



**WEST POINT
FIRE
PROTECTION
DISTRICT**

For the Year Ended
June 30, 2020
with Comparative Totals for the
Year Ended June 30, 2019

ANNUAL FINANCIAL REPORT

WEST POINT FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS

Steve Schoenthaler

John Hesketh

Greg Pryor

Bryce Randall

Julia Marsili

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which comprise the District's basic financial statements as listed in the table of contents.

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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the West Point Fire Protection District, as of June 30, 2020, and the results of its operations and the respective budgetary comparison for the General Fund, for the fiscal year then ended, in conformity 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.

Report of Summarized Comparative Information

I have previously audited the West Point Fire Protection District's 2019 financial statements, and I expressed an unmodified opinion on those audited financial statements in my report dated January 20, 2020. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 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

December 16, 2020
Sutter Creek, California

WEST POINT FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
June 30, 2020 with Comparative totals as of June 30, 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and Investments:		
Bank of Stockton-imprest cash	\$ 17,115	\$ 17,082
County treasury	110,582	111,498
Total Cash and Investments	<u>127,697</u>	<u>128,580</u>
Due from other government agencies	15,020	40,192
Due from Calaveras County	96,772	-
Prepaid insurance	3,941	3,941
TOTAL CURRENT ASSETS	<u>243,430</u>	<u>172,713</u>
NON-CURRENT ASSETS		
Capital Assets:		
Land	15,756	15,756
Depreciable capital assets, net	813,317	684,389
TOTAL NON-CURRENT ASSETS	<u>829,073</u>	<u>700,145</u>
Total Assets	<u>\$ 1,072,503</u>	<u>\$ 872,858</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 61,688	\$ 11,051
Accrued payroll expenses	23,731	14,666
Sales tax payable	8	180
Settlement due	1,632	1,632
Due within one year:		
Municipal Finance Corporation	24,226	23,407
TOTAL CURRENT LIABILITIES	<u>111,286</u>	<u>50,936</u>
NON-CURRENT		
Due in more than one year:		
Municipal Finance Corporation	134,458	158,684
TOTAL NON-CURRENT LIABILITIES	<u>134,458</u>	<u>158,684</u>
Total Liabilities	<u>245,744</u>	<u>209,620</u>
NET POSITION		
Net investment in capital assets	670,389	518,054
Unrestricted	156,370	145,184
Total Net Position	<u>826,759</u>	<u>663,238</u>
Total Liabilities and Net Position	<u>\$ 1,072,503</u>	<u>\$ 872,858</u>

The accompanying notes are an integral part of these financial statements

WEST POINT FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
June 30, 2020 with comparative totals as of June 20,2019

	2020	2019
EXPENSES		
Bank Fees	\$ 87	\$ 20
Clothing and uniforms	13,624	21,871
Communications	1,812	-
Depreciation	87,607	51,682
Employee benefits	9,219	9,219
Fire prevention program	578	-
Fuel and gas	15,204	15,628
General liability insurance	10,997	10,245
Household expenses	6,584	4,621
Interest expense	6,373	-
Legal notices	-	1,197
Maintenance-buildings	6,798	6,587
Maintenance-equipment/ vehicles	24,951	32,837
Medical/dental supplies	6,447	1,822
Memberships	1,541	762
Office supplies	2,804	4,232
Payroll taxes	32,713	46,493
Professional services	19,474	15,877
Salaries	365,440	521,142
Small tools and equipment	2,296	1,796
Special assessment (LAFCO)	660	457
Special department expense	3,681	4,377
Staff training, recognition	4,837	5,776
Travel & mileage reimbursements	1,864	4,139
Utilities	14,455	13,496
Worker's compensation insurance	52,817	34,100
Total Expenses	692,863	808,376
PROGRAM REVENUE		
Grants	3,432	10,940
State strike team reimbursements	80,908	375,919
Total Program Revenue	84,340	386,859
Net Program Revenue (Expenses)	\$ (608,523)	\$ (421,517)

The accompanying notes are an integral part of these financial statements

WEST POINT FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES *-continued*
June 30, 2020 with comparative totals as of June 20, 2019

	2020	2019
GENERAL REVENUES		
Property taxes	\$ 154,362	\$ 146,321
Measure A assessments	152,840	151,034
State aide for public safety	23,510	23,874
State homeowner's property tax relief	1,542	1,519
State timber tax	416	537
Transient occupancy tax	40,886	28,313
Contributions from Calaveras County	350,000	-
Donations	19,404	17,151
Donations in-kind	-	4,818
Gain on sale of equipment	15,120	-
Interest	254	1,382
Refunds/reimbursements	13,710	7,315
Total General Revenues	772,044	382,264
Change in Net Position	163,521	(39,253)
NET POSITION -Beginning of year	663,238	702,491
NET POSITION -End of year	\$ 826,759	\$ 663,238

The accompanying notes are an integral part of these financial statements

WEST POINT FIRE PROTECTION DISTRICT
BALANCE SHEET-GOVERNMENTAL FUNDS
June 30, 2020 with Comparative totals as of June 30, 2019

	General Fund 2020	General Fund 2019
ASSETS		
Cash:		
Bank of Stockton-Imprest Cash	\$ 17,115	\$ 17,082
County treasury	110,581	111,498
Due from Calaveras County	43,288	-
Prepaid insurance	3,941	3,941
Total Assets	\$ 174,925	\$ 132,521
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 61,688	\$ 11,051
Accrued payroll and taxes	23,731	14,666
Sales tax payable	8	180
Settlement due	1,632	1,632
Total Liabilities	87,059	27,529
 Fund Balances:		
Assigned	14,034	14,034
Unassigned	73,832	90,958
Total Fund Balances	87,866	104,992
 Total Liabilities and Fund Balances	 \$ 174,925	 \$ 132,521

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

June 30, 2020 with Comparative totals as of June 30, 2019

	2020	2019
Total Fund Balances of Governmental Funds	\$ 87,866	\$ 104,992
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	829,073	700,145
Certain liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet.	(158,684)	(182,091)
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	68,504	40,192
Total Net Position of Governmental Activities	\$ 826,759	\$ 663,238

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, 2020 with Comparative totals as of June 30, 2019

	General Fund 2020	General Fund 2019
REVENUES		
Property taxes	\$ 154,362	\$ 146,321
Measure A assessments	152,840	151,034
Contributions from Calaveras County	296,516	-
Donations	19,404	17,151
Donations in-kind	-	4,818
Gain on sale of equipment	16,120	-
Grants	3,432	10,940
Interest income	254	1,382
Refunds/reimbursements	13,710	7,315
State aide for public safety	23,510	23,874
State strike team reimbursements	115,770	340,388
Strike team billing adjustments	(9,692)	(4,659)
State homeowner's property tax relief	1,542	1,519
State timber tax	416	537
Transient occupancy tax	40,886	28,313
Total Revenues	829,070	728,933
EXPENDITURES		
Bank fees	87	20
Capital outlay	217,534	117,151
Clothing and uniforms	13,624	21,871
Communications	1,812	-
Employee benefits	9,219	9,219
Fire prevention program	578	-
Fuel and gas	15,204	15,628
General liability insurance	10,997	10,245
Household expenses	6,584	4,621
Legal notices	-	1,197
Maintenance-buildings	6,798	6,587
Maintenance-equipment/ vehicles	24,951	32,837
Medical/dental supplies	6,446	1,822
Memberships	1,541	762
Office supplies	2,804	4,233
Payroll tax expense	27,956	39,594
Professional services	19,474	15,877
Salaries	365,440	521,142
Small tools and equipment	2,296	1,796
Special assessment (LAFCO)	660	457
Special department expense	3,681	4,377
Staff training, recognition	4,837	5,776
Travel & mileage reimbursements	1,864	4,139
Unemployment insurance	4,757	6,899
Utilities	14,455	13,496
Worker's compensation insurance	52,817	34,100
Debt Service:		
Interest	6,373	-
Principal	23,407	-
Total Expenditures	846,196	873,846
Excess in Revenues over (under)		
Expenditures	(17,126)	(144,913)
FUND BALANCES		
Beginning of year	104,992	249,905
End of Year	\$ 87,866	\$ 104,992

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, 2020 with Comparative totals as of June 30, 2019

	2020	2019
Net Change in Fund Balances-Total Government Funds	\$ (17,126)	\$ (144,913)
 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	(87,607)	(51,682)
Capital outlay	217,534	117,150
Loss on disposal of capital outlay	(1,000)	-
 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		
	28,312	40,192
 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	23,407	-
 Change in Net Position of Governmental Activities	\$ 163,521	\$ (39,253)

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, 2020

	<u>Original and Final Budget Amount</u>	<u>Actual</u>	<u>Variance (unfavorable)</u>
REVENUES			
Contributions from other governments	\$ -	\$ 296,516	\$ 296,516
Donations	-	19,404	19,404
Gain of sale of equipment	-	16,120	16,120
Interest income	1,000	254	(746)
Measure A assessments	155,000	152,840	(2,160)
Miscellaneous Revenue	46,000	-	(46,000)
Property taxes	153,161	154,362	1,201
Refunds/reimbursements	5,000	13,710	8,710
State grants	13,000	3,432	(9,568)
State aide for public safety	23,000	23,510	510
State strike team reimbursements	400,000	106,078	(293,922)
State homeowner's property tax relief	1,739	1,542	(197)
State timber tax	500	416	(84)
Transient occupancy tax	30,000	40,886	10,886
Total Revenues	<u>828,400</u>	<u>829,070</u>	<u>670</u>
EXPENDITURES			
Bank charges	-	87	(87)
Capital outlay	160,613	217,534	(56,921)
Clothing and uniforms	16,782	13,624	3,158
Communications	1,812	1,812	-
Contribution to LAFCO	661	660	1
Employee benefits	9,500	9,219	281
Fire prevention program	579	578	1
Food	1,800	1,211	589
Fuel and Gas	16,000	15,204	796
General liability insurance	68,000	10,997	57,003
Household expenses	5,439	5,373	66
Legal notices	500	-	500
Maintenance-buildings	36,000	6,798	29,202
Maintenance-equipment	7,000	4,509	2,491
Maintenance-vehicles	40,000	20,442	19,558
Medical/dental supplies	6,447	6,446	1
Memberships	1,616	1,541	75
Office supplies	4,995	2,804	2,191
Payroll tax expense	37,000	27,956	9,044
Professional services	18,424	19,474	(1,050)
Salaries	320,000	308,413	11,587
Strike team extra hire	92,206	57,027	35,179
Small tools	2,297	2,296	1
Special department expense	10,634	3,681	6,953
Staff training	6,000	4,837	1,163
Travel & mileage reimbursements	3,000	1,864	1,136
Unemployment insurance	7,000	4,757	2,243
Utilities	14,455	14,455	-
Workers compensation insurance	-	52,817	(52,817)
Debt Service:			
Interest	-	6,373	(6,373)
Principal	-	23,407	(23,407)
Total Expenditures	<u>888,760</u>	<u>846,196</u>	<u>42,564</u>
Net Change in Fund Balance	<u>\$ (60,360)</u>	<u>\$ (17,126)</u>	<u>\$ 43,234</u>

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

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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 Health and Safety Code, State of California, Division 12, Part 2.7, Fire Protection District Law of 1961. The District is governed by an elected five member Board of Directors.

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 properly 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 interests 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, 2020

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:

Fixed 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 \$2,500 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

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -Continued

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, 2019, from which the summarized information was derived. Certain amounts have been restated to conform to current year presentation.

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. Restricted assets reflected in the government-wide statements of net position references those cash funds held by the Measure A fund. There were no restricted assets as of June 30, 2020.

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.

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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.

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.

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 some of the cost of fire services performed. These reimbursements help cover the cost of staffing and use of equipment performing fire protection services.

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Measure A 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/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. Assessments must be used for the financing of personnel salaries, wages, and related expenses to staff the station full time. For the fiscal year ending June 30, 2020 the District received \$152,840 in Measure A Funds. All Measure A Funds were expended during the year.

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, 2020, the allocation of Proposition 172 funds to the District was \$23,510.

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 2020. 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, 2020 the District's TOT allocation was \$40,886.

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 \$19,404 in cash, goods, services, and equipment to outfit the new fire engine.

Contributions From Calaveras County - Calaveras County was awarded a settlement from PG&E for the Butte Fire in 2015, which was allocated within the County. The District received \$350,000 as their portion of the settlement.

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.

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 3- CASH- continued

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.

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 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 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, 2020 the District's deposits balance was \$17,115, 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 services performed. The timing of the reimbursements from the State can vary significantly in timing. All reimbursements still due for fire services performed prior to June 30, 2020 are expected to be received within the following fiscal year.

As a condition of the PG&E settlement, the District must request reimbursement of program expenditures to receive the funds. The due from Calaveras County represents the amount the District has yet to receive.

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 5- CAPITAL ASSETS

Capital assets at June 30, 2020, consisted of the following:

	Beginning 7/1/2019	Acquisitions	Deletions	Ending 6/30/2020
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	129,276	54,085	-	183,361
Equipment	157,952	72,180	-	230,132
Vehicles	679,982	91,269	(5,000)	766,251
Total Depreciable Assets	<u>967,210</u>	<u>217,534</u>	<u>(5,000)</u>	<u>1,179,744</u>
Less Accumulated Depreciation:	(282,820)	(87,607)	4,000	(366,427)
Total capital assets being depreciated, Net	<u>684,390</u>	<u>129,927</u>	<u>(1,000)</u>	<u>813,317</u>
NET CAPITAL ASSETS	<u>\$ 700,146</u>	<u>\$ 129,927</u>	<u>\$ (1,000)</u>	<u>\$ 829,073</u>

Depreciation expense for June 30, 2020 was \$87,607.

NOTE 6- DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time salaried District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until terminations, retirement, death, or unforeseeable emergency.

The plan complies with Section 457 of the Internal Revenue Code, whereby, trust provisions are incorporated so that plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. As a result, as of June 30, 2020, the assets and liabilities of the deferred compensation plan are not included in the accompanying financial statements. The District makes a monthly fixed contribution to the plan. The annual contribution for the fiscal year ended June 30, 2020 was \$9,219.

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 7- MUNICIPAL FINANCE CORPORATION

In February 2019, the District took possession of a Type 3 fire engine, which had been authorized for purchase the previous September 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, 2020, the District has not sold any municipal bonds.

Beginning Balance 6/30/2019	Increases	Decreases	Ending Balance 6/30/2020	Principal Due Within One Year
\$ 182,091	\$ -	\$ 23,407	\$ 158,684	\$ 24,226
\$ 182,091	\$ -	\$ 23,407	\$ 158,684	\$ 24,226

The payment schedule is detailed below:

<u>Payment due February 15</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2021	24,226	5,554
2022	25,074	4,706
2023	25,952	3,829
2024	26,860	2,920
There after:	<u>56,572</u>	<u>2,987</u>
	\$ 158,684	\$ 19,996

NOTE 8- 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.

WEST POINT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 9- 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, 2020.

NOTE 10- SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 16, 2020, the date through which the financial statements were available to be issued. The following events are reportable:

The District's operations may be affected by the recent and ongoing outbreak of the coronavirus disease (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption, which may be caused by the outbreak, is uncertain: however, it may result in a material adverse impact on the District's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the District's activities and operations.