment Income	$0	$43,549	($43,549)
Administrative Expenses	$0	($584)	$584
Employee Contributions	$0	$0	$0
Employer Contributions to Trust	$0	$155,000	($155,000)
Employer Contributions as Benefit Payments	$0	$85,861	($85,861)
Benefit Payments from Trust	$0	$0	$0
Expected Benefit Payments from Employer	($85,861)	($85,861)	$0
Expected Balance at June 30, 2024	**$2,135,679**	**$817,547**	**$1,318,132**
Experience (Gains)/Losses	($29,107)	$0	($29,107)
Changes in Assumptions	($1,892)	$0	($1,892)
Changes in Benefit Terms	$0	$0	$0
Investment Gains/(Losses)	$0	$12,326	($12,326)
Other	$0	$0	$0
Net Change during 2024	$56,986	$210,291	($153,305)
Actual Balance at June 30, 2024*	**$2,104,680**	**$829,873**	**$1,274,807**

* May include a slight rounding error.

Changes in the NOL arising from certain sources are recognized on a deferred basis. The deferral history for Scotts Valley Fire Protection District is shown beginning on page 25. The following table summarizes the beginning and ending balances for each deferral item. The current year expense reflects the change in deferral balances for the measurement year.

Deferred Inflow/Outflow Balances Fiscal Year Ending June 30, 2024

	Beginning Balance	*Change Due to New Deferrals*	*Change Due to Recognition*	*Ending Balance*
Experience (Gains)/Losses	($162,274)	($29,107)	$22,626	($168,755)
Assumption Changes	($426,525)	($1,892)	$76,680	($351,737)
Investment (Gains)/Losses	$69,449	($12,326)	($19,747)	$37,376
Deferred Balances	($519,350)	($43,325)	$79,559	($483,116)

The following table shows the reconciliation of Net Position (NOL less the balance of any deferred inflows or outflows). When adjusted for contributions, the change in Net Position is equal to the OPEB expense shown previously on page 3.

OPEB Expense Fiscal Year Ending June 30, 2024

	Beginning Net Position	*Ending Net Position*	*Change*
Net OPEB Liability (NOL)	$1,428,112	$1,274,807	($153,305)
Deferred Balances	($519,350)	($483,116)	$36,234
Net Position	$1,947,462	$1,757,923	($189,539)
Adjust Out Employer Contributions			$240,861
OPEB Expense			$51,322

Note 9 – Risk Management

The District is a member of the Santa Cruz County Fire Agencies Insurance Group (the "Group"). In a board meeting on June 19, 2002, the Group approved the return of its self-insurance certificates to the State and to accept a proposal from California Public Entity Insurance Authority (CPEIA) and joint powers authority for both primary and excess workers' compensation coverage. In a resolution dated September 20, 2007 the Santa Cruz Fire Agencies Insurance Group's Board of Directors opted to terminate the CPEA joint power agreement and merge into the CSAC Excess Insurance Authority (CSAC-EIA) Joint Power Agreement. This change was predicated on the decision of CSAC-EIA to restructure their bylaws and JPA agreements, discontinuing the operation of CPEIA member granted automatic approval of inclusion into both the Primary and Excess EIA workers' compensation programs beginning with the July 1, 2007 policy renewals. The relationship between the Group and CSAC-EIA ("the JPA") is such that CSAC-EIA is not a component unit of the Group for reporting purposes.

CSAC-EIA is a joint powers agency (JPA formed pursuant to Section 6500 et seq. of the California Government Code. Members are assessed a contribution for each program in which they participate. Members may be subject to additional supplemental assessments if it is determined that the contributions are insufficient. Members may withdraw from the CSAC-EIA only at the end of a policy period and only if a sixty day written advance note is given. However, CSAC-EIA may cancel a membership at any time upon a two-thirds vote of the Board of Directors and with sixty days written notice. Upon withdrawal or cancellation, a member shall remain liable for additional assessments for the program periods they have participated. CSAC-EIA is governed by a board of directors. The Board controls the operations of CSAC-EIA including adopting and annual budget.

Primary Workers' Compensation - The Primary Workers' Compensation program is a full service program including claims administration. The program blends pooling of workers' compensation claims with purchased stop loss insurance.

Excess Workers' Compensation - CSAC retains responsibility for payment of claims in excess of $125,000 for each member who also participates in the primary workers' compensation program. Claim liabilities are recognized based on the actuarial estimate of expected ultimate claim cost discounted at 6%.

Property and Liability Insurance coverage as of June 30, 2024 is as follows:

Property	Deductible	Limits
Real Property, Including Code Upgrade and On-site Equipment Breakdown	$1,000	Guaranteed Replacement Cost Included
Building Contents and Personal Property	$1,000	
Building and Contents Sublime, Earthquake and Flood	$1,000	$1,000,000 Each loss and each location
Electronic Data Processing		
Business - Personal Property Included	$500	$250,000
Equipment	$500	$250,000
Software	$500	$250,000

Emergency Services	Deductible	Limits
Commandeered and Impounded Property		Larger of Actual Value or Liability
Scheduled Equipment Floater: Miscellaneous Portable Equipment	$250	Guaranteed Replacement Cost (Unlimited)
Public Employee Dishonesty/Fidelity Bond		$250,000
Employee Benefits Liability		$1,000,000
Automobile Comprehensive	$250/1,000	Agreed Value or ACV
Automobile Collision	$250/1,000	Agreed Value or ACV
Liability		
Commercial/General Liability Each Occurrence		$1,000,000
General Aggregate Limit		$10,000,000
Automobile Coverage -		
Combined Single Limit		$1,000,000
Uninsured/Underinsured Motorists		$1,000,000
Excess Liability Coverage -		
Operation, Aggregate, Automobile and Public Offices Errors and Omissions, Occurrence		$5,000,000 Each Occurrence $10,000,000 Aggregate
Public Officials Errors and Omissions/Management Liability including Emergency Services Liability - Occurrence, Aggregate - Primary		$1,000,000 Each Wrongful Act $10,000,000 Aggregate
Medical Expense (Any one person)		$5,000
Valuable Papers/Records		$250,000
Loss of Income - Extra Expense		Actual Cost
Money and Securities	$250	$25,000
Uncollected Funds		$250,000
Personnel:		
Workers' Compensation		Statutory
PERS Health to 12/31/05, FDAC EBA from 1/1/06 to current		Per Policy
Dental		Per Policy
Term Life Insurance		Per Policy

Note 10 – District Consolidation

On December 10, 2023 Branciforte Fire Protection District was reorganized as part of the Scotts Valley Fire Protection District. On this date all assets and liabilities of the District became the responsibility of Scotts Valley Fire Protection District.

Note 11 – Subsequent Events

The District's management has evaluated events and transactions subsequent to June 30, 2024 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through **September 6, 2024**, the date the financial statements because available to be issued. The entity has not evaluated subsequent events after **September 6, 2024**.

Scotts Valley Fire Protection District

Supplemental Information

June 30, 2024

Scotts Valley Fire Protection District

Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - General Fund
For the Year Ended
June 30, 2024

REVENUE	Budget	Actual	Variance
Tax Revenue	$ 8,434,588	$ 10,462,043	$ 2,027,455
Charges for Service	537,000	280,217	(256,783)
Interest & Investment Earnings	5,000	103,163	98,163
District Consolidation Contribution	741,583	256,727	(484,856)
License & Permits	51,200	30,637	(20,563)
Grants & Contributions	-	-	-
Miscellaneous	2,500	9,121	6,621
TOTAL REVENUE	9,771,871	11,141,908	1,370,037
EXPENDITURES			
Capital Assets	1,000,000	-	1,000,000
Debt Service:			
Principle	-	-	-
Interest	-	-	-
Professional Fees	228,100	134,969	93,131
Salaries and Employee Benefits	9,271,671	8,694,336	577,335
Repairs and Maintenance	235,262	225,803	9,459
Insurance	72,308	57,538	14,770
Services, Supplies and Refunds	720,756	451,445	269,311
TOTAL EXPENDITURES	11,528,097	9,564,091	964,006
Excess (Deficit) Revenues over Expenditures	(1,756,226)	1,577,817	
Transfer In/(Out)	462,500	-	
CHANGE IN FUND BALANCE	(1,293,726)	1,577,817	
FUND BALANCE, BEGINNING OF YEAR		3,672,357	
FUND BALANCE, END OF YEAR		$ 5,250,174	

Scotts Valley Fire Protection District

Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - Capital
For the Year Ended
June 30, 2024

REVENUE	Budget	Actual	Variance
Tax Revenue	$ 145,323	$ 155,498	$ 10,175
Charges for Service	-	-	-
Interest & Investment Earnings	1,000	62,856	61,856
Fire Protection Tax	-	80,789	80,789
License & Permits	-	-	-
Grants & Contributions	-	750,304	750,304
Miscellaneous	-	54,891	54,891
TOTAL REVENUE	146,323	1,104,338	958,015
EXPENDITURES			
Capital Assets	190,500	90,545	99,955
Debt Service:			
Principle	-	-	-
Interest	-	-	-
Professional Fees	743,652	134,089	609,563
Salaries and Employee Benefits	-	-	-
Repairs and Maintenance	50,000	65,770	(15,770)
Insurance	-	-	-
Services, Supplies and Refunds	229,000	67,064	161,936
TOTAL EXPENDITURES	1,213,152	357,468	855,684
Excess (Deficit) Revenues over Expenditures	(1,066,829)	746,870	
Transfer In/(Out)	-	-	
CHANGE IN FUND BALANCE	(1,066,829)	746,870	
FUND BALANCE, BEGINNING OF YEAR		1,376,474	
FUND BALANCE, END OF YEAR		$ 2,123,344	

Scotts Valley Fire Protection District

Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual - SCHMIT
For the Year Ended
June 30, 2024

Additions	Budget	Actual	Variance
Tax Revenue	$ -	$ -	$ -
Charges for Service	-	-	-
Interest & Investment Earnings	400	14,915	14,515
License & Permits	-	-	-
Aid from other government agencies	261,795	261,795	-
Miscellaneous	-	-	-
TOTAL ADDITIONS	262,195	276,710	14,515
Deductions			
Depreciation	-	18,670	(18,670)
Professional Fees	7,200	7,200	-
Salaries and Employee Benefits	-	-	-
Repairs and Maintenance	28,280	2,496	25,784
Insurance	2,555	2,556	(1)
Services, Supplies and Refunds	309,989	132,431	177,558
TOTAL DEDUCTIONS	348,024	163,353	184,671
CHANGE IN NET POSITION		113,357	
NET POSITION, BEGINNING OF YEAR		296,529	
NET POSITION, END OF YEAR		$ 409,886	

Branciforte Fire Protection District

FINANCIAL STATEMENTS

AUDIT REPORT

December 10, 2023

Branciforte Fire Protection District

Branciforte, CA

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of Branciforte Fire Protection District as of and for the year-ended December 10, 2023, as listed in the Table of Contents. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Branciforte Fire Protection District as of December 10, 2023, and the respective changes in financial position, and cash flows where applicable for the years then ended, in conformity 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 (GAAS). 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 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

The District's management is responsible for the preparation and fair presentation of these 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 District's ability to continue as a going concern for twelve months beyond the financial statem ent 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 GAAS 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,

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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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 District's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

The District has not presented Management's Discussion and Analysis or budgetary comparison information that accounting principles generally accepted in the United States of America require be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context.

PNPCPA

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<u>**Branciforte Fire Protection District**</u>

Audit Report
December 10, 2023

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GOVERNMENT FUNDS FINANCIAL STATEMENTS

Branciforte Fire Protection District

Balance Sheet
December 10, 2023

	2023 General Fund	2023 Capital Fund
ASSETS		
Assets:		
Cash	$ 257,109	$ 751,730
Accounts Receivable	-	-
Deposits & Prepaid Expenses	-	-
TOTAL ASSETS	257,109	751,730
LIABILITIES & FUND BALANCES		
Liabilities:		
Accounts Payable	382	1,426
Accrued Payroll	-	-
TOTAL LIABILIITES	382	1,426
Fund Balances:		
Unassigned	256,627	750,304
Unspendable	100	-
Committed	-	-
Total Fund Balance	256,727	750,304
TOTAL LIABILITIES & FUND BALANCE	$ 257,109	$ 751,730

The accompanying notes are an integral part of these financial statements.

BRANCIFORTE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

		December 10, 2023
Total Fund Balances - Governmental Funds	$	1,007,031
Capital Assets used in Governmental Funds are not financial resources and therefore are not reported as assets in the Governmental Funds.		
Total Historical Cost of Capital Assets		1,994,282
Less: Accumulated Depreciation		(1,323,106)
Prepaid expenses, some expenditures not due & payable within the current period were paid, those amounts are shown as expended in the governmental funds		-
Compensated Absences are reported in the Government-Wide Statement of Net Assets, but they do not require the use of current financial resources. Therefore, the liability is not reported in Governmental Funds.		(22,781)
Deferred Outflows not due and receivable in the current period and therefore are not reported as an asset in the governmental funds. This is comprised of GASB 68 Pension Outflows. Deferred Outflows at June 30 was:		416,089
Deferred Inflows are not due in the current period and therefore, are not reported as liabilities in the governmental funds.This is comprised of GASB 68 Pension Inflows. Deferred Inflows at June 30 was:		(28,876)
Long-term liabilities are not due in the current period and therefore, are not reported as liabilities in the governmental funds.		(766,031)
Net Position	$	1,276,608

The accompanying notes are an integral part of these financial statemnets

Branciforte Fire Protection District

Statement of Revenues, Expenditures & Change in Fund Balance
For the Year Ended
December 10, 2023

	2023	
REVENUE	**General Fund**	**Capital Fund**
Tax Revenue	$ 482,399	$ -
Fire Protection Tax	-	80,789
Charges for Service	-	-
Interest & Investment Earnings	946	13,772
License & Permits	3,580	-
Grants & Contributions	-	-
Change in Fair Value of Investments	-	-
Miscellaneous	238	-
TOTAL REVENUE	487,163	94,561
EXPENDITURES		
Capital Assets	-	279,509
Debt Service:		
Principle	-	-
Interest	-	-
Salaries and Employee Benefits	623,348	-
Repairs and Maintenance	969	17,576
Services, Supplies and Refunds	109,255	7,592
TOTAL EXPENDITURES	733,572	304,677
Excess (Deficit) Revenues over Expenditures	(246,409)	(210,116)
Transfer in/(out)	-	-
CHANGE IN FUND BALANCE	(246,409)	(210,116)
FUND BALANCE, BEGINNING OF YEAR	503,136	960,420
FUND BALANCE, END OF YEAR	$ 256,727	$ 750,304

The accompanying notes are an integral part of these financial statements.

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

	December 10, 2023
Net Change in Fund Balances - Total Governmental Funds	$ (456,525)
Amounts reported for governmental activities in the Statement of Activities are different as follows:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense during the year	
Current Year Capital Outlays	267,912
Less: Current Year Depreciation Expense	-
In the Governmental Funds CalPers and OPEB expenditures are measured by the amount of financial resources used, which is the amounts actually paid. In the Government-Wide Statement of Activities, CalPers expenditures are measured by the amounts expensed during the year	-
In the Governmental Funds revenues are measured by the amount of financial resources received. In the Government-Wide Statement of Activities, revenues are measured by the amounts earned during the year	-
In the Governmental Funds compensated absences (sick pay and vacation) are measured by the amount of financial resources used, which is the amounts actually paid. In the Government-Wide Statement of Activities, compensated absences are measured by the amounts earned during the year	(2,686)
Repayment of principle on long-term liabilities is an expenditure for Governmental funds, but the repayment reduces long-term liabilities on the Government-Wide Statement of Net Position. Principle payments made on long-term liabilities during the year consist of:	-
Change in Net Position of Governmental Activities	$ (191,299)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Branciforte Fire Protection District

Statement of Net Position
December 10, 2023

ASSETS	**2023**
Current Assets:	
Cash	$ 1,008,839
Accounts Receivable	-
Deposits & Prepaid Expenses	-
Total Current Assets	1,008,839
Capital Assets:	
Land	3,731
Buildings & Improvements	193,013
Firefighting Equipment	1,506,277
Construction in Progess	291,261
Less: Accumulated Depreciation	(1,323,106)
Total Capital Assets	671,176
TOTAL ASSETS	1,680,015
DEFERRED OUTFLOW	
GASB 74/75	4,179
GASB 68 Pension	411,910
TOTAL DEFERRED OUTFLOW	416,089
TOTAL ASSETS AND DEFERRED OUTFLOWS	2,096,104
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,807
Accrued Payroll Liabilities	-
Accrued Compensated Absences	22,781
Total Current Liabilities	24,588
Long-term Liabilities:	
OPEB	92,958
Net Pension Liability	673,073
Total Long-term Liabilities	766,031
TOTAL LIABILITIES	790,619
DEFERRED INFLOWS	
GASB 74/75	22,336
GASB 68 Pension	6,540
TOTAL DEFERRED INFLOWS	28,876
TOTAL LIABILITIES AND DEFERRED INFLOWS	819,495
NET POSITION	
Net Investment in Capital Assets	671,176
Restricted	
Unrestricted	605,433
TOTAL NET POSITION	$ 1,276,609

The accompanying notes are an integral part of these financial statements.

Branciforte Fire Protection District
Statement of Activities
For the Year-Ended
December 10, 2023

	2023			
		Operating Revenues		
	Expenses	Charges for Services	Grants and Contributions	Excess of Revenues/(Expenses)
Governmental Activities				
Public Protection	$ 773,022	$ -	$ -	$ (773,022)
Depreciation (Unallocated)	-	-	-	-
Total Governmental Activites				(773,022)
General Revenues:				
Tax Revenue				482,399
Fire Fee				80,789
Change in Faie Value of Investments				-
Interest & Investment Earnings				14,718
License, Permits & Rents				3,580
Miscellaneous				238
Total General Revenues				581,724
NET CHANGE IN NET POSITION				(191,298)
NET POSITION, BEGINNING OF YEAR				1,467,907
NET POSITION, END OF YEAR				$ 1,276,609

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED December 10, 2023

Organization

The Branciforte Fire Protection District was organized January 7, 1950, under the authority of Section 56000 et. seq. of the California Government Code, in conformity with the Health and Safety Code, Sections 14001 et. seq. and was reorganized in September 1987 in conformity with the Health and Safety Code, Sections 13801 et. seq. The District provides fire protection for the area of Branciforte and vicinity.

Accounting Records

The official accounting records of the District are maintained in the office of the Auditor-Controller of the County of Santa Cruz. Supporting documents are maintained by the District.

Minutes

Minutes were recorded for meetings and contained approvals for disbursements.

Budgetary Procedure

The District prepares a fiscal year budget in accordance with applicable laws and regulations.

Note 1 - Significant Accounting Policies

Accounting Principles

The financial statements of the Branciforte Fire Protection District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the District are described below.

Basis of Accounting and Measurement Focus

The accounts of the District are organized on the basis of funds, or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Financial Statement Presentation

Government-Wide Financial Statements

The District Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The District's governmental-wide fund balance is classified in the following categories:

Net Investment in Capital Assets - Includes amount of the fund balance that is invested in capital assets net of any related debt.

Restricted - Includes amounts that can be spent only for the specific purposes stipulated by a formal action of the government's highest level of decision-making authority, external resource providers, constitutionally, or through enabling legislation.

Unrestricted - Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Nonspendable - Includes amounts that are not in a spendable form or are required to be maintained intact.

Restricted - Includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation.

Committed - Includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government take the same formal action that imposed the constraint originally.

Assigned - Includes amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates authority.

Unassigned - Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position first.

Pooled Cash and Investments

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds monthly using a formula based on the average daily balance of each fund

The California Government Code requires California banks and savings and loan associations to secure the County's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such a collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the County's name.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at cost, as the fair market value adjustment at the yearend was immaterial.

Accounts Receivable

On an accrual basis, revenues are recognized in the fiscal year in which the services are rendered. The District has not established an allowance for uncollectable receivables for Governmental or Grant Funds since prior experience has shown that uncollectable receivables are not significant.

Prepaid Expenditures

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures in the period benefited.

Capital Assets

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

General Capital Assets	$5,000 and or a serviceable life greater than 3 years

Depreciation on all assets is provided on the straight-line basis over and estimated useful life.

Buildings	40 years
Equipment	3-20 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred outflow/inflows of resources, represents an acquisition/disposition of net position that applies to future period(s) and will not be recognized as an outflow/inflow of resources until that time.

Accounts Payable and Accrued Liabilities

On an accrual basis, expenses are recognized in the fiscal year in which the goods or services are received. Payables are liabilities of the District based upon current year charges for goods or services received but not paid in the current year.

Liability for Compensated Absences

The District is required to recognize a liability for employees' rights to receive compensation for future absences. All vacation and vested sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position

Property Taxes

The County of Santa Cruz assesses properties, bills, and collects property taxes for the District. Assessed values are determined annually by the County Assessor as of March 1, and become a lien on real property as of that date. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. The County bills and collects property taxes and remits them to the District under the state authorized method of apportioning taxes whereby all local agencies, including special districts, receive for the County their respective shares of the amount of ad valorem taxes collected.

Special Taxes

On August 30, 2016 the voters approved an amendment to the Districts Special Tax (Meausre T). The tax is to be collected the same as property taxes. The amount to be collected below:

Category	**Amount**
Land/Parcel less than 10,000 square feet	$ 20
Land/Parcel greater than 10,000 square feet and less than 25 acres	80
Land/Parcel greater than 25 acres	120
Improved Residential per single family dwelling	120
Special Charges	
Residential Care Facility per licensed bed	100
Commercial Campground/ Trailer Park per space	25
Hotel, Motel, Hostel of Apartment per sleeping room	$ 25

Estimates

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

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2 – Cash

Summary of Cash

		December 10, 2023
County Cash	$	1,008,739
Petty Cash		100
Deposits in Financial Institutions		-
Total	$	1,008,839

Investment Policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The District does not have an investment policy that addresses its interest rate risk, credit risk, and concentration of credit risk.

Investment in the County of Santa Cruz's Investment Pool: The District maintains its cash in County of Santa Cruz's cash and investment pool which is managed by the Santa Cruz County Treasurer. The District's cash balances invested in the Santa Cruz County Treasurer's cash and investment pool are stated at amortized cost, which approximates fair value. Santa Cruz County does not invest in any derivative financial products. The Santa Cruz County Treasury Investment Oversight Committee (Committee) has oversight responsibility for Santa Cruz County's cash and investment pool. The value of pool shares in Santa Cruz County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District's position in the poll. Investments held in the County's investment pool are available on demand to the District and are stated at cost, which approximates fair value. This investment is not subject to categorization under GASB No. 3.

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 to changes in market interest rates.

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 issued by a nationally recognized statistical rating organization. The County's investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Risk: Custodial risk is the risk that the government will not be able to recover its deposits or the value of its investments that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect deposits or investment in securities through the use of government investment pools (such as the County's investment pool).

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 recoer collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that 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 (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District's deposits were covered by FDIC insurance at June 30, 2021.

Note 3 –Accounts Receivable

On June 30, 2023, the District had $- in Accounts Receivable.
On December 10, 2023, the District had $0 in Accounts Receivable.

Note 4 – Capital Assets

The District believes that sufficient detail of Capital assets balances is provided in the financial statements to avoid obscuring of significant components by aggregation

Note 5 – Accrued Payables

On June 30, 2023, the District had $19,016 in AP.
On December 10, 2023, the District had $1,807 in AP.

Note 6 – Compensated Absences

On June 30, 2023, the liability for compensated absences was $22,781
On December 10. 2023, the liability for compensated absences was $20,095

Note 7 – Changes in Long-term debt

A summary of long-term debt transactions of Branciforte Fire Protection District for the year ended June 30, 2023 and 2023 is as follows:

	Balance July 1, 2023	Reductions/ Additions	December 10, 2023
Accumulated Unpaid Compensated Absences	$ 20,095	$ 2,686	$ 22,781
	$ 20,095		$ 22,781

Note 8 - Public Employees' Retirement Plan:

Plan Description - The Branciforte Fire Protection District's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Branciforte Fire Protection District's defined benefit pension plan is part if the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by the State statutes within the Public Employees' Retirement Law. The Branciforte Fire Protection District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts the benefits though local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office - 400 P Street - Sacramento, CA 95814.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Summary of Significant Accounting Policies

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

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report the following timeframes are used.

Validation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2022 to June 30, 2023

General Information about the Pension Plan

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 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For Public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by the employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Actuarial Methods and Assumptions Used to determine Total Pension Liability

The total pension liability were based on the following actuarial methods and assumptions:

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Investment rate of return	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality rate table[1]	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

[1]The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

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

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The expected real rates of return by asset class are as followed:

Asset class	Assumed Asset Allocation	Real Return Years 1 - 10[1,2]
Global equity - cap-weighted	30.00 %	4.45 %
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)

[1] An expected inflation of 2.30% used for this period.
[2] Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

The expected real rates of return by asset class are as followed:

Asset class[1]	Assumed Asset Allocation	Real Return Years 1 - 10[2]	Real Return Years 11 +[3]
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00	1.00	2.62
Inflation assets	-	0.77	1.81
Private equity	8.00	6.30	7.23
Real assets	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)

[1] In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
[2] An expected inflation of 2.00% used for this period.
[3] An expected inflation of 2.92% used for this period.

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in your GASB 68 accounting valuation report may differ from the plan assets reported in your funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included in fiduciary net position. These amounts are excluded for rate setting purposes in your funding actuarial valuation. In addition, differences may result from early CAFR closing and final reconciled reserves.

Allocation of Net Pension Liability and Pension Expense to Individual Plans

A key aspect of GASB 68 pertaining to cost-sharing employers is the establishment of an approach to allocate the net pension liability and pension expense to the individual employers within the risk pool. Paragraph 49 of GASB 68 indicates that for pools where contribution rates within the pool are based on separate relations ships, the proportional allocation should reflect those relationships. The allocation method utilized by CalPERS determines the employer's share by reflecting these relationships through the plans they sponsor within the risk pool. Plan liability and asset-related information are used where available, and proportional allocations if individual plan amounts as of the valuation date are used where not available.

Ending Balances - Net Pension Liability & Deferred Outflows/Deferred Inflows of Resources Related to Pensions - 6/30/2023 Reporting Date:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	67,866	-
Differences between Expected and Actual Experience	20,547	-
Differences between Projected and Actual Investment Earnings	106,288	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	6,540
Change in Employer's Proportion	33,491	-
Pension Contributions Made Subsequent to Measurement Date	183,718	-
	411,910	6,540
Net Pension Liability as of 6/30/2023	673,073	

NOTE: Detailed breakdown of ending balances by Miscellaneous vs Safety can be found in the **Jul 2022-Jun 2023 JE Flow** worksheet

Branciforte Fire Protection District

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED December 10, 2023

Pension Expense as of June 30, 2023	308,798

At 6/30/2023, proportionate shares of Net Pension Liability/(Asset) by plan(s):

	Proportionate Share of Net Pension Liability/(Asset)
Miscellaneous	-
Safety	673,073
Total	**673,073**

Proportionate share of the Net Pension Liability/(Asset) for the Plan as of 6/30/2022 and 6/30/2023:

	Miscellaneous	**Safety**	**Total**
Proportion - June 30, 2022	0.00000%	0.00610%	0.00610%
Proportion - June 30, 2023	0.00000%	0.00980%	0.00980%
Change - Increase/(Decrease)	0.00000%	0.00369%	0.00369%

Note: Due to the nature of calculating proportionate share of the Net Pension Liability/(asset), total proportion for all employer plans will not equal the sum of the miscellaneous proportion % and the safety proportion %

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

Fiscal Year Ending June 30:	**Miscellaneous**	**Safety**	**Total**
2024	$ -	$ 67,953	$ 67,953
2025	-	56,383	56,383
2026	-	32,479	32,479
2027	-	64,837	64,837
2028	-	-	-
Thereafter	-	-	-
	-	221,652	$ 221,652

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate:

	Discount Rate -1% 5.90%	**Current Discount Rate 6.90%**	**Discount Rate +1% 7.90%**
Employer's Net Pension Liability/(Asset) - **Miscellaneous**	-	-	-
Employer's Net Pension Liability/(Asset) - **Safety**	1,171,301	673,073	265,884
Employer's Net Pension Liability/(Asset) - **Total**	1,171,301	673,073	265,884

SAFETY	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.009800%	0.610000%	0.010720%	0.011480%	0.012480%	0.013250%	0.01458%	0.01680%	0.00185%
Proportionate share of the net pension liability	$ 673,073	$ 214,200	$ 714,102	$ 716,809	$ 732,310	$ 791,453	$ 754,955	$ 693,300	$ 693,956
Covered - employee payroll - measurement period	$ 395,380	$ 303,343	$ 320,008	$ 349,568	$ 488,410	$ 321,171	$ 287,713	$ 237,760	$ 237,760
Proportionate share of the net pension liability as a percentage of covered payroll	170.23%	70.61%	223.15%	205.06%	149.94%	246.43%	262.40%	291.60%	291.87%
Plan fiduciary net position as a percentage of the total pension liability	81.34%	93.69%	74.90%	73.17%	71.02%	77.54%	82.21%	66.88%	63.52%
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 176,281	$ 176,281	$ 150,641	$ 151,654	$ 129,243	$ 133,954	$ 139,004	$ 140,460	$ 140,467
Contributions in relation to the actuarially determined contributions	176,281	176,281	150,641	151,654	129,243	133,954	139,004	140,460	140,467
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered - employee payroll - fiscal year	520,772	395,380	303,343	$ 320,008	$ 349,568	$ 488,410	$ 321,171	$ 287,713	$ 237,760
Contributions as a percentage of covered - employee payroll	33.85%	44.59%	49.66%	47.39%	36.97%	27.43%	43.28%	48.82%	59.08%
Notes to Schedule:									
Valuation date:	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013

Note 9 – Post Retirement Benefits:

In addition to the pension benefits described in Note 6, Employees' Retirement Plan, the District provides medical insurance to some retired employees. The scope of the benefits provided depends on the memorandum of understanding between the District and the various employee groups.

Plan Description

The District provides contributions for post retirement health, dental, and life to some retired employees. The scope of the benefits provided depends on the memorandum of understanding between the District and the various employees.

Current Accounting and Funding Policy of the Plan

The District had previously financed the plan on a pay-as-you-go basis and the expenditures for post-retirement benefits other than pension benefits are recognized as payments are made. During the year ended June 30, 2023, expenditures of approximately $1,692 were paid for post-employment benefits other than pension benefit. During the fiscal-year the District setup a trust to pay for OPEB benefits.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events in the future. The actuarial assumptions included (a) Demographic assumptions affected by mortality, turnover, disability, and retirement based on the June 30, 2019 valuation.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern on sharing benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective on the calculations.

Branciforte Fire Protection District

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED December 10, 2023

The following table shows the reconciliation of the June 30, 2022 Net OPEB Liability (NOL) in the prior valuation to the June 30, 2023 NOL. A more detailed version of this table can be found on page 12.

	TOL	*FNP*	*NOL*
Balance at June 30, 2022 Measurement Date	**$88,897**	**$0**	**$88,897**
Service Cost	$4,443	$0	$4,443
Interest on TOL / Return on FNP	$3,194	$0	$3,194
Employer Contributions	$0	$1,800	($1,800)
Benefit Payments	($1,800)	($1,800)	$0
Administrative Expenses	$0	$0	$0
Experience (Gains)/Losses	$0	$0	$0
Changes in Assumptions	($1,776)	$0	($1,776)
Other	$0	$0	$0
Net Change	$4,061	$0	$4,061
Actual Balance at June 30, 2023 Measurement Date	**$92,958**	**$0**	**$92,958**

Changes in the NOL arising from certain sources are recognized on a deferred basis. The following tables show the balance of each deferral item as of the measurement date and the scheduled future recognition. A reconciliation of these balances can be found on page 12 while the complete deferral history is shown beginning on page 24.

Balances at June 30, 2023 Fiscal Year-End	*Deferred Outflows*	*Deferred Inflows*
Differences between expected and actual experience	$3,682	$0
Changes in assumptions	$497	($22,336)
Differences between projected and actual return on assets	$0	$0
Total	$4,179	($22,336)

To be recognized fiscal year ending June 30:	*Deferred Outflows*	*Deferred Inflows*
2024	$454	($2,156)
2025	$454	($2,156)
2026	$454	($2,156)
2027	$454	($2,156)
2028	$454	($2,156)
Thereafter	$1,909	($11,556)
Total	$4,179	($22,336)

The following presents what the Net OPEB Liability would be if it were calculated using a discount rate assumption or a healthcare trend rate assumption one percent higher or lower than the current assumption.

Net OPEB Liability at June 30, 2023 Measurement Date	*Discount Rate*	*Healthcare Trend Rate*
1% Decrease in Assumption	$110,615	$76,657
Current Assumption	$92,958	$92,958
1% Increase in Assumption	$79,037	$113,950

ACTUARIAL METHODS AND ASSUMPTIONS:

ACTUARIAL COST METHOD: GASB 74/75 require use of the entry age actuarial cost method.

Entry age is based on the age at hire for eligible employees. The attribution period is determined as the difference between the expected retirement age and the age at hire. The APVPBP and present value of future service costs are determined on an employee by employee basis and then aggregated.

To the extent that different benefit formulas apply to different employees of the same class, the service cost is based on the benefit plan applicable to the most recently hired employees (including future hires if a new benefit formula has been agreed to and communicated to employees). This greatly simplifies administration and accounting; as well as resulting in the correct service cost for new hires.

SUBSTANTIVE PLAN: As required under GASB 74 and 75, we based the valuation on the substantive plan. The formulation of the substantive plan was based on a review of written plan documents as well as historical information provided by Branciforte Fire Protection District regarding practices with respect to employer and employee contributions and other relevant factors.

B. ECONOMIC ASSUMPTIONS:

Economic assumptions are set under the guidance of Actuarial Standard of Practice 27 (ASOP 27). Among other things, ASOP 27 provides that economic assumptions should reflect a consistent underlying rate of general inflation. For that reason, we show our assumed long-term inflation rate below.

INFLATION: We assumed 2.50% per year used for pension purposes. Actuarial standards require using the same rate for OPEB that is used for pension.

INVESTMENT RETURN / DISCOUNT RATE: We assumed 3.65% per year net of expenses. This is based on the Bond Buyer 20 Bond Index.

TREND: We assumed 4.00% per year. Our long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more closely in line with general inflation. We do not believe it is reasonable to project historical trend vs. inflation differences several decades into the future.

PAYROLL INCREASE: We assumed 2.75% per year. Since benefits do not depend on salary (as they do for pensions), this assumption is only used to determine the accrual pattern of the Actuarial Present Value of Projected Benefit Payments.

FIDUCIARY NET POSITION (FNP): The following table shows the beginning and ending FNP numbers that were provided by Branciforte Fire Protection District.

Fiduciary Net Position as of June 30, 2023

	06/30/2022	*06/30/2023*
Cash and Equivalents	$0	$0
Contributions Receivable	$0	$0
Total Investments	$0	$0
Capital Assets	$0	$0
Total Assets	$0	$0
Benefits Payable	$0	$0
Fiduciary Net Position	$0	$0

Note 10 – Risk Management

The District is a member of the Santa Cruz County Fire Agencies Insurance Group (the "Group"). In a board meeting on June 19, 2002, the Group approved the return of its self-insurance certificates to the State and to accept a proposal from California Public Entity Insurance Authority (CPEIA) and joint powers authority for both primary and excess workers' compensation coverage. In a resolution dated September 20, 2007 the Santa Cruz Fire Agencies Insurance Group's Board of Directors opted to terminate the CPEA joint power agreement and merge into the CSAC Excess Insurance Authority (CSAC-EIA) Joint Power Agreement. This change was predicted on the decision of CSAC-EIA to restructure their bylaws and JPA agreements, discontinuing the operation of CPEIA member granted automatic approval of inclusion into both the Primary and Excess EIA workers' compensation programs beginning with the July 1, 2007 policy renewals. The relationship between the Group and CSAC-EIA ("the JPA") is such that CSAC0EIA is not a component unit of the Group for reporting purposes.

CSAC-EIA is a joint powers agency (JPA formed pursuant to Section 6500 et seq. of the California Government Code. Members are assessed a contribution for each program in which they participate. Members may be subject to additional supplemental assessments if it is determined that the contributions are insufficient. Members may withdraw from the CSAC-EIA only at the end of a policy period and only if a sixty day written advance note is given. However, CSAC-EIA may cancel a membership at any time upon a two-thirds vote of the Board of Directors and with sixty days written notice. Upon withdrawal or cancellation, a member shall remain liable for additional assessments for the program periods they have participated. CSAC-EIA is governed by a board of directors. The Board controls the operations of CSAC-EIA including adopting and annual budget.

Primary Workers' Compensation - The Primary Workers' Compensation program is a full service program including claims administration. The program blends pooling of workers' compensation claims with purchased stop loss insurance.

Excess Workers' Compensation - CSAC retains responsibility for payment of claims in excess of $125,000 for each member who also participates in the primary workers' compensation program. Claim liabilities are recognized based on the actuarial estimate of expected ultimate claim cost discounted at 6%.

Insurance coverage as of December 10, 2023 is as follows:

Property	Deductible	Limits
Real Property, Including Code Upgrade and On-site Equipment Breakdown	$1,000	Guaranteed Replacement Cost Included
Building Contents and Personal Property	$1,000	
Building and Contents Sublime, Earthquake and Flood	$1,000	$1,000,000 Each loss and each location
Electronic Data Processing		
Business - Personal Property Included	$500	$250,000
Equipment	$500	$250,000
Software	$500	$250,000

Emergency Services	Deductible	Limits
Commandeered and Impounded Property		Larger of Actual Value or Liability
Scheduled Equipment Floater: Miscellaneous Portable Equipment	$250	Guaranteed Replacement Cost (Unlimited)
Public Employee Dishonesty/Fidelity Bond		$250,000
Employee Benefits Liability		$1,000,000
Automobile Comprehensive	$250/1,000	Agreed Value or ACV
Automobile Collision	$250/1,000	Agreed Value or ACV
Liability		
Commercial/General Liability Each Occurrence		$1,000,000

General Aggregate Limit				$10,000,000
Automobile Coverage -				
Combined Single Limit				$1,000,000
Uninsured/Underinsured Motorists				$1,000,000
Excess Liability Coverage -				
Operation, Aggregate, Automobile and Public Offices Errors and Omissions, Occurrence				$5,000,000 Each Occurrence $10,000,000 Aggregate
Public Officials Errors and Omissions/Management Liability including Emergency Services Liability - Occurrence, Aggregate - Primary				$1,000,000 Each Wrongful Act $10,000,000 Aggregate
Medical Expense (Any one person)				$5,000
Valuable Papers/Records				$250,000
Loss of Income - Extra Expense				Actual Cost
Money and Securities		$250		$25,000
Uncollected Funds				$250,000
Personnel:				
Workers' Compensation				Statutory
PERS Health to 12/31/05, FDAC EBA from 1/1/06 to current				Per Policy
Dental				Per Policy
Term Life Insurance				Per Policy

Note 11 – Subsequent Events

The District's management has evaluated events and transactions subsequent to December 10, 2023 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through , the date the financial statements because available to be issued. The entity has not evaluated subsequent events after . The District underwent reorganization with Scotts Valley Fire Protection District.

Branciforte Fire Protection District

Supplemental Information

December 10, 2023

Branciforte Fire Protection District

Statement of Revenues, Expenditures & Change in Fund Balance
Budget and Actual
For the Year Ended
December 10, 2023

REVENUE	Final Budget	General Fund	Variance
Tax Revenue	$ 911,968	$ 482,399	$ (429,569)
Fire Protection Tax	155,000	80,789	(74,211)
Charges for Service	30,000	-	(30,000)
License & Permits	2,500	3,580	1,080
Interest & Investment Earnings	9,000	14,718	5,718
Change in Fair Value of Investments	-	-	-
Miscellaneous	40,000	238	(39,762)
TOTAL REVENUE	1,148,468	581,724	(566,744)
EXPENDITURES			
Capital Assets	829,551	279,509	550,042
Debt Service:			
Principle	-	-	-
Interest	-	-	-
Salaries and Employee Benefits	1,074,921	623,348	451,573
Repairs and Maintenance	73,100	18,545	54,555
Services, Supplies and Refunds	327,700	116,847	210,853
Total Expenditures	2,305,272	1,038,249	1,267,023
CHANGE IN FUND BALANCE	(1,156,804)	(456,525)	
FUND BALANCE, BEGINNING OF YEAR		1,463,556	
FUND BALANCE, END OF YEAR		$ 1,007,031	

7 Erba Lane, Scotts Valley, CA 95066-4199 ● scottsvalleyfire.com ● 831-438-0211

Scotts Valley Fire Protection District

September 6, 2024
Pehling, Zach

Dear Pehling, Zach:

This representation letter is provided in connection with your audit of the SVFPD as of June 30, 2024 and for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of Scotts Valley Fire Protection District in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of September 6, 2024:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement date September 6, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized in the attached schedule[8] and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes,[7] and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have *no knowledge of any* fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have *no knowledge of any* allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We *are not aware of any pending or threatened* litigation, claims, and assessments whose effects should be considered when preparing the financial statements *and we have not consulted legal counsel concerning litigation, claims, or assessments*.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- *There have been no* communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Scotts Valley Fire Protection District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Scotts Valley Fire Protection District is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Scotts Valley Fire Protection District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.

CEPPT Account Update Summary

Scotts Valley Fire Protection District

as of September 30, 2024

CalPERS

CEPPT Account Summary

As of September 30, 2024	Strategy 1	Strategy 2	Total
Initial contribution (05/20/2021)	$0	$150,000	$150,000
Additional contributions	$0	$300,000	$300,000
Disbursements (or Transfers)	$0	$0	$0
CEPPT expenses	$0	($2,272)	($2,272)
Investment earnings	$0	$22,840	$22,840
Total assets (05/20/2021-09/30/2024 = 3.36 years)	$0	$470,568	$470,568

CEPPT/CERBT Investment Returns

Periods Ended August 31, 2024

Fund	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
CERBT Strategy 1 (Inception June 1, 2007)	$19,422,541,229	2.85%	7.18%	5.77%	17.04%	1.78%	7.39%	6.16%	5.59%
Benchmark		2.85%	7.14%	5.76%	16.83%	1.57%	7.14%	5.82%	5.21%
CERBT Strategy 2 (Inception October 1, 2011)	$2,013,137,916	2.65%	6.86%	5.57%	14.50%	0.35%	5.20%	4.96%	6.59%
Benchmark		2.65%	6.83%	5.56%	14.34%	0.21%	5.02%	4.68%	6.34%
CERBT Strategy 3 (Inception January 1, 2012)	$782,925,383	2.42%	6.47%	5.28%	12.52%	-0.25%	3.68%	3.99%	5.03%
Benchmark		2.43%	6.45%	5.27%	12.39%	-0.34%	3.55%	3.74%	4.78%
CERBT Total	**$22,346,741,255**								
CEPPT Strategy 1 (Inception October 1, 2019)	$203,369,974	2.43%	6.46%	5.19%	14.36%	1.06%	-	-	5.29%
Benchmark		2.43%	6.48%	5.22%	14.31%	0.90%	-	-	5.19%
CEPPT Strategy 2 (Inception January 1, 2020)	$64,130,683	2.01%	5.78%	4.63%	11.34%	-0.11%	-	-	2.54%
Benchmark		2.02%	5.75%	4.63%	11.29%	-0.18%	-	-	2.44%
CEPPT Total	**$267,500,657**								

CEPPT Portfolios

Portfolios	CEPPT Strategy 1	CEPPT Strategy 2
Expected Return	5.4%	4.9%
Standard Deviation	8.4%	5.9%

CEPPT Portfolio Details

Asset Classification	Benchmark	CEPPT Strategy 1	CEPPT Strategy 2
Global Equity	MSCI All Country World Index IMI (Net)	37% ±5%	21% ±5%
Fixed Income	Bloomberg U.S. Aggregate Bond Index	44% ±5%	61% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Liquid Index (Net)	14% ±5%	9% ±5%
Treasury Inflation Protected Securities (TIPS)	Bloomberg US TIPS Index, Series L	5% ±3%	9% ±3%
Cash	91-Day Treasury Bill	- +2%	- +2%

Total Participation Cost Fee Rate

- Total <u>all-inclusive</u> cost of participation
  - Combines administrative, custodial, and investment fees
  - Separate trust funds
  - Self-funded, not-for-profit
  - Fee is applied daily to assets under management
    - 8.5 basis points - CERBT
    - 25 basis points - CEPPT

Questions? Where to Get Trust Fund Information?

Name	Title	E-mail	Desk	Mobile
Darren Lathrop	Outreach & Support Manager	Darren.Lathrop@calpers.ca.gov	(916) 795-0751	(916) 291-0391
Lee Lo	Section 115 Trusts & 457 Outreach Manager	Lee.Lo@calpers.ca.gov	(916) 795-4034	(916) 612-4128
Therese Luo	Outreach & Support Analyst	Therese.Luo@calpers.ca.gov	(916) 795-2983	(916) 213-2879
Danny Kaufman	Outreach & Support Analyst	Daniel.Kaufman@calpers.ca.gov.	(916) 795-8278	(916) 440-3821
Katie Nguyen	Outreach & Support Analyst	Katie.Nguyen@calpers.ca.gov	(916) 795-8248	(916) 715-1911
Colleen Cain-Herrback	Program Manager	Colleen.Cain-Herrback@calpers.ca.gov	(916) 795-2474	(916) 505-2506
Robert Sharp	Assistant Division Chief	Robert.Sharp@calpers.ca.gov	(916) 795-3878	(916) 397-0756

Program E-mail Addresses	Prefunding Programs Webpages
CEPPT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CEPPT
CERBT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CERBT
CERBTACCOUNT@calpers.ca.gov – Online Record Keeping System	www.your-fundaccount.com/calpers

CERBT Account Update Summary

Scotts Valley Fire Protection District

as of September 30, 2024

CalPERS

OPEB Valuation Report Summary

OPEB Actuarial Valuation Report by Total Compensation Systems, Inc.	
Valuation Date	6/30/2022
Measurement Date	6/30/2022
Total OPEB Liability (TOL)	$1,959,618
Valuation Assets	$447,642
Net OPEB Liability (NOL)	$1,511,976
Funded Status	23%
Actuarially Determined Contribution (ADC)	--
CERBT Asset Allocation Strategy	Strategy 2
Discount Rate	6.25%

CERBT Account Summary

As of September 30, 2024	Strategy 2
Initial contribution (05/20/2021)	$350,000
Additional contributions	$465,000
Disbursements	$0
CERBT expenses	($1,644)
Investment earnings	$81,240
Total assets	$894,596
Annualized net rate of return* (05/20/2021-09/30/2024 = 3.36 years)	3.91%

**Net rate of return is unaudited and includes rounding variances.*

Cash Flow Summary by Fiscal Year

Fiscal Year	Contributions	Disbursements	Cumulative Investment Gains (Losses)	Cumulative Fees	Cumulative Ending Assets
2006-07	$0	$0	$0	$0	$0
2007-08	$0	$0	$0	$0	$0
2008-09	$0	$0	$0	$0	$0
2009-10	$0	$0	$0	$0	$0
2010-11	$0	$0	$0	$0	$0
2011-12	$0	$0	$0	$0	$0
2012-13	$0	$0	$0	$0	$0
2013-14	$0	$0	$0	$0	$0
2014-15	$0	$0	$0	$0	$0
2015-16	$0	$0	$0	$0	$0
2016-17	$0	$0	$0	$0	$0
2017-18	$0	$0	$0	$0	$0
2018-19	$0	$0	$0	$0	$0
2019-20	$0	$0	$0	$0	$0
2020-21	$350,000	$0	$10,043	($34)	$360,009
2021-22	$155,000	$0	($56,923)	($436)	$447,642
2022-23	$155,000	$0	($39,542)	($876)	$619,582
2023-24	$155,000	$0	$16,333	($1,459)	$829,873
as of 9/30/2024	$0	$0	$81,240	($1,644)	$894,596

CERBT/CEPPT Investment Returns

Periods ended August 31, 2024

Fund	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
CERBT Strategy 1 (Inception June 1, 2007)	$19,422,541,229	2.85%	7.18%	5.77%	17.04%	1.78%	7.39%	6.16%	5.59%
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CERBT Strategy 2 (Inception October 1, 2011)	$2,013,137,916	2.65%	6.86%	5.57%	14.50%	0.35%	5.20%	4.96%	6.59%
Benchmark		2.65%	6.83%	5.56%	14.34%	0.21%	5.02%	4.68%	6.34%
CERBT Strategy 3 (Inception January 1, 2012)	$782,925,383	2.42%	6.47%	5.28%	12.52%	-0.25%	3.68%	3.99%	5.03%
Benchmark		2.43%	6.45%	5.27%	12.39%	-0.34%	3.55%	3.74%	4.78%
CERBT Total	**$22,346,741,255**								
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Benchmark		2.43%	6.48%	5.22%	14.31%	0.90%	-	-	5.19%
CEPPT Strategy 2 (Inception January 1, 2020)	$64,130,683	2.01%	5.78%	4.63%	11.34%	-0.11%	-	-	2.54%
Benchmark		2.02%	5.75%	4.63%	11.29%	-0.18%	-	-	2.44%
CEPPT Total	**$267,500,657**								

CERBT Portfolios

Portfolios	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Expected Return	6.4%	6.1%	5.8%
Standard Deviation	11.5%	9.5%	8.1%

CERBT Portfolio Details

Asset Classification	Benchmark	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Global Equity	MSCI All Country World Index IMI (Net)	49% ±5%	34% ±5%	23% ±5%
Fixed Income	Bloomberg Long Liability Index	23% ±5%	41% ±5%	51% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Index (Net)	20% ±5%	17% ±5%	14% ±5%
Treasury Inflation Protected Securities (TIPS)	Bloomberg US TIPS Index, Series L	5% ±3%	5% ±3%	9% ±3%
Commodities	S&P GSCI Total Return Index	3% ±3%	3% ±3%	3% ±3%
Cash	91-Day Treasury Bill	- +2%	- +2%	- +2%

Total Participation Cost Fee Rate

- Total all-inclusive cost of participation
  - Combines administrative, custodial, and investment fees
  - Separate trust funds
  - Self-funded, not-for-profit
  - Fee is applied daily to assets under management
    - 8.5 basis points - CERBT
    - 25 basis points - CEPPT

Financial Reporting

- CERBT provides audited and compliant GASB 75 report in a Schedule of Changes in Fiduciary Net Position (FNP)
  - Published in January each year

CERBT FNP Fiscal Year	Availability
2020-21 2021-22 2022-23	Available at https://www.calpers.ca.gov/cerbt

Questions? Where to Get Trust Fund Information?

Name	Title	E-mail	Desk	Mobile
Darren Lathrop	Outreach & Support Manager	Darren.Lathrop@calpers.ca.gov	(916) 795-0751	(916) 291-0391
Lee Lo	Section 115 Trusts & 457 Outreach Manager	Lee.Lo@calpers.ca.gov	(916) 795-4034	(916) 612-4128
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CEPPT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CEPPT
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CERBTACCOUNT@calpers.ca.gov – Online Record Keeping System	www.your-fundaccount.com/calpers

SCOTTS VALLEY FIRE PROTECTION DISTRICT
7 Erba Lane, Scotts Valley, CA 95066-4199 ● scottsvalleyfire.com ● 831-438-0211

TO: Hon. Board of Directors

FROM: Mark Correira, Fire Chief

DATE: November 13, 2024

RE: Board Memo 2024-30: Marywood Property Lease

Recommended Action:

Move to have Staff to develop a lease agreement with the Pony People Group for the Marywood Property.

Background:

On October 25, 1977, the Fire District purchased a one (1) acre parcel of land across from 4171 Glennwood Drive as a future-fire-station site. This land was purchased from the Queen of the Holy Rosary College, and referred to by the District as the Marywood Property. This parcel is located in the northern most part of the District in the rural mountain area. The parcel contains a treed area, and a ½ acre pasture area. Attached to this memorandum is a map of where the property is located, and pictures of the property (Attachment A).

On June 2, 2005, the District entered into an Agreement for Land Use with Randall H. Clayton DBA Santa Cruz Carriage Company. Mr. Clayton leased the pasture area of the Marywood Property to store his draft horse that were used to pull his carriages. On October 27, 2024, Mr. Clayton notified the District that he will be ending the lease on December 1, 2024 as he is moving out of the area and no longer needs the site. A copy of this lease is attached to this memorandum (Attachment B).

At the time Mr. Clayton notified District of the agreement termination, he also informed us that one of his neighbors may be interested in leasing the property for a similar purpose. Soon thereafter, we were contacted by the neighbor, Suzy Powers, expressing interest in a lease for the property.

Ms. Powers is the founder and Director of a small non-profit that was established in 2007 known as Pony People. The Pony People group work with foster and special needs kids, exposing them to basic grooming, saddling, riding, and "pony sense." In addition, Ms. Powers' home has a direct view of the Marywood Property so it is in her interest to maintain it in visually aesthetic way.

The Pony People Group is interested in a multi-year lease to maintain the property as a natural open space for grazing of their small horses (ponies). They would maintain the property similar to the previous renter to include mowing the property, and discing along Glennwood Drive.

The District's General Counsel provided legal guidance on the use of surplus land as the laws have changed since the lease with Mr. Clayton. General Counsel is recommending a multi-year lease, and Ms. Powers is interested in a five-year lease if the Board is interested in pursuing it. Counsel would provide a refreshed Lease Agreement to meet the need of today's legal requirements.

With the property not being vacated for nearly twenty years, Staff is bringing this to the Board for discussion and to decide if they are interested in a term-lease agreement. As some Board Members recall, there is some history with this parcel. In 1984, 2006, and 2021, the *Dominican Sister of Mission San Jose and Queen Holy Rosary College* have inquired about the use of this property as a future fire station site. In addition, the Sisters have requested it be returned to them if there is no plan to build a fire station on the site as they own the large parcel (100 acre + -) around the property.

For the purpose of discussion, options for the Board to consider would include:

1. Lease to the Pony People.
2. Advertise and lease the property to the highest and or most responsive offer.
3. Have the property appraised and place it for sale on the open market,
4. Sell it back to the Sisters on an agreed purchase price.
5. Leave the property vacant and without a lease agreement.

Committee Recommendation:

The Finance Committee discussed this item at their November 6 Meeting and is recommending Option 1 – develop a lease agreement with the Pony People Group for a multi-year but term limited lease. The agreement would mirror the previous agreement with Mr. Clayton.

Attachment A: Map

Marywood Parcel

Legacy Parcel (Sisters of San Jose Mission)

Date:	November 13, 2024
To:	Hon. Board of Directors
From:	Mark Correira, Fire Chief
Subject:	Administrative Report – November 2024

Administration

- Scotts Valley Firefighters Local 3577 hosted a pancake breakfast at Station 1 in early October. The event was a great success and attracted one of the largest turnouts, including some Branciforte area residents. All proceeds from the pancake breakfast will support local charities and organizations.
- In October, crews were actively engaged in fire preparedness education at the District's four elementary schools: Vine Hill, Baymont, Brook Knoll, and Happy Valley Elementary. This annual fire education event reached over 500 students from kindergarten through second grade. The young students had the opportunity to hear from firefighters, watch live demonstrations, and tour the firehouse.
- Administrative Services Manager Alyssa Rodriguez and Accounting Specialist Megan Bridges attended the CalPERS Educational Forum at the end of October. This annual conference, hosted by CalPERS, provides essential updates and insights on pension programs, healthcare, and best practices in public sector benefits management. The forum brings together public agency representatives to explore policy changes, investment strategies, and trends that impact retirement and healthcare plans. Attending allows us to stay current on the latest developments affecting our CalPERS plans, enabling us to make informed decisions that support both our employees and the District’s financial health.
- Scheduled and hosted the annual medical physicals for all employees required to have an evaluation in 2024. Baysport Medical provides the evaluations and it is completed at Station 1. This is the second year using Baysport and it has been a great success.

Operations

- Engine E2511 was sent to Cummins in San Leandro for warranty work. It is now back in service and is awaiting additional repairs, which include new suspension ball joints to be completed by Golden State Fire.
- SVFD responded to two significant wildland fires in the county. On October 21, WT2550 was deployed to assist with water operations at the fire near Highway 1 and Buena Vista. Then, on October 26, both E2511 and E2512 responded to a 2-acre wildland fire located just north of Glenwood Drive on Highway 17, which threatened multiple structures. Both fires had the potential to become much more destructive, but they were quickly contained, resulting in minimal damage to structures and no reported injuries.
- Engine 2510 was sent to Cummins San Leandro after finding oil in the cooling system.

Training / EMS

- Two new Automatic External Defibrillators (AEDs), model LP-1000, have been purchased and are now in service on the Type 3 engines. These AEDs will remain on the Type 3

vehicles for out-of-county use and daily in-county operations. An added feature of these AEDs is an LCD view screen that allows users to see the patient's underlying ECG rhythm.
- Crews attended two prescribed burns (VMPs) in coastal San Mateo County in E2538. Each VMP burned over 100 acres. Several of our acting captains and acting captains in training were able to successfully complete sign-offs for their CICCS engine boss task books.

Prevention / Community Risk Reduction

- Inspections Conducted:
  - 12 construction inspections
  - 48 annual re-inspections
  - 1 State Mandated inspection
  - Follow-up: 5 complaints and 2 defensible space inspections
  - SVHS Haunted House- pre-inspection, fire drill & final inspection
- Plan Reviews:
  - 2 construction plans
  - 1 fire sprinkler plan
- Training/Continuing Educations:
  - Completed Fire Marshal 1B & 1D at the CA Office of the State Fire Marshal HQ
- Community Engagement & Meetings
  - Hosted the Santa Cruz County Fire Investigators Task Force quarterly meeting
  - Attended the FPO Standards group meeting
  - Joined the engine company at the Happy Valley Firewise event training
  - Joined the Nelson Road Firewise Community to discuss access and road clearance
  - Attended the Santa Cruz County FireSafe Council board meeting
- Miscellaneous
  - Replaced a Branciforte Fire Knox switch and replaced with SVFPD switch – Pear Creek

Chief Report

- Spoke on Measure S to the Senior Community at the Senior Center, and to the Scotts Valley Kiwanis Club.
- Was a guest on the Community Matters internet radio show regarding Measure S
- Interviewed four (4) consultants who would develop a Community Driven Strategic Plan
- Met with two finance consultants who will assist with strategic debt management
- Represented the Fire Chiefs Association in the evaluation of the responsive bidders for the countywide public safety radio system
- Was elected as Secretary to the Santa Cruz County Fire Chiefs Association. The leadership of this group also includes Chief Rob Oatey (Santa Cruz City) as President, Chief Jason Nee (Central Fire) as Vice President, and Chief Stacie Brownlee (Felton/Ben Lomond) Treasurer.
- Represented the Scotts Valley Kiwanis Club in delivering a $22,500 check to the Scotts Valley Unified School District for their Music Program. Proceeds were raised from the Music in Sky Park events.

- Met with the County Administrative Officer (CAO) regarding SCHMITT. Two program areas were discussed:
    - Management of the Program and the possibility of transferring this to the County (the County is the agency legally required to have a hazardous materials response team)
    - Team capabilities and different options to consider for response to incidents within Santa Cruz County. The CAO is supportive of exploring options.
- Met with Fire Chiefs from Central Fire, Santa Cruz City Fire, and County Fire to brainstorm alternative SCHMITT response options. The group plans to reach out to neighboring agencies to see if a partnership could be established. This will be an ongoing project during this fiscal year

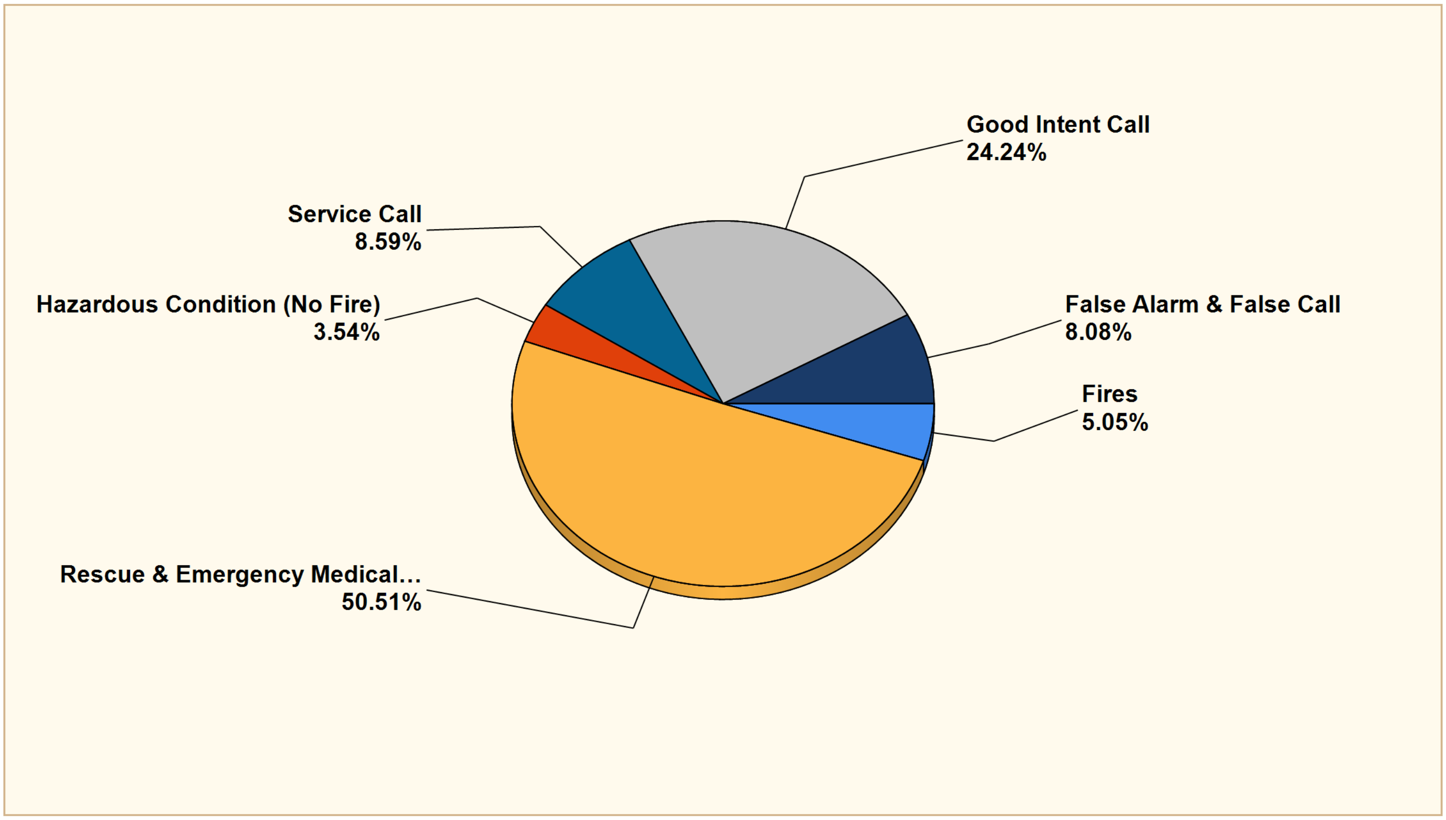
Scotts Valley Fire Protection District

Scotts Valley, CA

This report was generated on 11/5/2024 9:26:14 PM

Breakdown by Major Incident Types for Date Range

Zone(s): All Zones | Start Date: 10/01/2024 | End Date: 10/31/2024



MAJOR INCIDENT TYPE	# INCIDENTS	% of TOTAL
Fires	10	5.05%
Rescue & Emergency Medical Service	100	50.51%
Hazardous Condition (No Fire)	7	3.54%
Service Call	17	8.59%
Good Intent Call	48	24.24%
False Alarm & False Call	16	8.08%
TOTAL	**198**	**100%**

Only REVIEWED and/or LOCKED IMPORTED incidents are included. Summary results for a major incident type are not displayed if the count is zero.

Detailed Breakdown by Incident Type		
INCIDENT TYPE	**# INCIDENTS**	**% of TOTAL**
113 - Cooking fire, confined to container	1	0.51%
131 - Passenger vehicle fire	3	1.52%
137 - Camper or recreational vehicle (RV) fire	1	0.51%
140 - Natural vegetation fire, other	1	0.51%
141 - Forest, woods or wildland fire	4	2.02%
311 - Medical assist, assist EMS crew	1	0.51%
320 - Emergency medical service, other	4	2.02%
321 - EMS call, excluding vehicle accident with injury	85	42.93%
322 - Motor vehicle accident with injuries	5	2.53%
324 - Motor vehicle accident with no injuries.	5	2.53%
412 - Gas leak (natural gas or LPG)	1	0.51%
422 - Chemical spill or leak	1	0.51%
442 - Overheated motor	1	0.51%
444 - Power line down	4	2.02%
500 - Service Call, other	1	0.51%
551 - Assist police or other governmental agency	1	0.51%
553 - Public service	9	4.55%
554 - Assist invalid	5	2.53%
561 - Unauthorized burning	1	0.51%
600 - Good intent call, other	1	0.51%
611 - Dispatched & cancelled en route	31	15.66%
621 - Wrong location	1	0.51%
622 - No incident found on arrival at dispatch address	5	2.53%
650 - Steam, other gas mistaken for smoke, other	1	0.51%
651 - Smoke scare, odor of smoke	6	3.03%
652 - Steam, vapor, fog or dust thought to be smoke	1	0.51%
653 - Smoke from barbecue, tar kettle	2	1.01%
700 - False alarm or false call, other	2	1.01%
711 - Municipal alarm system, malicious false alarm	1	0.51%
733 - Smoke detector activation due to malfunction	6	3.03%
735 - Alarm system sounded due to malfunction	1	0.51%
736 - CO detector activation due to malfunction	1	0.51%
743 - Smoke detector activation, no fire - unintentional	2	1.01%
744 - Detector activation, no fire - unintentional	1	0.51%
745 - Alarm system activation, no fire - unintentional	2	1.01%
TOTAL INCIDENTS:	**198**	**100%**

Only REVIEWED and/or LOCKED IMPORTED incidents are included. Summary results for a major incident type are not displayed if the count is zero.

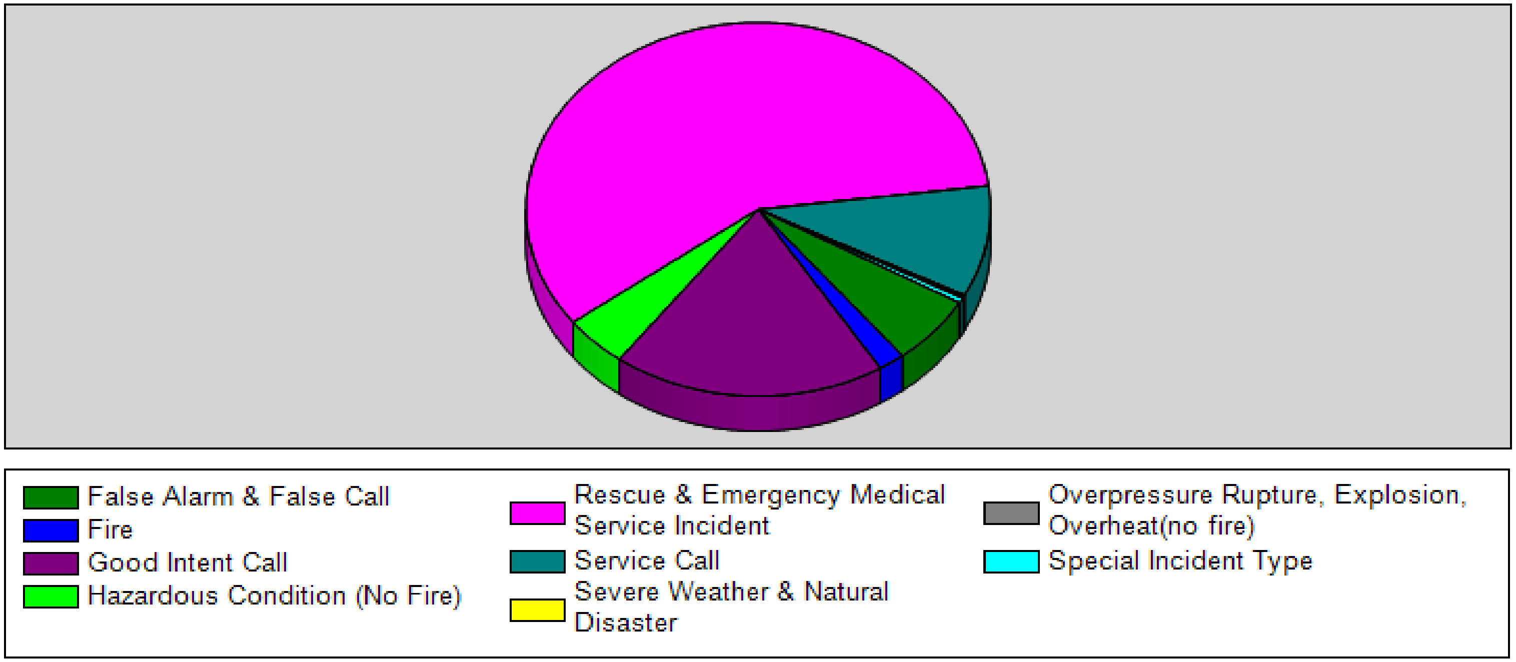
Scotts Valley Fire Protection District

Scotts Valley, CA

This report was generated on 11/5/2024 9:28:31 PM

Major Incident Types by Month for Date Range

Start Date: 01/01/2024 | End Date: 10/31/2024



INCIDENT TYPE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	TOTAL
False Alarm & False Call	13	11	7	10	13	8	7	26	12	16	123
Fire	1	2		3	3	3	6	5	5	10	38
Good Intent Call	34	44	45	39	26	35	36	44	38	48	389
Hazardous Condition (No Fire)	11	33	13	3	7	4	6	4	4	7	92
Overpressure Rupture, Explosion, Overheat(no fire)				1	2		1				4
Rescue & Emergency Medical Service Incident	126	124	135	112	132	108	128	120	110	100	1195
Service Call	35	27	16	24	19	15	20	14	10	17	197
Severe Weather & Natural Disaster		2									2
Special Incident Type				1		4	4				9
Total	220	243	216	193	202	177	208	213	179	198	2049

Only REVIEWED incidents included

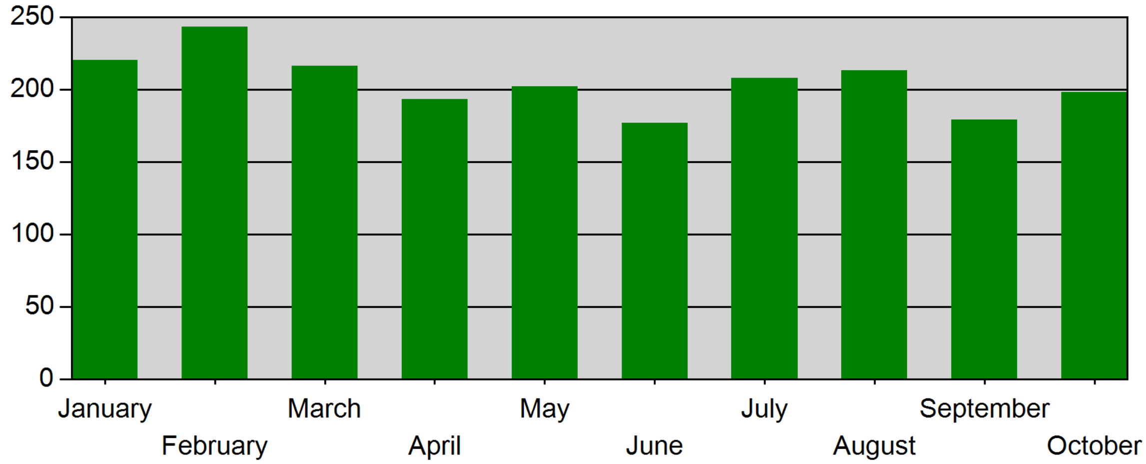
Scotts Valley Fire Protection District

Scotts Valley, CA

This report was generated on 11/5/2024 9:30:37 PM

Incidents by Month for Month Range

Start Month: January | End Month: October | Year: 2024



MONTH	INCIDENTS
January	220
February	243
March	216
April	193
May	202
June	177
July	208
August	213
September	179
October	198

Only REVIEWED incidents included

Damians Ladder
HOME REPAIR SERVICES FOR SENIORS & THE DISABLED

5610 Scotts Valley Drive,
Suite B1005
Scotts Valley, CA 95060
831-200-1376
atyourservice@damiansladder.org
www.damiansladder.org

MISSION

To assist seniors and the disabled in making minor home repairs. We help seniors to live in their homes safely and with a good quality of life.

Colly Phone
(831) 336-8098

Mark Correira
Scotts Valley Fire Department
7 Erba Lane,
Scotts Valley, CA 95066

October 15, 2024

Dear Chief Correira,

After our brief conversation at the senior center in Scotts Valley last week, I have been giving a great deal of thought to how 'we', Damians Ladder (DL) and the Scotts Valley Fire Department, might work together, bringing safety and security into the lives of our low-income Seniors and people with disabilities, thus allowing them to remain more comfortably in their homes.

Damians Ladder is an all-volunteer nonprofit organization. As of October 1st, we have nine (9) Handymen who make at no cost, repairs to the homes of seniors who otherwise continue to live with faucets and toilets leaking, causing mold to build up, broken windows, door locks not working, frayed wiring. water heaters leaking, etc. These are just a few of the problems our handymen encounter when they enter the home of these seniors.

Damians Ladder often receives requests for yard cleanups, and one request which is of great concern to us here in our valleys, is that of low and overhanging tree branches over their homes. DL has been able to handle some of this cleanup, however we do NOT have the equipment nor the means that is required to rid these properties of larger cuts of trees and debris, i.e. woodchipper or trailers for hauling.

My thoughts. SLV and SV are small communities whose residents live here for the most part, because they love the hometown feel. Neighbors helping neighbors, and businesses helping businesses thrive. We want our children to live here happily and safely and our seniors, who built our two valleys, should be entitled to these comforts as well.

I am simply asking that the Scotts Valley Fire Department consider forming a 'partnership' with Damians Ladder to help those low-income seniors and people with disabilities whenever possible, with the safety issues these Seniors are experiencing.

I firmly believe the residents of Scotts Valley would see this partnership as another reason why they want to reside in SV, while witnessing their firemen helping those in need.

I would like to have the opportunity to sit with you and discuss the above possibility with you in more detail and at your convenience.

Kindest regards,

Colly

Colly Gruczelak, President
czelak@comcast.net