



WEST POINT
FIRE
PROTECTION
DISTRICT

For the Year Ended
June 30, 2023
with comparative totals for the
Year Ended June 30, 2022

ANNUAL FINANCIAL REPORT

WEST POINT FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS

Steve Schoenthaler

John Hesketh

Greg Pryor

Julia Marsili

Tim Adams

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
West Point Fire Protection District
West Point, California

Opinion

I have audited the accompanying financial statements of the governmental activities and each major fund of West Point Fire Protection District as of and for the fiscal year ended June 30, 2023, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of West Point Fire Protection District, as of June 30, 2023, and the respective changes in financial position and, the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the West Point Fire Protection District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- 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 West Point Fire Protections 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the West Point Fire Protections ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Report of Summarized Comparative Information

I have previously audited the West Point Fire Protection District's 2022 financial statements, and I expressed an unmodified opinion on those audited financial statements in my report dated January 18, 2023. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent in all material respects, with the audited financial statements from which it has been derived.

Other Matters

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



Cathy Castillo
Certified Public Accountant

September 26, 2023
Sutter Creek, California

WEST POINT FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
As of June 30, 2023 with comparative totals as of June 30, 2022

| | Governmental Activities | |
|-------------------------------------------|--------------------------------|----------------------------|
| | 2023 | 2022 |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and Investments: | | |
| Bank of Stockton-imprest cash | \$ 14,709 | \$ 12,565 |
| County treasury | 743,139 | 616,011 |
| Total Cash and Investments | <u>757,848</u> | <u>628,576</u> |
| Due from other government agencies | 105,000 | - |
| Prepaid insurance | 8,572 | 6,350 |
| TOTAL CURRENT ASSETS | <u>871,420</u> | <u>634,926</u> |
| NON-CURRENT ASSETS | | |
| Capital Assets: | | |
| Land | 15,756 | 15,756 |
| Depreciable capital assets, net | 512,494 | 610,255 |
| TOTAL NON-CURRENT ASSETS | <u>528,250</u> | <u>626,011</u> |
| Total Assets | <u>\$ 1,399,670</u> | <u>\$ 1,260,937</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 4,881 | \$ 9,067 |
| Accrued payroll expenses | - | 20,440 |
| Due within one year: | | |
| Municipal Finance Corporation | 26,860 | 26,003 |
| TOTAL CURRENT LIABILITIES | <u>31,741</u> | <u>55,510</u> |
| NON-CURRENT | | |
| Due in more than one year: | | |
| Municipal Finance Corporation | 56,718 | 83,482 |
| TOTAL NON-CURRENT LIABILITIES | <u>56,718</u> | <u>83,482</u> |
| Total Liabilities | <u>88,459</u> | <u>138,992</u> |
| NET POSITION | | |
| Net investment in capital assets | 444,671 | 516,525 |
| Unrestricted | 866,540 | 605,420 |
| Total Net Position | <u>1,311,211</u> | <u>1,121,945</u> |
| Total Liabilities and Net Position | <u>\$ 1,399,670</u> | <u>\$ 1,260,937</u> |

The accompanying notes are an integral part of these financial statements

WEST POINT FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2023 with comparative totals as of June 30, 2022

| | Governmental Activities | |
|---------------------------------------|--------------------------------|---------------------|
| | 2023 | 2022 |
| EXPENSES | | |
| Bank fees | \$ 30 | \$ 109 |
| Clothing and uniforms | 10,237 | 6,819 |
| Communications | 657 | 3,632 |
| Depreciation | 121,467 | 108,100 |
| Fire prevention program | 642 | 546 |
| Fuel and gas | 19,570 | 18,007 |
| General liability insurance | 30,398 | 15,047 |
| Household expenses | 5,098 | 2,002 |
| Interest expense | 3,873 | 4,757 |
| Maintenance-buildings | 4,996 | 4,152 |
| Maintenance-equipment/ vehicles | 27,738 | 31,394 |
| Medical/dental supplies | 150 | - |
| Memberships | 497 | 885 |
| Office supplies | 4,840 | 1,453 |
| Payroll taxes | 52,455 | 45,863 |
| Professional services | 27,510 | 25,415 |
| Salaries | 643,605 | 529,922 |
| Special assessment (LAFCO) | 560 | 516 |
| Special department expense | 7,577 | 11,282 |
| Staff training, recognition | 6,172 | 5,785 |
| Travel & mileage reimbursements | 3,141 | 838 |
| Utilities | 16,670 | 15,723 |
| Worker's compensation insurance | 58,480 | 25,735 |
| Total Expenses | 1,046,363 | 857,982 |
| PROGRAM REVENUE | | |
| State strike team reimbursements | 403,261 | 336,765 |
| Total Program Revenue | 403,261 | 336,765 |
| Net Program Revenue (Expenses) | \$ (643,103) | \$ (521,218) |

The accompanying notes are an integral part of these financial statements

WEST POINT FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES-continued

For the Fiscal Year Ended June 30, 2023 with comparative totals as of June 30, 2022

| | Governmental Activities | |
|----------------------------------------|--------------------------------|---------------------|
| | 2023 | 2022 |
| GENERAL REVENUES | | |
| Property taxes | \$ 204,380 | \$ 178,000 |
| Measure A assessments | 493,814 | 495,004 |
| State aide for public safety | 35,775 | 36,040 |
| State homeowner's property tax relief | 1,486 | 1,458 |
| State timber tax | 7 | 164 |
| Transient occupancy tax | 75,798 | 48,430 |
| Donations | 6,692 | 8,290 |
| Donations in-kind | 6,373 | 61,265 |
| Interest | 6,264 | 2,865 |
| Refunds/reimbursements | 1,780 | 209 |
| Total General Revenues | 832,369 | 831,725 |
| Change in Net Position | 189,266 | 310,507 |
| NET POSITION -Beginning of year | 1,121,945 | 811,438 |
| NET POSITION -End of year | \$ 1,311,211 | \$ 1,121,945 |

The accompanying notes are an integral part of these financial statements

WEST POINT FIRE PROTECTION DISTRICT
BALANCE SHEET-GOVERNMENTAL FUNDS
As of June 30, 2023 with Comparative totals as of June 30, 2022

| | General Fund 2023 | General Fund 2022 |
|------------------------------------------------|------------------------------|------------------------------|
| ASSETS | | |
| Cash: | | |
| Bank of Stockton-Imprest Cash | \$ 14,709 | \$ 12,565 |
| County treasury | 743,139 | 616,011 |
| Prepaid insurance | 8,572 | 6,350 |
| Total Assets | \$ 766,420 | \$ 634,926 |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts payable | \$ 4,880 | \$ 8,993 |
| Accrued payroll and taxes | - | 20,440 |
| Sales tax payable | - | 74 |
| Total Liabilities | 4,880 | 29,507 |
| Fund Balances: | | |
| Nonspendable | 8,572 | 6,350 |
| Assigned | 111,121 | 14,034 |
| Unassigned | 641,847 | 585,035 |
| Total Fund Balances | 761,540 | 605,419 |
| Total Liabilities and Fund Balances | \$ 766,420 | \$ 634,926 |

**RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

June 30, 2023 with comparative totals as of June 30, 2022

| | 2023 | 2022 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Total Fund Balances of Governmental Funds | \$ 761,540 | \$ 605,419 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | |
| Capital assets, net of accumulated depreciation, are not current financial resources and are not reported in governmental funds | 528,250 | 626,011 |
| Certain liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet. | (83,579) | (109,485) |
| Revenues will be collected after year-end, but are not available soon enough to pay for current period expenditures and therefore are deferred in the governmental funds | 105,000 | - |
| Total Net Position of Governmental Activities | \$ 1,311,211 | \$ 1,121,945 |

The accompanying notes are an integral part of the financial statements

WEST POINT FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-GOVERNMENTAL FUNDS
June 30, 2023 with comparative totals as of June 30, 2022

| | <u>General Fund 2023</u> | <u>General Fund 2022</u> |
|---------------------------------------------------------|------------------------------|------------------------------|
| REVENUES | | |
| Property taxes | \$ 204,380 | \$ 178,000 |
| Measure A assessments | 493,814 | 495,004 |
| Contributions from Calaveras County | - | 36,279 |
| Donations | 6,692 | 8,290 |
| Donations in-kind | 6,373 | 61,265 |
| Interest income | 6,264 | 2,865 |
| Refunds/reimbursements | 1,780 | 209 |
| State aide for public safety | 35,775 | 36,040 |
| State strike team reimbursements | 165,945 | 342,959 |
| Strike team billing adjustments | 132,316 | - |
| State homeowner's property tax relief | 1,486 | 1,458 |
| State timber tax | 7 | 164 |
| Transient occupancy tax | 75,798 | 48,430 |
| Total Revenues | <u>1,130,630</u> | <u>1,210,963</u> |
| EXPENDITURES | | |
| Bank fees | 30 | 109 |
| Capital outlay | 23,706 | 102,707 |
| Clothing and uniforms | 10,237 | 6,819 |
| Communications | 657 | 3,632 |
| Fire prevention program | 642 | 546 |
| Fuel and gas | 19,570 | 18,007 |
| General liability insurance | 30,398 | 15,047 |
| Household expenses | 5,098 | 2,002 |
| Maintenance-buildings | 4,996 | 4,152 |
| Maintenance-equipment/ vehicles | 27,738 | 31,394 |
| Medical/dental supplies | 150 | - |
| Memberships | 497 | 885 |
| Office supplies | 4,840 | 1,453 |
| Payroll tax expense | 48,706 | 40,686 |
| Professional services | 27,510 | 25,415 |
| Salaries | 643,605 | 529,922 |
| Special assessment (LAFCO) | 560 | 516 |
| Special department expense | 7,577 | 11,282 |
| Staff training, recognition | 6,172 | 5,785 |
| Travel & mileage reimbursements | 3,141 | 838 |
| Unemployment insurance | 3,749 | 5,177 |
| Utilities | 16,670 | 15,723 |
| Worker's compensation insurance | 58,480 | 25,735 |
| Debt Service: | | |
| Interest | 3,873 | 4,757 |
| Principal | 25,907 | 25,023 |
| Total Expenditures | <u>974,509</u> | <u>877,612</u> |
| Excess of Revenues over (under) Expenditures | <u>156,121</u> | <u>333,351</u> |
| FUND BALANCES | | |
| Beginning of year | 605,419 | 272,068 |
| End of Year | <u>\$ 761,540</u> | <u>\$ 605,419</u> |

The accompanying notes are an integral part of the financial statements

WEST POINT FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

June 30, 2023 with comparative totals as of June 30, 2022

| | 2023 | 2022 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Net Change in Fund Balances-Total Government Funds | \$ 156,121 | \$ 333,351 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Government funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their useful lives and reported as depreciation expense. | | |
| Depreciation expense is not reported in governmental funds | (121,467) | (108,100) |
| Capital outlay | 23,706 | 102,707 |
| Revenues will be collected after year-end, but are not available soon enough to pay for current period expenditures and therefore are deferred in the governmental funds | | |
| | 105,000 | - |
| Due from other government agencies, reported in prior year as a receivable are available as current year resources in the governmental fund | | |
| | - | (6,196) |
| Due from Calaveras County, reported in prior year as reconciling item to governmental fund, revenue available as current year resources in the governmental fund | | |
| | - | (36,279) |
| Debt principal transactions reported in the governmental fund statement of revenue but not considered as operating activity in the statement of activities (but only as change in liabilities) | | |
| Principal repayments on note payable | 25,907 | 25,023 |
| Change in Net Position of Governmental Activities | \$ 189,266 | \$ 310,507 |

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

WEST POINT FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS-BUDGET AND ACTUAL
June 30, 2023

| | Original and Final Budget Amount | Actual | Variance (unfavorable) |
|---------------------------------------|---------------------------------------------|-------------------|-----------------------------------|
| REVENUES | | | |
| Property taxes | \$ 193,064 | \$ 204,380 | \$ 11,316 |
| Measure A assessments | 450,000 | 493,814 | 43,814 |
| Donations | - | 6,692 | 6,692 |
| Donations- inkind | - | 6,373 | 6,373 |
| Grants | 19,375 | - | (19,375) |
| Interest income | 500 | 6,264 | 5,764 |
| Refunds/reimbursements | - | 1,780 | 1,780 |
| State aide for public safety | 24,877 | 35,775 | 10,898 |
| State strike team reimbursements | 100,000 | 298,261 | 198,261 |
| State homeowner's property tax relief | 1,576 | 1,486 | (90) |
| State timber tax | 500 | 7 | (493) |
| Transient occupancy tax | 48,430 | 75,798 | 27,368 |
| Total Revenues | 838,322 | 1,130,630 | 292,308 |
| EXPENDITURES | | | |
| Bank fees | - | 30 | (30) |
| Capital outlay | 67,624 | 23,706 | 43,918 |
| Clothing and uniforms | 19,310 | 10,237 | 9,073 |
| Communications | 1,000 | 657 | 343 |
| Fire prevention program | 300 | 642 | (342) |
| Food | 1,500 | 1,520 | (20) |
| Fuel and Gas | 16,000 | 19,570 | (3,570) |
| General liability insurance | 45,000 | 30,398 | 14,602 |
| Household expenses | 2,500 | 3,578 | (1,078) |
| Legal notices | 500 | - | 500 |
| Maintenance-buildings | 6,500 | 4,996 | 1,504 |
| Maintenance-equipment | 6,500 | 6,178 | 322 |
| Maintenance- comm equipment | 500 | 140 | 360 |
| Maintenance-vehicles | 25,000 | 21,420 | 3,580 |
| Medical/dental supplies | 2,000 | 150 | 1,850 |
| Memberships | 1,000 | 497 | 503 |
| Office supplies | 4,100 | 4,840 | (740) |
| Payroll tax expense | 42,458 | 48,706 | (6,248) |
| Professional services | 16,000 | 27,510 | (11,510) |
| Salaries | 425,000 | 482,572 | (57,572) |
| Strike team extra hire | 130,000 | 161,033 | (31,033) |
| Small tools | 500 | - | 500 |
| Special assessment (LAFCO) | 567 | 560 | 7 |
| Special department expense | 2,000 | 7,577 | (5,577) |
| Staff training | 5,000 | 6,172 | (1,172) |
| Travel & mileage reimbursements | 5,000 | 3,141 | 1,859 |
| Unemployment insurance | 7,000 | 3,749 | 3,251 |
| Utilities | 14,000 | 16,670 | - |
| Workers compensation insurance | - | 58,480 | (58,480) |
| Debt Service: | | | |
| Interest | - | 3,873 | (3,873) |
| Principal | - | 25,907 | (25,907) |
| Total Expenditures | 846,859 | 974,509 | (127,650) |
| Net Change in Fund Balance | \$ (8,537) | \$ 156,121 | \$ 164,658 |

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

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 1- ORGANIZATION AND PURPOSE

Reporting Entity:

The West Point Fire Protection District was established in 1948 for the purpose of providing fire protection for the residents of the District. The District acts and operates under, and is governed by, the statutory authority known as the State of California Health and Safety Code, Fire Protection District Law of 1987. The District is governed by an elected five-member Board of Directors, who serve staggered 4-year terms.

In July 1999, the District signed an agreement with the County of Calaveras to transfer the duties and responsibilities of fire protection and emergency medical services from County Fires to the District. The County also transferred 100 percent of the property tax revenue collected for fire protection in that area to the District beginning in fiscal year 1999-2000. The service area encompasses approximately 110 square miles.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

Government-wide Statements:

The West Point Fire Protection District is a special purpose government, which is engaged in a single governmental program of providing fire protection as noted above. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report all the nonfiduciary activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with the District's primary purpose of providing fire protection services. Program revenues include 1) reimbursements for services provided by the District and 2) grants and contributions that are restricted to meeting the operational or capital requirements and charges for services or goods. Taxes, special assessments and other items not included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. The primary revenue sources susceptible to accrual are property taxes, charges for services and interest associated with the current fiscal period and so have been recognized as revenues of the current fiscal period. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Fund Financial Statements:

Separate financial statements are provided for governmental funds. The accounts of the District are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate.

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -continued

Government resources are allocated to and accounted for, in individual funds based upon the purposes for which they are able to be spent and the means by which spending activities are controlled. The following are the District's governmental fund types:

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

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the accrual basis of accounting revenue is recognized in the accounting period in which it becomes available and measurable; expenditures are recognized in the accounting period in which the liability is incurred, if measurable and as under accrual accounting. "Available" means collectible within the current period or within 60 days after the year end. All other revenue items are considered to be measurable and available only when cash is received by the District.

Budgetary Control:

By State Law, the District's governing board must approve a tentative budget no later than June 30 and adopt a final budget no later than August 31. A public hearing must be conducted to receive comments prior to adoption. The budget is prepared on the cash basis of accounting, which does not vary significantly from the modified accrual basis of accounting used in the financial statements. The Board complied with this requirement. Any expenditures in excess of budgeted amount were covered by the available fund balance. The Board monitors monthly revenues and expenses against the budget as a control for the District. The budgets can be revised by the District's governing board during the year to give consideration to unanticipated income and expenditures.

Capital Assets:

Capital assets include equipment, vehicles and buildings and are reported as assets in the government-wide financial statements. Capital outlay is recorded as expenditures of the General Fund. All fixed assets are valued at historical cost or estimated historical cost if actual historical is not available. Repairs and maintenance are recorded as expenses. The District capitalizes purchases in excess of \$5,000 that have an estimated useful life of over one year. Donated assets are valued at their fair market value on the date donated. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

| | |
|-----------------------|-------------|
| Buildings | 15-40 years |
| Vehicles | 5 years |
| Machinery & equipment | 5 years |

Comparative Financial Information:

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity 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 ending June 30, 2022, from which the summarized information was derived. Certain amounts have been restated to conform to current year presentation.

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -Continued

Estimates and Assumptions:

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

Equity Classifications:

Government-wide Statements

Equity is classified as net position, which comprises the various net earnings from operating income, non-operating revenues and expenses and capital contributions. Net position is classified in the following three components:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances on any borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted - This component of net position consists of constraints imposed by creditors (such as through debt covenants), contributors, or laws of other governmental entities, or constraints imposed by law through constitutional provisions or enabling legislation. There were no restricted assets as of June 30, 2023.

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

The District determines the use of restricted funds on a case-by-case basis and has no formal policy regarding the use of restricted assets versus unrestricted assets.

Fund Financial Statements

Government fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.

Restricted - amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board. The Board is the highest level of decision-making authority for the West Point Fire Protection District. Commitments may be established, modified, or rescinded only through resolutions or motions approved by the Board.

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board has the authority to assign amounts for specific purposes. The District currently has \$14,034 assigned for building maintenance.

Unassigned - all other spendable amounts.

The District has no formal policy of which funds will be used first. The Board creates an annual budget which determines what funds will be used during the year, as well as reviews expenditures on a case-by-case basis throughout the year. Fund commitments and assignments may be made, modified, or rescinded by the Board of Directors.

Prepaid Items:

Prepaid balances reflect payments made by the District in the current year to provide services occurring in the subsequent fiscal year. The prepaid item signifies that a portion of the fund balance is not available for other subsequent expenditures. The prepaid item for the District represents insurance expenditures allocable between fiscal years.

Revenues:

Property Taxes - The District receives property taxes from Calaveras County, which has been assigned the responsibility for assessment, collections and apportionment of property taxes for all taxing jurisdictions within the County.

Secured property taxes are levied on January 1 for the following fiscal year and on which date it becomes a lien on real property. Secured taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively, for the secured roll. Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District, eliminating the need for an allowance for uncollectible. The County, in return, receives all penalties and interest. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

Strike Team Reimbursements - The District receives reimbursements from the State of California for fire services performed. These reimbursements cover the cost of staffing and use of equipment performing fire protection services.

Measure A & C Special Assessment - In November 2011, the District received a supermajority vote for the approval of the Measure A parcel tax. The approval of Measure A means that a \$78.50 per year parcel tax will be assessed on those who own parcels in the West Point Fire Protection District, and allows for an increase of 2% annually, which the District has not exercised. In May 2022, the District received a supermajority vote for the approval of Measure C, an additional parcel tax. Measure C \$180 per year parcel tax on parcels in the West Point Fire Protection District.

Both of these assessments must be used for the financing of personnel salaries, wages, equipment and related expenses to meet and maintain the 24 hour emergency medical and fire response within the District. For the fiscal year ending June 30, 2023 the District received \$493,814 in special assessment funds. All funds were expended during the year.

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

State Aide for Public Safety- Effective January 1, 1994, the State of California enacted Proposition 172 which authorizes a .5% sales tax increase to be used for local public safety activities, including fire protection districts. The State allocates funds to individual counties, which allocate the funds on the local level. In the fiscal year ending June 30, 2023, the allocation of Proposition 172 funds to the District was \$35,775.

Transient Occupancy Tax- The County of Calaveras collects a Transient Occupancy Tax (TOT) on eligible facilities within Calaveras County. The TOT rate is 12% for fiscal year 2023. As part of the County's discretionary fund, allocations of the tax are directed by the Calaveras County Board of Supervisors. In the fiscal year ending June 30, 2023 the District's TOT allocation was \$75,798.

Donations - The District occasionally receives donations from private organizations, other districts or individuals. The West Point-Wilseyville Fire Association works closely with the District in providing in-kind and cash donations. The Board approves how donations will be spent. The Association donated \$11,115 in cash, goods, services, and equipment. The District in fiscal year 2023 also received a cash donation of \$1,950 from Chief, Terry Miller.

NOTE 3- CASH

Cash and investments are carried at cost, which approximates fair value. The District considers all cash and investments with original maturities of 90 days or less and its investments in pooled cash and investments as cash equivalents.

The District maintains a checking account with Bank of Stockton used primarily as an emergency cash fund.

The District maintains its general cash amount with the Calaveras County Treasurer's office. The County maintains the cash of the District in a "pooled" cash fund for special districts, which is managed by the County Treasurer.

Calaveras County acts as the fiscal agent for the District and as such holds the District's cash and investments within Calaveras County's external investment pool. The County sponsors an investment pool that is managed by the County Treasurer. Cash and investments for most County activities are included in the investment pool. The State of California statutes requires certain special districts to maintain their cash surplus with the County Treasurer. All monies held by the County of Calaveras Treasurer receive quarterly allocations of County investment income based on the District's share of cash in relation to the total invested by the County.

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

Credit risk. Credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment.

Concentration of credit risk. Concentration of credit risk is the risk of loss that may be caused by investment in a single issuer.

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 3- CASH -Continued

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in possession of an outside party. The California Government Code requires that financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit).

The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. At June 30, 2023 the District's outside deposits balance was \$14,709, all of which was covered by Federal Depository Insurance. Account balances are insured up to \$250,000.

To mitigate the above risks, the District holds the majority of its funds with the County of Calaveras, which has detailed formal policies. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County's financial statements may be obtained by contacting the County of Calaveras Auditor-Controller's Office at 891 Mountain Ranch Road, San Andreas, CA 95249 or on their website: auditor.calaverasgov.us.

NOTE 4- DUE FROM OTHER GOVERNMENT AGENCIES

The District receives reimbursements from the State for fire and winter storm services performed. The timing of the reimbursements from the State can vary significantly in timing. All reimbursements still due for winter storm services performed prior to June 30, 2023 are expected to be received within the following fiscal year.

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE 5- CAPITAL ASSETS

Capital assets at June 30, 2023, consisted of the following:

| | Beginning 7/1/2022 | Acquisitions | Deletions | Ending 6/30/2023 |
|------------------------------------------------|-------------------------------|---------------------------|--------------------|-----------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 15,756 | - | - | \$ 15,756 |
| Total Capital assets not being depreciated | <u>15,756</u> | <u>-</u> | <u>-</u> | <u>15,756</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 150,009 | - | - | 150,009 |
| Equipment | 157,122 | 17,808 | - | 174,930 |
| Vehicles | 871,112 | 5,897 | - | 877,010 |
| Total Depreciable Assets | <u>1,178,243</u> | <u>23,705</u> | <u>-</u> | <u>1,201,949</u> |
| Less Accumulated Depreciation: | (567,988) | (121,467) | - | (689,455) |
| Total capital assets being depreciated, Net | <u>610,255</u> | <u>(97,762)</u> | <u>-</u> | <u>512,494</u> |
| NET CAPITAL ASSETS | <u>\$626,011</u> | <u>\$ (97,762)</u> | <u>\$ -</u> | <u>\$ 528,250</u> |

Depreciation expense for June 30, 2023 was \$121,467.

NOTE 6- MUNICIPAL FINANCE CORPORATION

In February 2019, the District acquired a fire engine for \$282,091. The District made a \$100,000 down payment and financed the remainder with the Municipal Finance Corporation. The loan has one annual payment of \$29,780 due February 15 for seven years with an annual interest rate of 3.5%. The District also has the option to sell municipal bonds as an alternative to this loan. As of June 30, 2023, the District has not sold any municipal bonds.

| Beginning Balance 6/30/2022 | Increases | (Decreases) | Ending Balance 6/30/2023 | Principal Due Within One Year |
|-----------------------------------|--------------------|---------------------------|--------------------------------|-------------------------------------|
| \$ 109,485 | \$ - | \$ (25,907) | \$ 83,578 | \$ 26,860 |
| <u>\$ 109,485</u> | <u>\$ -</u> | <u>\$ (25,907)</u> | <u>\$ 83,578</u> | <u>\$ 26,860</u> |

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2023

NOTE 6- MUNICIPAL FINANCE CORPORATION- continued

The payment schedule is detailed below:

| <u>Payment due February 15</u> | <u>Principal Payments</u> | <u>Interest Payments</u> |
|--------------------------------|-------------------------------|------------------------------|
| 2024 | 26,860 | 2,920 |
| 2025 | 27,800 | 1,980 |
| 2026 | 28,918 | 958 |
| | <u>\$ 83,578</u> | <u>\$ 5,858</u> |

NOTE 7- RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There were no significant reductions in insurance coverage from coverage in the prior year.

The District is a member of the Fire Districts Association of California-Fire Association Self-Insurance System (FDAC-FASIS) through which it receives workers' compensation coverage.

NOTE 8- COMMITMENTS AND CONTINGENCIES

The District is unaware of any claims against it, which may have a material effect on the financial statements as of June 30, 2023.

NOTE 9- SUBSEQUENT EVENTS

The District has evaluated subsequent events through September 26, 2023, the date through which the financial statements were available to be issued and determined there were no significant events to report.