

MOKELUMNE RURAL COUNTY  
FIRE PROTECTION DISTRICT

FINANCIAL REPORT

JUNE 30, 2025 AND 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Mokelumne Rural County Fire Protection District  
Lockeford, California

### Opinion

We have audited the accompanying financial statements of the governmental activities and the major fund of the Mokelumne Rural County Fire Protection District (the "District") as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the 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 governmental activities and the major fund of the District, as of June 30, 2025 and 2024, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

### 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 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.

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## **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 opinion. 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:

- 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.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require the budgetary information on page 34 and 35, the schedule of proportionate share of net pension liability on page 36, and the schedule of pension contributions on page 37, 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 audits 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Schwartz, Giannini, Lantberger & Adamson*

Stockton, California  
November 10, 2025

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

STATEMENTS OF NET POSITION  
JUNE 30, 2025 AND 2024

	Governmental Activities	
	2025	2024
<b>ASSETS</b>		
Current assets		
Cash and investments (Note 5)	\$ 120,314	\$ 134,483
Accounts receivable	284,362	49,612
Prepaid expenses	27,720	10,551
Total current assets	432,396	194,646
Noncurrent assets		
Capital assets (Note 6)		
Nondepreciable	139,944	139,944
Depreciable, net	1,987,997	1,739,292
Total noncurrent assets	2,127,941	1,879,236
Total assets	2,560,337	2,073,882
<b>DEFERRED OUTFLOWS</b>		
Pension (Note 8)	532,954	706,237
<b>LIABILITIES</b>		
Current liabilities		
Overdraft liability	105,203	294,734
Accounts payable	17,960	-
Accrued payroll	31,084	31,084
Accrued interest	25,947	14,858
Current portion of long-term debt (Note 7)	87,635	84,933
Total current liabilities	267,829	425,609
Noncurrent liabilities		
Accrued compensated absences	73,497	54,418
Net pension liability (Note 8)	1,179,270	1,168,944
Long-term debt, net of current portion (Note 7)	546,196	381,453
Total noncurrent liabilities	1,798,963	1,604,815
Total liabilities	2,066,792	2,030,424
<b>DEFERRED INFLOWS</b>		
Pension (Note 8)	13,276	11,523
<b>NET POSITION</b>		
Net investment in capital assets	1,494,110	1,412,850
Unrestricted	(480,887)	(674,678)
Total net position	\$ 1,013,223	\$ 738,172

See Notes to Financial Statements.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025

	Program Revenue				
Expenses	Charges for Services	Operation Contributions and Grants	Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position	
Governmental activities					
Fire Protection Services	\$ 2,244,582	\$ 469,317	\$ 57,249	\$ 445,069	\$ (1,272,947)
Total governmental activities	\$ 2,244,582	\$ 469,317	\$ 57,249	\$ 445,069	(1,272,947)
		General revenue			
		Property taxes and assessments		1,530,080	
		Interest income		4,868	
		Gain on sale of asset		13,050	
		Total general revenue		1,547,998	
		Increase in net position		275,051	
		Net position - beginning of year		738,172	
		Net position - end of year		\$ 1,013,223	

See Notes to Financial Statements.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

	Program Revenue			Net Revenue (Expense) and Changes in Net Position	
	Expenses	Charges for Services	Operation Contributions and Grants		Capital Grants and Contributions
Governmental activities					
Fire Protection Services	\$ 2,034,504	\$ 224,405	\$ 73,531	\$ 154,815	\$ (1,581,753)
Total governmental activities	\$ 2,034,504	\$ 224,405	\$ 73,531	\$ 154,815	(1,581,753)
		General revenue			
		Property taxes and assessments			1,522,661
		Interest income			2,754
		Gain on sale of asset			14,000
		Total general revenue			1,539,415
		(Decrease) in net position			(42,338)
		Net position - beginning of year			780,510
		Net position - end of year			\$ 738,172

See Notes to Financial Statements.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

GOVERNMENTAL FUND BALANCE SHEETS  
 JUNE 30, 2025 AND 2024

	General Fund	
	2025	2024
<b>ASSETS</b>		
Cash in county treasury	\$ 104,467	\$ 118,636
Investments	15,847	15,847
Accounts receivable	31,983	49,612
Prepaid expenses	27,720	10,551
Total assets	<u>180,017</u>	<u>194,646</u>
<b>LIABILITIES</b>		
Accounts payable	17,960	-
Due to the County	105,203	294,734
Accrued payroll	31,084	31,084
Total liabilities	<u>154,247</u>	<u>325,818</u>
<b>FUND BALANCE</b>		
Nonspendable - prepaid expenditures	27,720	10,551
Assigned - special fire prevention	52,770	24,149
Unassigned - general	(54,720)	(165,872)
Total fund balance	<u>25,770</u>	<u>(131,172)</u>
Total liabilities and fund balances	<u>\$ 180,017</u>	<u>\$ 194,646</u>

See Notes to Financial Statements.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025

Total fund balance - governmental funds \$ 25,770

In governmental funds, only current assets are reported. In the Statements of Net Position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	\$	3,802,187
Accumulated depreciation		<u>(1,674,246)</u>

Net capital assets 2,127,941

In governmental funds, only current assets are reported. In the Statements of Net Position, all assets are reported, including grant receivables collectible after sixty days. Receivables collected after sixty days from year-end totaled:

252,379

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide Statements of Activities, it is recognized in the period that it is incurred.

(25,947)

In the governmental funds, only current liabilities are reported. In the Statements of Net Position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Compensated absences	\$	(73,497)
Net pension liability		(1,179,270)
Long-term debt		<u>(633,831)</u>

(1,886,598)

In governmental funds, pension obligations are deferred because they do not meet current financial obligations. However, in the government-wide Statement of Net Position, deferred outflows and deferred inflows related to pensions are recorded. The difference between deferred outflows of \$532,954 and deferred inflows of \$13,276 is:

519,678

Total net position - governmental activities

\$ 1,013,223

See Notes to Financial Statements.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024

Total fund balance - governmental funds \$ (131,172)

In governmental funds, only current assets are reported. In the Statements of Net Position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	\$	3,445,590	
Accumulated depreciation		<u>(1,566,354)</u>	

Net capital assets 1,879,236

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide Statements of Activities, it is recognized in the period that it is incurred. (14,858)

In the governmental funds, only current liabilities are reported. In the Statements of Net Position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Compensated absences	\$	(54,418)	
Net pension liability		(1,168,944)	
Long-term debt		<u>(466,386)</u>	(1,689,748)

In governmental funds, pension obligations are deferred because they do not meet current financial obligations. However, in the government-wide Statement of Net Position, deferred outflows and deferred inflows related to pensions are recorded. The difference between deferred outflows of \$706,237 and deferred inflows of \$11,523 is:

694,714

Total net position - governmental activities \$ 738,172

See Notes to Financial Statements.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT  
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES  
 IN GOVERNMENTAL FUND BALANCE (DEFICIT)  
 FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	General Fund	
	2025	2024
<b>REVENUES</b>		
Taxes and assessments	\$ 1,486,559	\$ 1,406,851
Facilities impact and plan check fees	43,521	115,810
Charges for services	469,317	224,405
Interest income	4,868	2,754
Grant revenue	204,099	154,815
Miscellaneous income	45,840	73,531
Total revenues	2,254,204	1,978,166
<b>EXPENDITURES</b>		
Salaries and wages	1,044,359	859,418
Fringe benefits	473,132	409,744
Professional services	96,227	182,632
Insurance	28,236	25,846
Maintenance and repairs	103,872	83,382
Supplies and other costs	47,656	50,401
Capital outlay	217,066	187,966
Total general expenditures	2,010,548	1,799,389
Debt service:		
Interest and fees	14,831	29,138
Principal payments	84,933	82,316
Total debt service	99,764	111,454
Total expenditures	2,110,312	1,910,843
Excess of revenues over expenditures	143,892	67,323
<b>OTHER FINANCING SOURCES:</b>		
Proceeds from sale of assets	13,050	14,000
Total other financing sources	13,050	14,000
Excess of revenues and other sources over expenditures	156,942	81,323
Fund balance (deficit) - beginning	(131,172)	(212,495)
Fund balance (deficit) - ending	\$ 25,770	\$ (131,172)

See Notes to Financial Statements.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN GOVERNMENTAL FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balance - governmental fund	\$	156,942
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Amounts reported for governmental activities in the Statements of  
Net Position are different because:

Capital assets are reported in governmental funds as expenditures. However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital assets of \$469,445 exceeds depreciation expense of \$220,740 in the period.		248,705
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In governmental funds, pension costs are recognized when employer contributions are made. In the Statements of Activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between pension costs and actual employer contributions was:		(184,791)
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In governmental funds, repayments of long-term debt are reported as expenditures. In government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Payment of long-term debt was:		84,933
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In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide Statements of Activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period was:		(30,738)
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Increase in net position of governmental activities	\$	275,051
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See Notes to Financial Statements.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN GOVERNMENTAL FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balance - governmental fund	\$	81,323
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Amounts reported for governmental activities in the Statements of  
Net Position are different because:

Capital assets are reported in governmental funds as expenditures. However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital assets of \$187,966 is less than depreciation expense of \$220,737 in the period.		(32,771)
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In governmental funds, pension costs are recognized when employer contributions are made. In the Statements of Activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between pension costs and actual employer contributions was:		(175,492)
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In governmental funds, repayments of long-term debt are reported as expenditures. In government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Payment of long-term debt was:		82,315
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In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide Statements of Activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period was:		2,287
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Increase in net position of governmental activities	\$	<u>(42,338)</u>
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See Notes to Financial Statements.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

STATEMENTS OF FIDUCIARY NET POSITION  
 JUNE 30, 2025 AND 2024

	<u>Pension Trust</u>	
	<u>2025</u>	<u>2024</u>
ASSETS		
Investments	<u>\$ 244,148</u>	<u>\$ 216,956</u>
NET POSITION		
Net position for deferred compensation	<u>\$ 244,148</u>	<u>\$ 216,956</u>

See Notes to Financial Statements.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
JUNE 30, 2025 AND 2024

	Pension Trust	
	2025	2024
<b>ADDITIONS</b>		
Contributions	\$ 6,688	\$ 5,610
Investment income	21,902	23,785
Total additions	28,590	29,395
<b>DEDUCTIONS</b>		
Administrative fees	50	50
Asset fees	1,348	1,143
Total deductions	1,398	1,193
Change in net position	27,192	28,202
Net position - beginning of year	216,956	188,754
Net position - end of year	\$ 244,148	\$ 216,956

See Notes to Financial Statements.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 1. ORGANIZATION

The Mokelumne Rural County Fire Protection District (the "District") was organized for the purpose of offering fire protection to residents and landowners in the Victor and Lockeford areas of San Joaquin County. The District operates under the authority of the State of California Health and Safety Code, Section 13801.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The reporting entity is the Mokelumne Rural County Fire Protection District. There are no component units included in this report which meet the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, GASB Statement No. 61, and GASB Statement No. 80.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statements of net position and the statements of activities) report information on all the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Government activities* are normally supported by taxes and intergovernmental revenues.

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

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

Basis of Presentation

*Government-wide Financial Statements* - The government-wide financial statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds. The government-wide statements of activities present a comparison between 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.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

The District does not allocate indirect expenses to functions in the statements of activities. Program revenues include charges paid by the recipient 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 which 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.

*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 nonmajor funds, if applicable, are aggregated into one column. Fiduciary funds account for assets held in a trustee capacity and can generally not be used to support a government's own programs.

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 Governmental 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 current assets.

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 use the modified accrual basis of accounting.

*Revenue – exchange and non-exchange transactions:* Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measureable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after fiscal year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes and grants. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the fiscal year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

*Unearned revenues:* Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied.

*Expenses/expenditures:* Under the accrual basis of accounting, expenses are recognized at the time a liability is incurred. Under the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be 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 balances, revenues, and expenditures. The District's 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 District's accounts are organized in one major fund as follows:

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.

The *Fiduciary Fund* is maintained by the District to account for deferred compensation for former employees.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances and Net Position

Fund balance is the difference between the assets and liabilities reported in the governmental general fund. In compliance with GASB Statement No. 54, the District has established the following fund balance types:

*Nonspendable* – This non-spendable fund balance classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

*Restricted* – The restricted fund balance classification includes amounts that reflect constraints placed on the use of resources (other than non-spendable items) that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed* – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (legislation, resolution, ordinance, etc.) it employed to previously commit those amounts.

Committed fund balance should also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* – The assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted or committed. Such intent is to be established by a) the governing body itself or b) a body or official to which the governing body had delegated the authority to assign amounts to be used for specific purposes.

*Unassigned* – The unassigned fund balance classification includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned for specific purposes within the General Fund. The General Fund is the only fund that should report this category of fund balance.

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified in the following categories:

*Net Investment in Capital Assets* – Net position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by outstanding debt directly attributed to the acquisition, construction, or improvement of the assets.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances and Net Position (Continued)

*Restricted Net Position* – The restricted net position is the portion of net position that has external constraints placed on it by external creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation.

*Unrestricted Net Position* – The unrestricted net position classification is the amount remaining that does not fall into one of the above two categories.

The District’s policy is that when an expenditure is incurred for which both restricted and unrestricted fund balances are available, the restricted fund balance be spent first followed by committed, then assigned, and if applicable, unassigned.

Cash and Investments

The District’s cash is held in an agency capacity by San Joaquin County. San Joaquin County operates a pooled cash fund for all its agency funds. The cash on deposit with San Joaquin County may be invested in an external investment pool sponsored by San Joaquin County.

Prepaid Expenses

The District has the option of reporting expenditures in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the period benefitted.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.

Capital Assets and Depreciation

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance or items less than \$1,000 are recorded as expenses. Capital assets are depreciated over the estimated useful life of the related asset. Depreciation is provided for under the straight-line method using the following estimated useful lives:

Buildings	20-40 years
Improvements	10-20 years
Trucks and Apparatus	5-25 years
Office Equipment	5-10 years
Furniture/Equipment	5-10 years

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The District implemented GASB Statement No. 101, *Compensated Absences*, for the fiscal year ended June 30, 2025. Under GASB 101, the District recognizes a liability for compensated absences attributable to services already rendered, to the extent it is more likely than not that the leave will be used for time off or otherwise paid or settled. The District's policy allows employees to accumulate unlimited sick leave and up to 480 hours of vacation leave. Employees are entitled to be paid any accumulated vacation upon separation from the District. Upon termination, accumulated sick leave may be applied to CalPERS for additional service credit. The liability is calculated using pay rates in effect as of the financial statement date. The liability for compensated absences as of June 30, 2025 and June 30, 2024, was \$73,497 and \$54,418, respectively. The net change in the liability for compensated absences for the year ended June 30, 2025 and June 30, 2024, was \$19,080 and \$ 0 respectively.

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a computation of net position by the District that is applicable to a future reporting period. The District has one item which qualifies for reporting in this category; refer to Note 8 for a detailed listing of the deferred outflows of resources the District has reported.

In addition to liabilities, the Statements of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has one item which qualifies for reporting in this category; refer to Note 8 for a detailed listing of the deferred inflows of resources the District has reported.

Pensions

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 of the District's California Public Employees Retirement System (CalPERS) plan and additions to or deductions from the PERS Plan 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.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Accounting

The Statements of Revenues, Expenditures, and Changes in Governmental Fund Balances – Budget to Actual – General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

Annual budget requests are submitted by the District's staff to the District's Board of Directors for preliminary review and approval. After a public hearing, a final budget is approved by the District's Board of Directors, with a resolution adopting said budget. Copies are provided to all required agencies.

NOTE 3. PROPERTY TAXES AND DIRECT ASSESSMENTS

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes.

*Property Valuations* – are established by the Assessor of the County of San Joaquin for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provision of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From the base assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

*Tax Levies* – are limited to 1% of full value, which results in a tax base of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

*Tax Levy Dates* – are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 3. PROPERTY TAXES AND DIRECT ASSESSMENTS (CONTINUED)

*Tax Levy Apportionments* – Due to the nature of the District-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the County Auditor-Controller based primarily on the ratio that each agency represented of the total District-wide levy for the three years prior to fiscal year 1979.

*Tax Collections* – are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments. The County of San Joaquin bills and collects all property taxes and remits to the District its share of the 1% property tax allocation. Tax revenues are recognized by the District when received.

*Property Tax Administration Fees* – The State of California Fiscal Year 1990-1991 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes.

*Direct Assessments*- The District also applies a direct assessment per parcel based upon its square footage and zoned use. The San Joaquin County Auditor adds the District's direct assessment to the tax rolls, but controls no other aspect of the District's assessment. All funds collected are left on deposit with the Treasurer of San Joaquin County. The District's obligations are paid out of these funds only upon properly verified warrant requests authorized by the District.

NOTE 4. APPROPRIATION LIMITS AND PROPOSITION #4

The District did not exceed any spending limits as regulated by Proposition 4. However, the District did exceed spending limits on certain budgeted line items. This information is disclosed on the Statements of Revenues, Expenditures, and Changes in Governmental Fund Balances – Budget to Actual – General Fund.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 5. CASH AND INVESTMENTS

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

	2025	2024
Cash and investments on deposit with County Treasurer	\$ 102,708	\$ 118,636
Cash on hand and in bank	17,610	15,847
Total cash and investments	\$ 120,318	\$ 134,483

The District categorized its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had investments in the San Joaquin County Investment Pool, that external pool is measured under Level 2.

Investments Authorized by the District's Investment Policy

The District has not formally adopted a deposit and investment policy that limits the District's allowable deposits or investments and addresses the specific types of risk to which the government is exposed. However, the San Joaquin County Treasurer's investment policy contains specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair market 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.

One of the ways that interest rate risk is managed is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The remaining maturity of the District's investments in the San Joaquin County Investment Pool is 12 months or less.

Disclosure Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. There is no minimum legal rating required of investment pools such as the San Joaquin County Investment Pool. Therefore, a rating is not issued.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 5. CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The District has not formally adopted an investment policy that contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The 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 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 fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

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 investments. With respect to investments, custodial credit risk generally applies to only direct investments in marketable securities.

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the San Joaquin County Investment Pool).

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 6. CAPITAL ASSETS AND DEPRECIATION

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

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Governmental activities:				
Non-depreciable assets:				
Land	\$ 70,876	\$ -	\$ -	\$ 70,876
Land improvements	69,068	-	-	69,068
Total non-depreciable assets	<u>139,944</u>	<u>-</u>	<u>-</u>	<u>139,944</u>
Depreciable assets:				
Building	473,991	-	-	473,991
Improvements	78,187	-	-	78,187
Furniture and equipment	866,793	17,066	(15,252)	868,607
Trucks and apparatus	1,886,675	-	(97,596)	1,789,079
CIP - Water Tender	-	452,379	-	452,379
Total depreciable assets	<u>3,305,646</u>	<u>469,445</u>	<u>(112,848)</u>	<u>3,662,243</u>
Accumulated depreciation	<u>(1,566,354)</u>	<u>(220,740)</u>	<u>112,848</u>	<u>(1,674,246)</u>
Net depreciable assets	<u>1,739,292</u>	<u>248,705</u>	<u>-</u>	<u>1,987,997</u>
Net capital assets	<u>\$ 1,879,236</u>	<u>\$ 248,705</u>	<u>\$ -</u>	<u>\$ 2,127,941</u>

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

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Governmental activities:				
Non-depreciable assets:				
Land	\$ 70,876	\$ -	\$ -	\$ 70,876
Land improvements	69,068	-	-	69,068
Total non-depreciable assets	<u>139,944</u>	<u>-</u>	<u>-</u>	<u>139,944</u>
Depreciable assets:				
Building	473,991	-	-	473,991
Improvements	78,187	-	-	78,187
Furniture and equipment	716,655	150,138	-	866,793
Trucks and apparatus	1,943,947	37,828	(95,100)	1,886,675
Total depreciable assets	<u>3,212,780</u>	<u>187,966</u>	<u>(95,100)</u>	<u>3,305,646</u>
Accumulated depreciation	<u>(1,440,717)</u>	<u>(220,737)</u>	<u>95,100</u>	<u>(1,566,354)</u>
Net depreciable assets	<u>1,772,063</u>	<u>(32,771)</u>	<u>-</u>	<u>1,739,292</u>
Net capital assets	<u>\$ 1,912,007</u>	<u>\$ (32,771)</u>	<u>\$ -</u>	<u>\$ 1,879,236</u>

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 7. LONG-TERM DEBT

	2025	2024
Contract payable for the purchase of a Hi-Tech Spartan engine. Interest accrues at 3.18% per year and requires annual payments of \$60,666 through November 2027.	\$ 170,988	\$ 224,515
Contract payable for the purchase of a 2020 Freightliner Type III engine. Interest accrues at 3.18% per year and requires annual payments of \$39,098 through July 2030.	210,464	241,871
Contract payable for the purchase of a Freightliner Water Tender. Interest accrues at 5.474% per year and requires annual payments of \$62,292 through September 2030.	252,379	-
	\$ 633,831	\$ 466,386

Future maturities of long-term debt at June 30, 2025, are as follows:

Year		
2026	\$	121,540
2027		140,753
2028		146,362
2029		91,590
2030		95,787
Thereafter		37,799
	\$	633,831

NOTE 8. PENSION PLAN

General Information about the Pension Plan

*Plan Description, Benefits Provided, and Employees Covered* - Effective October 25, 1999, the District participates in the Public Agency portion of the California Public Employees' Retirement System (CalPERS). The District's retirement plan is administered by CalPERS, a multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within California.

A menu of benefit provisions, as well as other requirements, are established by State statutes within the Public Employees' Retirement law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Governmental Resolution. The District is enrolled in one plan; the Safety plan. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report can be found on CalPERS website.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 8. PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

The Plan's provisions and benefits in effect at June 30, 2025 and June 30, 2024, are summarized as follows:

	Safety Plan	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2% @ 50	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	57
Required employee contribution rates	9%	13.75%

	Safety Plan	
	Hire date prior to January 1, 2013	Hire date on or after January 1, 2013
<u>2025:</u>		
Required employer contribution rates	20.09%	13.76%
Required employer payment of unfunded liability	\$89,965	\$1,806
<u>2024:</u>		
Required employer contribution rates	19.95%	13.54%
Required employer payment of unfunded liability	\$60,064	\$0

*Contribution Description* - Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employees be actuarially determined on an annual basis and shall be effective on July 1 following notice of a change in rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contributions to the pension plan during the years ended June 30, 2025 and 2024 were \$194,370 and \$161,917, respectively.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 8. PENSION PLAN (CONTINUED)

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

At June 30, 2025 and 2024, the District reported a liability of \$1,179,270 and \$1,168,944 respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, for fiscal year 2025, and as of June 30, 2023, for fiscal year 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, and June 30, 2022, rolled forward to June 30, 2024, and June 30, 2023, using standard update procedures. The District's proportion of the net pension liability was based on an actuarially-determined projection of the District's long-term share of contributions to the pension plan relative to the actuarially-determined projected contributions of all Pension Plan participants.

At June 30, 2024, the District's proportion was 0.01564%, which increased by 0.00303% from June 30, 2023. At June 30, 2023, the District's proportion was 0.01261%, which increased by 0.00403% from June 30, 2022.

For the year ended June 30, 2025 and June 30, 2024, the District recognized pension expense of \$379,732 and \$340,924, respectively. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial assumptions or method, and plan benefits.

At June 30, 2025, the District reported deferred outflow of resources and deferred inflow of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 29,054	\$ -
Differences between Expected and Actual Experience	96,239	3,129
Differences between Projected and Actual Investment Earnings	57,001	-
Differences between Employer's Contributions and Proportionate Share of Contributions	17,993	10,147
Change in Employer's Proportion	138,297	-
Pension Contributions Made Subsequent to Measurement Date	194,370	-
	\$ 532,954	\$ 13,276

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 8. PENSION PLAN (CONTINUED)

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

At June 30, 2024, the District reported deferred outflow of resources and deferred inflow of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 68,221	\$ -
Differences between Expected and Actual Experience	85,822	7,347
Differences between Projected and Actual Investment Earnings	159,970	-
Differences between Employer's Contributions and Proportionate Share of Contributions	28,880	4,176
Change in Employer's Proportion	201,427	-
Pension Contributions Made Subsequent to Measurement Date	161,917	-
	\$ 706,237	\$ 11,523

The \$194,370 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

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

Year Ending June 30:	Safety Plan
2026	\$ 159,567
2027	178,961
2028	6,282
2029	(19,502)
	\$ 325,308

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 8. PENSION PLAN (CONTINUED)

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

*Actuarial Assumptions* – For the measurement period ended June 30, 2024, the total pension liability was determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2023 total pension liability was based on the following actuarial assumptions:

	Safety Plan
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-age normal cost method
Actuarial Assumptions	
Discount Rate	6.9%
Inflation	2.3%
Salary Increases	Varies by entry age and service
Investment Rate of Return	6.9% net of pension plan investment and administrative expenses; includes inflation
Mortality Rate Table (1)	Derived using CalPERS membership data for all funds.
Post Retirement Benefit Increase	Contract COLA up to 2.3% until purchasing power protection allowance floor on purchasing power applies.

(1) The mortality table used 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.

*Change in Assumptions* – For the measurement date of June 30, 2024, the discount rate remained at 6.9% and the inflation rate remained at 2.3%.

*Long-Term Expected Rate of Return* – 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 pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS staff took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes, are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 8. PENSION PLAN (CONTINUED)

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

*Long-Term Expected Rate of Return (continued)*

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

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 <sup>1,2</sup>
Global equity- cap-weighted	30%	4.54%
Global equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

<sup>1</sup> An expected inflation of 2.3% was used for this period.

<sup>2</sup> Figures are based on the 2021-2022 Asset Liability Management study.

*Discount Rate* – The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at the statutorily required rate, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 8. PENSION PLAN (CONTINUED)

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

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.9%) or 1% point higher (7.9%) than the current rate:

	2025		
	1% Decrease	Current	1% Increase
	5.90%	Discount Rate 6.90%	7.90%
District's proportionate share of the net pension plan liability	\$ 1,990,146	\$ 1,179,270	\$ 516,086

  

	2024		
	1% Decrease	Current	1% Increase
	5.90%	Discount Rate 6.90%	7.90%
District's proportionate share of the net pension plan liability	\$ 1,796,192	\$ 1,168,944	\$ 656,124

*Pension Plan Fiduciary Net Position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2025 and June 30, 2024, the District had no amount outstanding for contributions to the pension plan required for the fiscal years ended June 30, 2025 and June 30, 2024.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 9. EMPLOYEE THRIFT PLAN

District employees may elect to defer a portion of their gross wages to a non-qualified thrift savings plan. Participating employees can direct the trustee with respect to the investment of all contributions and the earnings thereon in securities obtainable “over the counter” or on recognized exchanges. Alternative investment vehicles would include savings accounts or certificates of deposits.

NOTE 10. DEFERRED COMPENSATION PLAN

The District, in a fiduciary capacity, holds an account in the Nationwide Retirement Solutions Deferred Compensation Plan. Under the plan, employees may make bi-weekly automatic payroll deduction contributions, subject to limitations. The District does not make any additional contributions. There are currently no current employees participating in this plan.

NOTE 11. RISK MANAGEMENT AND INSURANCE

The District is exposed to various risks of loss relating to worker’s compensation liability. The District participates in a joint powers agreement established in July 1984 to provide coverage for worker’s compensation liability exposures and to pay for the administration of the Fire District’s Association of California-Fire Agency Self Insurance System (FDAC-FASIS, or Association), on behalf of its members. The District currently reports all of its risk management activities in its general fund. Premiums due to the Association are reported when incurred.

The agreement for the formation of the FDAC-FASIS provides that the system will be self-sustaining through member premiums and will reimburse, through a commercial insurance company, claims in excess of a self-insured retention of \$300,000. Above the self-insured retention, excess insurance coverage is in place to a limit of \$10,000,000.

As defined by GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, FDAC-FASIS is a “risk-sharing pool.” The Association manages one pool for all members. The arrangement allows its members to pool risks and share in the cost of losses. Each member of the Association pays an annual premium to the insurance system. This premium is evaluated each year based on a District’s number of personnel, its estimated payroll, and a historical experience factor.

NOTE 12. DATE OF MANAGEMENT’S REVIEW

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through November 10, 2025, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
GOVERNMENTAL FUND BALANCE (DEFICIT) - BUDGET TO ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes and assessments	\$ 1,481,758	\$ 1,481,758	\$ 1,486,559	\$ 4,801
Facilities impact and plan check fees	90,000	90,000	43,521	(46,479)
Strike team income	225,000	225,000	469,317	244,317
Interest income	200	200	4,868	4,668
Grant revenue	20,000	20,000	204,099	184,099
Miscellaneous income	76,200	76,200	45,840	(30,360)
Total revenues	<u>1,893,158</u>	<u>1,893,158</u>	<u>2,254,204</u>	<u>361,046</u>
<b>EXPENDITURES</b>				
Salaries and wages	928,301	928,301	1,044,359	(116,058)
Fringe benefits	524,972	524,972	473,132	51,840
Professional services	82,200	82,200	96,227	(14,027)
Insurance	28,000	28,000	28,236	(236)
Maintenance and repairs	101,500	101,500	103,872	(2,372)
Supplies and other costs	76,900	76,900	47,656	29,244
Capital outlay	110,000	110,000	217,066	(107,066)
Total general expenditures	<u>1,851,873</u>	<u>1,851,873</u>	<u>2,010,548</u>	<u>(158,675)</u>
Debt service:				
Interest and fees	6,000	6,000	14,831	(8,831)
Principal payments	-	-	84,933	(84,933)
Total debt service	<u>6,000</u>	<u>6,000</u>	<u>99,764</u>	<u>(93,764)</u>
Total expenditures	<u>1,857,873</u>	<u>1,857,873</u>	<u>2,110,312</u>	<u>(252,439)</u>
Excess of revenues over expenditures	35,285	35,285	143,892	108,607
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of assets	-	-	13,050	13,050
Total other financing sources	<u>-</u>	<u>-</u>	<u>13,050</u>	<u>13,050</u>
Excess of revenues and other sources expenditures and other sources	35,285	35,285	156,942	121,657
Fund balance (deficit) - beginning	<u>(131,172)</u>	<u>(131,172)</u>	<u>(131,172)</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ (95,887)</u>	<u>\$ (95,887)</u>	<u>\$ 25,770</u>	<u>\$ 121,657</u>

See Notes to Financial Statements.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
GOVERNMENTAL FUND BALANCE (DEFICIT) - BUDGET TO ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes and assessments	\$ 1,358,039	\$ 1,358,039	\$ 1,406,851	\$ 48,812
Facilities impact and plan check fees	79,310	79,310	115,810	36,500
Strike team income	60,000	60,000	224,405	164,405
Interest income	381	381	2,754	2,373
Grant revenue	61,651	61,651	154,815	93,164
Miscellaneous income	45,889	45,889	73,531	27,642
Total revenues	<u>1,605,270</u>	<u>1,605,270</u>	<u>1,978,166</u>	<u>372,896</u>
<b>EXPENDITURES</b>				
Salaries and wages	867,998	867,998	859,418	8,580
Fringe benefits	470,322	470,322	409,744	60,578
Professional services	92,960	92,960	182,632	(89,672)
Insurance	23,000	23,000	25,846	(2,846)
Maintenance and repairs	55,500	55,500	83,382	(27,882)
Supplies and other costs	98,800	98,800	50,401	48,399
Capital outlay	-	-	187,966	(187,966)
Total general expenditures	<u>1,608,580</u>	<u>1,608,580</u>	<u>1,799,389</u>	<u>(190,809)</u>
Debt service:				
Interest and fees	-	-	29,138	(29,138)
Principal payments	-	-	82,316	(82,316)
Total debt service	<u>-</u>	<u>-</u>	<u>111,454</u>	<u>(111,454)</u>
Total expenditures	<u>1,608,580</u>	<u>1,608,580</u>	<u>1,910,843</u>	<u>(302,263)</u>
Excess (deficiency) of revenues over (under) expenditures	(3,310)	(3,310)	67,323	70,633
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of assets	-	-	14,000	14,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>14,000</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other sources	(3,310)	(3,310)	81,323	84,633
Fund balance (deficit) - beginning	<u>(212,495)</u>	<u>(212,495)</u>	<u>(212,495)</u>	-
Fund balance (deficit) - ending	<u>\$ (215,805)</u>	<u>\$ (215,805)</u>	<u>\$ (131,172)</u>	<u>\$ 84,633</u>

See Notes to Financial Statements.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
LAST 10 YEARS  
FOR THE YEAR ENDED JUNE 30, 2025

The following table provides required supplementary information regarding the District's Pension Plan.

	2025	2024	2023	2022	2021
Proportion of the net pension liability	0.01617%	0.01564%	0.012610%	0.00858%	0.01052%
Proportionate share of the net pension liability	\$ 1,179,269	\$ 1,168,944	\$ 866,170	\$ 301,112	\$ 701,187
Covered payroll	\$ 705,643	\$ 682,206	\$ 728,502	\$ 814,263	\$ 684,409
Proportionate share of the net pension liability as percentage of covered payroll	167%	171%	119%	37%	102%
Plan's total pension liability	\$ 31,243,072,412	\$ 29,748,672,121	\$ 28,076,076,740	\$ 26,210,348,159	\$ 24,782,493,361
Plan's fiduciary net position	\$ 23,952,238,154	\$ 22,273,738,616	\$ 21,204,498,824	\$ 22,700,862,352	\$ 18,120,140,152
Plan fiduciary net position as a percentage of the total pension liability	76.66%	74.87%	75.53%	86.61%	73.12%

  

	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.00983%	0.00931%	0.00904%	0.00873%	0.00809%
Proportionate share of the net pension liability	\$ 613,454	\$ 546,191	\$ 540,235	\$ 451,996	\$ 333,309
Covered payroll	\$ 584,769	\$ 540,861	\$ 519,657	\$ 479,181	\$ 450,370
Proportionate share of the net pension liability as percentage of covered payroll	105%	101%	104%	94%	74%
Plan's total pension liability	\$ 23,442,265,225	\$ 22,053,702,155	\$ 21,144,800,930	\$ 18,961,274,094	\$ 18,131,714,318
Plan's fiduciary net position	\$ 17,199,726,799	\$ 16,186,149,467	\$ 15,169,595,595	\$ 13,782,056,004	\$ 14,011,269,803
Plan fiduciary net position as a percentage of the total pension liability	73.37%	73.39%	71.74%	72.69%	77.27%

**Notes to Schedule:**

Changes in assumptions

In 2023, the discount rate was decreased to 6.90% and the inflation rate was decreased to 2.30%. In 2018, inflation was changed from 2.75 to 2.50 percent and individual salary increases and overall payroll growth was reduced from 3.00 to 2.75 percent. In 2017, as part of the Asset Liability Management review cycle, the discount rate was changed from 7.65 percent to 7.15 percent. In 2016, the discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

MOKELUMNE RURAL COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS  
LAST 10 YEARS  
FOR THE YEAR ENDED JUNE 30, 2025

For Year Ended June 30,	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 194,370	\$ 161,917	\$ 171,455	\$ 182,498	\$ 153,540
Contribution in relation to the actuarially determined contributions	<u>(194,370)</u>	<u>(161,917)</u>	<u>(171,455)</u>	<u>(182,498)</u>	<u>(153,540)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 705,643	\$ 682,206	\$ 728,502	\$ 814,263	\$ 684,409
Contributions as a percentage of covered payroll	27.55%	23.73%	23.54%	22.41%	22.43%
For Year Ended June 30,	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 126,254	\$ 108,126	\$ 93,326	\$ 81,905	\$ 60,423
Contribution in relation to the actuarially determined contributions	<u>(126,254)</u>	<u>(108,126)</u>	<u>(93,326)</u>	<u>(81,905)</u>	<u>(60,423)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 584,769	\$ 540,861	\$ 519,657	\$ 479,181	\$ 450,370
Contributions as a percentage of covered payroll	21.59%	19.99%	17.96%	17.09%	13.42%