NORTH SONOMA COAST
FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

and

INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED

JUNE 30, 2025 and 2024

NORTH SONOMA COAST FIRE PROTECTION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
North Sonoma Coast Fire Protection District
The Sea Ranch, California

Opinion

We have audited the accompanying financial statements for the year ended June 30, 2025, and 2024 and the related notes to the financial statements, which collectively comprise the North Sonoma Coast Fire Protection District's, basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the North Sonoma Coast Fire Protection District, as of June 30, 2025 and 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Sonoma Coast Fire Protection District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Sonoma Coast Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the North Sonoma Coast Fire Protection District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Sonoma Coast Fire Protection District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-12 and budgetary comparison information on page 20 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Blomberg & Griffin A.C.
Stockton, CA

July 22, 2025

As management of the North Sonoma Coast Fire Protection District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the years ended June 30, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with the District's financial statements (pages 13-20) and the accompanying notes to the basic financial statements (pages 21-30).

Financial Highlights

- The year ended June 30, 2025, is the ninth fiscal period of the District.
- The assets of the District exceeded its liabilities at the close of the year ended June 30, 2025, by $4,490,243 (net position). Of this amount, $3,531,627 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The assets of the District exceeded its liabilities at the close of the year ended June 30, 2024, by $3,221,278 (net position). Of this amount, $2,163,530 (unrestricted net position) could be used to meet the government's ongoing obligations to citizens and creditors. Further details can be found on page 14.
- As of the close of the years ended June 30, 2025 and 2024, the District's governmental funds reported an ending fund balance of $3,531,627 and $2,163,530, respectively. Further details can be found on page 17.
- A large portion of the District's net position (23 percent for 2025 and 35 percent for 2024) reflects its investment in capital assets (e.g., buildings and improvements and equipment). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Overview of the Financial Statements

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

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

The Statements of Net Position present information on all of the District's assets and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statements of Activities present information showing how the District’s Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event, giving rise to the change, occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and unpaid vendor invoices for services previously provided). The government-wide financial statements can be found on pages 13-15 of this report.

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

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements. Noncurrent assets, capital assets and long-term liabilities are not included in governmental funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheets and the governmental fund Statements of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

The basic governmental fund financial statements can be found on pages 16-20 of this report.

Notes to the basic financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 21-30 of this report.

Government-wide Financial Analysis:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $4,490,243 and $3,221,278 on June 30, 2025, and 2024, respectively. Further details can be found below and on page 13.

TABLE 1: NET POSITION

	June 30, 2025	June 30, 2024	June 30, 2023	2025 vs. 2024 $	2025 vs. 2024 %	2024 vs. 2023 $	2024 vs. 2023 %
Assets							
Current and Other Assets	$3,604,582	$2,174,331	$2,516,368	$1,430,251	65.78%	($342,037)	-13.59%
Capital Assets - Net	1,019,457	1,137,346	834,642	($117,889)	-10.37%	302,704	36.27%
Total Assets	4,624,039	3,311,677	3,351,010	1,312,362	39.63%	($39,333)	-1.17%
Liabilities							
Current Liabilities	92,358	29,548	371,154	62,810	212.57%	($341,606)	-92.04%
Long-Term Liabilities	41,438	60,851	78,992	($19,413)	-31.90%	($18,141)	-22.97%
Total Liabilities	133,796	90,399	450,146	43,397	48.01%	($359,747)	-79.92%
Net Position							
Invested in Capital Assets, net of related debt	958,616	1,057,748	737,537	($99,132)	-9.37%	320,211	43.42%
Unrestricted	3,531,627	2,163,530	2,163,327	1,368,097	63.23%	203	0.01%
Total Net Position	$4,490,243	$3,221,278	$2,900,864	$1,268,965	39.39%	$320,414	11.05%

The balance of the unrestricted net position ($3,531,627 and $2,163,530 for June 30, 2025, and 2024, respectively) may be used to meet the District's ongoing obligations to citizens and vendors. Further details can be found on page 13.

At the end of the current fiscal year, the District is able to report positive balances in all categories of Net Position.

Government-wide activities:

Government-wide activities increased the District's Net Position by $1,268,965 and $320,414 for the years ended June 30, 2025, and 2024, respectively. This increase is a result of net income in governmental activities. Further information can be found below and on page 14.

TABLE 2: STATEMENT OF ACTIVITIES

	June 30, 2025	June 30, 2024	June 30, 2023	2025 vs. 2024 $	2025 vs. 2024 %	2024 vs. 2023 $	2024 vs. 2023 %
Revenues							
Program Revenues:							
Public safety -							
Fire Protection	$128,735	$51,845	$143,762	$76,890	148.31%	($91,917)	-63.94%
General Revenues:							
Property Taxes	1,985,544	1,835,354	1,729,259	150,190	8.18%	106,095	6.14%
Sales Taxes	1,102,439	-	-	1,102,439	100.00%	-	0.00%
Investment & other Income	111,516	114,873	81,137	(3,357)	-2.92%	33,736	41.58%
Interest expense on Note	(2,096)	(1,599)	(3,950)	(497)	31.08%	2,351	-59.52%
Total Revenues	3,326,138	2,000,473	1,950,208	1,325,665	66.27%	50,265	2.58%
Program Expenses							
Public Safety	2,057,173	1,680,059	1,563,196	377,114	22.45%	116,863	7.48%
Total Expenses	2,057,173	1,680,059	1,563,196	377,114	22.45%	116,863	7.48%
Prior Period Adjustment	-	-	(15,625)	-	0.00%	15,625	100.00%
Change in Net Position	1,268,965	320,414	371,387	948,551	296.04%	(50,973)	-13.73%
Beginning Net Position	3,221,278	2,900,864	2,529,477	320,414	11.05%	371,387	14.68%
Ending Net Postion	$4,490,243	$3,221,278	$2,900,864	$1,268,965	39.39%	$320,414	11.05%

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds

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

As of the years ended June 30, 2025, and 2024, the District's governmental funds reported ending fund balances of $3,531,627 and $2,163,530, respectively.

The general fund is the chief operating fund of the District. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balances to total fund expenditures. The unassigned fund balance represents 77 percent of 2025 and 40 percent of 2024 of total government fund expenditures, which were $1,963,636 and $2,001,869 for June 30, 2025, and 2024, respectively. See page 18 for further details.

General Fund Budgetary Highlights

Material differences between the original budget and the actual results can be briefly summarized as follows:

- The actual District property tax revenue for 2024-2025 went up 8.2 percent over the prior year, rather than the 3 percent increase used for the original budget estimate.
- $460,000 budgeted for vehicle purchase was not spent due to the apparatus under order not being finished.
- $100,000 budgeted for NFS capital planning was not spent as these costs were covered by the VFA.
-

Capital Assets

The District's investment in capital assets as of June 30, 2025, and 2024, amounted to $1,019,457 and $1,137,346 (net of accumulated depreciation), respectively. This investment in capital assets is principally in firefighting vehicles and equipment.

Additional information on the District's capital assets can be found in Note 1 on page 28 and Note 6 on page 28 of this report.

Debt Administration

As of June 30, 2025, the District has a note payable to Westamerica Bank. The loan amount was $178,911 with an interest rate of 3.5 percent and matures in July 2027. See Note 6 on page 29 for further details.

Economic Factors and Budgeting

Our seventh budget, FY 2022-2023:

The District added $429,201 to the reserve.

Our eighth budget, FY 2023-2024:

The District added $203 to the reserve.

Our ninth budget, FY 2024-2025:

This fiscal year is the subject of this audit.

We continued to budget conservatively.

For FY2024-2025, we budgeted a small increase in reserves, but the increase was larger than anticipated due to not spending funds as planned on apparatus purchase and higher than expected property tax revenue. We also, for the most part, kept routine operational expenses under budget.

It should be noted here that the contract with CAL FIRE was about 81 percent of our operational expenses in FY2024-2025 and is considered absolutely critical to the effectiveness of our fire department. See further comments on this in the District Operations section of this report.

In the course of this last fiscal year, we have continued to update and carry out our apparatus replacement plan. Our current level of tax revenue now allows us to fund basic operational needs and mostly cover the costs of replacing our three main engines. Non-tax revenues may still allow us to opportunistically replace other vehicles in our fleet on a year-to-year basis. In FY2021-2022, the District committed to the purchase of a Type 6 "mini pumper", to replace an aging 2001 rescue truck. That vehicle finally arrived in summer 2024 and cost $355,451. The District is replacing a very old 1986 water tender with a newly purchased one in FY25-26 at a cost of $276,000. The District expects to replace its oldest "large" engine by the summer of 2026 with a Type 3 engine of the same model and manufactured as CAL FIRE's wildland engines, at an initial estimated cost of $448,000.

Economic Factors and Budgeting (continued)

What our funding levels through FY2024-2025 originally did not cover is the buildup of significant reserves to deal with major new needs, such as expanding the North Fire Station, increasing the paid CAL FIRE staff, or funding for paid full-time administrative staff. That funding challenge has been mitigated with the passage of Sonoma County Ballot Measure H in March of 2024.

Budget for FY 2024-2025:

The budget for the current fiscal year, FY 2024-2025, is another conservative budget, but one that has increased significantly due to revenue, which will flow from the ½ cent sales tax created in Sonoma County by the passage of Measure H. Sales tax funds allocated to the District were $1,102,000 in this fiscal year, and are estimated to be around $1,434,000 in FY2025-2026. The additional revenue has allowed the District to do three significant things: (1) Increase the paid CAL FIRE staffing to meet standards and ensure a minimum of 3 career staff available on calls 24x7; (2) Hire full-time administrative staff; and (3) Support the expansion and improvement of the North Fire Station to support residential space for firefighters and improved training and equipment space. We are projecting a significant increase of reserves mainly due to the accumulation of sales tax funds intended for the fire station construction project, which is still in the planning stage. Significant expenditure of funds reserved for the project is anticipated to begin in early 2027.

The permanent revenue stream from the Measure H sales tax has helped to remedy the financial instability caused by the District's loss of property tax revenue to the Educational Revenue Augmentation Fund (ERAF). The District loses about 46 percent of its initial property tax revenue to ERAF and has been unsuccessful at all prior attempts to recover the loss to ERAF. The sales tax funds will allow the District to continue to maintain and improve its ability to meet its mission of serving and protecting the public.

With regard to our reserves:

In FY2023-2024, the District defined two new assigned funds, the "Operating Reserve Fund" and "Apparatus Fund", to better clarify intended uses of reserves and the remaining amount of uncommitted funds. The Operating Reserve Fund amount was updated in FY2024-2025 to support the District's policy of keeping six months' worth of budgeted operating expenses in reserve. The Apparatus Fund also received additional funds to cover anticipated purchases, and a resolution was passed to commit all apparatus rental revenue automatically to the Apparatus Fund.

Economic Factors and Budgeting, (continued)

In FY2024-2025, two additional funds were defined. The Building Fund was established to set aside funds for the North Fire Station Expansion project and contains all Measure H sales tax revenue that has not been spent on increased career firefighting or administration staff. The Capital Equipment Fund was established to set aside funds sufficient to cover new purchases of capital equipment as well as major unexpected repairs of existing equipment.

These designated reserves are not legally restricted reserves, but are set aside by policy to provide prudent contingency reserves. Changes to these reserves or alternative uses of these reserves can only be affected by a vote of approval by the NSCFPD board of directors.

An additional item of value available to NSCFPD is the use of the North Fire Station. The District's associated 501(c)(3), the North Sonoma Coast Volunteer Firefighter Association, owns and maintains the station and makes it available to the District. There is no direct monetary exchange or rent involved in this transaction. The two entities have signed a Memorandum of Understanding (MOU) regarding the use of the building.

In return for the use of the building, the District pays for insurance and utilities at the station. While it is difficult to fix an actual dollar value on this asset, it is estimated that rental on an equivalent building in the area would cost (estimated) $9,300 to $10,540 a month.

As the project to expand and improve the station proceeds, it is anticipated that the MOU will be replaced with a more detailed MOU and/or a long-term lease to allow the sales tax funds allocated to the District to be used for the construction project.

District Operations

The District covers 172 square miles in the northwest corner of Sonoma County. Emergency services are provided by North Sonoma Coast Volunteer Firefighters, with the continued support of CAL FIRE. Services provided by CAL FIRE, in addition to responding to emergency calls, are administration, training, and management of day-to-day operations, maintenance and service for all District vehicles, business life & safety inspections, vehicle fuel, community education, and fire investigations. The CAL FIRE contract provides a minimum of three permanent staff 24 hours a day, 7 days a week. In addition, while not part of the District's contract for permanent staff, CAL FIRE staffs one wildland firefighting engine with 3 or 4 personnel during the fire season. CAL FIRE staff and District volunteers respond together as one department, North Sonoma Coast Fire (NSC Fire).

District Operations (continued)

All CAL FIRE personnel are quartered at the Sea Ranch CAL FIRE station on Annapolis Road. Several of the NSC vehicles are also at the Sea Ranch CAL FIRE station and are used by both CAL FIRE contracted staff and NSC Fire volunteers to respond to incidents.

NSC Fire uses three other locations, which are unstaffed, but which house district vehicles and equipment:

- The Sea Ranch North Fire Station, as described above,

- The "Annapolis Station" on Annapolis Road is owned by Sonoma County but is provided, by license, for use by NSC Fire, and

- A metal shed on the grounds of Horicon School in Annapolis is also used to house one piece of firefighting equipment.

The NSC Volunteer firefighting crew currently consists of 14 active firefighters, and/or EMTs, including one Fire Chief, one Assistant Fire Chief, and two Fire Captains. In addition, there are three support members. Volunteers attend one scheduled training every two weeks, with occasional additional training events added in as needed. Volunteer firefighters receive no salary or hourly pay. Volunteers do receive a stipend of $13 per call for responding to emergency calls and for performing some station or apparatus maintenance tasks. In addition, if personnel revenue is received from other sources when our firefighters participate in larger mutual-aid incidents, pre-positioning/upstaffing during high fire danger periods, or "wet-hires" to CAL FIRE, any compensation for the engine crew is simply passed on to the crew without modification. The average age of volunteer firefighters is 59.

The apparatus fleet of NSC Fire consists of four fire engines, four rescue trucks, one pickup truck, one chief's vehicle, and two water tenders.

In addition to routine tasks associated with responding to calls, training, and running day-to-day operations, volunteer and paid staff continue to work on additional projects related to the administration of the District to ensure continued support for future firefighters and District boards. These projects include long- term replacement plans for apparatus and capital equipment, maintenance of robust policy and procedure documents using the "Lexipol " system, applications for state and local grant funds, and documentation of the District's operations. NSC Fire also works on public outreach and information programs in order to keep the community informed and educated about the District and fire safety. Information is made available by occasional articles in local newspapers, one or two public meetings each year, participating in a biennial community safety fair, information in an annual holiday news and fundraising mailer, and publication of a website, h ttp:/ /nscfpd.org.

District Operations, (continued)

The charts below show the call types and locations for calendar year 2024:

Totals by Month and Call Type													
	January	February	March	April	May	June	July	August	September	October	November	December	Grand Total
Fire	6	1	1	1	2	3	4	0	2	3	3	3	29
Medical Aid	9	13	20	18	22	21	13	14	16	14	15	10	185
Vehicle Accident	1	8	2	0	3	3	10	8	2	1	8	2	48
Rescue	1	2	0	1	1	0	0	0	2	0	1	1	9
Public Assist	1	5	2	1	1	4	8	3	1	2	3	1	32
Agency Assist	2	0	0	0	0	1	0	1	0	1	0	0	5
Alarm Sounding	0	1	1	0	2	1	5	1	5	1	0	2	19
Smoke Check	0	1	0	1	2	1	0	0	3	1	0	0	9
Haz-Conditions	12	44	8	1	1	4	3	0	0	0	8	6	87
Haz-Mat	0	0	0	0	0	0	0	0	0	0	0	0	0
Search and Rescue	0	0	0	0	0	0	0	1	0	1	0	0	2
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	32	75	34	23	34	38	43	28	31	24	38	25	425

Totals by Month and Location													
	January	February	March	April	May	June	July	August	September	October	November	December	Grand Total
The Sea Ranch	17	51	27	15	24	23	29	22	22	16	30	19	295
Annapolis	3	11	3	3	5	6	3	1	2	1	5	3	46
Timber Cove	8	9	3	2	1	2	3	3	5	2	2	3	43
Mendocino County	4	0	0	1	1	2	2	1	0	2	1	0	14
Kasha-Ya	0	4	1	2	3	5	6	1	2	3	0	0	27
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	32	75	34	23	34	38	43	28	31	24	38	25	425

Request for Information

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the North Sonoma Coast Fire Protection District, Post Office Box 386, The Sea Ranch, CA 95497.

NORTH SONOMA COAST FIRE PROTECTION DISTRICT
Statement of Net Position
June 30, 2025 and 2024

Assets	**2025**	**2024**
Current Assets		
Cash and Investments	$3,093,987	$1,997,478
Accounts Receivable	500,595	176,853
Prepaid Expense	10,000	
Total Current Assets	3,604,582	2,174,331
Capital Assets		
Equipment	1,692,914	1,712,914
Accumulated Depreciation	($673,457)	($575,568)
Total Capital Assets	1,019,457	1,137,346
Total Assets	$4,624,039	$3,311,677
Liabilities		
Current Liabilities		
Accounts Payable	$69,736	$3,658
Accrued Expenses	3,219	7,143
Current portion of Note Payable	19,403	18,747
Total Current Liabilities	92,358	29,548
Non-Current Liabilities		
Note Payable	41,438	60,851
Total Non-Current Liabilities	41,438	60,851
Total Liabilities	133,796	90,399
Net Position		
Invested in Capital Assets, Net of Related Debt	958,616	1,057,748
Unrestricted	3,531,627	2,163,530
Total Net Position	4,490,243	3,221,278
Total Liabilities and Net Position	$4,624,039	$3,311,677

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

NORTH SONOMA COAST FIRE PROTECTION DISTRICT
Statement of Activities
June 30, 2025 and 2024

Program Expenses	**2025**	**2024**
Fire Protection:		
Services and Supplies	$1,942,783	$1,561,215
Depreciation	114,390	118,844
Total Program Expenses	2,057,173	1,680,059
Program Revenues		
Rental Income	99,828	14,107
Operating Grants and Donations	28,907	37,738
Miscellaneous Income		
Total Program Revenues	128,735	51,845
Net Program Expenses	1,928,438	1,628,214
General Revenues		
Property Taxes	1,977,771	1,827,396
Homeowner Property Tax	7,773	7,958
Sales Tax Revenue (Measure H)	1,102,439	
Gain (loss) on Sale of Asset	(3,499)	
Investment Income	115,015	114,873
Interest Expense	(2,096)	(1,599)
Total General Revenues	3,197,403	1,948,628
Change in Net Position	1,268,965	320,414
Net Position-Beginning of Year	3,221,278	2,900,864
Net Position-End of Year	$4,490,243	$3,221,278

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

NORTH SONOMA COAST FIRE PROTECTION DISTRICT
Statement of Cash Flows
June 30, 2025 and 2024

	2025	2024
Cash Flow From Operating Activities:		
Cash received from Program Revenue	$210,217	$84,214
Cash paid to Vendors	(1,890,629)	(1,842,326)
Net cash Provided by (Used for) Operations	(1,680,412)	(1,758,112)
Cash Flow From Non-Capital Financing Activities:		
Property Tax Received	1,961,697	1,739,983
Sales Tax Revenue Received	721,062	
Cash Flows From Investing Activities:		
Interest Income	115,015	114,873
Proceed from the Sale of Assets	1	
Acquisition of Equipment		(421,548)
Cash Flows From Financing Activities:		
Principal Funding of Note Payable	(18,757)	(17,507)
Interest Payment	(2,096)	(1,599)
Net Change in Cash	1,096,510	(343,910)
Cash, Beginning of Period	1,997,478	2,341,388
Cash, End of Period	$3,093,987	$1,997,478
Reconciliation Of Operating Income To Net Cash Provided by (Used for) Operating Activities:		
Operating Loss (Net Program Expenses)	($1,928,438)	($1,628,214)
Adjustment to Reconcile Change in Net Position to Cash from Operations Depreciation and Amortization		
(Increase) Decrease in:		
Receivables	81,482	32,369
Prepaid Expenses	(10,000)	61,129
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	62,154	(342,240)
Total Cash Provided by (Used for) Operations	($1,794,802)	($1,876,956)

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

NORTH SONOMA COAST FIRE PROTECTION DISTRICT
Balance Sheet
Governmental Funds
June 30, 2025 and 2024

	2025 Total Governmental Funds	2024 Total Governmental Funds
Assets		
Cash and Investments	$3,093,987	$1,997,478
Accounts Receivable	500,595	176,853
Prepaid Expenses	10,000	
Total Assets	$3,604,582	$2,174,331
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accrued Expenses	72,955	10,801
Total Liabilities	72,955	10,801
Fund Balance		
Nonspendable	10,000	
Assigned	2,552,905	1,369,926
Unassigned	968,722	793,604
Total Fund Balance	3,531,627	2,163,530
Total Liabilities and Fund Balance	$3,604,582	$2,174,331

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

NORTH SONOMA COAST FIRE PROTECTION DISTRICT
Reconciliation of The Governmental Funds Balance Sheet
To The Statement of Net Position
June 30, 2025 and 2024

	2025	2024
Total Fund Balances - Governmental Funds	$3,531,627	$2,163,530
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the governmental funds	1,019,457	1,137,346
Notes payable are not reported in government funds	($60,841)	($79,598)
Net Position of Governmental Activities	$4,490,243	$3,221,278

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

NORTH SONOMA COAST FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and
Changes in Fund Balance
Governmental Funds
June 30, 2025 and 2024

General Revenues	2025 Total Governmental Funds	2024 Total Governmental Funds
Property Taxes	$1,977,771	$1,827,396
Homeowner Property Tax	7,773	7,958
Sales Tax Revenue (Measure H)	1,102,439	
Intergovernmental	99,828	14,107
Interest and Investment Earnings	115,015	114,873
Operating Grants and Donations	28,907	37,738
Total Revenues	3,331,733	2,002,072
Expenditures		
Expenditures:		
Materials, Supplies, and Services	1,942,783	1,561,215
Debt Service:		
Loan Principal	18,757	17,507
Interest Expense	2,096	1,599
Capital Outlay		421,548
Total Expenditures	1,963,636	2,001,869
Excess (deficiency) of Revenues Over Expenditures	1,368,097	203
Net Change in Fund Balances	1,368,097	203
Fund Balances-Beginning of Year	2,163,530	2,163,327
Fund Balances-End of Year	$3,531,627	$2,163,530

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

NORTH SONOMA COAST FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Funds to
Statement of Activities

For the Years Ended June 30, 2025 and 2024

	2025	2024
Net Change in Fund Balances - Governmental Funds	$1,368,097	$203
Amounts reported for governmental activities in the Statement of Net Position are different because::		
Capital outlay is reported in governmental funds as expenditures.		
However, in the Statement of Activities, a portion of the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Current year depreciation	(114,390)	(118,844)
Capital asset expenditures		421,548
Loss on Sale of Assets	(3,499)	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Payment to a loan	18,757	17,507
Change in Net Position of Governmental Funds	$1,268,965	$320,414

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

NORTH SONOMA COAST FIRE PROTECTION DISTRICT

Reconciliations of Statements of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to Statement of Activities

June 30, 2025 and 2024

Fiscal Year 2025

	Budgeted Amount			
REVENUES:	**Original**	**Final**	**Actual Amount**	**Variance Positive (Negative)**
Property and Homeowner Taxes	$1,890,415	$1,890,415	$1,985,544	$95,129
Sales Tax Revenue (Measure H)	1,135,000	1,135,000	1,102,439	(32,561)
Interest income	114,412	114,412	115,015	603
Rental income	99,000	99,000	99,828	828
Donations	21,512	21,512	21,512	
Sale of Capital Assets	20,000	20,000	1	(19,999)
Operating Grants & Miscellaneous Revenue	7,693	7,693	7,394	(299)
Miscellaneous Income				
Total Revenues	3,288,032	3,288,032	3,331,733	43,701
EXPENDITURES:				
Current				
Services and Supplies	2,507,399	2,507,399	1,942,783	564,616
Loan Principal and Interest Payment	21,512	21,512	20,853	659
Capital Expenses	460,000	460,000		460,000
Total Expenditures	2,988,911	2,988,911	1,963,636	1,025,275
Excess of Revenues Over Expenditures	299,121	299,121	1,368,097	1,068,976
Net Change in Fund Balance	299,121	299,121	1,368,097	1,068,976
Fund Balance-Beginning of Year			2,163,530	
Fund Balance-End of Year			$3,531,627	

Fiscal Year 2024

	Budgeted Amount			
REVENUES:	**Original**	**Final**	**Actual Amount**	**Variance Positive (Negative)**
Property Taxes	$1,763,845	$1,763,845	$1,835,354	$71,509
Interest income	75,330	75,330	114,873	39,543
Intergovernmental revenue			14,107	14,107
Donations	21,512	21,512	21,512	
Operating Grants & Miscellaneous Revenue	16,226	16,226	16,226	
Total Revenues	1,876,913	1,876,913	2,002,072	125,159
EXPENDITURES:				
Current				
Services and Supplies	1,742,390	1,742,390	1,561,215	181,175
Loan Principal and Interest Payment	21,512	21,512	19,106	2,406
Capital Expenses	357,000	357,000	421,548	(64,548)
Total Expenditures	2,120,902	2,120,902	2,001,869	119,033
Excess of Revenues Over Expenditures	(243,989)	(243,989)	203	244,192
Net Change in Fund Balance	(243,989)	(243,989)	203	244,192
Fund Balance-Beginning of Year			2,163,327	
Fund Balance-End of Year			$2,163,530	

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

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The North Sonoma Coast Fire Protection District (the District or NSCFPD) became a special District on April 1, 2016, with its own publicly elected governing board. NSCPFD serves the area previously served by the Annapolis and Sea Ranch Volunteer Fire Companies, which were funded through Sonoma County Service Area #40. The creation of the District shifted control of all of the property tax funds allocated for fire protection in the District's boundaries into local hands.

B. Basis of Presentation

Government-Wide Financial Statements:

The District is a legally separate and independent entity that is not a component unit of the County of Sonoma. Further, the District has no component unit organization under its control. Therefore, this comprehensive annual financial report and the financial statements contained within represent solely the activities, transactions, and status of the District.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statement but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government wide-statements and the statements for the governmental funds.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

The government-wide statement of activities presents direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function.

The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

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

Fund Financial Statements:

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column. All of the District's funds were considered major.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances for these funds' present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net position.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

Governmental funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Revenues considered susceptible to accrual include property taxes and interest income. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received, or services are rendered).

D. Fund Accounting

The accounts of the District are organized on the basis of funds, 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. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund types and funds utilized by the District are described as follows:

Major Governmental Funds:

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

E. Budgets and Budgetary Accounting

The District's annual or final budget is the initial budget and any revisions to the budget that have been approved by the Board of Directors. The Board may amend the budget during the fiscal year.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Investments

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

G. Capital Assets

Capital assets, which include land, buildings and improvements (none at this time), and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as an asset with an initial, individual cost of more than $5,000 and an estimated useful life of at least five years. Capital assets 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 outlay that significantly extend the useful life of an asset are capitalized. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized but are expensed as incurred.

Depreciation and all capital assets are computed using a straight-line basis over the following estimated useful lives:

Equipment	5-20 years

H. Notes Payable

The District has a note from Westamerica Bank, started in April 2017. Note 6 on page 30 provides additional information about long-term liabilities.

I. Net Position

Net position represents the difference between assets and liabilities. Invested in capital assets includes capital assets net of accumulated depreciation and outstanding principal balance of debt attributable to the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fund Balance Classifications

The District has adopted the provisions of GASB Statement No. 54 Fund Balance and Governmental Fund Type Definitions. GASB 54 establishes Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Governmental Fund statements conform to this new classification.

Non-Spendable: Items that cannot be spent because they are not in spendable form, such as prepaid items, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan fund.

Restricted: Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, laws, or regulations of other governments, as well as restrictions imposed by law through constitutional provision or enabling legislation.

Committed: Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remain binding unless removed in the same manner.

Assigned: Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The District has assigned $1,255,000 for the Operating Reserve Fund, $748,839 for the Apparatus Fund, $535,066 for the building funds, and $14,000 for capital equipment fund for the total Assigned Fund balance of $2,552,905.

Unassigned: This category is for any balances that have no restrictions placed upon them.

Changes in reserve use or a new use of reserve requires board approval.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Use of Estimates

The District's management has made certain estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

2. PROPERTY TAX REVENUE

The District receives property tax revenue from the County of Sonoma (the "County"). The County is responsible for assessing, collecting, and distributing property taxes in accordance with state law. Taxes are levied annually on July 1st, and one-half are due by November 1st and one-half by February 1st. Taxes are delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied on a pro-rata basis when changes in assessed valuation occur due to the completion of construction or sales transactions. Liens on real property are established on January 1st for the ensuing fiscal year.

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

On June 30, 1993, the Board of Supervisors adopted the "Teeter" method of property tax allocation. This method allocates property taxes based on the total property tax billed. At year-end, the County advances cash to each taxing jurisdiction equal to its current year delinquent taxes. Once the delinquent taxes are collected, the revenue from penalties and interest remains with the County and is used to pay the interest cost of borrowing the cash used for the advances.

3. MEASURE H REVENUE

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

NSCFPD has been able to put Measure H funds to good use to benefit the community. The funds are being used for:

1. Increasing our career CAL FIRE staffing so a minimum of 3 are on duty (instead of 2), 24×7, as of January 1, 2025
2. Hiring a full-time District Administrator to manage the responsibilities of the district (instead of relying on volunteers)
3. Remaining Measure H funds will be used for the North Fire Station Expansion project

The North Sonoma Coast Fire Protection District received $1,102,439 in Measure H for the fiscal year ended June 30, 2025.

4. CASH AND CASH INVESTMENTS

The District holds the majority of reserve funds in investment accounts approved for use by public agencies.

Cash and investments consisted of the following as of June 30, 2025, and 2024:

	2025	2024
Cash and cash equivalents	$3,093,988	$1,997,478
Total Cash and Investments	$3,093,988	$1,997,478

5. ACCOUNTS RECEIVABLE

Accounts Receivable represents amount due from Sonoma County and other governmental units for balances collected on behalf of the District, principally property tax revenue. Management believes receivables on June 30, 2025, and 2024 will be fully collected. Accordingly, no allowance for doubtful receivables is recorded.

Accounts Receivable consisted of the following as of June 30, 2025, and 2024:

	2025	2024
Accounts Receivable	$500,595	$176,853
Total Accounts Receivable	$500,595	$176,853

6. CAPITAL ASSETS

An analysis of capital asset balances as of June 30, 2025, and 2024, is as follows:

June 30, 2025	Balance July 1, 2024	Additions	Adjustment	Balance June 30, 2025
Capital assets, being depreciated				
Equipment	$1,712,914	-	$20,000	$1,692,914
Total capital assets, being depreciated	1,712,914	-	20,000	1,692,914
Less Accumulated Depreciation for:				
Equipment	(575,568)	(114,390)	(16,500)	(673,458)
Total capital assets, being depreciated, net	(575,568)	(114,390)	(16,500)	(673,458)
Capital assets, net	$1,137,346	($114,390)	$3,500	$1,019,456

June 30, 2024	Balance July 1, 2023	Additions	Adjustment	Balance June 30, 2024
Capital assets, being depreciated				
Equipment	$1,291,366	$421,548	-	$1,712,914
Total capital assets, being depreciated	1,291,366	421,548	-	1,712,914
Less Accumulated Depreciation for:				
Equipment	(456,724)	(118,844)	-	(575,568)
Total capital assets, being depreciated, net	(456,724)	(118,844)	-	(575,568)
Capital assets, net	$834,642	$302,704	-	$1,137,346

Depreciation expense for the fiscal year ended June 30, 2025, and 2024 was $114,390 and $118,844, respectively.

6. LONG-TERM LIABILITIES

Long-term liabilities for the years ended June 30, 2025, and 2024 are as follows:

	2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One year
Notes payable- Westamerica	$79,598	-	$18,756	$60,842	$19,403
Total long-term Liabilities	$79,598	-	$18,756	$60,842	$19,403

	2024				
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One year
Notes payable- Westamerica	$97,105	-	$17,507	$79,598	$18,747
Total long-term Liabilities	$97,105	-	$17,507	$79,598	$18,747

Note Payable- Westamerica

The District has a note payable dated April 2017 and funded July 2017. The loan is for $178,911, has an interest rate of 3.5 percent, and matures in July 2027. The balance due on June 30, 2025, is $60,842. Payments on June 30 are as follows:

FY	Principal	Interest
2026	$19,403	$2,109
2027	20,082	1,430
2028	21,356	146
Total	$60,841	$3,685

7. LEASES

The District occupies four stations. One station is owned by Sonoma County and licensed for use by the District. There is no rent payment. A second station that is owned by The Sea Ranch Volunteer Fire Department, Inc (a 501(c)(3) corporation) is used by the District under the terms of a Memorandum of Understanding; no rent is paid. The third station is owned by CAL FIRE and is where the full-time CAL FIRE staff are housed, as well as some District apparatus. The District does pay rent on this station, but the rent is embedded in the CAL FIRE contract and is not paid separately. The fourth station is a storage shed on the grounds of Horicon School, which houses one piece of fire apparatus. The District has an MOU with the Horicon School District for this facility. There is no rent charged. The District owns the shed.

8. PRIOR PERIOD ADJUSTMENT

There were no prior period adjustments for the fiscal years 2024-2025 and 2023-2024.

9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions and natural disasters for which the government provides coverage through its participation with other Fire Districts in the Fire Agencies Insurance Risk Authority (FAIRA) system. As a member of a public entity risk pool, the District and FAIRA, implementing all policies of FAIRA, promptly paying all contributions, and cooperating with FAIRA and any insurer of FAIRA. FAIRA is responsible for providing insurance coverage as agreed upon, assisting the District with implementation, providing claims adjusting and defense of any civil action brought against an officer of FAIRA.

The District also is a member of the Fire District Association of California/Fire Risk Management System (FDAC/FRMS) for workers' compensation coverage.

10. CONTINGENCIES

Litigation – No claims involving the District are currently outstanding. Management believes that there are no material adverse effects on the District's financial position or results of operations.

11. SUBSEQUENT EVENTS

The District has evaluated subsequent events to June 30, 2025, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through October 02, 2025, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosures in the financial statements.

NORTH SONOMA COAST FIRE PROTECTION DISTRICT

ROSTER OF BOARD MEMBERS

JUNE 30, 2025

Directors:

Marti Campbell	Chair
Jim Nybakken	Vice Chair
Jackie Gardener	Member
Leslie Tittle	Member

Clerk of the Board:

Tristan Colson	Secretary

Treasurer of the District:

Bonnie Plakos (Fire Chief)