

3.2.8 First Reading of Ordinance 26-04 (CFD Annexation 23).

3.3 Annually Recurring Special Benefit Tax Assessment Resolutions

3.3.1 Resolution 26-16 – The Board will consider adopting Resolution 26-16, Ordering the Levy of the Special Benefit Tax for Fire Suppression and Emergency Services (Crest Area) for Fiscal Year 2026/2027.

3.3.2 Resolution 26-17 – The Board will consider adopting Resolution 26-17, Ordering the Levy of the Special Benefit Tax for Fire Protection and Emergency Medical Services (Bostonia Area) for Fiscal Year 2026/2027.

3.3.3 Resolution 26-18 – The Board will consider adopting Resolution 26-18, Ordering the Levy of the Special Benefit Tax for the Provision of Advanced Life Support (Paramedic/Firefighter – Crest and Bostonia Area) Engines for Fiscal Year 2026/2027.

3.3.4 Resolution 26-19 – The Board will consider adopting Resolution 26-19, Ordering the Levy of the Special Benefit Tax for Fire Suppression, Protection and Emergency Medical Response Services (Proposition E - Crest and Bostonia Area) for Fiscal Year 2026/2027.

4. REPORTS

4.1 Committee Reports

4.2 Directors' Reports

4.3 Fire Chief Report

4.4 Association of San Miguel Chief Officers Communications

4.5 Association of San Miguel Firefighters Communications

4.6 Teamsters, Chauffeurs, Warehousemen, and Helpers Local No. 542 Communications

4.7 Correspondence

5. CLOSED SESSION

5.1 Conference with Labor Negotiator (Gov. Code §54957.6)

Agency Negotiators: Attorney Joseph Sanchez, Director McKenna, and Director Muns

5.1.1 Employee Organization: Teamsters, Chauffeurs, Warehousemen and Helpers Local No. 542

5.1.2 Unrepresented Employees: Fire Marshal and Administrative Officer/Finance Officer

ACTION PLAN RECAP

NEXT MEETING – Regular Meeting, Wednesday, June 10, 2026, 5:30 p.m., District Headquarters

ADJOURNMENT

PUBLIC PARTICIPATION

Members of the public may address the Board on items within the District's jurisdiction. The Board cannot take action on items not on the agenda.

ACCESSIBILITY

In compliance with the Americans with Disabilities Act, if you need accommodations to participate in this meeting, please contact the Board Clerk at (619) 670-0500 or info@sanmiguelfire.gov.

**MEETING MATERIALS
(Gov. Code §54957.5)**

Materials related to agenda items distributed to the Board are available for public inspection at the District office, online at <https://www.sanmiguelfire.gov/board-meetings>, and at the meeting.

CERTIFICATION OF POSTING

I certify that on May 8, 2026, the foregoing agenda was posted in accordance with Gov. Code §54954.2 at least 72 hours prior to the meeting, on the District's website and at a location freely accessible to the public. *Is! Shayna Rians* **Shayna Rians, Board Clerk**

**SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS**

MINUTES

WEDNESDAY, APRIL 8, 2026 - 3:00 P.M.

Board President Muns called the meeting to order at 3:06 p.m.

BOARD MEMBERS PRESENT Directors McKenna, Muns, Nelson, Pierce, Raddatz, Robles, and Woodruff

BOARD MEMBERS ABSENT None

STAFF PRESENT Fire Chief Lawler, Deputy Chiefs Durrell and Riley, Administrative Officer/Finance Officer Harris, Fire Marshal Newman, and Executive Assistant/Board Clerk Rians

APPROVAL OF AGENDA

By Board Consensus, the agenda was approved.

The Agenda for the Special Meeting of April 8, 2026, was posted at District Headquarters on Friday, April 3, 2026, at 5:00 p.m.

PUBLIC COMMENT

None.

1. AGENDA ITEMS

1.1 Board of Directors Workshop – The Board of Directors conducted a session focused on the Master Plan report completed by AP Triton. Kevin Taylor, AP Triton Project Manager, explained the report findings and answered questions of the Board.

ACTION PLAN RECAP

None

*The next Board Meeting will be a Regular Meeting on **April 8, 2026, at 5:30 p.m.**, District Headquarters.*

President Muns adjourned the meeting at 4:30 p.m.

Minutes approved at the Regular Meeting of the Board of Directors, San Miguel Consolidated Fire Protection District, on May 13, 2026.

Harry Muns, Board President

Attest:

Shayna Rians, Board Clerk

**SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS**

MINUTES

WEDNESDAY, APRIL 8, 2026 - 5:30 P.M.

Board President Muns called the meeting to order at 5:30 p.m.

BOARD MEMBERS PRESENT Directors McKenna, Muns, Nelson, Pierce, Raddatz, Robles, and Woodruff

BOARD MEMBERS ABSENT None

STAFF PRESENT Fire Chief Lawler, Deputy Chiefs Durrell and Riley, Division Chief Lieberman, Administrative Officer/Finance Officer Harris, Fire Marshal Newman, and Executive Assistant/Board Clerk Rians

Director Raddatz led the Pledge of Allegiance

APPROVAL OF AGENDA

By Board Consensus, the agenda was approved.

The Agenda for the Regular Meeting of April 8, 2026, was posted at District Headquarters on Friday, April 3, 2026, at 5:00 p.m.

PUBLIC COMMENT

None.

1. CONSENT AGENDA ITEMS

1.1 Approval of the Minutes - Regular Meetings of March 11 and March 25, 2026

1.2 Approval of Director Stipends

1.3 Review of the Quarterly Information Technology Access Log

1.4 Receive and File the Master Plan Report

Upon a motion by Director Raddatz, second by Director Pierce, the Consent Agenda was approved by a unanimous vote.

2. ACTION AGENDA ITEMS

2.1 Resolution 26-09 – Intent to annex property into CFD 2022-1 (Annexation 22, Parcel 484-051-15-00).

Upon a motion by Director Pierce, second by Director Nelson, Resolution 26-09 was adopted by a unanimous vote.

2.2 Resolution 26-10 – Intent to annex property into CFD 2022-1 (Annexation 23, Parcel 504-021-28-00).

Upon a motion by Director Nelson, second by Director Woodruff, Resolution 26-10 was adopted by a unanimous vote.

3. REPORTS

3.1 Committee Reports

Director Robles shared that the Finance Committee will meet this month (Wednesday, April 29, 2026).

3.2 Directors' Reports

Directors Raddatz and Woodruff commended AO/FO Harris and Board Clerk Rians for their recent I.T. assistance. Director Robles shared that his attendance at CSDA Legislative Days was a success, as the group managed to meet with 8 different political leaders.

3.3 Fire Chief Report

See **ATTACHMENT A**. Chief Lawler also shared that the California Air Resource Board has a 15-day comment window open for the District to oppose regulations pending against heavy fleet vehicles, and stated he will prepare a letter on behalf of the District.

3.4 Association of San Miguel Chief Officers Communications

Battalion Chief Blunt welcomed Battalion Chief Carroll to the Chief Officers Association. Battalion Chief Nava shared that a Central Zone Extended Attack Drill will take place from 8 a.m. to noon April 15, 16, and 17 – Directors are welcome to attend and observe.

3.5 Association of San Miguel Firefighters Communications

Captain Hays was unable to attend but provided a written report via email, noting that Local 1434 continues training and professional development, including sending members to the IAFF Summit of Excellence for multi-day training and participation in Legislative Days, where members engaged in legislative advocacy. He also highlighted ongoing training and succession planning efforts, as well as upcoming events, including the annual charitable golf tournament scheduled for May 17 at Temecula Creek Golf Course.

3.6 Teamsters, Chauffeurs, Warehousemen, and Helpers Local No. 542 Communications

Inspector Israels reported attending CSDA Legislative Days. Inspector Lyons conducted a walkthrough of a newly constructed community in Escondido that received a wildfire preparedness designation for its fire-resistant construction and community design features.

3.7 Correspondence

Chief Lawler shared correspondence from National City Fire Department, where Engineer Kuklinski was commended on his work coordinating memorial services for National City Firefighter Mike Mejia.

4. CLOSED SESSION

4.1 Conference with Labor Negotiator (GOV §54957.6)

Agency Negotiators: Attorney Joseph Sanchez, Director McKenna, and Director Muns

4.1.1 Employee Organization: Teamsters, Chauffeurs, Warehousemen and Helpers Local No. 542

4.1.2 Unrepresented Employees: Fire Chief, Deputy Chief, Division Chief, Fire Marshal, Administrative Officer/Finance Officer, Fire Services Officer

Board President Muns adjourned the meeting to Closed Session at 5:53 p.m. The Board reconvened in Open Session at 6:31 p.m. No reportable action was taken.

5. ACTION AGENDA ITEMS

5.1 Terms of Employment – Unrepresented Personnel – Fire Services Officer for the term of January 1, 2026 – December 31, 2026.

Upon a motion by Director Muns, second by Director Raddatz, the Board ratified the Fire Services Officer Terms of Employment by a unanimous vote.

5.2 Deputy Chief Employment Agreements – Deputy Chief classification.

Upon a motion by Director Nelson, second by Director Raddatz, the Board approved the Deputy Chief Employment Agreements by a unanimous vote.

In accordance with the Brown Act (Gov. Code §54953(c)(3)), key terms include a two-year agreement, an annual salary of \$246,965.00, seven (7) days of executive leave annually, and benefits consistent with other unrepresented employees.

5.3 Amendment to Fire Chief's Employment Agreement

Upon a motion by Director McKenna, second by Director Woodruff, the Board approved the amendment to the Fire Chief's Employment Agreement by a unanimous vote.

In accordance with the Brown Act (Gov. Code §54953(c)(3)), the amendment updates the annual salary to \$307,000.00, with no other changes.

ACTION PLAN RECAP

- Schedule Zone 1 Ad Hoc Meeting for April 24, 2026

- Chief Lawler to lead a walkthrough of New Station 18 on April 10, 2026 at 1:00 p.m.
- Board Clerk Rians to publish Notices of Public Hearing for CFD Annexations 22 and 23, which will take place at the May meeting.

*The next Board Meeting will be a Regular Meeting on **Wednesday, May 13, 2026, at 5:30 p.m.**, District Headquarters.*

President Muns adjourned the meeting at 6:36 p.m.

Minutes approved at the Regular Meeting of the Board of Directors, San Miguel Consolidated Fire Protection District, on May 13, 2026.

Harry Muns, Board President

Attest:

Shayna Rians, Board Clerk

SMFR



FIRE CHIEF REPORT

April 8, 2026

STAFF INVOLVEMENT

- Fire Chief Lawler attended an Ambulance Business for Fire Chiefs session in Ventura.
- Deputy Chief Riley is attending a 2-week-long Ambulance Business Academy in Ventura.
- Fire Chief Lawler and Deputy Chief Riley met with the CEO of Grossmont Healthcare District.
- Chief Lawler and Division Chief Lieberman attended quarterly FAIRA meeting in Sacramento.
- Director Robles, Fire Chief Lawler, Battalion Chief Carroll, Captain Hays, Engineer Gilman and Inspector Israels participated in CSDA Legislative Days at the State Capitol.
- Division Chief Lieberman and Battalion Chief Carroll attended the California Training Officers Symposium and successfully completed the 4-day Training Officer Boot Camp course.
- Deputy Chief Durrell attended two logistics section meetings for CAL Chiefs.

IMPORTANT LEGISLATION / LITIGATION

- California Assembly Bill 1383 (AB 1383), sponsored by California Professional Firefighters.

POLITICAL ENGAGEMENT/FINANCIAL OPPORTUNITIES

- A request for \$10 million towards Station 19 has been submitted to Congressman Issa's office.
- The Neighborhood Reinvestment Program Grant application was submitted - Requesting \$38,500 for Community Outreach equipment.
- Dr. Sharp Collins - 79th District - Request for \$800,000 towards PFAS-free gear and \$300,000 towards fuel tanks for Station 14 and Station 22.
- SAFER and AFG submitted. Squad personnel and vehicles.
- 501(c)(3) - Board established, bylaws being created.

COMMUNITY INVOLVEMENT

- **Hillsdale Middle School Career Fair** - Captain Loftis hosted a booth to answer questions from students interested in a career in firefighting and EMS. This was a well-organized event that took place in the gym over a 4-hour period.
- **Valley De Oro Little League Opening Day** - E15 attended the ceremony to show presence and offer engine tours.
- **La Presa Elementary School Visit** - E16 attended the event and provided a fire safety message and engine tour.

Fewer than usual events attended in March due to the academy, training, SCBA fittings, and ODH blood draws and physicals.

OTHER

- Strategic Plan
- Zone 1 - Ad Hoc
- HR Specialist update

CONSENT AGENDA ITEM 1.2

Director Stipends

Shayna Rians, Executive Assistant/Board Clerk

STAFF REPORT

BACKGROUND

Effective January 1, 2015, a formal payment procedure was established to pay Directors their monthly meeting stipends. To initiate the payment process, a stipend form for board meetings, training, and local meetings/events will be submitted. Heartland Training Facility meetings will be noted here for attendance purposes, but the Commission pays meeting stipends directly to commissioners.

DISCUSSION

Meetings attended during the month of April 2026 include:

Meeting	Date	Attending Directors
Special Board Meeting	4/8/2026	McKenna, Muns, Nelson, Pierce, Raddatz, Robles and Woodruff
Regular Board Meeting	4/8/2026	McKenna, Muns, Nelson, Pierce, Raddatz, Robles and Woodruff
EOA / Zone 1 Committee	4/24/2026	McKenna, Muns and Raddatz
Finance Committee	4/29/2026	Nelson, Pierce and Robles

ATTACHMENTS

- A. Stipend Short Form – April 2026

RECOMMENDATION

Approve the attached stipend form for meetings attended during the month of April 2026.



San Miguel Consolidated Fire Protection District - Director Stipends (Short Form)

MEETINGS ATTENDED IN **APRIL 2026**, FOR APPROVAL AT THE BOARD MEETING ON **5/13/2026**

MEETING ATTENDED	DATE	STIPEND	✓	INDICATES STIPEND WAIVED
Special Board Meeting	4/8/2026	\$173.25	<input type="checkbox"/>	Division 1 - Jeff Nelson _____ Director Signature Total Amount Due \$446.50 <i>Stipend totals no more than 4 meetings</i>
Regular Board Meeting	4/8/2026	\$173.25	<input type="checkbox"/>	
Finance Committee	4/29/2026	\$100.00	<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
Special Board Meeting	4/8/2026	\$173.25	<input type="checkbox"/>	Division 2 - Kim Raddatz _____ Director Signature Total Amount Due \$446.50 <i>Stipend totals no more than 4 meetings</i>
Regular Board Meeting	4/8/2026	\$173.25	<input type="checkbox"/>	
EOA / Zone 1 Committee	4/24/2026	\$100.00	<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
Special Board Meeting	4/8/2026	\$173.25	<input type="checkbox"/>	Division 3 - Harry Muns _____ Director Signature Total Amount Due \$446.50 <i>Stipend totals no more than 4 meetings</i>
Regular Board Meeting	4/8/2026	\$173.25	<input type="checkbox"/>	
EOA / Zone 1 Committee	4/24/2026	\$100.00	<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
Special Board Meeting	4/8/2026	\$173.25	<input type="checkbox"/>	Division 4 - Christopher Pierce _____ Director Signature Total Amount Due \$446.50 <i>Stipend totals no more than 4 meetings</i>
Regular Board Meeting	4/8/2026	\$173.25	<input type="checkbox"/>	
Finance Committee	4/29/2026	\$100.00	<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
Special Board Meeting	4/8/2026	\$173.25	<input checked="" type="checkbox"/>	Division 5 - Theresa McKenna _____ Director Signature Total Amount Due \$0.00 <i>Stipend totals no more than 4 meetings</i>
Regular Board Meeting	4/8/2026	\$173.25	<input checked="" type="checkbox"/>	
EOA / Zone 1 Committee	4/24/2026	\$100.00	<input checked="" type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
Special Board Meeting	4/8/2026	\$173.25	<input type="checkbox"/>	Division 6 - Jesse A. Robles _____ Director Signature Total Amount Due \$446.50 <i>Stipend totals no more than 4 meetings</i>
Regular Board Meeting	4/8/2026	\$173.25	<input type="checkbox"/>	
Finance Committee	4/29/2026	\$100.00	<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
Special Board Meeting	4/8/2026	\$173.25	<input type="checkbox"/>	Division 7 - Edward Woodruff _____ Director Signature Total Amount Due \$346.50 <i>Stipend totals no more than 4 meetings</i>
Regular Board Meeting	4/8/2026	\$173.25	<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	

ATTEST

Shayna Rians, Board Clerk

Date

CONSENT AGENDA ITEM 2.3**Adoption of CEQA Guidelines – Resolution 26-11**

Leah Harris, Administrative Officer/Finance Officer

STAFF REPORT**BACKGROUND**

The California Environmental Quality Act (“CEQA”), codified in Public Resources Code section 21000 et seq., is California’s most comprehensive environmental law. It generally requires public agencies to evaluate the environmental effects of their actions before they are taken. CEQA also aims to prevent significant environmental effects from occurring as a result of agency actions by requiring agencies to avoid or reduce, when feasible, the significant environmental impacts of their decisions.

To this end, CEQA requires public agencies to adopt specific objectives, criteria, and procedures for evaluating public and private projects undertaken or approved by such agencies.

DISCUSSION

The San Miguel Consolidated Fire Protection District has prepared a proposed updated set of Local CEQA Guidelines for 2026 in compliance with CEQA’s requirements. These Guidelines reflect recent changes in the State CEQA Guidelines and relevant court opinions. These Local CEQA Guidelines also provide instructions and forms for preparing all environmental documents required under CEQA. BB&K has provided an explanatory memorandum, which is attached.

FISCAL IMPACT

No fiscal impact is anticipated from the adoption of the Local CEQA Guidelines.

ATTACHMENTS

- A. BB&K memorandum: Summary of Changes to Local CEQA Guidelines
- B. Resolution 26-11

RECOMMENDATION

Adopt Resolution 26-11 regarding the adoption of the 2026 Local Guidelines for Implementing the California Environmental Quality Act.



Memorandum

TO: The San Miguel Consolidated Fire Protection District
FROM: Best Best & Krieger LLP
DATE: April 3, 2026
RE: Summary of Changes to Local CEQA Guidelines

In 2025, the California Legislature revised the California Environmental Quality Act (“CEQA”) through passage of certain Assembly Bills and Senate Bills. As a result, we have revised the San Miguel Consolidated Fire Protection District’s Local Guidelines for Implementing CEQA (“Local Guidelines”) to account for these CEQA developments. This memorandum summarizes the substantive amendments to the San Miguel Consolidated Fire Protection District’s 2026 Local CEQA Guidelines (“Local Guidelines”).

The Local Guidelines and this memorandum are designed to help the San Miguel Consolidated Fire Protection District comply with CEQA when considering a project subject to CEQA. We still recommend, however, that you consult with an attorney when you have specific questions on major, controversial, or unusual projects or activities.

The Local Guidelines, the related CEQA forms, and other important legal alerts may be accessed via the Best Best & Krieger LLP CEQA client portal. For technical support, please contact Tammy Ingram at tammy.ingram@bbklaw.com.

REVISIONS TO LOCAL GUIDELINES

3.12 Exemption for Agricultural Housing Development

A new subsection B(2) was added to Section 3.12 as a result of the passing of Senate Bill 131. CEQA does not apply to an agricultural housing development maintained and operated by a qualified affordable housing organization that meet the requirements set forth in Section 3.12.

3.20 Exemption for Certain Housing Development Projects That Are 20 Acres or Less in Size

Pursuant to Assembly Bill 130, a new Section 3.20 was added to the Guidelines for qualifying housing development projects that are 20 acres or less in size and meet specific criteria.



3.22 Transit Prioritization Projects

A new subsection (5) was added to Section 3.22 regarding an exemption for a transit prioritization project for the protection, improvement, institution, or increase of microtransit, paratransit, shuttle, bus, ferry, bus rapid transit, or light rail service. Subsection (7) also extends this exemption for a public project for the institution or increase of certain passenger rail services until January 1, 2040. Lastly, this section is revised to extend this exemption for covering transportation-related projects, such as pedestrian and bicycle facilities, transit prioritization projects, public projects located in an urbanized area or urban cluster, and public projects for the construction or maintenance of infrastructure of facilities to charge, refuel or maintain zero-emission public transit until January 1, 2040.

3.23 Transportation Plans, Pedestrian Plans, and Bicycle Transportation Plans

Section 3.23 was revised to exempt from CEQA a transit comprehensive operational analysis, transit route readjustment, or other transit agency route addition, elimination, or modification. For purposes of this section, Section 3.23 was revised to exempt “Transit Comprehensive Operational Analysis”, meaning a plan that redesigns or modifies a transit operator’s or local agency’s public transit service network, including the routing of fixed route and microtransit services.

3.24 Facilities Supporting High-Speed Rail

Section 3.24 was added to exempt from CEQA certain projects that consist of the development, construction, or operation of a heavy maintenance facility for electrically powered high-speed rail if certain conditions outlined in Section 3.24 are met. This section also exempts a project that consists of the development, construction, or modification of a proposed passenger rail station, or design changes to a passenger rail station, for the purpose of serving electrically powered high-speed rail, if certain conditions outlined in Section 3.24 are met.

3.25 Certain Public Park and Trail Projects

Pursuant to Assembly Bill 1139, Section 3.25 was added to exempt any activity or approval necessary for or incidental to planning, design, site acquisition, construction, operation, or maintenance of public park or nonmotorized recreational trail facilities funded in whole or in part by the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clear Air Bond Act of 2024.

3.28 State Funded Community Water Systems

Section 3.28 was added to exempt from CEQA a community water system that is funded pursuant to the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air



Bond Act of 2024 or the State Water Resources Control Board’s Safe and Affordable Funding for Equity and Resilience program that does not otherwise include any construction activities if the project meets certain criteria outlined in Section 3.28.

3.29 Wildfire Risk Reduction Projects

Pursuant to Senate Bill 131, Section 3.29 was added to exempt certain wildfire risk reduction projects that meet the criteria specified in Section 3.29.

3.30 Wildfire Defensible Space Requirements

Pursuant to Assembly Bill 1455, Section 3.30 was added to exempt from CEQA ordinances, designed by a local agency responsible for fire protection, designating defensible space requirements based on regulations promulgated by the State Board of Forestry and Fire Protection.

3.33 Daycare Centers, Rural Health Clinics, Food Banks, and Advances Manufacturing Facilities

Section 3.33 was added to exempt from CEQA projects that consist exclusively of daycare centers, rural health clinics, food banks, and advanced manufacturing facilities if certain criteria outlined in Section 3.33 are met.

9.03 Streamlined, Ministerial Review for Adaptive Reuse Projects

Pursuant to Assembly Bill 507, Section 9.03 was added to exempt from CEQA an adaptive reuse project that retrofits and repurposes an existing building to create new residential or mixed uses including office conversion projects.

9.04 Housing Development Project Located in Areas of Smaller Populations

Pursuant to Senate Bill 158, Section 9.04 was added to clarify that CEQA does apply to a housing development that is: (1) located in a city with a population of more than 85,000 but less than 95,000, as determined by the 2020 Census, (2) located in a county with a population of more than 440,000 but less than 455,000, as determined by the 2020 Census, (3) a portion of the parcel where the project is located is identified on a United States Fish and Wildlife Service map as freshwater forested or shrub wetland; and (4) a portion of the parcel where the project is located is within a regulatory floodway.

9.14 “Near Miss” Streamlined Housing Development Project

Pursuant to Senate Bill 131, Section 9.14 was added to establish a streamlined CEQA process for housing development projects that narrowly fail to qualify for certain CEQA



exemptions due to a single disqualifying condition. In such “near miss” instances, it limits CEQA review to those environmental effects caused solely by that condition, and waives the need for analysis of project alternatives, cumulative impacts, and growth-inducing effects. However, these “near miss” provisions do not apply to projects with multiple disqualifying conditions, or to projects involving distribution centers, oil and gas infrastructure, or on protected lands.

10.03 Administrative Record

Pursuant to Senate Bill 131, Section 10.03(A)(10) was revised to narrow the scope of the administrative record. It clarifies that, with limited exceptions, staff notes and internal agency communications (like emails) are not required to be included in the administrative record if they were not presented to the project’s final decision-making body.

Other Changes

CEQA Document Filing Fees

Effective January 1, 2026, the Department of Fish and Wildlife has increased its fees. For a Negative Declaration or a Mitigated Negative Declaration, the new filing fee is \$3,043.75 (see Section 6.24); for an EIR, the new filing fee is \$4,227.50 (see Section 7.42); and for an environmental document prepared pursuant to a Certified Regulatory Program, the new filing fee is \$1,437.25.

Conclusion

As always, CEQA remains complicated and, at times, challenging to apply. The only constant in this area of law is how quickly the rules change. Should you have questions about any of the provisions discussed above, please contact a BB&K attorney for assistance.

BEST BEST & KRIEGER LLP

Resolution 26-11

A Resolution of the Board of Directors of the San Miguel Consolidated Fire Protection District Amending and Adopting Local Guidelines for Implementing the California Environmental Quality Act (Public Resources Code §21000 et seq)

WHEREAS, the California Legislature has amended the California Environmental Quality Act (“CEQA”) (Pub. Resources Code § 21000 et seq.), the Natural Resources Agency has amended portions of the State CEQA Guidelines (Cal. Code Regs, tit. 14, § 15000 et seq.), and the California courts have interpreted specific provisions of CEQA and the State CEQA Guidelines; and

WHEREAS, Public Resources Code section 21082 requires all public agencies to adopt objectives, criteria and procedures for (1) the evaluation of public and private projects undertaken or approved by such public agencies, and (2) the preparation, if required, of environmental impact reports and negative declarations in connection with that evaluation; and

WHEREAS, the San Miguel Consolidated Fire Protection District must revise its local guidelines for implementing CEQA to make them consistent with the current provisions and interpretations of CEQA and the State CEQA Guidelines.

NOW, THEREFORE, the San Miguel Consolidated Fire Protection District (“District”) hereby resolves as follows:

SECTION 1. The District hereby adopts the “2026 Local Guidelines for Implementing the California Environmental Quality Act,” a copy of which is on file at the offices of the District and is available for inspection by the public.

SECTION 2. All prior actions of the District enacting earlier guidelines are hereby repealed.

PASSED AND ADOPTED by the Board of Directors of the San Miguel Consolidated Fire Protection District this 13th day of May 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST

Shayna Rians, Board Clerk

Harry Muns, Board President

ACTION AGENDA ITEM 3.1**2024/2025 Fiscal Year Audit & Single Audit**

Leah Harris, Administrative Officer/Finance Officer

STAFF REPORT**BACKGROUND**

Pursuant to Government Code requirements and the District's financial reporting practices, the District completed its annual independent financial audit for the fiscal year ended June 30, 2025. The audit was conducted by Nigro & Nigro, PC, in accordance with generally accepted auditing standards and Government Auditing Standards.

The audit includes the District's financial statements, notes to the financial statements, required supplementary information, and the independent auditors' reports on financial reporting and internal controls.

DISCUSSION

The Annual Financial Statements for the fiscal year ending June 30, 2025, has been completed. This report summarizes the key financial highlights, audit results, and recommendations based on the findings.

FINANCIAL HIGHLIGHTS

The District's FY 2024/2025 audited financial statements reflect continued financial stability and operational investment throughout the fiscal year. Key highlights include:

- District net position improved by approximately \$5.5 million during FY 2024/2025.
- Total revenues increased approximately 3.45% (\$1.24 million) over the prior fiscal year, primarily due to increases in property tax revenue and charges for services.
- Property tax revenue increased approximately \$1.21 million compared to FY 2023/2024.
- Cash and investments totaled approximately \$39.8 million at fiscal year-end.
- Governmental fund balance totaled approximately \$40.7 million, including approximately \$9.46 million in unassigned fund balance.
- The District invested approximately \$2.75 million in capital assets during the fiscal year in support of operational and infrastructure needs.

The audit also reflects the continued impact of long-term pension and Other Post Employment Benefit (OPEB) liabilities required under Governmental Accounting Standards Board (GASB) reporting standards. Reported liabilities include:

- Net Pension Liability – approximately \$22.7 million
- Net OPEB Liability – approximately \$25.5 million

AUDIT RESULTS

The District received an unmodified ("clean") audit opinion, indicating the financial statements present fairly, in all material respects, the financial position of the District in accordance with Generally Accepted Accounting Principles (GAAP).

The auditors did not identify any material modifications to the opinion. Additionally, the audit included required reporting related to internal controls and compliance pursuant to Government Auditing Standards.



During FY 2024/2025, the District implemented GASB Statement No. 101 related to compensated absences. The auditors noted the implementation did not impact the audit opinion.

RECOMMENDATIONS & NEXT STEPS

Staff will continue to:

- Monitor long-term pension and OPEB obligations;
- Incorporate audited financial information into long-term financial planning and budget development;
- Continue evaluating operational and capital funding priorities;
- Maintain internal controls and financial reporting practices consistent with industry standards and audit recommendations.

CONCLUSION

The FY 2024/2025 audit reflects a continued commitment to fiscal transparency, financial accountability, and sound financial management practices. The District received an unmodified audit opinion, indicating the financial statements fairly present the District's financial position in accordance with GAAP. The audit also reflects continued growth in revenues, stable reserves, and ongoing investment in District operations and capital infrastructure.

FISCAL IMPACT

No fiscal impact.

ATTACHMENTS

- A. San Miguel Consolidated FPD Financial 2025 – Board Review
- B. San Miguel Consolidated FPD Final Communication with Governance Letter 2025
- C. San Miguel Consolidated FPD Presentation to Board 2025

RECOMMENDATION

Receive and file the audit for the fiscal year ending June 30, 2025. The Administrative Officer/Finance Officer will submit the audit report to the State Controller's Office and the County of San Diego per CCR § 1131.2.

The Administrative Officer/Finance Officer will also submit the District's disclosure compliance requirements associated with the Pension Obligation Bonds following receipt and filing of the FY 2024/2025 final audit.

**SAN MIGUEL CONSOLIDATED
FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended
June 30, 2025
(With Comparative Amounts for June 30, 2024)**

NIGRO & NIGRO^{PC}

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

For the Fiscal Year Ended June 30, 2025

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FINANCIAL SECTION

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Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
San Miguel Consolidated Fire Protection District
Spring Valley, California

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Miguel Consolidated Fire Protection District as of and for the fiscal year ended June 30, 2025, 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, each major fund, and the aggregate remaining fund information of San Miguel Consolidated Fire Protection District, as of June 30, 2025, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Change in Accounting Principle

As described in Notes 1 and 7, to the financial statements, as of July 1, 2024, the District adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinion is not modified with respect to these matters.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' 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 and *Government 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 and *Government 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 that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the District's total OPEB liability and related ratios, and schedule of OPEB contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated March 31, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Murrieta, California
March 31, 2026

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2025

Management's Discussion and Analysis (MD&A) offers readers of San Miguel Consolidated Fire Protection District's (the District) financial statements a narrative overview of the District's financial activities for the fiscal year ended June 30, 2025. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to-prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position increased 29.47% or \$5,515,877 from \$(18,715,165) to \$(13,199,288) as a result of this year's operations.
- Total revenues from all sources increased by 3.45%, or \$1,241,660 from \$36,034,295 to \$37,275,955, from the prior year, primarily due to an increase in charges for services of \$1,375,378 and increase in property taxes of \$1,214,949.
- Total expenses for the District's operations increased by 4.95% or \$1,497,212 due to a \$1,351,610 increase in operations expense.
- The District purchased new capital assets during the year in the amount of \$2,749,269. The total depreciation expense was \$1,315,412.

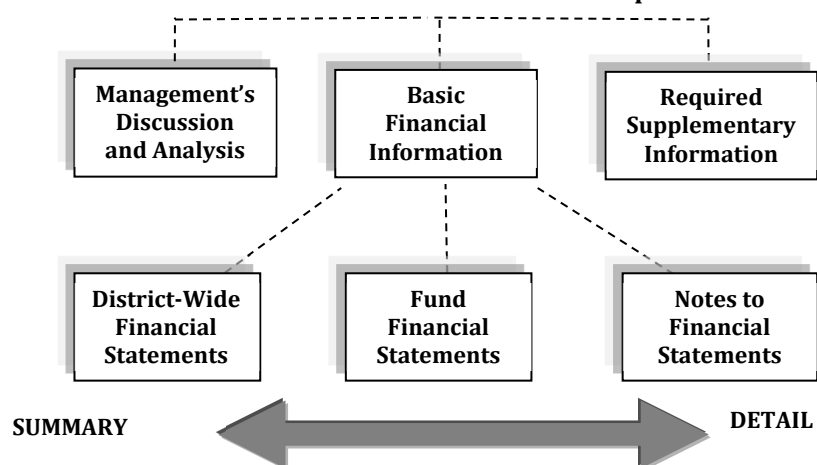
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- *District-wide financial statements* provide both short-term and long-term information about the District's overall financial status.
- *Fund financial statements* focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements.
 - The *governmental funds* statements tell how basic services were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of San Miguel Consolidated Fire Protection District's Annual Financial Report



SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2. Major Features of the District-Wide and Fund Financial Statements

Type of Statements	District-Wide	Governmental Funds
<i>Scope</i>	Entire District	The activities of the District that are not proprietary or fiduciary, such as fire and ambulance services
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

District-Wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of buildings and other facilities.
- In the District-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as fire protection, medical transport, and administration. Local property taxes finance most of these activities.

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance

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 and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2025

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION

Analysis of Net Position

Table A-1: Condensed Statement of Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>
Assets:			
Current assets	\$ 40,426,186	\$ 36,409,690	\$ 4,016,496
Non-current assets	1,081,497	693,017	388,480
Capital assets, net	<u>19,866,544</u>	<u>18,432,687</u>	<u>1,433,857</u>
Total assets	<u>61,374,227</u>	<u>55,535,394</u>	<u>5,838,833</u>
Deferred outflows of resources	<u>19,855,671</u>	<u>26,477,775</u>	<u>(6,622,104)</u>
Liabilities:			
Current liabilities	2,187,528	1,982,278	205,250
Non-current liabilities	<u>77,582,096</u>	<u>75,734,631</u>	<u>1,847,465</u>
Total liabilities	<u>79,769,624</u>	<u>77,716,909</u>	<u>2,052,715</u>
Deferred inflows of resources	<u>14,757,004</u>	<u>23,200,383</u>	<u>(8,443,379)</u>
Net position (Deficit):			
Net investment in capital assets	19,866,544	18,432,687	1,433,857
Restricted	1,096,092	767,059	329,033
Unrestricted (Deficit)	<u>(34,161,924)</u>	<u>(37,914,911)</u>	<u>3,752,987</u>
Total net position (deficit)	<u><u>\$(13,199,288)</u></u>	<u><u>\$(18,715,165)</u></u>	<u><u>\$ 5,515,877</u></u>

At the end of fiscal year 2025, the District shows a deficit balance in its unrestricted net position of (\$34,161,924).

Analysis of Revenues and Expenses

Table A-2: Condensed Statements of Activities

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Change</u>
Program revenues	\$ 7,191,210	\$ 7,157,436	\$ 33,774
Expenses	<u>(31,760,078)</u>	<u>(30,262,866)</u>	<u>(1,497,212)</u>
Net program expense	<u>(24,568,868)</u>	<u>(23,105,430)</u>	<u>(1,463,438)</u>
General revenues	<u>30,084,745</u>	<u>28,876,859</u>	<u>1,207,886</u>
Change in net position	5,515,877	5,771,429	(255,552)
Net position:			
Beginning of year	<u>(18,715,165)</u>	<u>(24,486,594)</u>	<u>5,771,429</u>
End of year	<u><u>\$(13,199,288)</u></u>	<u><u>\$(18,715,165)</u></u>	<u><u>\$ 5,515,877</u></u>

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2025

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses (continued)

The statement of activities shows how the government's net position changed during the fiscal year. In the case of the District, the operations of the District increased its net position by \$5,515,877.

Table A-3: Total Revenues

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
Program revenues:			
Charges for services	\$ 6,385,621	\$ 5,010,243	\$ 1,375,378
Reimbursements	34,521	18,908	15,613
Mitigation fees	287,083	366,686	(79,603)
Operating and capital grant funding	<u>483,985</u>	<u>1,761,599</u>	<u>(1,277,614)</u>
Total program revenues	<u>7,191,210</u>	<u>7,157,436</u>	<u>33,774</u>
General revenues:			
Property taxes	27,876,151	26,661,202	1,214,949
Redevelopment pass-through	284,485	269,717	14,768
Rental income	96,861	159,582	(62,721)
Investment earnings	1,774,348	1,786,358	(12,010)
Sale of capital assets	<u>52,900</u>	<u>-</u>	<u>52,900</u>
Total general revenues	<u>30,084,745</u>	<u>28,876,859</u>	<u>1,207,886</u>
Total revenues	<u>\$ 37,275,955</u>	<u>\$ 36,034,295</u>	<u>\$ 1,241,660</u>

Total revenues from all sources increased by 3.45%, or \$1,241,660 from \$36,034,295 to \$37,275,955, from the prior year, primarily due to an increase in changes for services of \$1,375,378 and increase in property taxes of \$1,214,949.

Table A-4: Total Expenses

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
Expenses:			
Operations	\$ 29,394,402	\$ 28,042,792	\$ 1,351,610
Depreciation expense	1,315,412	1,155,206	160,206
Amortization expense	32,069	32,069	-
Interest expense	<u>1,018,195</u>	<u>1,032,799</u>	<u>(14,604)</u>
Total expenses	<u>\$ 31,760,078</u>	<u>\$ 30,262,866</u>	<u>\$ 1,497,212</u>

Total expenses for the District's operations increased by 4.95% or \$1,497,212 due to a \$1,351,610 increase in operations expense.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2025

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

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, the *unassigned fund balance* may serve as a useful measure of the government's net resources for spending at the end of the fiscal year.

As of June 30, 2025, the District reported a total fund balance of \$40,690,392. An amount of \$9,461,202 constitutes the District's *unassigned fund balance*.

OPERATIONS FUND BUDGETARY HIGHLIGHTS

The final budgeted expenditures for the District's general fund at year-end were \$2,168,546 more than actual. Budgeted revenues were less than actual revenues by \$6,021,645. Actual revenues less expenses were over budget by \$8,243,091.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of fiscal year 2025, the District had invested \$19,866,544 in capital assets, related to the purchase of equipment for use in fire protection. (More detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year was \$1,315,412.

Table A-5: Capital Assets at Year End, Net of Depreciation

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Capital assets:		
Non-depreciable assets	\$ 5,212,826	\$ 6,736,297
Depreciable assets	34,237,999	30,480,208
Accumulated depreciation	<u>(19,584,281)</u>	<u>(18,783,818)</u>
Total capital assets, net	<u><u>\$ 19,866,544</u></u>	<u><u>\$ 18,432,687</u></u>

FACTORS AFFECTING CURRENT FINANCIAL POSITION

Management is unaware of any item that would affect the District's current financial position.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the Fire Chief at the San Miguel Consolidated Fire Protection District at 2850 Via Orange Way, Spring Valley, California 91978 or (619) 670-0500.

Basic Financial Statements

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
Statements of Net Position
June 30, 2025 (With Comparative Amounts as of June 30, 2024)

<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Current assets:		
Cash and investments (Note 2)	\$ 38,768,221	\$ 33,939,968
Accrued interest receivable	137,211	115,468
Property taxes and assessments receivable	114,272	125,614
Other receivables	539,127	1,382,650
Lease receivable – current (Note 4)	-	53,420
Prepaid items	251,424	205,787
Deposits with Public Agencies Self Insurance System (Note 5)	615,931	586,783
Total current assets	<u>40,426,186</u>	<u>36,409,690</u>
Non-current assets:		
Restricted – cash and investments (Note 2 and 3)	992,468	689,101
Restricted – accrued interest receivable (Note 3)	6,182	3,916
Restricted – other receivables (Note 3)	97,442	74,042
Right-to-use leased asset – being amortized, net (Note 8)	82,847	114,916
Capital assets – not being depreciated (Note 6)	5,212,826	6,736,297
Capital assets – being depreciated, net (Note 6)	14,653,718	11,696,390
Total non-current assets	<u>21,045,483</u>	<u>19,314,662</u>
Total assets	<u>61,471,669</u>	<u>55,724,352</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred amounts related to net OPEB liability (Note 11)	5,671,669	7,659,973
Deferred amounts related to net pension liability (Note 12)	14,184,002	18,817,802
Total deferred outflows of resources	<u>19,855,671</u>	<u>26,477,775</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and accrued expenses	831,886	760,302
Accrued interest payable	79,358	80,850
Unearned revenue	-	146,341
Long-term liabilities – due in one year:		
Compensated absences (Note 7)	625,586	541,717
Right-to-use lease payable (Note 8)	32,698	31,068
Pension obligation bonds (Note 9)	618,000	422,000
Total current liabilities	<u>2,187,528</u>	<u>1,982,278</u>
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 7)	625,586	541,716
Right-to-use lease payable (Note 8)	55,132	87,830
Pension obligation bonds (Note 9)	24,568,000	25,186,000
Workers' compensation claims payable (Note 10)	4,226,323	3,652,905
Net OPEB liability (Note 11)	25,457,002	25,952,095
Net pension liability (Note 12)	22,650,053	20,314,085
Total non-current liabilities	<u>77,582,096</u>	<u>75,734,631</u>
Total liabilities	<u>79,769,624</u>	<u>77,716,909</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred amounts related to leases (Note 4)	-	52,370
Deferred amounts related to net OPEB liability (Note 11)	4,097,708	4,321,535
Deferred amounts related to net pension liability (Note 12)	10,659,296	18,826,478
Total deferred inflows of resources	<u>14,757,004</u>	<u>23,200,383</u>
<u>NET POSITION</u>		
Investment in capital assets	19,866,544	18,432,687
Restricted for capital improvements (Note 3)	1,096,092	767,059
Unrestricted (Deficit) (Note 13)	<u>(34,161,924)</u>	<u>(37,914,911)</u>
Total net position	<u>\$(13,199,288)</u>	<u>\$(18,715,165)</u>

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Statements of Activities

For the Fiscal Year Ended June 30, 2025

(With Comparative Amounts for the Fiscal Year Ended June 30, 2024)

Expenses:	2025	2024
Fire related services:		
Operations:		
Salaries and wages	\$ 14,999,766	\$ 13,068,440
Employee benefits	6,318,881	6,923,275
Insurance	1,117,554	3,189,867
Materials and services	6,958,201	4,861,210
Depreciation expense	1,315,412	1,155,206
Amortization expense	32,069	32,069
Interest expense	1,018,195	1,032,799
Total expenses	31,760,078	30,262,866
Program revenues:		
Charges for services:		
Parcel tax	2,173,474	2,073,884
Property assessment	933,174	881,707
Cal-OES – Personnel	1,374,085	591,295
Cal-OES – Engines	31,659	2,290
Cal-OES – Administration	365,419	135,898
Fire prevention – plan check and inspections	424,926	318,502
Advanced life support – first responder fee	888,374	884,835
Weed abatement	149,621	55,047
Other charges	44,889	66,785
Reimbursements	34,521	18,908
Mitigation fees	287,083	366,686
Operating and capital grant funding	483,985	1,761,599
Total program revenues	7,191,210	7,157,436
Net program expense	(24,568,868)	(23,105,430)
General revenues:		
Property taxes	27,876,151	26,661,202
Redevelopment pass-through	284,485	269,717
Rental income	96,861	159,582
Investment earnings	1,774,348	1,786,358
Sale of capital assets	52,900	-
Total general revenues	30,084,745	28,876,859
Change in net position	5,515,877	5,771,429
Net position:		
Beginning of year (Deficit)	(18,715,165)	(24,486,594)
End of year (Deficit) (Note 14)	<u>\$(13,199,288)</u>	<u>\$(18,715,165)</u>

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
Balance Sheet – Governmental Funds
June 30, 2025

	<u>Major Funds</u>		
	<u>General Fund</u>	<u>Fire Mitigation Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Assets:			
Cash and investments	\$ 38,768,221	\$ 992,468	\$ 39,760,689
Accrued interest receivable	137,211	6,182	143,393
Property taxes receivable	114,272	-	114,272
Other receivables	539,127	97,442	636,569
Prepaid items	251,424	-	251,424
Deposits with PASIS	615,931	-	615,931
Due from other fund	974	-	974
Total assets	<u>\$ 40,427,160</u>	<u>\$ 1,096,092</u>	<u>\$ 41,523,252</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
Liabilities:			
Accounts payable and accrued expenses	\$ 831,886	\$ -	\$ 831,886
Due to other fund	-	974	974
Total liabilities	<u>831,886</u>	<u>974</u>	<u>832,860</u>
Fund Balances: (Note 14)			
Non-spendable	251,424	-	251,424
Restricted	-	1,095,118	1,095,118
Assigned	29,882,648	-	29,882,648
Unassigned	9,461,202	-	9,461,202
Total fund balance	<u>39,595,274</u>	<u>1,095,118</u>	<u>40,690,392</u>
Total liabilities, deferred inflow of resources, and fund balance	<u>\$ 40,427,160</u>	<u>\$ 1,096,092</u>	<u>\$ 41,523,252</u>

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2025

Fund Balances - Governmental Funds	<u>\$ 40,690,392</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets and right to use leased assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets.	19,949,391
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred outflows of resources.	19,855,671
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position as follows:	
Accrued interest payable	(79,358)
Compensated absences	(1,251,172)
Right-to-use lease payable	(87,830)
Workers' compensation claims payable	(4,226,323)
Pension obligation bonds	(25,186,000)
Net OPEB liability	(25,457,002)
Net pension liability	(22,650,053)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred inflows of resources.	<u>(14,757,004)</u>
Total adjustments	<u>(53,889,680)</u>
Net Position of Governmental Activities	<u><u>\$ (13,199,288)</u></u>

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

*Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2025*

	Major Funds		
	General Fund	Fire Mitigation Fund	Total Governmental Funds
REVENUES:			
Property taxes	\$ 27,876,151	\$ -	\$ 27,876,151
Redevelopment pass-through	284,485	-	284,485
Parcel tax	2,173,474	-	2,173,474
Property assessment	933,174	-	933,174
Cal-OES – Personnel	1,374,085	-	1,374,085
Cal-OES – Engines	31,659	-	31,659
Cal-OES – Administration	365,419	-	365,419
Fire prevention – plan check and inspections	424,926	-	424,926
Advanced life support – first responder fee	888,374	-	888,374
Weed abatement	149,621	-	149,621
Other charges	44,889	-	44,889
Reimbursements	34,521	-	34,521
Mitigation fees	-	287,083	287,083
Operating and capital grant funding	483,985	-	483,985
Rental income	96,861	-	96,861
Investment earnings	1,733,372	40,976	1,774,348
Total revenues	36,894,996	328,059	37,223,055
EXPENDITURES:			
Fire related services:			
Salaries and wages	14,832,027	-	14,832,027
Employee benefits	6,246,911	-	6,246,911
Insurance	544,136	-	544,136
Materials and services	6,958,201	-	6,958,201
Capital outlay	2,749,269	-	2,749,269
Debt service:			
Principal	453,068	-	453,068
Interest	1,019,687	-	1,019,687
Total expenditures	32,803,299	-	32,803,299
REVENUES OVER(UNDER) EXPENDITURES	4,091,697	328,059	4,419,756
OTHER FINANCING SOURCES(USES):			
Sale of capital assets	52,900	-	52,900
Total other financing sources(uses)	52,900	-	52,900
NET CHANGES IN FUND BALANCE	4,144,597	328,059	4,472,656
FUND BALANCE:			
Beginning of year	35,450,677	767,059	36,217,736
End of year	<u>\$ 39,595,274</u>	<u>\$ 1,095,118</u>	<u>\$ 40,690,392</u>

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities For the Fiscal Year Ended June 30, 2025

Net Change in Fund Balances – Governmental Funds	<u>\$ 4,472,656</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Some expenses reported in the statement of activities do not require the use of current financial resources. Therefore, those expenses are not reported as expenditures in governmental funds as follows:	
Change in compensated absences	(167,739)
Change in accrued interest payable	1,492
Change in right-to-use lease payable	31,068
Change in workers' compensation claims payable	(573,418)
Change in net OPEB liability	(1,269,384)
Change in net pension liability	1,197,414
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those capitalized assets is allocated over their estimated useful lives as depreciation expense.	
Capital outlay	2,749,269
Depreciation expense	(1,315,412)
Amortization expense	(32,069)
Principal repayment of long-term debt obligations are reported as expenditures in governmental funds. However, principal repayments reduce liabilities in the statement of net position and do not result in expenses in the statement of activities.	<u>422,000</u>
Total adjustments	<u>1,043,221</u>
Change in Net Position of Governmental Activities	<u>\$ 5,515,877</u>

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The San Miguel Consolidated Fire Protection District (District) was formed on July 1, 1988, under the provisions of the California Health and Safety Code, Section 14022, to provide fire protection, prevention, emergency medical services, code enforcement, and weed abatement. The District operates eight fire stations over a 54-mile service area that serves the taxpayers and residents in the communities of Bostonia, Casa de Oro, Crest, Grossmont/Mt. Helix, La Presa, Rancho San Diego, Spring Valley and the unincorporated areas of El Cajon and La Mesa of San Diego County. The District's governmental powers are exercised through a seven-member board of directors.

B. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District has identified no organizations that are required to be reported as component units.

C. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, other nonexchange transactions, and charges for services.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) 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, including all taxes, are presented as general revenues.

Major Governmental Funds

The District maintains the following major governmental funds:

General Fund: This fund is used to account for all financial resources of the District, except those required to be accounted for in another fund when necessary.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Major Governmental Funds (continued)

Fire Mitigation Fund: This fund is used to account for fees collected from builders in the service area that are restricted for the purchase of new capital assets when those assets are needed due to population and infrastructure growth in the service area.

2. Measurement Focus, Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

3. Revenues - Exchange and Non-Exchange Transactions

Revenue from exchange transactions, where both parties exchange equal value, is recognized on an accrual basis at the time of transaction. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time-based and purpose-based criteria. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Investments

The District considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

2. Lease Receivable and Deferred Inflows of Resources

The primary objective is to enhance the relevance and consistency of information about the governments' leasing activities. As a lessor, the District is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investment, short-term leases, de minimis leases, and leases that transfer ownership of the underlying asset. As lessor, the leased right-to-use asset underlying the lease is not recognized. The District's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

3. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets.

Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Structures and Improvements	10-50 years
Equipment	7-20 years
Vehicles and Apparatuses	5-20 years

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

5. Compensated Absences

The District's employee benefits provide for accumulation of vacation and sick leave. Full cash payment for all unused vacation leave is available to employees upon retirement or termination. Cash payment for all unused sick leave is available up to 50% of the employee's current pay rate upon retirement or termination based on years of service at the District. In accordance with GASB No. 101, Compensated Absences, leave is recognized when it is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Management evaluates sick leave for other District employees to determine the amount that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This analysis includes assessing relevant factors such as historical information about the use, payment or forfeiture of compensated absences and the District's portion of Medicare taxes.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

6. Pensions

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

The following timeframes are used for pension reporting:

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

7. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefits Plan ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at market value, except for money market investments which are reported at cost.

The following timeframes are used for OPEB reporting:

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

8. Net Position

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

Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

8. Net Position (continued)

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted". 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.

9. Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Non-spendable: Fund balance is reported as non-spendable when the resources cannot be spent because they are either in a non-spendable form or legally or contractually required to be maintained intact. Resources in non-spendable form include inventories and prepaid assets.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

E. 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 expenditures during the reported period. Actual results could differ from those estimates.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

F. New Pronouncements – Governmental Accounting Standards Board (GASB)

During the fiscal year ended June 30, 2025, the District has implemented new GASB pronouncements as follows:

GASB Statement No. 101 – Compensated Absences

This GASB Statement amends the definition of a compensated absence to encompass the various types of benefits offered by governmental employees and establishes a unified model for accounting and reporting. The statement also revises the related financial statement disclosure requirements, including eliminating certain disclosures previously required that GASB research found did not provide essential information to financial statement users. The GASB statement applies to all units of state and local governments. The District adopted the Statement as of July 1, 2024. See Note 7 for the effect of this Statement.

G. Property Taxes

The San Diego County Assessor’s Office assesses all real and personal property within the County each year. The San Diego County Tax Collector’s Office bills and collects the District’s share of property taxes and voter-approved taxes. The San Diego County Auditor-Controller’s Office remits current property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article XIII A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by San Diego County, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and November 10

Property taxes levied are recorded as revenue when received in the fiscal year of levy. This is due to the adoption of the Teeter Plan, an alternative property tax distribution method used by the District and San Diego County. The Teeter Plan authorizes the County Auditor-Controller to allocate 100% of the secured property tax billed but not yet received or paid to the District. San Diego County remits tax proceeds to the District in installments during the fiscal year.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2025, were categorized on the statement of net position as follows:

<u>Description</u>	<u>Balance</u>
Cash and investments	\$ 38,768,221
Restricted – cash and investments	<u>992,468</u>
Total cash and investments	<u>\$ 39,760,689</u>

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

<u>Description</u>	<u>Balance</u>
Cash on hand	\$ 100
Demand deposits held with financial institutions	5,087,850
California CLASS	16,349,485
San Diego County Pooled Investment Fund (SDCPIF)	<u>18,323,254</u>
Total cash and investments	<u>\$ 39,760,689</u>

Demand Deposits with Financial Institutions

At June 30, 2025, the carrying amount of the District's demand deposits was \$5,087,850 and the financial institution's balance was \$2,753,023. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the District's balance for each year.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

California Cooperative Liquid Assets Securities System (California CLASS)

The California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of power entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS provides California public agencies with a convenient method for investing in high-quality, short- to medium-term securities carefully selected to optimize interest earnings while prioritizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds offer public agencies the opportunity to strengthen and diversify their cash management programs in accordance with the safety, liquidity, and yield hierarchy that governs the investment of public funds.

The management of California CLASS is under the direction of a Board of Trustees comprised of eligible Participants of the program. The Board of Trustees has appointed Public Trust Advisors, LLC to serve as the Investment Advisor and Administrator of the program and has appointed U.S. Bank as the Custodian.

The District is a voluntary participant in California CLASS. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by California CLASS for the entire California CLASS portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by California CLASS. California CLASS is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis. The California Class Prime and Enhanced Cash funds receive a credit rating of AAAM (S&P Global Ratings) and AAAf/S1 (FitchRatings), respectively. For financial reporting purposes, the District considers California CLASS a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2025, the District held \$16,349,485 in California CLASS.

San Diego County Treasury Investment Pool (SDCTIP)

The District is a voluntary participant in the San Diego County Treasury Investment Pool (SDCTIP) pursuant to Government Code Section 53694. The cash flow needs of participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of those participants. At the time deposits are made, the San Diego County Treasurer may require the depositing entity to provide annual cash flow projections or an anticipated withdrawal schedule for deposits in excess of \$1 million. Projections are performed no less than semi-annually. In accordance with Government Code Section 27136, all request for withdrawal of funds for the purpose of investing or depositing the funds elsewhere shall be evaluated to ensure the proposed withdrawal will not adversely affect the principal deposits of the other participants. Pool detail may be obtained from the Treasurer-Tax Collector – San Diego Administration Center – 1600 Pacific Hwy, Room 162 – San Diego, CA 92101 or the Treasurer and Tax Collector's office website at www.sdttc.com. As of June 30, 2025, the District had \$18,323,254 in the SDCTIP.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 3 – RESTRICTED ASSETS AND RESTRICTED NET POSITION

Restricted assets and restricted net position as of June 30, 2025, were categorized as follows:

<u>Description</u>	<u>Balance</u>
Restricted – cash and investments	\$ 992,468
Restricted – accrued interest receivable	6,182
Restricted – other receivables	<u>97,442</u>
Total restricted net position	<u><u>\$ 1,096,092</u></u>

Restricted assets and restricted net position as of June 30, 2025, were received from mitigation fees for capital expenditures.

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES

Changes in the District’s lease receivable is as follows:

<u>Description</u>	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>
Fleet service and maintenance facility	<u>\$ 53,420</u>	<u>\$ -</u>	<u>\$ (53,420)</u>	<u>\$ -</u>

The District is reporting a total lease receivable of \$0 and a total related deferred inflows of resources of \$52,370 for the year ending June 30, 2025. Also, the District is reporting total lease revenue of \$53,420 and interest revenue of \$580 related to lease payments received.

The leases held by the District do not have an implicit rate of return, therefore the District used their incremental borrowing rate of 2% to discount the lease revenue to the net present value. In some cases the leases contain termination clauses. In these cases the clause requires the lessee or lessor to show cause to terminate the lease. Also, certain leasing-types are considered “volatile leases.” Those volatile leases were not extended past their initial lease period for financial statement recognition due to their volatility.

The Included Leases are summarized as follows:

Fleet Service and Maintenance Facility

On July 1, 2022, the District renewed a 36 month lease as lessor for the use of the fleet maintenance facility and use of equipment. An initial lease receivable was recorded in the amount of \$157,109. As of June 30, 2025, the value of the lease receivable was \$0. The lease is required to make monthly fixed payments of \$4,500. The lease has an interest rate of 2%. The value of the deferred inflow of resource was \$0 as of June 30, 2025. The District recognized lease revenue of \$53,420 and interest revenue of \$580 during the fiscal year. The District has a termination period of 90 days as of the lease commitment.

Changes in the District’s deferred inflows of resources related to leases are as follows:

<u>Description</u>	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Fleet service and maintenance facility	<u>\$ 52,370</u>	<u>\$ -</u>	<u>\$ (52,370)</u>	<u>\$ -</u>

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 5 – DEPOSITS WITH PUBLIC AGENCIES SELF INSURANCE SYSTEM (PASIS)

The District is one of seven Members in the Public Agency Self-Insurance System (PASIS). PASIS is a joint-powers authority which was established in 1977 for the purpose of operating and maintaining a cooperative program of self-insurance and risk management for workers’ compensation for its Members.

PASIS’s purpose is to provide for the collection of workers’ compensation claims data, purchase claims examiner services, general counsel services and excess insurance coverage. Members are responsible for paying their own claims and related expenses for workers’ compensation related injuries. PASIS requires active Members to maintain a minimum base funding of 125% of a Members’ self-insured retention plus a 15% increase for Members with annual payroll in excess of \$1.8 million. The deductible for self-insured retention selected by the District is \$300,000. PASIS carries excess insurance through a joint powers authority to cover amounts over the self-insured retention.

As of June 30, 2025, the District had \$615,931 on deposit with PASIS. Further information in regard to PASIS is as follows:

- A. **Entity** Public Agency Self-Insurance System (PASIS)
- B. **Purpose** To pool member resources and realize the advantages of a self-insurance reserve for workers' compensation
- C. **Participants** As of June 30, 2025 – Seven member agencies
- D. **Governing board** Seven representatives employed/appointed by members
- E. **District payments for FY 2025:**
 - Contribution** \$714
- F. **Condensed financial information** June 30, 2025
 - Audit signed** July 31, 2025

	<u>June 30, 2025</u>	<u>District Share</u>
Statement of net position:		
Total assets	\$ 3,981,639	\$ 615,931
Total liabilities	-	-
Net position	<u>\$ 3,981,639</u>	<u>\$ 615,931</u>
Statement of revenues, expenses and changes in net position:		
Total revenues	\$ 183,806	\$ 29,148
Total expenses	-	-
Change in net position	183,806	29,148
Beginning – net position	3,797,833	586,783
Ending – net position	<u>\$ 3,981,639</u>	<u>\$ 615,931</u>
G. District's share of year-end financial position	<u>100.00%</u>	<u>15.47%</u>

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 6 – CAPITAL ASSETS

Changes in capital assets for the year were as follows:

<u>Description</u>	<u>Balance July 1, 2024</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2025</u>
Non-depreciable capital assets:				
Land	\$ 2,077,764	\$ -	\$ -	\$ 2,077,764
Construction-in-progress	<u>4,658,533</u>	<u>1,363,682</u>	<u>(2,887,153)</u>	<u>3,135,062</u>
Total non-depreciable capital assets	<u>6,736,297</u>	<u>1,363,682</u>	<u>(2,887,153)</u>	<u>5,212,826</u>
Depreciable capital assets:				
Structures and improvements	16,697,239	360,017	-	17,057,256
Vehicles and apparatuses	10,292,897	3,237,690	(514,949)	13,015,638
Equipment	<u>3,490,072</u>	<u>675,033</u>	<u>-</u>	<u>4,165,105</u>
Total depreciable capital assets	<u>30,480,208</u>	<u>4,272,740</u>	<u>(514,949)</u>	<u>34,237,999</u>
Accumulated depreciation:				
Structures and improvements	(9,811,755)	(580,191)	-	(10,391,946)
Vehicles and apparatuses	(7,198,304)	(460,501)	514,949	(7,143,856)
Equipment	<u>(1,773,759)</u>	<u>(274,720)</u>	<u>-</u>	<u>(2,048,479)</u>
Total accumulated depreciation	<u>(18,783,818)</u>	<u>(1,315,412)</u>	<u>514,949</u>	<u>(19,584,281)</u>
Total depreciable capital assets, net	<u>11,696,390</u>	<u>2,957,328</u>	<u>-</u>	<u>14,653,718</u>
Total capital assets, net	<u>\$ 18,432,687</u>	<u>\$ 4,321,010</u>	<u>\$ (2,887,153)</u>	<u>\$ 19,866,544</u>

Depreciation expense for the year ended June 30, 2025 was \$1,315,412 and is not allocated to the various governmental functions or funds.

NOTE 7 – COMPENSATED ABSENCES

Changes to compensated absences balances for the year ended June 30, 2025, were as follows:

<u>Balance July 1, 2024</u>	<u>Net Change</u>	<u>Balance June 30, 2025</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
<u>\$ 1,083,433</u>	<u>\$ 167,739</u>	<u>\$ 1,251,172</u>	<u>\$ 625,586</u>	<u>\$ 625,586</u>

As of June 30, 2025, the total liability for compensated absences was \$1,251,172, of which \$625,586 is expected to be paid within one year and is reported as a current liability. The beginning balance of compensated absences as of July 1, 2024, reflected an immaterial difference upon implementation of GASB Statement No. 101; therefore, no restatement was required.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 8 – RIGHT-TO USE LEASED ASSET AND RIGHT-TO-USE LEASE PAYABLE

Changes in right-to-use leased asset for fiscal year ending June 30, 2025 was as follows:

Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Right-to-use leased asset:				
Building space	\$ 160,347	\$ -	\$ -	\$ 160,347
Accumulated amortization:				
Building space	(45,431)	(32,069)	-	(77,500)
Total right-to-use leased asset, net	<u>\$ 114,916</u>	<u>\$ (32,069)</u>	<u>\$ -</u>	<u>\$ 82,847</u>

Changes in right-to-use leased payable for fiscal year ending June 30, 2025 was as follows:

Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Current Portion	Long-term Portion
\$ 118,897	\$ -	\$ (31,067)	\$ 87,830	\$ 32,698	\$ 55,132

Annual debt service requirements for the right-to-use lease payable are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 32,698	\$ 1,460	\$ 34,158
2027	34,392	791	35,183
2028	20,740	138	20,878
Total	87,830	<u>\$2,389</u>	<u>\$90,219</u>
Current	<u>(32,698)</u>		
Long-term	<u>\$ 55,132</u>		

The District is reporting a total right-to-use leased asset, net of \$82,847 and a right-to-use lease payable of \$87,830 for the year ending June 30, 2025. Also, the District is reporting total amortization expense of \$32,069, principal payments of \$31,067 and interest expense of \$2,097 related to the above noted lease. The lease held by the District does not have an implicit rate of return, therefore the District used their incremental borrowing rate of 2.00% to discount the lease payments to the net present value. In some cases leases contain termination clauses. In these cases the clause requires the lessee or lessor to show cause to terminate the lease.

The District’s lease is summarized as follows:

Building Space

On February 1, 2023, the District entered into a 60-month lease for building space and a meeting room to serve as a fire station for the District. An initial right-to-use lease liability was recorded in the amount of \$160,347. The District makes monthly fixed lease payments of \$2,650 per month with a 3.0% annual increase. The lease has an implied interest rate of 2.0%. The District is amortizing the right-to-use leased asset of \$160,347 at \$2,672 per month.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 9 – PENSION OBLIGATION BONDS

Changes in pension obligation bonds amounts for the year ended June 30, 2025, was as follows:

<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 25,608,000	\$ -	\$ (422,000)	\$ 25,186,000	\$ 618,000	\$ 24,568,000

On June 23, 2022, the District issued 2022 Taxable Pension Obligation Bonds in the amount of \$25,737,995. Cost of debt issuance was \$189,200. The 2022 bonds were placed with First Foundation Public Finance. The bonds were issued to (a) finance a portion of the District’s unfunded accrued liability to the California Public Employees’ Retirement System (CalPERS) for the benefit of the District’s employees and to pay a portion of current normal costs, and (b) pay the costs incurred in connection with the issuance of the bonds. The bonds bear an interest rate of 3.99% and are payable semiannually on June 1 and December 1 of each year, commencing December 1, 2024 until maturity or earlier redemption. The bonds mature in fiscal year 2042. Total principal and interest remaining on the bonds as of June 30, 2025 is \$35,451,752. The remaining future payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 618,000	\$ 998,817	\$ 1,616,817
2027	834,000	972,024	1,806,024
2028	1,115,000	935,974	2,050,974
2029	1,158,000	891,067	2,049,067
2030	1,200,000	844,444	2,044,444
2031-2035	6,725,000	3,461,146	10,186,146
2036-2040	9,063,000	1,933,813	10,996,813
2041-2042	<u>4,473,000</u>	<u>228,467</u>	<u>4,701,467</u>
Total	25,186,000	<u>\$ 10,265,752</u>	<u>\$ 35,451,752</u>
Current	<u>(618,000)</u>		
Long-term	<u>\$ 24,568,000</u>		

Bond Provisions

The obligations of the District under the bonds, including the obligation to make all payments of interest and principal when due, are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation. Neither the bonds nor the obligations of the District to make payments on the bonds constitute an indebtedness of the District, the State of California, or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction. For the purpose of paying the principal of and interest on the bonds, the District’s council has covenanted under the trust agreement, to take such actions annually as are necessary or appropriate to cause the debt service on the bonds due in any fiscal year to be included in the budget for such fiscal year and to make the necessary appropriations therefor from any legally available funds to ensure that sufficient sums are available to pay the annual principal of and interest on the bonds as the same become due.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 10 – WORKERS’ COMPENSATION CLAIMS PAYABLE

The District is self-insured for workers’ compensation and has effectively managed this risk of loss through a combination of insurance, with deductibles, self-insurance, and employee education and prevention programs. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. Excess insurance is purchased above the self-insured retention through PASIS. As of June 30, 2025, the liability for workers’ compensation claims payable was estimated at \$4,226,323.

Changes in workers’ compensation claims payable for the year ended June 30, 2025, was as follows:

<u>Description</u>	<u>Balance</u>
Estimated claims balance – July 1, 2024	<u>\$ 3,652,905</u>
Claim payments	(506,635)
Revised claims estimate	<u>1,080,053</u>
Change in claims balance	<u>573,418</u>
Estimated claims balance – June 30, 2025	<u><u>\$ 4,226,323</u></u>

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 11 – NET OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS

Summary

The following balances on the statement of net position will be addressed in this footnote as follows:

<u>Description</u>	<u>Amount</u>
OPEB related deferred outflows of resources	\$ 5,671,669
Net other post-employment benefits liability	\$ 25,457,002
OPEB related deferred inflows of resources	\$ 4,097,708

A. General Information about the OPEB Plan

Plan Description and Benefits Provided

The District provides healthcare and life insurance benefits for retirees and their dependents through a cost-sharing multi-employer defined benefit plan. Active employees are offered a choice of medical plans through the CalPERS Health Program under the Public Employees' Medical and Hospital Care Act (PEMHCA). The District offers the same medical plans to eligible retirees except once a retiree is eligible for Medicare, the retiree must join a Medicare HMO or Supplement Plan with Medicare being the primary payer.

The District contributes to the retiree health coverage of eligible retirees and eligible surviving spouses. Effective in 2012, the District's financial obligation is to pay up to a maximum amount which varies based on the retiree's elected coverage category (single, two-party, and family). The maximum is based on the 2011 Kaiser Southern California HMO Basic (non-Medicare) rate plus 50% of any future premium increases. The maximum is subject to a minimum amount which is the CalPERS minimum required employer contribution for the retiree. Employees hired after November 1, 2011 will only receive a District contribution equal to the CalPERS minimum required employer contribution. The CalPERS minimum required employer contribution is \$143 per month in 2025 and is scheduled to increase each year based on medical inflation. Prior to 2012, the District's financial obligation was to pay for the retiree and eligible dependent coverage up to a monthly maximum which is equal to the Kaiser Basic (non-Medicare) Family premium.

An employee is eligible for the District contribution provided they are vested in their CalPERS pension benefit and commence payment of their pension benefit within 120 days of retirement with the District. Vesting requires at least 5 years of CalPERS eligible service. The surviving spouse of an eligible retiree who elected spouse coverage under CalPERS is eligible for the employer contribution upon the death of the retiree.

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and/or the District's Board of Directors. Currently, contributions are not required from plan members. The District has been typically funding this OPEB plan on a pay-as-you-go basis; however, recently contributions have been made to an OPEB Trust.

Contributions

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended June 30, 2025, the measurement period, the District's contributions totaled \$1,276,924.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 11 – NET OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS (continued)

A. General Information about the OPEB Plan (continued)

Employees covered by benefit terms

At June 30, 2024, the following employees were covered by the benefit terms:

<u>Plan Members</u>	<u>Covered Participants</u>
Active members	85
Inactives entitled to but not yet receiving benefits	94
Total plan members	179

B. Total OPEB Liability

The District's total OPEB liability of \$25,457,002 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.93%
Inflation	2.50%
Salary Increases	3.00% per annum, in aggregate
Investment Rate of Return	3.65%
Mortality Rate	CalPERS Membership Data
Pre-Retirement Turnover	CalPERS Membership Data
Healthcare Trend Rate	5%

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54 percent. The projection of cash flows used to determine the discount rate assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The Bond Buyer 20 Bond Index was used.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 11 – NET OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS (continued)

C. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2023	<u>\$ 25,952,095</u>
Changes for the year:	
Service cost	606,286
Interest	948,276
Changes in assumptions	(882,751)
Changes in experience	-
Benefit payments	<u>(1,166,904)</u>
Net changes	<u>(495,093)</u>
Balance at June 30, 2024	<u>\$ 25,457,002</u>

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% Decrease	Discount Rate	1% Increase
<u>2.93%</u>	<u>3.93%</u>	<u>4.93%</u>
<u>\$ 28,850,005</u>	<u>\$ 25,457,002</u>	<u>\$ 22,666,318</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Healthcare Cost Current Trend	1% Increase
<u>\$ 22,275,470</u>	<u>\$ 25,457,002</u>	<u>\$ 29,382,634</u>

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 11 – NET OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS (continued)

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense of \$2,442,912. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB of the following:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions made after the measurement	\$ 1,276,924	\$ -
Changes in assumptions	2,797,365	(3,384,833)
Changes in experience	<u>1,597,380</u>	<u>(712,875)</u>
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 5,671,669</u>	<u>\$ (4,097,708)</u>

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

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ 194,151
2027	194,151
2028	143,460
2029	(248,738)
2030	125,769
Thereafter	<u>(111,756)</u>
Total	<u>\$ 297,037</u>

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 12 – NET PENSION LIABILITY AND DEFINED BENEFIT PENSION PLAN

Summary

The following balances on the statement of net position will be addressed in this footnote as follows:

<u>Description</u>	<u>Amount</u>
Pension related deferred outflows of resources	\$ 14,184,002
Net pension liability	\$ 22,650,053
Pension related deferred inflows of resources	\$ 10,659,296

A. General Information about the Pension Plans

The Plans Description Schedule

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	<u>Miscellaneous Plans</u>	
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>
Hire date	Prior to <u>December 31, 2012</u>	On or after <u>January 1, 2013</u>
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5-years or service	5-years or service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	1.0% to 2.7%	1.0% to 2.5%
Required member contribution rates	8.000%	8.500%
Required employer contribution rates	17.440%	8.460%
	<u>Safety Plans</u>	
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>
Hire date	Prior to <u>December 31, 2012</u>	On or after <u>January 1, 2013</u>
Benefit formula	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5-years or service	5-years or service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 55 & up	50 - 57 & up
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	2.0% to 2.7%
Required member contribution rates	9.000%	14.500%
Required employer contribution rates	26.290%	14.720%

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 12 – NET PENSION LIABILITY AND DEFINED BENEFIT PENSION PLAN (continued)

A. General Information about the Pension Plans (continued)

Plan Description

The District contributes to the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2024 Annual Actuarial Valuation Reports. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

At June 30, 2024, the following members were covered by the benefit terms:

Plan Members	Miscellaneous and Safety Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	30	57	87
Transferred and terminated members	81	46	127
Retired members and beneficiaries	190	2	192
Total plan members	301	105	406

All qualified permanent and probationary employees are eligible to participate in the District’s cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five years of service. The death benefit is one of the following the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each Plan are applied as specified by the Public Employees’ Retirement Law.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 12 – NET PENSION LIABILITY AND DEFINED BENEFIT PENSION PLAN (continued)

A. General Information about the Pension Plans (continued)

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

Contributions for the year ended June 30, 2025, were as follows:

Contribution Type	Miscellaneous and Safety Plans		
	Classic Tier 1	PEPRA Tier 2	Total
Contributions – Miscellaneous Plans	\$ 322,398	\$ 53,766	\$ 376,164
Contributions – Safety Plans	2,300,059	875,568	3,175,627
Total contributions	\$ 2,622,457	\$ 929,334	\$ 3,551,791

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

Proportionate Share of Net Pension Liability and Pension Expense

The District’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following table shows the District’s proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous and Safety Plans for the fiscal year ended June 30, 2024:

Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Net Pension Liability
CalPERS – Total Plans:			
Balance as of June 30, 2023 (Measurement Date)	\$ 153,791,876	\$ 133,477,791	\$ 20,314,085
Balance as of June 30, 2024 (Measurement Date)	\$ 169,443,171	\$ 146,793,118	\$ 22,650,053
Change in Plan Net Pension Liability	\$ 15,651,295	\$ 13,315,327	\$ 2,335,968

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 12 – NET PENSION LIABILITY AND DEFINED BENEFIT PENSION PLAN (continued)

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

The District’s proportionate share percentage of the net pension liability for the June 30, 2024, measurement date was as follows:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2025</u>	<u>Fiscal Year Ending June 30, 2024</u>	
<u>CalPERS – Safety and Miscellaneous</u>			
Measurement Date	June 30, 2024	June 30, 2023	
Percentage of Risk Pool Net Pension Liability	<u>0.33385%</u>	<u>0.20679%</u>	<u>0.12706%</u>

For the year ended June 30, 2025, the District recognized pension expense of \$2,354,378. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 3,551,791	\$ -
Difference between actual and proportionate share of employer contributions	4,346,491	(3,095,672)
Adjustment due to differences in proportions	2,733,959	(7,501,124)
Differences between expected and actual experience	1,864,604	(62,500)
Differences between projected and actual earnings on pension plan investments	1,125,561	-
Changes in assumptions	561,596	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 14,184,002</u>	<u>\$ (10,659,296)</u>

The 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 subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 12 – NET PENSION LIABILITY AND DEFINED BENEFIT PENSION PLAN (continued)

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

An amount of \$3,551,791 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2026	\$ (1,360,567)
2027	1,476,663
2028	242,036
2029	<u>(385,217)</u>
Total	\$ <u>(27,085)</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2024 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2023, total pension liability. The June 30, 2024, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 12 – NET PENSION LIABILITY AND DEFINED BENEFIT PENSION PLAN (continued)

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

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 expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class.

<u>Investment Type¹</u>	<u>New Strategic Allocation</u>	<u>Real Return^{1,2}</u>
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
	<u>100.0%</u>	

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 12 – NET PENSION LIABILITY AND DEFINED BENEFIT PENSION PLAN (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

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

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

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
CalPERS - Total Plans	\$ 45,777,836	\$ 22,650,053	\$ 3,727,038

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

C. Payable to the Pension Plans

At June 30, 2025, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2025.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 13 – UNRESTRICTED NET POSITION (DEFICIT)

As of June 30, 2025, the District had an unrestricted net position deficit of (\$34,161,924) Due to the nature of the deficit from the implementation of GASB No. 68 – Net Pension Liability – in fiscal year 2015 and GASB No. 75 – Net OPEB Obligation – in fiscal year 2018, the District will continue to make its actuarial determined contributions and healthcare administrative costs to CalPERS and annually review its outstanding net pension liability and net OPEB obligation funding requirements for future periods to reduce the deficit position.

NOTE 14 – FUND BALANCES

At June 30, 2025, fund balances of the District’s governmental funds were classified as follows:

Description	General Fund	Fire Mitigation Fund	Total
Non-spendable:			
Prepaid items	\$ 251,424	\$ -	\$ 251,424
Restricted:			
Mitigation fees	-	1,095,118	1,095,118
Assigned:			
Deposits with Public Agencies Self Insurance System	615,931	-	615,931
Compensated absences	1,251,172	-	1,251,172
Workers' compensation claims payable	3,610,392	-	3,610,392
Long-term debt repayment	618,000	-	618,000
Capital asset replacement	9,348,893	-	9,348,893
Six-month operating reserve	14,438,260	-	14,438,260
Total assigned	29,882,648	-	29,882,648
Unassigned	9,461,202	-	9,461,202
Total fund balances	\$ 39,595,274	\$ 1,095,118	\$ 40,690,392

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 15 – RISK MANAGEMENT

Fire Agencies Insurance Risk Authority (FAIRA)

The District entered into a JPA, known as the Fire Agencies Insurance Risk Authority (FAIRA), a self-insurance plan for general liability insurance. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the FAIRA. The JPA is a separate entity which is independently audited. Condensed financial and other information available for the FAIRA as of June 30, 2024 is as follows:

A. Entity	Fire Agencies Insurance Risk Authority (FAIRA)
B. Purpose	To pool member resources and realize the advantages of self-insurance for general liability insurance
C. Participants	As of June 30, 2024 – Approx. 100 member agencies
D. Governing board	13 representatives employed/appointed by members
E. District payments for FY 2025:	
Insurance premium	\$385,496
F. Condensed financial information	June 30, 2024
Audit signed	May 27, 2025
Statement of net position:	
Total assets	<u>June 30, 2024</u> \$ 5,019,287
Total liabilities	<u>3,980,607</u>
Net position	<u>\$ 1,038,680</u>
Statement of revenues, expenses and changes in net position:	
Total revenues	\$ 13,290,863
Total expenses	<u>(14,317,342)</u>
Change in net position	(1,026,479)
Beginning – net position	<u>2,065,159</u>
Ending – net position	<u>\$ 1,038,680</u>

The complete financial statements can be obtained by contacting FAIRA at 1255 Battery St, Suite 450, San Francisco, CA 94111.

NOTE 16 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program. The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to claims of the District's general creditors.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2025

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 18 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through March 31, 2026, the date which the financial statements were available to be issued.

Required Supplementary Information

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2025

	Adopted Original Budget	Actual	Variance Positive (Negative)
REVENUES:			
Property taxes	\$ 26,447,700	\$ 27,876,151	\$ 1,428,451
Redevelopment pass-through	-	284,485	284,485
Parcel tax	2,121,124	2,173,474	52,350
Property assessment	918,027	933,174	15,147
Cal-OES – Personnel	-	1,374,085	1,374,085
Cal-OES – Engines	-	31,659	31,659
Cal-OES – Administration	-	365,419	365,419
Fire prevention – plan check and inspections	227,300	424,926	197,626
Advanced life support – first responder fee	860,500	888,374	27,874
Weed abatement	85,900	149,621	63,721
Other charges	40,400	44,889	4,489
Reimbursements	-	34,521	34,521
Operating and capital grant funding	-	483,985	483,985
Rental income – site and cellular	162,200	96,861	(65,339)
Investment earnings	10,200	1,733,372	1,723,172
Total revenues	30,873,351	36,894,996	6,021,645
EXPENDITURES:			
Fire related services:			
Salaries and wages	13,991,000	14,832,027	(841,027)
Employee benefits	7,781,270	6,246,911	1,534,359
Insurance	907,260	544,136	363,124
Materials and services	4,719,800	6,958,201	(2,238,401)
Capital outlay	6,095,325	2,749,269	3,346,056
Debt service:			
Principal	454,000	453,068	932
Interest	1,023,190	1,019,687	3,503
Total expenditures	34,971,845	32,803,299	2,168,546
REVENUES OVER(UNDER) EXPENDITURES	(4,098,494)	4,091,697	8,190,191
OTHER FINANCING SOURCES(USES):			
Sale of capital assets	-	52,900	52,900
Total other financing sources(uses)	-	52,900	52,900
NET CHANGES IN FUND BALANCE	\$ (4,098,494)	4,144,597	\$ 8,243,091
FUND BALANCE:			
Beginning of year		35,450,677	
End of year		<u>\$ 39,595,274</u>	

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
Schedule of Proportionate Share of the Net Pension Liability – Total Plan
For the Fiscal Year Ended June 30, 2025

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2015	0.346784%	\$ 23,802,978	\$ 485,488	4902.90%	80.38%
June 30, 2016	0.368036%	31,846,516	654,446	4866.18%	74.33%
June 30, 2017	0.367505%	36,446,423	550,796	6617.05%	72.70%
June 30, 2018	0.379212%	36,493,379	5,857,727	623.00%	72.76%
June 30, 2019	0.379897%	38,928,246	6,963,579	559.03%	72.47%
June 30, 2020	0.385477%	41,941,576	7,711,605	543.88%	70.91%
June 30, 2021	0.488249%	26,186,387	8,268,748	316.69%	82.45%
June 30, 2022	0.181060%	24,069,001	8,703,209	276.55%	84.70%
June 30, 2023	0.206790%	20,314,085	8,801,342	230.81%	86.79%
June 30, 2024	0.333850%	22,650,053	9,436,119	240.04%	86.63%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 and June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

The discount rate was reduced from 7.15% to 6.90%.

From fiscal year June 30, 2022 to June 30, 2023:

There were no significant changes in assumptions.

From fiscal year June 30, 2023 to June 30, 2024:

There were no significant changes in assumptions.

From fiscal year June 30, 2024 to June 30, 2025:

There were no significant changes in assumptions.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
Schedule of Pension Contributions – Total Plan
For the Fiscal Year Ended June 30, 2025

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2016	\$ 1,077,552	\$ (1,077,552)	\$ -	\$ 654,446	164.65%
June 30, 2017	1,594,554	(1,594,554)	-	550,796	289.50%
June 30, 2018	2,918,082	(2,918,082)	-	5,857,727	49.82%
June 30, 2019	3,465,705	(3,465,705)	-	6,963,579	49.77%
June 30, 2020	4,152,962	(4,152,962)	-	7,711,605	53.85%
June 30, 2021	4,517,429	(4,517,429)	-	8,268,748	54.63%
June 30, 2022	5,052,032	(30,790,027)	(25,737,995)	8,703,209	58.05%
June 30, 2023	3,044,584	(3,044,584)	-	8,801,342	34.59%
June 30, 2024	2,941,606	(2,941,606)	-	9,436,119	31.17%
June 30, 2025	3,551,791	(3,551,791)	-	10,491,919	33.85%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation	Inflation	Investment Rate of Return
June 30, 2016	June 30, 2014	Entry Age	Fair Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Fair Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Fair Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Fair Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Fair Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Fair Value	2.50%	7.15%
June 30, 2022	June 30, 2020	Entry Age	Fair Value	2.50%	7.15%
June 30, 2023	June 30, 2021	Entry Age	Fair Value	2.30%	6.90%
June 30, 2024	June 30, 2022	Entry Age	Fair Value	2.30%	6.90%
June 30, 2025	June 30, 2023	Entry Age	Fair Value	2.30%	6.90%

Amortization Method	Level percentage of payroll, closed
Salary Increases	Depending on age, service, and type of employment
Investment Rate of Return	Net of pension plan investment expense, including inflation
Retirement Age	50 years (3%@60), 52 years (2%@62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2025

Fiscal Year Ended	Last Ten Fiscal Years*							
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability:								
Service cost	\$ 606,286	\$ 387,728	\$ 646,171	\$ 528,256	\$ 512,870	\$ 298,357	\$ 288,268	\$ 278,788
Interest	948,276	850,152	619,388	657,558	797,563	639,984	629,060	627,434
Changes in assumptions	(882,751)	2,042,593	(4,421,748)	3,800,664	2,992,840	(778,086)	(257,142)	-
Differences between expected and actual experience	-	(266,884)	-	(302,572)	(1,172,629)	4,943,295	-	-
Benefit payments	(1,166,904)	(1,366,838)	(1,129,341)	(987,312)	(884,549)	(884,548)	(889,022)	(846,688)
Net change in total OPEB liability	(495,093)	1,646,751	(4,285,530)	3,696,594	2,246,095	4,219,002	(228,836)	59,534
Total OPEB liability - beginning	<u>25,952,095</u>	<u>24,305,344</u>	<u>28,590,874</u>	<u>24,894,280</u>	<u>22,648,185</u>	<u>18,429,183</u>	<u>18,658,019</u>	<u>18,598,485</u>
Total OPEB liability - ending	<u>25,457,002</u>	<u>25,952,095</u>	<u>24,305,344</u>	<u>28,590,874</u>	<u>24,894,280</u>	<u>22,648,185</u>	<u>18,429,183</u>	<u>18,658,019</u>
Plan fiduciary net position:								
Contributions - employer	1,166,904	1,366,838	1,129,341	987,312	884,549	884,548	889,022	846,688
Benefit payments	(1,166,904)	(1,366,838)	(1,129,341)	(987,312)	(884,549)	(884,548)	(889,022)	(846,688)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
District's net OPEB liability	<u>\$ 25,457,002</u>	<u>\$ 25,952,095</u>	<u>\$ 24,305,344</u>	<u>\$ 28,590,874</u>	<u>\$ 24,894,280</u>	<u>\$ 22,648,185</u>	<u>\$ 18,429,183</u>	<u>\$ 18,658,019</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered-employee payroll	<u>\$ 9,666,380</u>	<u>\$ 13,202,538</u>	<u>\$ 11,288,119</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's net OPEB liability as a percentage of covered-employee payroll	<u>263.36%</u>	<u>196.57%</u>	<u>215.32%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2017 – There were no changes of benefits terms
Measurement Date June 30, 2018 – There were no changes of benefits terms
Measurement Date June 30, 2019 – There were no changes of benefits terms
Measurement Date June 30, 2020 – There were no changes of benefits terms
Measurement Date June 30, 2021 – There were no changes of benefits terms
Measurement Date June 30, 2022 – There were no changes of benefits terms
Measurement Date June 30, 2023 – There were no changes of benefits terms
Measurement Date June 30, 2024 – There were no changes of benefits terms

Changes in Assumptions:

Measurement Date June 30, 2017 – There were no changes in assumptions
Measurement Date June 30, 2018 – There were no changes in assumptions except change in discount rate
Measurement Date June 30, 2019 – There were no changes in assumptions except change in discount rate
Measurement Date June 30, 2020 – There were no changes in assumptions except change in discount rate
Measurement Date June 30, 2021 – There were no changes in assumptions except change in discount rate
Measurement Date June 30, 2022 – There were no changes in assumptions except change in discount rate
Measurement Date June 30, 2023 – There were no changes in assumptions except change in discount rate
Measurement Date June 30, 2024 – There were no changes in assumptions except change in discount rate

* Fiscal year 2018 was the first year of implementation; therefore, only eight years are shown.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Schedule of OPEB Contributions

For the Fiscal Year Ended June 30, 2025

Fiscal Year Ended	Last Ten Fiscal Years*							
	June 30, 2024	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution* (Pay-as-you-go funding with No Plan Assets)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contributions	(5,671,669)	(1,270,300)	(1,126,172)	(1,139,187)	(987,312)	(941,271)	(889,022)	(846,688)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation Date	June 30, 2023	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Methods and Assumptions Used to Determine Contribution Rates:								
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Amortization period	20-years	20-years	20-years	20-years	20-years	20-years	20-years	20-years
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Discount rate	3.93%	3.65%	3.54%	2.16%	2.66%	3.51%	3.50%	3.40%
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%
Payroll increases	3.00%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
Mortality	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Morbidity	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued
Disability	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued
Retirement	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Percent Married - Spouse Support	70%	70%	70%	70%	70%	70%	70%	70%
Healthcare trend rates	(5)	(4)	(4)	(4)	(4)	(4)	(4)	(4)

(1) Closed period, level percent of pay

(2) SOA Pub-2010 using Scale MP-2019 or MP-2017

(3) CalPERS Public Agency Miscellaneous 2.7% @55 and 2% @62
CalPERS Public Agency Safety 3.0% @55 and 2.7% @57

(4) Pre-65 - 8.00% trending down 0.25% annually to 5.00% in 2031 and later
Post-65 - 5.50% trending down 0.25% annually to 5.00% in 2021 and later

* Fiscal year 2018 was the first year of implementation; therefore, only eight years are shown.

Other Independent Auditors' Report



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
San Miguel Consolidated Fire Protection District
Spring Valley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Miguel Consolidated Fire Protection District as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise San Miguel Consolidated Fire Protection District's basic financial statements, and have issued our report thereon dated March 31, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered San Miguel Consolidated Fire Protection District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the San Miguel Consolidated Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of the San Miguel Consolidated Fire Protection District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether San Miguel Consolidated Fire Protection District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Murrieta, California
March 31, 2026

**SAN MIGUEL CONSOLIDATED
FIRE PROTECTION DISTRICT**
Report to the Board of Directors
For the Fiscal Year Ended
June 30, 2025

NIGRO & NIGRO^{PC}

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

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For the Fiscal Year Ended June 30, 2025

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Board of Directors
San Miguel Consolidated Fire Protection District
Spring Valley, California

We are pleased to present this report related to our audit of the financial statements of the San Miguel Consolidated Fire Protection District (District) as of and for the year ended June 30, 2025. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

Very truly yours,

Murrieta, California
May 13, 2026

Required Communications

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2025

Generally accepted auditing standards (AU-C 260, *The Auditor’s Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<p>Our Responsibilities with Regard to the Financial Statement Audit</p>	<p>Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated May 1, 2025. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.</p>
<p>Overview of the Planned Scope and Timing of the Financial Statement Audit</p>	<p>An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.</p>
<p>Accounting Policies and Practices</p>	<p>Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted.</p> <p>Adoption of, or Change in, Significant Accounting Policies or Their Application Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p>Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management’s Judgments and Accounting Estimates Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.</p>
<p>Audit Adjustments</p>	<p>Audit adjustments are summarized in the attached Summary of Adjusting Journal Entries.</p>
<p>Uncorrected Misstatements</p>	<p>We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.</p>

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2025

Area	Comments
Discussions With Management	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management’s judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	No significant difficulties were encountered in performing our audit.
Required Supplementary Information	<p>We applied certain limited procedures to the:</p> <ol style="list-style-type: none"> 1. Management’s Discussion and Analysis 2. Budget to Actual Comparison 3. Required Pension Plan Disclosures 4. Required OPEB Plan Disclosures <p>Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>

This information is intended solely for the information and use of Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2025

Our Audit Methodology

As part of our firm's standard audit methodology, once our Audit Team has uploaded management's trial balance into our audit software, we are required to report to the Governance Board and Management all adjustments made to the trial balance during the audit process. This includes any proposed audit adjustments identified by our auditors as well as any adjustments provided by management. Our policy is designed to ensure full transparency and to give the Governance Board and Management a clear understanding of the nature and extent of changes considered during the audit, thereby reinforcing the integrity and depth of the audit procedures performed.

Disclosure of Audit Adjustments and Reclassifications

As part of our external audit engagement, we operate under the presumption that the District's books and records are materially accurate and appropriately closed prior to the commencement of audit fieldwork. Nonetheless, audit adjustments and reclassifications are often proposed during the course of the audit to ensure the District's financial statements are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), and to enhance comparability with prior-year financial data. In the interest of transparency and governance, we have included, as an attachment to this letter, a summary of audit adjustments and reclassification journal entries identified during the audit.

The existence or absence of such adjustments does not inherently indicate deficiencies, but rather reflects the auditor's role in enhancing the fair presentation of the financial statements. Disclosure of these items provides the Governance Board and Management with insight into the scope and depth of the audit procedures performed.

To promote timely and accurate financial reporting, we recommend that management strengthen internal controls and oversight over the year-end financial close process. Enhancing these procedures can reduce the volume of post-closing audit adjustments and reclassifications, improve the quality of interim and year-end financial reporting, and support the District's efforts in maintaining compliance with financial reporting requirements and best practices in fiscal governance.

Management Override of Controls

Professional auditing standards require auditors to consider the risk that management may override established internal controls, regardless of the perceived effectiveness of those controls. During our audit, we identified management override of controls as a significant risk due to the inherent ability of management to initiate, authorize, record, or adjust transactions and financial records. Such override could occur through inappropriate journal entries, management bias in accounting estimates, or the circumvention of established approval and review processes, potentially resulting in material misstatement of the financial statements, whether due to error or fraud.

While our audit procedures did not identify any instances of inappropriate management override, the presence of this risk is inherent in all organizations and warrants continued attention. We recommend that the District continue to strengthen governance and oversight practices, including active involvement by the Governance Board, consistent monitoring of journal entries and significant estimates, segregation of duties where feasible, and periodic independent reviews of key financial processes. These measures help mitigate the risk of management override and support the integrity and reliability of the District's financial reporting.

Summary of Adjusting Journal Entries

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT

Summary of Adjusting Journal Entries For the Fiscal Year Ended June 30, 2025

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
To reclass DOR/DIR			
01-100-19700	DEFERRED OUTFLOWS - OPEB RELATED	2,177,767.00	
01-100-19800	DEFERRED OUTFLOWS - PENSION RELATED	2,941,606.00	
01-100-29800	DEFERRED INFLOWS - PENSION RELATED	2,941,606.00	
01-100-19710	DOR - OPEB Contributions		5,119,373.00
01-100-29810	DEFERRED INFLOWS - PENSION CONTRIBUTIONS		2,941,606.00
Total		8,060,979.00	8,060,979.00
Adjusting Journal Entries JE # 2			
To book GASB 68			
01-100-19800	DEFERRED OUTFLOWS - PENSION RELATED	610,185.00	
01-100-29800	DEFERRED INFLOWS - PENSION RELATED	8,167,182.00	
01-100-19800	DEFERRED OUTFLOWS - PENSION RELATED		5,243,985.00
01-100-28800	NET PENSION LIABILITY		2,335,968.00
5951-000	GASB 68 Expense		1,197,414.00
Total		8,777,367.00	8,777,367.00
Adjusting Journal Entries JE # 3			
To book GASB 75			
01-100-19710	DOR - OPEB Contributions	6,624.00	
01-100-28900	NET OPEB LIABILITY	495,093.00	
01-100-29700	DEFERRED INFLOWS - OPEB RELATED	223,827.00	
5953-000	GASB 75 -Expense	1,269,384.00	
01-100-19700	DEFERRED OUTFLOWS - OPEB RELATED		1,994,928.00
Total		1,994,928.00	1,994,928.00
Adjusting Journal Entries JE # 4			
To book GASB 87 related transactions			
01-100-21500	RIGHT-TO-USE LEASE PAYABLE	31,067.00	
01-100-29600	DIR - Leases	52,370.00	
01-519-47000	RENT - FACILITIES	1,630.00	
8060-000	Amortization expense Gasb 87 (NEW)	32,069.00	
8065-000	Interest Expense Gasb 87 (NEW)	2,097.00	
01-000-48010	INTEREST - GENERAL FUND		580.00
01-100-11400	LEASE RECEIVABLE		53,420.00
01-100-12510	RIGHT-TO-USE ACCUMULATED AMORTIZATION		32,069.00
01-402-57000	RENTS AND LEASES		33,164.00
Total		119,233.00	119,233.00
Adjusting Journal Entries JE # 5			
To gross up property tax for SCR reporting			
01-000-40000	PROPERTY TAXES - SECURED	6,894.68	
01-000-42200	PROPERTY TAXES - WEED ABATEMENT	345.12	
01-204-55110	COUNTY ADMIN FEES	688.30	
01-204-55110	COUNTY ADMIN FEES	57,183.00	
01-518-40300	PARCEL TAX (ECO)	4,830.35	
01-518-40400	BENEFIT ASSESSMENT - CREST	10.40	
01-518-40410	BENEFIT ASSESSMENT - BOSTONIA	714.03	
01-518-40420	BENEFIT ASSESSMENT - PARAMEDIC (ECO)	1,000.98	
01-000-48010	INTEREST - GENERAL FUND		7,589.18
01-000-48010	INTEREST - GENERAL FUND		64,077.68
Total		71,666.86	71,666.86
Adjusting Journal Entries JE # 6			
To accrued additional fire mitigation fee Q4			
02-100-11180	INTEREST RECEIVABLE - FIRE MITIGATION	97,441.70	
02-000-40100	FIRE MITIGATION PROPERTY TAX		97,441.70
Total		97,441.70	97,441.70
	Total Adjusting Journal Entries	19,121,615.56	19,121,615.56

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
Presentation to the Board of Directors
For the Fiscal Year Ended
June 30, 2025

NIGRO & NIGRO^{PC}



SCOPE OF WORK

Perform Audit Testwork of the Entity's Annual Financial Statements/Report

Report on the Entity's internal control over financial reporting and on compliance in accordance with Government Auditing Standards

OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

1. Form and express an opinion about whether the Annual Financial Statements results, that have been prepared by management, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
2. Our responsibility is to plan and perform the audit to obtain **reasonable assurance (not absolute assurance)** about whether the Annual Financial Statements are free of material misstatements.
3. We are to consider the Entity's internal controls and segregations of duties over accounting procedures and financial reporting as we perform our audit testwork. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal controls.

AUDIT RESULTS

An Auditor's **Unmodified Opinion** has been issued on the Annual Financial Statements.

- The Annual Financial Statements are fairly presented in all material respects.
- The adopted significant accounting policies have been consistently applied.
- Estimates are considered reasonable for Depreciation, Pension, OPEB & WC expense.
- New GASB Pronouncements were adopted.
- Required disclosures are properly reflected in the Annual Financial Statements.

AU-C 265 – Communicating Internal Control Related Matters Identified in an Audit

No Material Issues Arose to be Reported to the Governing Board/Management

Any Minor Issues Were Discussed Orally and Corrected by Management

How Do We Make You Better?

Best Practice Solutions Were Conveyed to Management – That's the Audit ROI

San Miguel Consolidated Fire Protection District

Dashboard – Audited Financial Statements

June 30, 2025 vs 2024

Revenues & Expenses	2025	2024	Variance
Program Revenues:			
Parcel Tax	\$ 2,173,474	\$ 2,073,884	\$ 99,590
Property Assessment	933,174	881,707	51,467
Fire Services – CalOES	1,771,163	729,483	1,041,680
Fire Prevention – Plan Check & Inspect	424,926	318,502	106,424
Advanced Life Support - 1st Responder	888,374	884,835	3,539
Weed Abatement	149,621	55,047	94,574
Other Charges	44,889	66,785	(21,896)
Reimbursements	34,521	18,908	15,613
Mitigation Fees	287,083	366,686	(79,603)
Operating and Capital Grants	483,985	1,761,599	(1,277,614)
			33,774
General Revenues:			
Property Taxes - 4.6%	27,876,151	26,661,202	1,214,949
Redevelopment pass-through	284,485	269,717	14,768
Rental Revenue	96,861	159,582	(62,721)
Investment Earnings	1,774,348	1,786,358	(12,010)
Sale of Capital Assets	52,900	-	52,900
Total Revenues	37,275,955	36,034,295	1,241,660
Expenses:			
Salaries & Wages	14,999,766	13,068,440	1,931,326
Employee Benefits	6,318,881	6,923,275	(604,394)
Insurance	1,117,554	3,189,867	(2,072,313)
Materials & Services	6,958,201	4,861,210	2,096,991
Depreciation & Amort Expense	1,347,481	1,187,275	160,206
Interest Expense	1,018,195	1,032,799	(14,604)
Total Expenses	31,760,078	30,262,866	1,497,212
Change in Revenues & Expenses	\$ 5,515,877	\$ 5,771,429	\$ (255,552)
Capital Outlay:			
Capital Asset Additions	\$ (2,749,269)	\$ (3,195,026)	445,757
Depreciation Expense	1,347,481	1,187,275	160,206
Change in Capital Expense	(1,401,788)	(2,007,751)	605,963
Debt Service:			
Principal Payments	\$ (453,068)	\$ (452,969)	(99)
Cash & Investments	\$ 39,760,689	\$ 34,629,069	\$ 5,131,620
Quick Summary:			
Change in Revenues & Expenses	\$ 5,515,877		
Change in Capital Expense	(1,401,788)	Use of Cash	
Debt Service - Principal Payments	(453,068)	Use of Cash	
Change in Other Receivable	843,523	Change to Cash	
Change in WC Liability	573,418	Change to Cash	
Change in OPEB	1,269,384	Change to Cash	
Change in Pension	(1,197,414)	Change to Cash	
Change in Cash & Investments	\$ 5,149,932	Approximately	\$ 18,312
Investment Earnings to Portfolio	4.77%		

ACTION AGENDA ITEMS 3.2.1 – 3.2.4**CFD 2022-1 Annexation 22 through approval of Resolution 26-12, Resolution 26-13, and First Reading of Ordinance 26-03**

Jon Newman, Fire Marshal

STAFF REPORT**BACKGROUND**

The Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 and following) (“Act”) contains the statutory framework pursuant to which the San Miguel Consolidated Fire Protection District (“District”) or any other local agency may form a Community Facilities District (“CFD”) for the purpose of financing the provision of certain authorized public services or maintenance. A CFD may finance services or maintenance through the levy of special taxes within the geographic boundaries of the CFD. The District previously adopted its Local Goals and Policies relating to the formation of CFDs. On July 14, 2021, the District adopted its Policy No. 9.7, requiring new development to offset the negative fiscal impacts of such development on the District, including through forming or annexing into an existing CFD. The District retained NBS Government Finance Group (“NBS”) as its special tax consultant to study the negative fiscal impact of new development on the provision of services by the District. NBS prepared a Fiscal Impact Analysis setting forth their results, which the Board has reviewed in prior meetings.

On September 14, 2022, the District received its first petition for a CFD and, on October 12, 2022, approved Ordinance 2022-2 Levying Special Taxes Within San Miguel Consolidated Fire Protection District. Annexation 1 was approved on May 10, 2023.

DISCUSSION

The District has received a petition from SHOKA BROTHERS LLC (the “Owner”), relating to Parcel 484-051-15-00 located off of Greenfield Drive and Oro Street in the County of San Diego. The Owner is the owner of Assessor Parcel Number Parcel 484-051-15-00 (“Property”), requesting the annexation into the Community Facilities District No. 2022-1 (“CFD 2022-1”), encompassing the Property, to finance the following public services:

- a) Fire protection and suppression services, and ambulance and paramedic services; and
- b) The administrative and incidental expenses to be incurred by the District, which includes the direct and indirect expenses incurred in carrying out its duties with respect to CFD 2022-1 (including, but not limited to, the levy and collection of the special taxes), including the fees and expenses of attorneys, any fees of the County of San Diego related to CFD 2022-1 or the collection of special taxes, an allocable share of the salaries of the District staff directly related thereto, and a proportionate amount of the District's general administrative overhead related thereto, any amounts paid by the District from its general fund with respect to CFD 2022-1 or the services authorized to be financed by CFD 2022-1, and expenses incurred by the District in undertaking action to pursue payment of delinquent special taxes, and all other costs and expenses of the District related to CFD 2022-1.

A public hearing on the annexation of territory into CFD No. 2022-1 shall be held at 5:30 p.m. on May 13, 2026, or as soon thereafter as the Board may consider the matter, in the Board Room, located at 2850 Via Orange Way, Spring Valley, CA 91978.

This project will consist of one commercial property for purposes of the RMA.



FISCAL IMPACT

None, as the costs for the formation of CFD 2022-1 are paid through a deposit provided by the Developer and ongoing administrative costs are paid for through the levy of special taxes within CFD 2022-1.

ATTACHMENTS

- A. Resolution 26-12 (Call for Election, Annexation 22)
 - Exhibit A – Official Ballot
- B. Resolution 26-13 (Results of Election, Annexation 22)
 - Exhibit A – Certificate of Election Official and Statement of Votes Cast
- C. Draft Ordinance 26-03

RECOMMENDATION

Hold the Public Hearing, adopt Resolutions 26-12 and 26-13, and complete the First Reading of Ordinance 26-03.

Resolution 26-12

A Resolution of the Board of Directors of the San Miguel Consolidated Fire Protection District Calling a Special Landowner Election for San Miguel Consolidated Fire Protection District Community Facilities District 2022-1, Annexation 22 (APN 484-051-15-00)

WHEREAS, the Board of Directors (the “Board”) of the San Miguel Consolidated Fire Protection District (the “District”) has heretofore conducted proceedings for the establishment of and has established the San Miguel Consolidated Fire Protection District, Community Facilities District, 2022-1, County of San Diego, State of California (“CFD 2022-1”) for the purpose of levying special taxes on parcels of taxable property therein for the purpose of providing certain services which are necessary to meet increased demands placed upon the District as a result of the development of said real property; and

WHEREAS, the Board is authorized by Article 3.5 (commencing with Section 53339) of Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the “Mello-Roos Community Facilities Act of 1982,” (the “Act”) to annex territory to CFD 2022-1 by complying with the procedures set forth in said Article 3.5; and

WHEREAS, on April 8, 2026, the Board adopted Resolution 26-09, a resolution of intention to annex territory to CFD 2022-1 pursuant to Section 53339.2 of the Act, determining that the public convenience and necessity require that certain property, consisting of approximately 0.38 acres, known as Annexation 22 be annexed to CFD 2022-1 and containing all of the matters prescribed by Section 53339.3 of the Act, and fixing 5:30 p.m. on May 13, 2026, in the Board Chambers, located at 2850 Via Orange Way, Spring Valley, CA 91978, as the time and place for a hearing upon said resolution; and

WHEREAS, pursuant to said resolution, the Board Clerk has published and mailed notice of the time and place of said hearing as required by Section 53339.4 of the Act; and

WHEREAS, on May 13, 2026, at the time and place of said hearing, the Board afforded all interested persons for or against the annexation of said property to CFD 2022-1 an opportunity to present testimony and to protest against the proposed annexation of said property to CFD 2022-1, and no protests, either oral or in writing, were received; and

WHEREAS, pursuant to Section 53339.7 of the Act, the Board may now submit the question of levying a special tax within the territory proposed to be annexed to CFD 2022-1 to the qualified electors within that territory.

NOW, THEREFORE, BE IT RESOLVED that the Board of the San Miguel Consolidated Fire Protection District, California, hereby:

Section 1.

Findings. The Board finds that: (i) the foregoing recitals are correct; (ii) less than twelve (12) persons have been registered to vote within the territory proposed to be annexed to CFD 2022-1 during the ninety (90) days preceding the close of the public hearing on May 13, 2026; (iii) pursuant to Section 53326 of the California Government Code, as a result of the findings set forth in clause (ii) above, the vote in the special election called by this resolution shall be by the landowners of the territory proposed to be annexed to CFD 2022-1 whose property would be subject to the special taxes if they were levied at the time of the election, and each landowner shall have one (1) vote for each acre, or portion thereof, which he or she owns within the said territory, which would be subject to the proposed special taxes if they were levied at the time of the election; (iv) pursuant to said Section 53326, the special election must be held at least ninety (90) days, but not more than one hundred eighty (180) days following the date of the adoption of this resolution, unless such time periods are waived with the unanimous waiver of the qualified electors. All of the qualified electors in the territory to be annexed waived the time limits and election formalities of the special election.

Section 2.

Call of Election. The Board hereby calls and schedules a special election for May 13, 2026, on the proposition with respect to the annual levy of special taxes within the territory proposed to be annexed to CFD 2022-1 for paying the cost of the services to be provided within and for the benefit of the territory proposed to be annexed to CFD 2022-1.

Section 3.

Propositions. The propositions to be submitted to the voters of CFD 2022-1 at such special election shall be as follows:

PROPOSITION A

Shall the San Miguel Consolidated Fire Protection District Community Facilities District 2022-1 ("CFD 2022-1"), County of San Diego, State of California, subject to accountability measures set forth in California Government Code Section 50075.1, levy special taxes throughout Annexation 22 to such community facilities district pursuant to the method of apportioning the special tax set forth in Attachment A to this Official Ballot for the purpose of financing public services, including but not limited to the services set forth in Attachment B to this Official Ballot to meet the increased demand for such services resulting from new development within Annexation 22 thereto and the cost of administering the levy and collection of the special taxes and CFD 2022-1?

Section 4.

Conduct of Election. Except as otherwise provided in Section 5 hereof, said election shall be conducted by the Board Clerk of the District pursuant to the California Elections Code governing mail ballot elections, and in particular, the provisions of Division 4 (commencing with Section 4000) of said Code, insofar as they may be applicable.

Section 5.

Election Procedures. The procedures to be followed in conducting the special election on the levy of Special Taxes to pay the annual costs of the Services to the qualified electors of the territory to be annexed to CFD 2022-1 (the "Special Election") shall be as follows:

- a) Pursuant to said Section 53326 of the California Government Code, ballots for the special election shall be distributed to the qualified electors by the Board Clerk by mail with return postage prepaid, or by personal service.
- b) Pursuant to applicable sections of the California Elections Code governing the conduct of mail ballot elections, and specifically Division 4 (commencing with Section 4000) of the California Elections Code with respect to elections conducted by mail, the Board Clerk shall mail or deliver to each qualified elector an official ballot in the form attached hereto as Exhibit "A," and shall also mail or deliver to all such qualified electors a ballot pamphlet and instructions to voter, including a sample ballot identical in form to the official ballot but identified as a sample ballot, a return identification envelope with prepaid postage thereon addressed to the Board Clerk for the return of voted official ballots, and a copy of Resolution 26-09; provided, however, that such statement, analysis and arguments may be waived with the unanimous consent of all the landowners.
- c) The official ballot to be mailed or delivered by the Board Clerk to each landowner-voter shall have printed or typed thereon the name of the landowner-voter and the number of votes to be voted by the landowner-voter and shall have appended to it a certification to be signed by the person voting the official ballot which shall certify that the person signing the certification is the person who voted the official ballot, and if the landowner-voter is other than a natural person, that he or she is an officer of or other person affiliated with the landowner-voter entitled to vote such official ballot, that he or she has been authorized to vote such official ballot on behalf of the landowner-voter, that in voting such official ballot it was his or her intent, as well as the intent of the landowner-voter, to vote all votes to which the landowner-voter is entitled based on its land ownership on the propositions set forth in the official ballot as marked thereon in the voting square opposite each such proposition, and further certifying as to the acreage of the landowner-voter's land ownership within the territory proposed to be annexed to CFD 2022-1.
- d) The return identification envelope mailed or delivered by the Board Clerk to each landowner-voter shall have printed or typed thereon the following: (i) the name of the landowner, (ii) the address of the landowner, (iii) a declaration under penalty of perjury stating that the voter is the landowner or the authorized representative of the landowner entitled to vote the enclosed ballot and is the person whose name appears on the identification envelope, (iv) the printed name and signature of the voter, (v) the address of the voter, (vi) the date of signing and place of execution of said declaration, and (vii) a notice that the envelope contains an official ballot and is to be opened only by the Board Clerk.
- e) The instruction to voter form to be mailed or delivered by the Board Clerk to the landowner-voters shall inform them that the official ballots shall be returned to the Board Clerk properly voted as provided thereon and with the certification appended

thereto properly completed and signed in the sealed return identification envelope with the certification thereon completed and signed and all other information to be inserted thereon properly inserted by 5:30 p.m. on May 13, 2026.

- f) Upon receipt of the return identification envelopes, which are returned prior to the voting deadline on the date of the election, the Board Clerk shall canvass the votes cast in the special election, and shall file a statement with the Board as to the results of such canvass and the election on each proposition set forth in the official ballot.

Section 6.

Effective Date. This Resolution shall take effect immediately from and after the date of its passage and adoption.

BE IT FURTHER RESOLVED AND ORDERED The Board Clerk shall certify the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the Board of the San Miguel Consolidated Fire Protection District this 13th day of May 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST

Shayna Rians, Board Clerk

Harry Muns, Board President

EXHIBIT "A"
OFFICIAL BALLOT
SPECIAL ELECTION

NUMBER OF VOTES ENTITLED TO BE CAST: 1
SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT, COMMUNITY FACILITIES
DISTRICT 2022-1, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA
(ANNEXATION 22 APN 484-051-15-00)
ELECTION DATE: MAY 13, 2026
OFFICIAL BALLOT

To vote on the measure, mark a cross (+) in the voting square before the word "YES" or before the word "NO." If you tear or deface this ballot, please contact the Board Clerk's Office at (619) 670-0500 for assistance in obtaining another ballot.

PROPOSITION A

Shall the San Miguel Consolidated Fire Protection District Community Facilities District 2022-1 ("CFD 2022-1"), County of San Diego, State of California, subject to accountability measures set forth in California Government Code Section 50075.1, levy special taxes throughout Annexation 22 to such community facilities district pursuant to the method of apportioning the special tax set forth in Attachment A to this Official Ballot for the purpose of financing public services, including but not limited to the services set forth in Attachment B to this Official Ballot to meet the increased demand for such services resulting from new development within Annexation 22 and Tax Zone No. 1 thereto and the cost of administering the levy and collection of the special taxes and CFD 2022-1?

- YES
- NO

Resolution 26-13

A Resolution of the Board of Directors of the San Miguel Consolidated Fire Protection District Declaring Results of Special Landowner Election and Directing Recording of Notice of Special Tax Lien for San Miguel Consolidated Fire Protection District Community Facilities District 2022-1 (Annexation 22, APN 484-051-15-00)

WHEREAS, the Board of Directors (the "Board") of the San Miguel Consolidated Fire Protection District (the "District") has heretofore conducted proceedings for the annexation of approximately 0.38 acres of land to the San Miguel Consolidated Fire Protection District, Community Facilities District 2022-1, County of San Diego, State of California ("CFD 2022-1") including conducting a public hearing pursuant to Section 53339.5 of the Government Code; and

WHEREAS, at the conclusion of said public hearing, the Board adopted a resolution calling a special election for May 13, 2026, and submitting to the qualified electors of the territory to be annexed, known as Annexation 22 to CFD 2022-1 the question of levying special taxes within that territory to pay the costs of certain services and the costs associated with the determination of the amount of and levy and collection of special taxes, which will be levied to provide the services and costs otherwise incurred in order to carry out the authorized purposes of CFD 2022-1 (the "Election Resolution").

WHEREAS, the Board has received a statement from the Board Clerk, who pursuant to the Election Resolution was authorized to conduct such special election and act as the election official therefor, with respect to the canvass of the ballots returned in and the results of said special election, certifying that at least two-thirds of the votes cast upon the proposition submitted to the qualified electors in said special election were in favor of such proposition.

NOW, THEREFORE, BE IT RESOLVED that the Board of the San Miguel Consolidated Fire Protection District, California, hereby:

Section 1.

Recitals. The above recitals are all true and correct.

Section 2.

Findings. The Board finds that: (i) there are (0) registered voters residing within the territory proposed to be annexed to CFD 2022-1 ("Annexation 22") at the time of the close of the public hearing on May 13, 2026, and pursuant to Section 53326 of the Government Code, the vote in said special election was, therefore, to be by the landowners owning land within Annexation 22, with each landowner having one vote for each acre or portion thereof of land that he or she owned within Annexation 22; (ii) pursuant to said Section 53326 and the Election Resolution, the Board Clerk caused to be delivered an official ballot for the special election to the owner of the land within Annexation 22, with return postage prepaid; (iii) said special election has been properly conducted in accordance with all statutory

requirements and the provisions of the Election Resolution; (iv) pursuant to said Section 53326, SHOKA BROTHERS, LLC, the owner of all the land within Annexation 22, was entitled to one (1) vote; (v) said landowner returned its ballot to the Board Clerk prior to the time set by the Board Clerk for the close of the election on May 13, 2026; (vi) the ballot returned to the Board Clerk by said landowner voted all votes of said landowner in favor of the proposition set forth therein; (vii) at least two-thirds of the votes cast in such special election on said proposition were in favor thereof, and pursuant to Sections 53328 and 53329 of the Government Code, said proposition carried; (viii) pursuant to Section 53339.8 of the Government Code, the Board is authorized to determine that Annexation 22 to be annexed has been added to and become a part of CFD 2022-1 with full legal effect; and (ix) the Board is also authorized, pursuant to said Section 53339.8, to annually levy special taxes within Annexation 22 to pay the costs of the services to be provided by CFD 2022-1.

Section 3.

Declaration of Results. At least two-thirds of the votes voted in the special election on the proposition of the annual levy of special taxes within Annexation 22 to pay the costs of the services to be provided by CFD 2022-1 were voted in favor thereof, and such proposition carried.

Section 4.

Annexation. Annexation 22 is annexed and added to and is a part of CFD 2022-1 with full legal effect, and the Board shall annually levy special taxes within Annexation 22 at the rates as specified in Resolution 26-09 adopted by the Board on April 8, 2026, to pay costs of certain services to be provided by CFD 2022-1. The boundaries of Annexation 22 are shown on the map entitled, "Annexation Map 22 of Community Facilities District 2022-1, San Miguel Consolidated Fire Protection District, County of San Diego, State of California," which was recorded on April 13, 2026, in the office of the County Recorder of the County of San Diego as Instrument 2026-7000618.

Section 5.

Notice. Pursuant to Section 53339.8 of the Government Code and Section 3117.5 of the Streets and Highways Code, the Board Clerk shall cause to be filed with the County Recorder of the County of San Diego an amendment of the notice of special tax lien and a map of the amended boundaries of CFD 2022-1 including Annexation 22.

Section 6.

Entry of the Election Results in the Minutes. The Board Clerk is hereby directed, pursuant to the provisions of the Elections Code of the State of California, to enter in the minutes the results of the election as set forth in said Certificate of Election Official.

Section 7.

Effective Date. This Resolution shall take effect immediately from and after the date of its passage and adoption.

BE IT FURTHER RESOLVED AND ORDERED The Board Clerk shall certify the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the Board of the San Miguel Consolidated Fire Protection District this 13th day of May 2026, by the following vote:

AYES:

NOES:

ASTAIN:

ABSENT:

ATTEST

Shayna Rians, Board Clerk

Harry Muns, Board President

EXHIBIT "A"
CERTIFICATE OF ELECTION OFFICIAL
AND STATEMENT OF VOTES CAST

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)
SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT)

The undersigned, ELECTION OFFICIAL OF THE SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, DOES HEREBY CERTIFY that pursuant to the provisions of Section 53326 of the Government Code and Division 12, commencing with Section 17000 of the Elections Code of the State of California, I did canvass the returns of the votes cast at the

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
COMMUNITY FACILITIES DISTRICT 2022-1,
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA
SPECIAL ELECTION
(ANNEXATION 22, APN 484-051-015-00)

in said District, held May 13, 2026.

I FURTHER CERTIFY that this Statement of Votes Cast shows the whole number of votes cast in Annexation 22 to be annexed to CFD 2022-1 in such District, and the whole number of votes cast for the Proposition in Annexation 22 to be annexed to CFD 2022-1 in said District, and the totals of the respective columns and the totals as shown for the Proposition are full, true and correct.

1. VOTES CAST ON PROPOSITION A: YES ___
NO ___

WITNESS my hand this 13th day of May 2026.

BOARD CLERK
ELECTION OFFICIAL
SAN MIGUEL CONSOLIDATED FIRE
PROTECTION DISTRICT
STATE OF CALIFORNIA

Ordinance 26-03

**An Ordinance of the Board of Directors of the
San Miguel Consolidated Fire Protection District
Authorizing the Levy of Special Taxes in a Community Facilities District,
Including Certain Annexation Territory Identified As
Annexation 22 (APN 484-051-15-00),
into San Miguel Consolidated Fire Protection District
Community Facilities District 2022-1**

WHEREAS, the Board of Directors (the “Board”) of the San Miguel Consolidated Fire Protection District (the “District”) has established the San Miguel Consolidated Fire Protection District, Community Facilities District 2022-1, County of San Diego, State of California (“CFD 2022-1”) for the purpose of levying special taxes on parcels of taxable property therein for the purpose of providing certain services, which are necessary to meet increased demands placed upon the District as a result of the development of said real property; and

WHEREAS, the rate and method of apportionment of special tax for CFD 2022-1 is set forth in Exhibit “C” to the Board Resolution 26-09, which was adopted on April 8, 2026 (the “Resolution of Intention”); and

WHEREAS, the District has conducted proceedings to annex territory into CFD 2022-1 and, with respect to the proceedings, following an election of the qualified electors in the territory proposed for annexation (the “Annexation 22”), the Board, on May 13, 2026, adopted a resolution which declared the results of the special election and determined that the territory proposed to be annexed is added to and part of CFD 2022-1.

NOW, THEREFORE, BE IT RESOLVED that the Board of the San Miguel Consolidated Fire Protection District, California, acting in its capacity as the legislative body of the San Miguel Consolidated Fire Protection District, Community Facilities District 2022-1, County of San Diego, State of California, does hereby:

Section 1.

The foregoing recitals are true and correct.

Section 2.

By the passage of this Ordinance, the Board hereby authorizes and levies the special tax within CFD 2022-1, including the Annexation Territory, pursuant to Article 3.5 (commencing with Section 53339) of Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the “Mello-Roos Community Facilities Act of 1982,” (the “Act”), at the rate and in accordance with the rate and method of apportionment of special tax set forth in the Resolution of Intention, which rate and method is by this reference incorporated herein. The special tax has previously been levied in the

original territory of CFD 2022-1 pursuant to Ordinance 2022-2 passed and adopted by the Board on October 12, 2022, and the special tax is hereby levied commencing in Fiscal Year 2026-27 in CFD 2022-1, including Annexation 22, and in each fiscal year thereafter to pay for the services for CFD 2022-1 and the costs of administering the District.

Section 3.

The General Manager of the District or designee or employee or consultant of the District is hereby authorized and directed each fiscal year to determine the specific special tax to be levied for the next ensuing fiscal year for each parcel of real property within CFD 2022-1, including Annexation 22, in the manner and as provided in the Resolution of Intention.

Section 4.

Exemptions from the levy of the special tax shall be as provided in the Resolution of Intention and the applicable provisions of the Act. In no event shall the special tax be levied on any parcel within CFD 2022-1 in excess of the maximum special tax specified in the Resolution of Intention.

Section 5.

All of the collections of the special tax shall be used as provided in the Act and in the Resolution of Intention, including, but not limited to, the payment of the costs of the services, the payment of the costs of the District in administering CFD 2022-1, and the costs of collecting and administering the special tax.

Section 6.

The special tax shall be collected in the same manner and at the same time as ordinary *ad valorem* taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for *ad valorem* taxes; provided, however, that CFD 2022-1 may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations. The General Manager of the District, or his or her designee, is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of San Diego in order to effect proper billing and collection of the special tax, so that the special tax shall be included on the secured property tax roll of the County of San Diego for Fiscal Year 2026-27 and for each fiscal year thereafter until no longer required to pay for the Services or until otherwise terminated by the District.

Section 7.

If for any reason any portion of this Ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within CFD 2022-1, including Annexation 22, by a court of competent jurisdiction, the balance of this Ordinance and the application of the special tax to the remaining parcels within CFD 2022-1, including Annexation 22, shall not be affected.

Section 8.

This Ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the Board Clerk shall cause this Ordinance, or a summary of it, to be published in a newspaper of general circulation in the District.

PASSED AND ADOPTED this 13th day of May 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST

Shayna Rians, Board Clerk

Harry Muns, Board President

I hereby certify that the foregoing Ordinance was duly introduced at a regular public meeting of the San Miguel Consolidated Fire Protection District Board, held on May 13, 2026, and was duly adopted, passed, and ordered posted at an adjourned regular meeting of the San Miguel Consolidated Fire Protection District Board held on May 13, 2026.

Board Clerk
San Miguel Consolidated Fire Protection District

ACTION AGENDA ITEMS 3.2.5 – 3.2.8**CFD 2022-1 Annexation 23 through approval of Resolution 26-14, Resolution 26-15, and First Reading of Ordinance 26-04**

Jon Newman, Fire Marshal

STAFF REPORT**BACKGROUND**

The Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 and following) (“Act”) contains the statutory framework pursuant to which the San Miguel Consolidated Fire Protection District (“District”) or any other local agency may form a Community Facilities District (“CFD”) for the purpose of financing the provision of certain authorized public services or maintenance. A CFD may finance services or maintenance through the levy of special taxes within the geographic boundaries of the CFD. The District previously adopted its Local Goals and Policies relating to the formation of CFDs. On July 14, 2021, the District adopted its Policy No. 9.7, requiring new development to offset the negative fiscal impacts of such development on the District, including through forming or annexing into an existing CFD. The District retained NBS Government Finance Group (“NBS”) as its special tax consultant to study the negative fiscal impact of new development on the provision of services by the District. NBS prepared a Fiscal Impact Analysis setting forth their results, which the Board has reviewed in prior meetings.

On September 14, 2022, the District received its first petition for a CFD and, on October 12, 2022, approved Ordinance 2022-2 Levying Special Taxes Within San Miguel Consolidated Fire Protection District. Annexation 1 was approved on May 10, 2023.

DISCUSSION

The District has received a petition from HELIX STREET LLC (the “Owner”), relating to Parcel 504-021-28-00 located off of Helix Street in the County of San Diego. The Owner is the owner of Assessor Parcel Number Parcel 504-021-28-00 (“Property”), requesting the annexation into the Community Facilities District No. 2022-1 (“CFD 2022-1”), encompassing the Property, to finance the following public services:

- a) Fire protection and suppression services, and ambulance and paramedic services; and
- b) The administrative and incidental expenses to be incurred by the District, which includes the direct and indirect expenses incurred in carrying out its duties with respect to CFD 2022-1 (including, but not limited to, the levy and collection of the special taxes), including the fees and expenses of attorneys, any fees of the County of San Diego related to CFD 2022-1 or the collection of special taxes, an allocable share of the salaries of the District staff directly related thereto, and a proportionate amount of the District's general administrative overhead related thereto, any amounts paid by the District from its general fund with respect to CFD 2022-1 or the services authorized to be financed by CFD 2022-1, and expenses incurred by the District in undertaking action to pursue payment of delinquent special taxes, and all other costs and expenses of the District related to CFD 2022-1.

A public hearing on the annexation of territory into CFD No. 2022-1 shall be held at 5:30 p.m. on May 13, 2026, or as soon thereafter as the Board may consider the matter, in the Board Room, located at 2850 Via Orange Way, Spring Valley, CA 91978.

This project will consist of one industrial property for purposes of the RMA.



FISCAL IMPACT

None, as the costs for the formation of CFD 2022-1 are paid through a deposit provided by the Developer and ongoing administrative costs are paid for through the levy of special taxes within CFD 2022-1.

ATTACHMENTS

- A. Resolution 26-14 (Call for Election, Annexation 23)
 - Exhibit A – Official Ballot
- B. Resolution 26-15 (Results of Election, Annexation 23)
 - Exhibit A – Certificate of Election Official and Statement of Votes Cast
- C. Draft Ordinance 26-04

RECOMMENDATION

Hold the Public Hearing, adopt Resolutions 26-14 and 26-15, and complete the First Reading of Ordinance 26-04.

Resolution 26-14

A Resolution of the Board of Directors of the San Miguel Consolidated Fire Protection District Calling a Special Landowner Election for San Miguel Consolidated Fire Protection District Community Facilities District 2022-1, Annexation 23 (APN 504-021-28-00)

WHEREAS, the Board of Directors (the “Board”) of the San Miguel Consolidated Fire Protection District (the “District”) has heretofore conducted proceedings for the establishment of and has established the San Miguel Consolidated Fire Protection District, Community Facilities District, 2022-1, County of San Diego, State of California (“CFD 2022-1”) for the purpose of levying special taxes on parcels of taxable property therein for the purpose of providing certain services which are necessary to meet increased demands placed upon the District as a result of the development of said real property; and

WHEREAS, the Board is authorized by Article 3.5 (commencing with Section 53339) of Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the “Mello-Roos Community Facilities Act of 1982,” (the “Act”) to annex territory to CFD 2022-1 by complying with the procedures set forth in said Article 3.5; and

WHEREAS, on April 8, 2026, the Board adopted Resolution 26-10, a resolution of intention to annex territory to CFD 2022-1 pursuant to Section 53339.2 of the Act, determining that the public convenience and necessity require that certain property, consisting of approximately 0.79 acres, known as Annexation 23 be annexed to CFD 2022-1 and containing all of the matters prescribed by Section 53339.3 of the Act, and fixing 5:30 p.m. on May 13, 2026, in the Board Chambers, located at 2850 Via Orange Way, Spring Valley, CA 91978, as the time and place for a hearing upon said resolution; and

WHEREAS, pursuant to said resolution, the Board Clerk has published and mailed notice of the time and place of said hearing as required by Section 53339.4 of the Act; and

WHEREAS, on May 13, 2026, at the time and place of said hearing, the Board afforded all interested persons for or against the annexation of said property to CFD 2022-1 an opportunity to present testimony and to protest against the proposed annexation of said property to CFD 2022-1, and no protests, either oral or in writing, were received; and

WHEREAS, pursuant to Section 53339.7 of the Act, the Board may now submit the question of levying a special tax within the territory proposed to be annexed to CFD 2022-1 to the qualified electors within that territory.

NOW, THEREFORE, BE IT RESOLVED that the Board of the San Miguel Consolidated Fire Protection District, California, hereby:

Section 1.

Findings. The Board finds that: (i) the foregoing recitals are correct; (ii) less than twelve (12) persons have been registered to vote within the territory proposed to be annexed to CFD 2022-1 during the ninety (90) days preceding the close of the public hearing on May 13, 2026; (iii) pursuant to Section 53326 of the California Government Code, as a result of the findings set forth in clause (ii) above, the vote in the special election called by this resolution shall be by the landowners of the territory proposed to be annexed to CFD 2022-1 whose property would be subject to the special taxes if they were levied at the time of the election, and each landowner shall have one (1) vote for each acre, or portion thereof, which he or she owns within the said territory, which would be subject to the proposed special taxes if they were levied at the time of the election; (iv) pursuant to said Section 53326, the special election must be held at least ninety (90) days, but not more than one hundred eighty (180) days following the date of the adoption of this resolution, unless such time periods are waived with the unanimous waiver of the qualified electors. All of the qualified electors in the territory to be annexed waived the time limits and election formalities of the special election.

Section 2.

Call of Election. The Board hereby calls and schedules a special election for May 13, 2026, on the proposition with respect to the annual levy of special taxes within the territory proposed to be annexed to CFD 2022-1 for paying the cost of the services to be provided within and for the benefit of the territory proposed to be annexed to CFD 2022-1.

Section 3.

Propositions. The propositions to be submitted to the voters of CFD 2022-1 at such special election shall be as follows:

PROPOSITION A

Shall the San Miguel Consolidated Fire Protection District Community Facilities District 2022-1 ("CFD 2022-1"), County of San Diego, State of California, subject to accountability measures set forth in California Government Code Section 50075.1, levy special taxes throughout Annexation 23 to such community facilities district pursuant to the method of apportioning the special tax set forth in Attachment A to this Official Ballot for the purpose of financing public services, including but not limited to the services set forth in Attachment B to this Official Ballot to meet the increased demand for such services resulting from new development within Annexation 23 thereto and the cost of administering the levy and collection of the special taxes and CFD 2022-1?

Section 4.

Conduct of Election. Except as otherwise provided in Section 5 hereof, said election shall be conducted by the Board Clerk of the District pursuant to the California Elections Code governing mail ballot elections, and in particular, the provisions of Division 4 (commencing with Section 4000) of said Code, insofar as they may be applicable.

Section 5.

Election Procedures. The procedures to be followed in conducting the special election on the levy of Special Taxes to pay the annual costs of the Services to the qualified electors of the territory to be annexed to CFD 2022-1 (the "Special Election") shall be as follows:

- a) Pursuant to said Section 53326 of the California Government Code, ballots for the special election shall be distributed to the qualified electors by the Board Clerk by mail with return postage prepaid, or by personal service.
- b) Pursuant to applicable sections of the California Elections Code governing the conduct of mail ballot elections, and specifically Division 4 (commencing with Section 4000) of the California Elections Code with respect to elections conducted by mail, the Board Clerk shall mail or deliver to each qualified elector an official ballot in the form attached hereto as Exhibit "A," and shall also mail or deliver to all such qualified electors a ballot pamphlet and instructions to voter, including a sample ballot identical in form to the official ballot but identified as a sample ballot, a return identification envelope with prepaid postage thereon addressed to the Board Clerk for the return of voted official ballots, and a copy of Resolution 26-10; provided, however, that such statement, analysis and arguments may be waived with the unanimous consent of all the landowners.
- c) The official ballot to be mailed or delivered by the Board Clerk to each landowner-voter shall have printed or typed thereon the name of the landowner-voter and the number of votes to be voted by the landowner-voter and shall have appended to it a certification to be signed by the person voting the official ballot which shall certify that the person signing the certification is the person who voted the official ballot, and if the landowner-voter is other than a natural person, that he or she is an officer of or other person affiliated with the landowner-voter entitled to vote such official ballot, that he or she has been authorized to vote such official ballot on behalf of the landowner-voter, that in voting such official ballot it was his or her intent, as well as the intent of the landowner-voter, to vote all votes to which the landowner-voter is entitled based on its land ownership on the propositions set forth in the official ballot as marked thereon in the voting square opposite each such proposition, and further certifying as to the acreage of the landowner-voter's land ownership within the territory proposed to be annexed to CFD 2022-1.
- d) The return identification envelope mailed or delivered by the Board Clerk to each landowner-voter shall have printed or typed thereon the following: (i) the name of the landowner, (ii) the address of the landowner, (iii) a declaration under penalty of perjury stating that the voter is the landowner or the authorized representative of the landowner entitled to vote the enclosed ballot and is the person whose name appears on the identification envelope, (iv) the printed name and signature of the voter, (v) the address of the voter, (vi) the date of signing and place of execution of said declaration, and (vii) a notice that the envelope contains an official ballot and is to be opened only by the Board Clerk.
- e) The instruction to voter form to be mailed or delivered by the Board Clerk to the landowner-voters shall inform them that the official ballots shall be returned to the Board Clerk properly voted as provided thereon and with the certification appended

thereto properly completed and signed in the sealed return identification envelope with the certification thereon completed and signed and all other information to be inserted thereon properly inserted by 5:30 p.m. on May 13, 2026.

- f) Upon receipt of the return identification envelopes, which are returned prior to the voting deadline on the date of the election, the Board Clerk shall canvass the votes cast in the special election, and shall file a statement with the Board as to the results of such canvass and the election on each proposition set forth in the official ballot.

Section 6.

Effective Date. This Resolution shall take effect immediately from and after the date of its passage and adoption.

BE IT FURTHER RESOLVED AND ORDERED The Board Clerk shall certify the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the Board of the San Miguel Consolidated Fire Protection District this 13th day of May 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST

Shayna Rians, Board Clerk

Harry Muns, Board President

EXHIBIT "A"
OFFICIAL BALLOT
SPECIAL ELECTION

NUMBER OF VOTES ENTITLED TO BE CAST: 1
SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT, COMMUNITY FACILITIES
DISTRICT 2022-1, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA
(ANNEXATION 23 APN 504-021-28-00)
ELECTION DATE: MAY 13, 2026
OFFICIAL BALLOT

To vote on the measure, mark a cross (+) in the voting square before the word "YES" or before the word "NO." If you tear or deface this ballot, please contact the Board Clerk's Office at (619) 670-0500 for assistance in obtaining another ballot.

PROPOSITION A

Shall the San Miguel Consolidated Fire Protection District Community Facilities District 2022-1 ("CFD 2022-1"), County of San Diego, State of California, subject to accountability measures set forth in California Government Code Section 50075.1, levy special taxes throughout Annexation 23 to such community facilities district pursuant to the method of apportioning the special tax set forth in Attachment A to this Official Ballot for the purpose of financing public services, including but not limited to the services set forth in Attachment B to this Official Ballot to meet the increased demand for such services resulting from new development within Annexation 23 and Tax Zone No. 1 thereto and the cost of administering the levy and collection of the special taxes and CFD 2022-1?

- YES
- NO

Resolution 26-15

A Resolution of the Board of Directors of the San Miguel Consolidated Fire Protection District Declaring Results of Special Landowner Election and Directing Recording of Notice of Special Tax Lien for San Miguel Consolidated Fire Protection District Community Facilities District 2022-1 (Annexation 23, APN 504-01-28-00)

WHEREAS, the Board of Directors (the "Board") of the San Miguel Consolidated Fire Protection District (the "District") has heretofore conducted proceedings for the annexation of approximately 0.79 acres of land to the San Miguel Consolidated Fire Protection District, Community Facilities District 2022-1, County of San Diego, State of California ("CFD 2022-1") including conducting a public hearing pursuant to Section 53339.5 of the Government Code; and

WHEREAS, at the conclusion of said public hearing, the Board adopted a resolution calling a special election for May 13, 2026, and submitting to the qualified electors of the territory to be annexed, known as Annexation 23 to CFD 2022-1 the question of levying special taxes within that territory to pay the costs of certain services and the costs associated with the determination of the amount of and levy and collection of special taxes, which will be levied to provide the services and costs otherwise incurred in order to carry out the authorized purposes of CFD 2022-1 (the "Election Resolution").

WHEREAS, the Board has received a statement from the Board Clerk, who pursuant to the Election Resolution was authorized to conduct such special election and act as the election official therefor, with respect to the canvass of the ballots returned in and the results of said special election, certifying that at least two-thirds of the votes cast upon the proposition submitted to the qualified electors in said special election were in favor of such proposition.

NOW, THEREFORE, BE IT RESOLVED that the Board of the San Miguel Consolidated Fire Protection District, California, hereby:

Section 1.

Recitals. The above recitals are all true and correct.

Section 2.

Findings. The Board finds that: (i) there are (0) registered voters residing within the territory proposed to be annexed to CFD 2022-1 ("Annexation 23") at the time of the close of the public hearing on May 13, 2026, and pursuant to Section 53326 of the Government Code, the vote in said special election was, therefore, to be by the landowners owning land within Annexation 23, with each landowner having one vote for each acre or portion thereof of land that he or she owned within Annexation 23; (ii) pursuant to said Section 53326 and the Election Resolution, the Board Clerk caused to be delivered an official ballot for the special election to the owner of the land within Annexation 23, with return postage prepaid; (iii) said special election has been properly conducted in accordance with all statutory

requirements and the provisions of the Election Resolution; (iv) pursuant to said Section 53326, HELIX ST LLC, the owner of all the land within Annexation 23, was entitled to one (1) vote; (v) said landowner returned its ballot to the Board Clerk prior to the time set by the Board Clerk for the close of the election on May 13, 2026; (vi) the ballot returned to the Board Clerk by said landowner voted all votes of said landowner in favor of the proposition set forth therein; (vii) at least two-thirds of the votes cast in such special election on said proposition were in favor thereof, and pursuant to Sections 53328 and 53329 of the Government Code, said proposition carried; (viii) pursuant to Section 53339.8 of the Government Code, the Board is authorized to determine that Annexation 23 to be annexed has been added to and become a part of CFD 2022-1 with full legal effect; and (ix) the Board is also authorized, pursuant to said Section 53339.8, to annually levy special taxes within Annexation 23 to pay the costs of the services to be provided by CFD 2022-1.

Section 3.

Declaration of Results. At least two-thirds of the votes voted in the special election on the proposition of the annual levy of special taxes within Annexation 23 to pay the costs of the services to be provided by CFD 2022-1 were voted in favor thereof, and such proposition carried.

Section 4.

Annexation. Annexation 23 is annexed and added to and is a part of CFD 2022-1 with full legal effect, and the Board shall annually levy special taxes within Annexation 23 at the rates as specified in Resolution 26-10 adopted by the Board on April 8, 2026, to pay costs of certain services to be provided by CFD 2022-1. The boundaries of Annexation 23 are shown on the map entitled, "Annexation Map 23 of Community Facilities District 2022-1, San Miguel Consolidated Fire Protection District, County of San Diego, State of California," which was recorded on April 13, 2026, in the office of the County Recorder of the County of San Diego as Instrument 2026-7000619.

Section 5.

Notice. Pursuant to Section 53339.8 of the Government Code and Section 3117.5 of the Streets and Highways Code, the Board Clerk shall cause to be filed with the County Recorder of the County of San Diego an amendment of the notice of special tax lien and a map of the amended boundaries of CFD 2022-1 including Annexation 23.

Section 6.

Entry of the Election Results in the Minutes. The Board Clerk is hereby directed, pursuant to the provisions of the Elections Code of the State of California, to enter in the minutes the results of the election as set forth in said Certificate of Election Official.

Section 7.

Effective Date. This Resolution shall take effect immediately from and after the date of its passage and adoption.

BE IT FURTHER RESOLVED AND ORDERED The Board Clerk shall certify the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the Board of the San Miguel Consolidated Fire Protection District this 13th day of May 2026, by the following vote:

AYES:

NOES:

ASTAIN:

ABSENT:

ATTEST

Shayna Rians, Board Clerk

Harry Muns, Board President

EXHIBIT "A"
CERTIFICATE OF ELECTION OFFICIAL
AND STATEMENT OF VOTES CAST

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)
SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT)

The undersigned, ELECTION OFFICIAL OF THE SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, DOES HEREBY CERTIFY that pursuant to the provisions of Section 53326 of the Government Code and Division 12, commencing with Section 17000 of the Elections Code of the State of California, I did canvass the returns of the votes cast at the

SAN MIGUEL CONSOLIDATED FIRE PROTECTION DISTRICT
COMMUNITY FACILITIES DISTRICT 2022-1,
COUNTY OF SAN DIEGO, STATE OF CALIFORNIA
SPECIAL ELECTION
(ANNEXATION 23, APN 504-021-28-00)

in said District, held May 13, 2026.

I FURTHER CERTIFY that this Statement of Votes Cast shows the whole number of votes cast in Annexation 23 to be annexed to CFD 2022-1 in such District, and the whole number of votes cast for the Proposition in Annexation 23 to be annexed to CFD 2022-1 in said District, and the totals of the respective columns and the totals as shown for the Proposition are full, true and correct.

1. VOTES CAST ON PROPOSITION A: YES ___
NO ___

WITNESS my hand this 13th day of May 2026.

BOARD CLERK
ELECTION OFFICIAL
SAN MIGUEL CONSOLIDATED FIRE
PROTECTION DISTRICT
STATE OF CALIFORNIA

Ordinance 26-04

**An Ordinance of the Board of Directors of the
San Miguel Consolidated Fire Protection District
Authorizing the Levy Of Special Taxes in a Community Facilities District,
Including Certain Annexation Territory Identified As
Annexation 23 (APN 504-021-28-00),
into San Miguel Consolidated Fire Protection District
Community Facilities District 2022-1**

WHEREAS, the Board of Directors (the “Board”) of the San Miguel Consolidated Fire Protection District (the “District”) has established the San Miguel Consolidated Fire Protection District, Community Facilities District 2022-1, County of San Diego, State of California (“CFD 2022-1”) for the purpose of levying special taxes on parcels of taxable property therein for the purpose of providing certain services, which are necessary to meet increased demands placed upon the District as a result of the development of said real property; and

WHEREAS, the rate and method of apportionment of special tax for CFD 2022-1 is set forth in Exhibit “C” to the Board Resolution 26-10, which was adopted on April 8, 2026 (the “Resolution of Intention”); and

WHEREAS, the District has conducted proceedings to annex territory into CFD 2022-1 and, with respect to the proceedings, following an election of the qualified electors in the territory proposed for annexation (the “Annexation 23”), the Board, on May 13, 2026, adopted a resolution which declared the results of the special election and determined that the territory proposed to be annexed is added to and part of CFD 2022-1.

NOW, THEREFORE, BE IT RESOLVED that the Board of the San Miguel Consolidated Fire Protection District, California, acting in its capacity as the legislative body of the San Miguel Consolidated Fire Protection District, Community Facilities District 2022-1, County of San Diego, State of California, does hereby:

Section 1.

The foregoing recitals are true and correct.

Section 2.

By the passage of this Ordinance, the Board hereby authorizes and levies the special tax within CFD 2022-1, including the Annexation Territory, pursuant to Article 3.5 (commencing with Section 53339) of Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the “Mello-Roos Community Facilities Act of 1982,” (the “Act”), at the rate and in accordance with the rate and method of apportionment of special tax set forth in the Resolution of Intention, which rate and method is by this reference incorporated herein. The special tax has previously been levied in the

original territory of CFD 2022-1 pursuant to Ordinance 2022-2 passed and adopted by the Board on October 12, 2022, and the special tax is hereby levied commencing in Fiscal Year 2026-27 in CFD 2022-1, including Annexation 23, and in each fiscal year thereafter to pay for the services for CFD 2022-1 and the costs of administering the District.

Section 3.

The General Manager of the District or designee or employee or consultant of the District is hereby authorized and directed each fiscal year to determine the specific special tax to be levied for the next ensuing fiscal year for each parcel of real property within CFD 2022-1, including Annexation 23, in the manner and as provided in the Resolution of Intention.

Section 4.

Exemptions from the levy of the special tax shall be as provided in the Resolution of Intention and the applicable provisions of the Act. In no event shall the special tax be levied on any parcel within CFD 2022-1 in excess of the maximum special tax specified in the Resolution of Intention.

Section 5.

All of the collections of the special tax shall be used as provided in the Act and in the Resolution of Intention, including, but not limited to, the payment of the costs of the services, the payment of the costs of the District in administering CFD 2022-1, and the costs of collecting and administering the special tax.

Section 6.

The special tax shall be collected in the same manner and at the same time as ordinary *ad valorem* taxes are collected and shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for *ad valorem* taxes; provided, however, that CFD 2022-1 may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations. The General Manager of the District, or his or her designee, is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of San Diego in order to effect proper billing and collection of the special tax, so that the special tax shall be included on the secured property tax roll of the County of San Diego for Fiscal Year 2026-27 and for each fiscal year thereafter until no longer required to pay for the Services or until otherwise terminated by the District.

Section 7.

If for any reason any portion of this Ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within CFD 2022-1, including Annexation 23, by a court of competent jurisdiction, the balance of this Ordinance and the application of the special tax to the remaining parcels within CFD 2022-1, including Annexation 23, shall not be affected.

Section 8.

This Ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the Board Clerk shall cause this Ordinance, or a summary of it, to be published in a newspaper of general circulation in the District.

PASSED AND ADOPTED this 13th day of May 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST

Shayna Rians, Board Clerk

Harry Muns, Board President

I hereby certify that the foregoing Ordinance was duly introduced at a regular public meeting of the San Miguel Consolidated Fire Protection District Board, held on May 13, 2026, and was duly adopted, passed, and ordered posted at an adjourned regular meeting of the San Miguel Consolidated Fire Protection District Board held on May 13, 2026.

Board Clerk
San Miguel Consolidated Fire Protection District

ACTION AGENDA ITEMS 3.3.1 – 3.3.4

Special Assessment Resolutions – Former ECO Area

Leah Harris, Administrative Officer/Finance Officer

STAFF REPORT

BACKGROUND

Annually, the Board of Directors is required to approve resolutions to levy special benefit taxes for four service areas approved and adopted by the former East County Fire Protection District.

The four special benefit taxes are:

1. Fire Suppression and Emergency Services (Crest) – approved in 1980.
2. Fire Protection and Emergency Medical Services (Bostonia) – approved in 1997.
3. Advanced Life Support (Paramedic) Engines (Crest and Bostonia) – approved in 2002.
4. Fire Suppression, Protection and Emergency Medical Response Services (Crest and Bostonia) – approved in 2007.

DISCUSSION

The information in the table below is based on 2026/2027 information:

	<u>Total</u>	<u>Bostonia</u>	<u>Percentage</u>	<u>Crest</u>	<u>Percentage</u>
Parcel Tax	\$2,310,339.00	\$1,771,218.07	76.66%	\$539,120.93	23.34%
Crest Benefit Fee*	\$60,220.00	\$0.00	0.00%	\$60,220.00	100.00%
Bostonia Benefit Fee	\$375,910.00	\$375,910.00	100.00%	\$0.00	0.00%
Paramedic Benefit Fee	\$560,144.00	\$429,542.53	76.68%	\$130,601.47	23.32%
Totals	\$3,306,613.00	\$2,576,670.60		\$729,942.40	

***Rates cannot be increased**

The following increases are being requested:

1. Fire Suppression and Emergency Services (Bostonia) – Increase by 3.79%
2. Advanced Life Support (Paramedic/Firefighter) Engines – Increase by 3.79%
3. Fire Suppression, Protection and Emergency Medical Services – Increase by 3%

The District is currently in the process of reestablishing the Prop E Oversight Committee. The committee was temporarily dissolved due to member attrition and participation limitations. The District is actively soliciting new committee members at this time.

FISCAL IMPACT

2,383 taxable parcels in the East County portion of our District will bring in approximately \$3,306,613 in revenue.

ATTACHMENTS

- A. Benefit Assessment Statement of Revenues and Expenses
 - 3.3.1 Resolution 26-16 - Special Benefit Tax (Crest)
 - 3.3.2 Resolution 26-17 - Special Benefit Tax (Bostonia)
 - 3.3.3 Resolution 26-18 - Special Benefit Tax (Paramedic-Firefighter)
 - 3.3.4 Resolution 26-19 - Special Benefit Tax (Prop E)

RECOMMENDATION

Adopt Resolutions 26-16, 26-17, 26-18, and 26-19.





**San Miguel Fire & Rescue
Benefit Assessment
Statement of Revenues and Expenses
(Unaudited)**

	Jun-25	Jun-24	Jun-23
Operating Revenues			
Benefit Assessment - Crest	60,270	60,396	59,794
Benefit Assessment - Bostonia	351,726	330,595	303,223
Benefit Assessment - Paramedic (ECO)	522,903	492,991	452,702
Parcel Tax (ECO)	2,178,304	2,079,235	1,999,317
Total Operating Revenues	3,113,204	2,963,217	2,815,036
Operating Expenses			
Salaries and Benefits Costs			
Director Fees	4,010	3,394	3,785
Director Benefits	1,220	6,424	425
Employee Salaries	3,222,739	3,152,913	2,966,982
Employee Benefits	1,626,512	1,078,488	1,573,333
Total Salaries and Benefits Costs	4,854,481	4,241,219	4,544,525
Services and Supplies			
Professional Services	280,360	192,728	214,876
Special District Expense	133,524	45,396	42,872
Maintenance	291,363	173,647	180,926
Insurance	214,247	243,768	246,214
Equipment	148,219	130,897	61,083
Utilities	83,425	93,891	89,014
Supplies	5,233	25,292	26,572
Personnel Development	11,428	14,434	22,320
Rents and Leases	-	35,141	37,139
Total Service and Supplies	1,167,800	955,194	921,016
Total Expenses	6,022,281	5,196,413	5,465,541
Net Income/ (Loss) Before Reserve Related Activities	\$ (2,909,077)	\$ (2,233,196)	\$ (2,650,505)
Station 18 Renovation	839,615	352,618	-
Net Income/ (Loss) After Reserve Related Activities	\$ (3,748,692)	\$ (2,585,814)	\$ (2,650,505)

*Preliminary - does not include all year end adjustments
No assurance is provided on these financial statements.
The financial statements do not include a statement of cash flows.
Substantially all disclosures required by accounting principles
generally accepted in the United States are not included.*

Resolution 26-16

A Resolution of the Board of Directors of the San Miguel Consolidated Fire Protection District Ordering the Levy of the Special Benefit Tax for Fire Suppression and Emergency Services (Crest Area) for Fiscal Year 2026/2027

WHEREAS, the Board of Directors of the San Miguel Consolidated Fire Protection District (the “District”) was authorized by the voters to establish a “Special Benefit Tax for Fire Suppression and Emergency Services” (the “Crest Special Benefit Tax”) within the boundaries of the Crest area of the District at a consolidated special election held on April 8, 1980, that resulted on over two-thirds of the votes being cast in favor; and

WHEREAS, in July 2008 the East County Fire Protection District (“former District”) merged with San Miguel Consolidated Fire Protection District; and

WHEREAS, the purpose of this Crest Special Benefit Tax is to fund operating expenses, capital improvement expenditures and debt repayment in order to provide continued local fire suppression and emergency services in the Crest area of the District, pursuant to California Government Code Section 50075 *et seq.*; and

WHEREAS, the Crest Special Benefit Tax is levied on each taxable parcel of land within the Crest area of the District. Taxable parcels are those parcels that appear on the annual secured San Diego County property tax roll; and

WHEREAS, the Crest Special Benefit Tax does not have a provision for annual tax rate adjustments; and

WHEREAS, the authorized Fiscal year 2026/2027 annual rates remain the same as the rates approved in 1980, at \$10.00 per unit of benefit per year on all real property in the Crest area, as set forth in the following table:

Parcel Land Use	Maximum Number of Units of Benefit	Tax Rate per Benefit Unit
Unimproved	2 units per acre and/or portion of acre up to 20 units per parcel	\$10.00
Residential	4 units per dwelling	\$10.00
Commercial	10 units per acre and/or portion of acre	\$10.00
Industrial	20 units per acre and/or portion of acre	\$10.00
Irrigated Farm	6 units per parcel	\$10.00
Mobilehome	2 units per dwelling unit	\$10.00
Trailer Parks	1 unit per acre and/or portion of acre	\$10.00
Institutional	6 units per parcel	\$10.00

and

WHEREAS, pursuant to California Government Code section 50077, the Crest Special Benefit Tax levy roll shall be submitted to the San Diego County Auditor for inclusion in the property tax bills for Fiscal Year 2026/2027 and the San Miguel Consolidated Fire Protection District intends to submit to the San Diego County Auditor the Crest Special Benefit Tax levy roll for inclusion in

the property tax bills each year hereafter; and

WHEREAS, the Crest Special Benefit Tax shall be collected by the San Diego County Tax Collector at the same time, in the same manner, and subject to the same penalties as *ad valorem* property taxes collected by the County Tax Collector; and

WHEREAS, the Crest Special Benefit Tax revenues shall be deposited into a separate account held by the San Diego County Treasurer for exclusive use of fire suppression and emergency services in the Crest area of the District's jurisdictional area, in accordance with Government Code Section 50075.1(c); and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the San Miguel Consolidated Fire Protection District as follows:

Section 1. Recitals. The forgoing recitals are true and correct.

Section 2. Annual Levy of the Crest Special Benefit Tax. There is hereby levied upon each taxable parcel of land within the Crest area of the San Miguel Consolidated Fire Protection District the Crest Special Benefit Tax for Fiscal Year 2026/2027 at the tax rates set forth in the table above.

Section 3. Collection of the Crest Special Benefit Tax. The annual Crest Special Benefit Taxes shall be collected in the same manner as ordinary *ad valorem* property taxes are collected, and shall be subject to the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* taxes.

Section 4. Transmittal to the County. Immediately following adoption of this Resolution, the Board Clerk of the District is hereby directed to cause a copy hereof to be transmitted to the Board of Supervisors and the County Auditor of the County of San Diego together with a request that the Crest Special Benefit Tax as levied hereby be collected on the tax bills for the taxable parcels in the Crest area of the District along with the ordinary *ad valorem* property taxes to be levied on and collected from the owners of said parcels.

PASSED AND ADOPTED by the Board of Directors, San Miguel Consolidated Fire Protection District, County of San Diego, State of California, on this 13th day of May 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST

Shayna Rians, Board Clerk

Harry Muns, Board President

Resolution 26-17

A Resolution of the Board of Directors of the San Miguel Consolidated Fire Protection District Ordering the Levy of the Special Benefit Tax for Fire Protection and Emergency Medical Services (Bostonia Area) for Fiscal Year 2026/2027

WHEREAS, the Board of Directors of the San Miguel Consolidated Fire Protection District (the "District") was authorized by the voters to establish a "Special Benefit Tax for Fire Protection and Emergency Medical Services" (the "Bostonia Special Benefit Tax") within the boundaries of the Bostonia area of the District by a consolidated special election on June 3, 1997, that resulted on 95.44% of the votes being cast in favor; and

WHEREAS, in July 2008 the East County Fire Protection District ("former District") merged with San Miguel Consolidated Fire Protection District; and

WHEREAS, the purpose of this Bostonia Special Benefit Tax is to fund operating expenses, capital improvement expenditures and debt repayment in order to provide continued local fire protection and emergency medical services in the Bostonia area of the District, pursuant to California Government Code Section 50075 *et seq.*; and

WHEREAS, the Bostonia Special Benefit Tax is levied on each taxable parcel of land within the Bostonia area of the District. Taxable parcels are those parcels in the Bostonia area of the District that appear on the annual secured San Diego County property tax roll; and

WHEREAS, in order to help ensure that the revenues from the Bostonia Special Benefit Tax grow in line with the inflation-adjusted cost of providing local fire protection and emergency medical services, the tax rate may be adjusted in future years based on the increase in the consumer price index, for the San Diego County Area ("CPI), as determined by the United States Department of Labor, as approved by the voters in 1997; and

WHEREAS, the Board of Directors has determined that the tax rate for the Fiscal year 2026/2027 shall be increased by 3.79%, which is the San Diego area annual change in the CPI, in order to meet the adjusted cost of providing local fire protection and emergency medical services; and

WHEREAS, the Fiscal Year 2026/2027 annual rates remain as set in the following table:

Parcel Land Use	2025-26 Tax Rate	Annual Rate Adjustment	2026-27 Tax Rate
Residential	\$89.83	3.79%	\$93.23 per dwelling
Commercial / Industrial	\$449.25	3.79%	\$466.26 per parcel
Institutional	\$134.76	3.79%	\$139.86 per parcel
Recreational	\$44.87	3.79%	\$46.57 per parcel
Irrigated Farmland & Unimproved Acreage	\$0.00	3.79%	\$0.00 per parcel

and

WHEREAS, pursuant to California Government Code section 50077, the Bostonia Special Benefit Tax levy roll shall be submitted to the San Diego County Auditor for inclusion in the property tax bills for Fiscal Year 2026/2027 and the District intends to submit to the San Diego County Auditor

the Bostonia Special Benefit Tax levy roll for inclusion in the property tax bills each year hereafter; and

WHEREAS, the Bostonia Special Benefit Tax shall be collected by the San Diego County Tax Collector at the same time, in the same manner, and subject to the same penalties as *ad valorem* property taxes collected by the County Tax Collector; and

WHEREAS, the Bostonia Special Benefit Tax revenues shall be deposited into a separate account held by the San Diego County Treasurer for the exclusive use of fire protection and emergency medical services in the Bostonia area of the District's jurisdictional area, in accordance with Government Code Section 50075.1(c);

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the San Miguel Consolidated Fire Protection District as follows:

Section 1. Recitals. The foregoing recitals are true and correct.

Section 2. Annual Levy of the Bostonia Special Benefit Tax. There is hereby levied upon each taxable parcel of land within the Bostonia area of the San Miguel Consolidated Fire Protection District the Bostonia Special Benefit Tax for Fiscal Year 2026/2027 at the tax rates set in the above table.

Section 3. Collection of the Bostonia Special Benefit Tax. The annual Bostonia Special Benefit Taxes shall be collected in the same manner as ordinary *ad valorem* property taxes are collected, and shall be subject to the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* taxes.

Section 4. Transmittal to the County. Immediately following adoption of this Resolution, the Board Clerk of the District is hereby directed to cause a copy hereof to be transmitted to the Board of Supervisors and the County Auditor of the County of San Diego together with a request that the Bostonia Special Benefit Tax as levied hereby be collected on the tax bills for the taxable parcels in the Bostonia area of the District along with the ordinary *ad valorem* property taxes to be levied on and collected from the owners of said parcels.

PASSED AND ADOPTED by the Board of Directors, San Miguel Consolidated Fire Protection District, County of San Diego, State of California, on this 13th day of May 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST

Shayna Rians, Board Clerk

Harry Muns, Board President

Resolution 26-18

A Resolution of the Board of Directors of the San Miguel Consolidated Fire Protection District Ordering the Levy of the Special Benefit Tax for the Provision of Advanced Life Support (Paramedic/Firefighter) Engines for Fiscal Year 2026/2027

WHEREAS, the Board of Directors of the San Miguel Consolidated Fire Protection District (the "District") was authorized by the voters to establish a "Special Benefit Tax for the Provision of Advanced Life Support (Paramedic/Firefighter) Engines" (the "Paramedic Special Benefit Tax") within the boundaries of the former East County Fire Protection District at the general election held on November 5, 2002, that resulted on 71.5% of the votes being cast in favor; and

WHEREAS, in July 2008 the East County Fire Protection District ("former District") merged with San Miguel Consolidated Fire Protection District; and

WHEREAS, the purpose of this Paramedic Special Benefit Tax is to provide Paramedic/Firefighters on each engine company to provide advanced life support (Paramedic) service, pursuant to California Government Code Section 50075 *et seq.*; and

WHEREAS, the Paramedic Special Benefit Tax is levied on each taxable parcel of land within the former East County Fire Protection District. Taxable parcels are those parcels that appear on the annual secured San Diego County property tax roll; and

WHEREAS, as approved by the voters in 2002, the Paramedic Special Benefit Tax rate may be adjusted in each year based on the increase in the consumer price index for the San Diego area ("CPI"), as determined by the United States Department of Labor, measured between January 1 of the immediately preceding fiscal year and the preceding January 1; and

WHEREAS, the Board of Directors has determined that the tax rate for Fiscal Year 2026/2027 shall be increased by 3.79%, which is the change in the CPI, in order to meet the adjusted cost of providing local fire protection and emergency medical services; and

WHEREAS, the Fiscal Year 2026/2027 annual rates remain as set forth in the following table:

Parcel Land Use	2025-26 Tax Rate	Annual Rate Adjustment	2026-27 Tax Rate
Residential	\$94.15	3.79%	\$97.72 per dwelling
Commercial / Industrial	\$768.66	3.79%	\$797.77 per parcel
Institutional	\$960.86	3.79%	\$997.26 per parcel
Recreational	\$585.12	3.79%	\$607.29 per parcel
Farmland (Irrigated & Non-Irrigated)	\$384.32	3.79%	\$398.88 per parcel

and

WHEREAS, pursuant to California Government Code section 50077, the Paramedic Special Benefit Tax levy roll shall be submitted to the San Diego County Auditor for inclusion in the property tax bills for Fiscal Year 2026/2027 and the District intends to submit to the San Diego County Auditor the Paramedic Special Benefit Tax levy roll for inclusion in the property tax bills

each year hereafter; and

WHEREAS, the Paramedic Special Benefit Tax shall be collected by the San Diego County Tax Collector at the same time, in the same manner, and subject to the same penalties as *ad valorem* property taxes collected by the County Tax Collector; and

WHEREAS, the Paramedic Special Benefit Tax revenues shall be deposited into a separate account held by the San Diego County Treasurer for the exclusive use of providing Paramedic/Firefighters on each engine company to provide advanced life support (Paramedic) service in the former East County Fire Protection District's jurisdictional area, in accordance with California Government Code Section 50075.1(c); and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the San Miguel Consolidated Fire Protection District as follows:

Section 1. Recitals. The forgoing recitals are true and correct.

Section 2. Annual Levy of the Paramedic Special Benefit Tax. There is hereby levied upon each taxable parcel of land within the former District the Paramedic Special Benefit Tax for Fiscal Year 2026/2027 at the tax rates set forth in the above table.

Section 3. Collection of the Paramedic Special Benefit Tax. The annual Paramedic Special Benefit Taxes shall be collected in the same manner as ordinary *ad valorem* property taxes are collected, and shall be subject to the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* taxes.

Section 4. Transmittal to the County. Immediately following adoption of this Resolution, the Board Clerk of the District is hereby directed to cause a copy hereof to be transmitted to the Board of Supervisors and the County Auditor of the County of San Diego together with a request that the Paramedic Special Benefit Tax as levied hereby be collected on the tax bills for the taxable parcels within the former East County Fire Protection District's jurisdictional area along with the ordinary *ad valorem* property taxes to be levied on and collected from the owners of said parcels.

PASSED AND ADOPTED by the Board of Directors, San Miguel Consolidated Fire Protection District, County of San Diego, State of California, on this 13th day of May 2026 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST

Shayna Rians, Board Clerk

Harry Muns, Board President

Resolution 26-19

A Resolution of the Board of Directors of the San Miguel Consolidated Fire Protection District Ordering the Levy of the Special Benefit Tax for Fire Suppression, Protection and Emergency Medical Response Services (Proposition E) for Fiscal Year 2026/2027

WHEREAS, the Board of Directors of the San Miguel Consolidated Fire Protection District (the “District”) was authorized by the voters to establish a “Special Tax for Fire Suppression, Protection and Emergency Medical Response Services” (the “Special Tax”) within the boundaries of the District by a San Diego County Registrar of Voters special mail ballot election on September 25, 2007, that resulted on 73.2% of the votes being cast in favor; and

WHEREAS, in July 2008 the East County Fire Protection District (“former District”) merged with San Miguel Consolidated Fire Protection District; and

WHEREAS, the purpose of this Special Tax is to fund operating expenses, capital improvement expenditures and debt repayment in order to provide continued local fire suppression, protection and emergency response services, pursuant to California Government Code Section 50075 *et seq.*; and

WHEREAS, the Special Tax is levied on each taxable parcel of land within the former East County Fire Protection District boundaries. Taxable parcels are those parcels that appear on the annual secured San Diego County property tax roll; and

WHEREAS, in order to help ensure that the revenues from the Special Tax grow in line with the inflation adjusted cost of providing local fire protection and medical emergency response services, the tax rate may increase in future years by an annual amount not to exceed 3.00% per year, as approved by the voters in 2007; and

WHEREAS, Board of Directors has determined that the tax rate for fiscal year 2026/2027 shall be increased by the authorized 3.00% in order to meet the adjusted cost of providing local fire protection and medical emergency response services in the District for Fiscal Year 2026/2027; and

WHEREAS, the specific rates and amounts of the Special Tax to be collected for Fiscal Year 2026/2027, as adjusted by 3.00%, are hereby determined and established, as set forth in the in the following table:

Parcel Land Use	2025-26 Tax Rate	Annual Rate Adjustment	2026-27 Tax Rate
Single Family Residential	\$398.37	3.00%	\$410.32 per parcel
Other Residential	\$398.37	3.00%	\$410.32 per dwelling unit
Commercial / Industrial	\$398.37	3.00%	\$410.32 per 1/10 acre
Agricultural / Vacant	\$199.19	3.00%	\$205.17 per parcel
Institutional / Miscellaneous	\$398.37	3.00%	\$410.32 per parcel

and

WHEREAS, pursuant to California Government Code section 50077, the Special Tax levy roll shall be submitted to the San Diego County Auditor for inclusion in the property tax bills for Fiscal

Year 2026/2027 and the San Miguel Consolidated Fire Protection District intends to submit to the San Diego County Auditor the Special Tax levy roll for inclusion in the property tax bills each year hereafter; and

WHEREAS, the Special Tax shall be collected by the San Diego County Tax Collector at the same time, in the same manner, and subject to the same penalties as *ad valorem* property taxes collected by the County Tax Collector; and

WHEREAS, the Special Tax revenues shall be deposited into a separate account held by the San Diego County Treasurer for exclusive use of fire suppression, fire protection and emergency services in the former East County Fire Protection District's jurisdictional area, in accordance with California Government Code Section 50075.1(c).

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the San Miguel Consolidated Fire Protection District as follows:

Section 1. Recitals. The foregoing recitals are true and correct.

Section 2. Annual Levy of the Special Tax. There is hereby levied upon each taxable parcel of land within the former District the Special Tax for Fiscal Year 2026/2027 at the specific rates and amounts as set forth in the table above.

Section 3. Collection of Special Tax. The annual Special Tax shall be collected in the same manner as ordinary *ad valorem* property taxes are collected, and shall be subject to the same procedure, sale, and lien priority in case of delinquency as is provided for *ad valorem* taxes

Section 4. Transmittal to County. Immediately following adoption of this Resolution, the Board Clerk of the District is hereby directed to cause a copy hereof to be transmitted to the Board of Supervisors and the County Auditor of the County of San Diego together with a request that the Special Tax as levied hereby be collected on the tax bills for the taxable parcels along with the ordinary *ad valorem* property taxes to be levied on and collected from the owners of said parcels.

PASSED AND ADOPTED by the Board of Directors, San Miguel Consolidated Fire Protection District, County of San Diego, State of California, on this 13th day of May 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST

Shayna Rians, Board Clerk

Harry Muns, Board President

FIRE CHIEF REPORT

May 13, 2026

**STAFF INVOLVEMENT**

- Accounting Specialist Delagado attended the Tyler Tech Conference and is currently implementing items learned from the conference into our software.
- Admin/Finance Officer Harris attended the Fire Districts Association of California conference and presented *From Numbers to Action: Making Finance Work for Fire Service Leadership*.
- Chief Lawler attended Fire Districts Association of California conference.
- Division Chief Lieberman and Battalion Chief Carroll presented the findings of their County SIRT to the San Diego Fire-Rescue Department command staff.
- Division Chief Lieberman attended the County Health and Safety Section meeting, which serves as a subcommittee of the San Diego County Fire Chiefs Association (SDCFCA).
- Chief Lawler, Battalion Chiefs Carroll and Blunt, Inspector Lyons, and FSO Camarena attended Spring Valley Day 5/2/2026. That same day, Inspector Israels and FSO Camarena attended the Cuyamaca College Spring Festival.
- Chief Lawler, Deputy Chief Riley, Division Chief Lieberman, and Battalion Chief Carroll attended the Grossmont Healthcare District Board meeting. Chief Lawler presented on the history of San Miguel and Zone 1.
- Chief Lawler and Deputy Chief Riley met with the Director of County Fire - Zone 1.
- Chief Lawler, Fire Marshal Newman, and Battalion 6 attended Coffee Cups and Fire Trucks at Station 21.

IMPORTANT LEGISLATION / LITIGATION

Unfunded Mandate - OSHA Emergency Response Standard.

Training & Certification: Increased requirements for both firefighters and officers.

Equipment: The purchase, maintenance, and replacement of personal protective equipment (PPE), apparatus, and communication systems.

Facilities: Infrastructure upgrades or modifications to meet new compliance levels.

POLITICAL ENGAGEMENT

- Chief Lawler and Deputy Chief Riley conducted meetings with Supervisor Aguirre and Montgomery Steppe - Zone 1.
- Deputy Chief Riley attended LAFCO and County Board of Supervisors meetings.

COMMUNITY INVOLVEMENT

- **Crest Easter Egg Hunt** - E18 attended to assist with hiding easter eggs and to provide community interaction.
- **McDonalds Grand Re-Opening** - E16, T14, B6, and others attended re-opening ceremony for the McDonalds that was devastated by fire in 16's first in area.
- **YMCA Kid's Fest** - E15 and E22 attended. Events are built for healthy lifestyles and services to assist kids.
- **Fire Trucks and Coffee Cups** - Station 21 hosted. Personnel interacted with attendees including a K9 demonstration from Engineer Arteaga. Fire Prevention provided information on fire safety.
- **Kempton Literacy Academy Visit** - E16 attended Dia Del Nino Carnival event and provided engine tours.

OTHER

- Strategic Planning Process (**ATTACHMENT A**)
- Real estate update
- 501(c)(3)



SMFR

SAN MIGUEL FIRE RESCUE

STRATEGIC PLANNING PROCESS

PHASE 1 - Internal Leadership Listening Sessions (May 24 – May 29)

Purpose

The Master Plan serves as the foundation for this process. These sessions are intended to validate, prioritize, and guide implementation of the recommendations already developed through the Master Plan process, not to reopen or redefine findings or recommendations previously established.

The intent of Phase 1 is to gather operational and organizational insight that will help shape realistic strategic priorities for the next three years while maintaining alignment with the District's long range planning framework.

Participants

- Executive Team
- Workforce representatives

Focus

- Gain input on Master Plan recommendations (materials provided in advance)
- Identify which recommendations should be prioritized over the next three years

Evaluate priorities through the lens of:

- Service level impact
- Risk reduction
- Staffing and operational implications
- Financial feasibility
- Identify implementation challenges, sequencing needs, and organizational impacts

Gather input only. No formal decisions will be made during this phase.

These sessions are intended to serve as listening and validation opportunities. Strategic decisions and prioritization determinations will occur during the formal Strategic Planning Workshop process.

PHASE 2 - Community & Stakeholder Engagement (June 1 – June 5)

Purpose

The Master Plan remains the foundation for all engagement discussions. These meetings are intended to validate community and stakeholder perspectives related to the recommendations already identified within the Master Plan and assist the District in prioritizing implementation efforts over the next three years.

The purpose of this phase is not to redefine the Master Plan, but rather to better understand external expectations, concerns, and priorities as they relate to the District's existing findings and recommendations.

Participants

- Community groups
- Planning organizations
- Residents
- Business leaders
- County officials
- EMS and healthcare partners
- Regional agencies

Focus

- Gain input on Master Plan recommendations (materials provided in advance)
- Identify external priorities and expectations for the next three years

Evaluate feedback in relation to:

- Service level expectations
- Community risk reduction
- Operational and staffing realities
- Financial and funding considerations
- Long term sustainability
- Gather stakeholder input to assist with prioritization and implementation planning

Gather input only. No formal decisions will be made during this phase.

Discussion Areas

Although prior community surveying has already occurred, these discussions will further focus on:

- Service expectations
- Community risk concerns
- Growth and development impacts
- Wildfire and emergency preparedness
- Public communication priorities
- Regional coordination and system reliability

Additional Guidance

Stakeholder engagement sessions will utilize structured discussion topics and consistent guiding questions to ensure feedback can be meaningfully evaluated and incorporated into the workshop process. Feedback may also be segmented by stakeholder category (community, partner agencies, healthcare, governmental, etc.) to better support strategic prioritization.

Purpose

This workshop represents the formal decision-making phase of the strategic planning process. Using the Master Plan as the foundation, District leadership and stakeholders will review all collected input and establish organizational priorities, implementation timelines, and accountability measures for the next three years.

Participants

- Executive Staff
- Workforce representatives (selected)
- Board of representatives
- AP Triton facilitators

Workshop Goals

- Review all gathered input
- Use Master Plan findings as the foundation for planning decisions
- Establish realistic and measurable strategic priorities
- Align priorities with operational capacity and financial realities
- Create measurable goals and implementation benchmarks
- Build implementation timelines aligned with budgeting cycles
- Assign accountability and ownership for strategic initiatives

MEASUREMENT CRITERIA FOR STRATEGIC PLANNING PROCESS

To ensure the Strategic Plan remains actionable, measurable, and aligned with the Master Plan findings, all feedback and future priorities will be evaluated using consistent measurement criteria throughout Phases 1, 2, and 3.

Measurement Areas

Service Level Impact

Measure whether proposed priorities improve:

- Emergency response effectiveness
- Coverage reliability
- Operational readiness
- Resource availability
- Community service delivery

Risk Reduction

Measure whether initiatives:

- Reduce community and operational risk
- Improve firefighter and public safety
- Enhance wildfire and emergency preparedness
- Reduce organizational liability exposure
- Improve continuity of operations

Operational and Staffing Impacts

Measure impacts to:

- Staffing levels
- Training requirements
- Workload distribution
- Fleet and apparatus utilization
- Administrative capacity
- Long term workforce sustainability

Financial Feasibility

Measure priorities against:

- Current and projected funding capacity
- Operational and capital costs
- Long term sustainability
- Potential grant or alternative funding opportunities
- Alignment with District budgeting cycles

Community and Stakeholder Alignment

Measure whether priorities:

- Reflect community expectations
- Support regional partnerships
- Improve communication and transparency
- Address stakeholder concerns
- Enhance regional coordination and system reliability

Implementation Readiness

Measure the District's ability to realistically implement initiatives through:

- Available staffing and leadership capacity
- Timeline feasibility
- Infrastructure and facility limitations
- Required policy or governance actions
- External partnerships or coordination needs