

Calaveras Consolidated Fire Protection District

**Independent Auditor's Report
Financial Statements
and
Supplementary Information**

**Year Ended
June 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Calaveras Consolidated Fire Protection District
Valley Springs, California

**NICHOLSON
& OLSON**

CERTIFIED PUBLIC ACCOUNTANTS

729 Sunrise Avenue, Suite 303

Roseville, California 95661

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Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of Calaveras Consolidated Fire Protection District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively 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

Our responsibility is to express an opinion on these financial statements based on our audit. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Calaveras Consolidated Fire Protection District

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the Calaveras Consolidated Fire Protection District, as of June 30, 2021 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters


Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 16 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 28, 2022 on our consideration of Calaveras Consolidated Fire Protection 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 solely 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.



Certified Public Accountants
Roseville, California
January 28, 2022

FINANCIAL STATEMENTS

CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 1,646,273
Total current assets	1,646,273
Capital assets:	
Land	46,673
Building and improvements	1,125,313
Equipment and vehicles	2,479,119
Less: Accumulated depreciation	(1,910,935)
Total capital assets	1,740,170
Total Assets	\$ 3,386,443
Liabilities	
Current liabilities:	
Accounts payable	\$ 45,201
Accrued payroll and taxes	13,820
Accrued interest notes payable	3,035
Compensated absences	10,639
Notes payable	29,584
Total current liabilities	102,279
Long-term liabilities:	
Notes payable	83,776
Total long-term liabilities	83,776
Total Liabilities	186,055
Net Position	
Net investment in capital assets	1,626,810
Restricted	105,645
Unrestricted	1,467,933
Total Net Position	3,200,388
Total Liabilities and Net Position	\$ 3,386,443

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

**CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Governmental Activities Net (Expenses) Revenue</u>
Governmental Activities	
Expense	
Public safety	\$ (1,736,905)
Administration	<u>(88,050)</u>
Total Governmental Activities	(1,824,955)
Program revenues	
Charges for services	1,370,536
Operating grants, contributions, and other revenues	<u>31,841</u>
Net Program Expenses	(422,578)
General revenues	
Property tax	807,431
Other revenues	<u>184,809</u>
Total General Revenues	<u>992,240</u>
Change in Net Position	569,662
Net Position, Beginning of Year	<u>2,630,726</u>
Net Position, End of Year	<u><u>\$ 3,200,388</u></u>

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

**CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2021**

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 1,646,273
Total Assets	\$ 1,646,273
 Liabilities	
Accounts payable	\$ 45,201
Accrued payroll and taxes	13,820
Compensated absences	864
Total Liabilities	59,885
 Fund balances	
Restricted fire impact fees	105,645
Unassigned	1,480,743
Total Fund Balances	1,586,388
Total Liabilities and Fund Balances	\$ 1,646,273

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

**CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUND TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Fund Balance of Governmental Fund		\$ 1,586,388
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, are not current financial resources and, therefore, are not included in the governmental fund.		1,740,170
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental fund balance sheet:		
Compensated absences		(9,775)
Notes payable		(113,360)
Accrued interest notes payable		(3,035)
Net Position of Governmental Activities		\$ 3,200,388

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

**CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
GOVERNMENTAL FUND - STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>
Revenues	
Property taxes	\$ 807,431
Charges for services	1,370,536
Other revenues	216,650
Total Revenues	2,394,617
Expenditures	
Current	
Public safety	1,287,088
Supplies and services	468,551
Debt service	
Principal	94,502
Interest	7,858
Total Expenditures	1,857,999
Net Change in Fund Balance	536,618
Fund Balance, Beginning of Year	1,049,770
Fund Balance, End of Year	\$ 1,586,388

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

**CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Change in Fund Balance of Governmental Fund	\$	536,618
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Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of revenues, expenditures and changes in fund balance because:

Governmental fund report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization amount:

Cost of assets capitalized		76,245
Depreciation expense		(137,826)
Retirements		-

Long-term debt proceeds provide current resources to governmental fund, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in governmental fund, but the repayment reduces long-term liabilities in the statement of net position.

Notes payable retirements		94,502
Issuance of note payable		-

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund.

Change in accrued interest notes payable		1,717
Change in compensated absences		(1,594)

Change In Net Position of Governmental Activities	\$	<u>569,662</u>
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The accompanying notes are an integral part of these financial statements.

CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

The notes to the financial statements include a summary of significant accounting policies and other notes considered essential to fully disclose and fairly present transactions and the financial position of Calaveras Consolidated Fire Protection District.

Note 1 - Reporting Entity

Note 2 - Summary of Significant Accounting Policies

Note 3 - Cash and Cash Equivalents

Note 4 - Capital Assets

Note 5 - Compensated Absences

Note 6 - Notes Payable

Note 7 - Employee Benefit Plan

Note 8 - Commitments and Contingencies

Note 9 - Subsequent Event

CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 - Reporting Entity

Calaveras Consolidated Fire Protection District (the District) was formed in 2013, with the dissolution of the Jenny Lind and the Foothill Fire Protection Districts. The reason for the combination of the Jenny Lind and Foothill Fire Protection Districts was to provide fire protection for property within the District more efficiently and economically for the District as a whole.

The District covers roughly a 163 square mile area in the western portion of Calaveras County serving the communities of Valley Springs, Burson, Wallace, Camp Seco, Milton, Rancho Calaveras, La Contenta and Jenny Lind. 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's revenue is generated by levying taxes upon all taxable property within the boundaries for general purposes and for servicing bonded debt. The assessed valuation of the District is determined by the assessor of Calaveras County and the assessments are collected by the tax collector of the County.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The District's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities.

These Statements require the financial statements described below to be presented.

Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the District). These statements summarize the District's financial activities and financial position.

The Statement of Net Position reports the difference between the District's total assets and the District's total liabilities, including all the District's capital assets and its long-term liabilities. The Statement of Net Position presents similar information to the old balance sheet format, but presents it in a way that focuses the reader on the composition of the District's net position, by subtracting total liabilities from total assets. The Statement of Net Position summarizes the financial position of the District's Governmental Activities in a single column.

Fund Financial Statements: The fund financial statements provide information about the District's general fund. The general fund is the general operating fund of the District. It is used to account for all financial resources. The major revenue sources are tax revenue and charges for services. Expenditures are made for public safety and other operating expenditures.

**CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of Accounting

Government-Wide Financial Statements The government-wide financial statements are reported using the *economic resources measurement focus* and the full *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. These statements are prepared on the same basis as is used by most businesses, which means they include all the District's assets and all its liabilities, as well as all its revenues and expenses.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund Financial Statements The general fund is 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 judgements, and compensated absences, which are recognized as expenditures to the extent they have matured. These statements reflect only current assets and liabilities. Governmental capital asset acquisitions are reported as expenditures in governmental funds.

Capital Assets

Capital assets are reported in the governmental activities column of the government-wide financial statements based on cost or estimated historical cost. Contributed fixed assets are valued at their estimated acquisition value. Capital assets include land, buildings and building improvements and equipment and vehicles. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

The costs of normal maintenance and repairs that do not add value to the asset or materially extend assets lives are not capitalized. Depreciation is recorded in the government-wide financial statements on the straight-line basis over the useful life of the assets as follows:

Assets	Useful Life
Buildings	30 years
Building improvements	10-20 years
Equipment and vehicles	5-20 years

Medical Benefit

Captains are paid a benefit of \$15,000 per year and engineers are paid \$8,400 per year towards their medical/457 plan.

CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Compensated Absences

Captains and engineers accumulate paid time off (PTO). Unused PTO may accumulate up to maximums established by the District. Employee(s) cease to earn more PTO, until the accumulated balance is below the maximum. The liability for compensated absences is determined annually and is liquidated in the general fund.

Long-Term Debt

All long-term debt arising from cash basis transactions are to be repaid from governmental resources and is reported as liabilities in the government-wide statements. Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Net Position

Net Position is the excess of all the District's assets over all its liabilities, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the District's capital assets, less debt used to acquire or construct capital assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter. These include debt service and acquisition and construction of facilities and equipment.

Unrestricted describes the portion of Net Position which is not restricted to use.

When an expense is incurred for purposes for which both restricted and unrestricted net resources are available, the District's policy to first use restricted net resources prior to the use of unrestricted net resources

Fund Balance

The District's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the District to classify its fund balances based on the use of resources. For programs with multiple funding sources, the District prioritizes and expends funds in the following order: Restricted, Committed, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

Committed fund balances have constraints imposed by formal action of the Board of Directors which may be altered only by formal action of the Board of Directors.

Unassigned fund balance represents residual amounts that have not been restricted or committed.

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

Property Taxes and Special Assessment Revenue

Revenue is recognized in the fiscal year for which the tax and assessment is levied. The County of Calaveras levies, bills and collects property taxes and special assessments for the District. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on July 1st of the preceding fiscal year.

Secured property tax is due in two installments, on November 1st and February 1st, and becomes a lien on those dates. It becomes delinquent on December 10th and April 10th, respectively. Unsecured property tax is due on July 1st and becomes delinquent on August 31st.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the personal property being taxed.

Property Taxes and Special Assessment Revenue

Property tax revenue is recognized in the fiscal year for which the tax is levied. The County distributes property tax (termed "settlements") under the Teeter Plan, which allows the District to receive all property taxes in the year in which they are levied. The County retains any collections of interest, penalties and delinquencies under this plan. A settlement apportionment for 95% of unsecured property taxes is received in October, with the remainder distributed in June. Secured property taxes are received in three settlements and apportioned as follows: 55% in December, 40% in April and 5% in June.

Program Revenues

Program revenues consist of fire hydrant inspection fees and strike team service fees.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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/expenses during the reporting period. Actual results could differ from those estimates.

**CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 3 - Cash and Cash Equivalents

The District maintains its cash with Calaveras County Treasurer's office. The County maintains the District's cash in a "pooled" cash fund for special districts.

Note 4 - Capital Assets

Capital assets activity is comprised of the following:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 46,673	\$ -	\$ -	\$ 46,673
Total capital assets not being depreciated	<u>46,673</u>	<u>-</u>	<u>-</u>	<u>46,673</u>
Capital assets being depreciated:				
Buildings and building improvements	1,125,313	-	-	1,125,313
Equipment and vehicles	2,402,874	76,245	-	2,479,119
Total capital assets being depreciated	<u>3,528,187</u>	<u>76,245</u>	<u>-</u>	<u>3,604,432</u>
Less accumulated depreciation:				
Buildings and building improvements	(620,725)	(38,390)	-	(659,115)
Equipment and vehicles	(1,152,384)	(99,436)	-	(1,251,820)
Total accumulated depreciation	<u>(1,773,109)</u>	<u>(137,826)</u>	<u>-</u>	<u>(1,910,935)</u>
Total net depreciable assets	<u>1,755,078</u>			<u>1,693,497</u>
Governmental Activity Capital Assets, Net	<u>\$1,801,751</u>	<u>\$ (61,581)</u>	<u>\$ -</u>	<u>\$1,740,170</u>

Note 5 - Compensated Absences

The following is a summary of changes in the compensated absences liability for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Current Portion	Long- Term Portion
Governmental Activities:						
Compensated Absences	<u>\$ 10,907</u>	<u>\$ 16,103</u>	<u>\$ 16,371</u>	<u>\$ 10,639</u>	<u>\$ 10,639</u>	<u>\$ -</u>

**CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 6 - Notes Payable

The District's debt issues and transactions are summarized below:

	Original Issue Amount	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Current Portion
Utility District	\$ 40,000	\$ 8,000	\$ -	\$ 4,000	\$ 4,000	\$ 4,000
Finance Company - 2015	\$ 461,526	66,004	-	66,004	-	-
Finance Company - 2019	\$ 133,858	133,858	-	24,498	109,360	25,584
Total Notes Payable		<u>\$ 207,862</u>	<u>\$ -</u>	<u>\$ 94,502</u>	<u>\$ 113,360</u>	<u>\$ 29,584</u>

On November 20, 2012, the District entered into a note payable with a utility district, to finance the purchase of a firehouse, in the amount of \$40,000. The note bears an interest rate of 0% and is due in annual installments of \$4,000 beginning on June 30, 2014, with a maturity date of June 30, 2022. As of June 30, 2021, the balance of the note payable is \$4,000.

Year Ending June 30:	Principal	Interest	Total
2022	\$ 4,000	\$ 0	\$ 4,000
	<u>\$ 4,000</u>	<u>\$ 0</u>	<u>\$ 4,000</u>

On December 15, 2015, the District entered into a note payable with a bank, to finance the purchase of a fire engine, in the amount of \$461,526. The note bears an interest rate of 2.9% and is due in annual installments over the next 5 years. Beginning on December 15, 2016, with a maturity date of December 15, 2020.

On November 15, 2019, the District entered into a note payable with a bank, to finance the purchase of a fire engine, in the amount of \$133,858. The note bears an interest rate of 4.44% and is due in annual installments over the next 5 years. Beginning on November 15, 2019, with a maturity date of November 15, 2024:

Year Ending June 30:	Principal	Interest	Total
2022	\$ 25,584	\$ 4,857	\$ 30,441
2023	26,721	3,720	30,441
2024	27,908	2,533	30,441
2025	29,147	1,294	30,441
	<u>\$109,360</u>	<u>\$12,404</u>	<u>\$121,764</u>

CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

Note 7 - Employee Benefit Plan

The District provides an Internal Revenue Code section 457(b) salary deferral plan for the benefit of all employees, which allows them to defer a portion of their annual compensation. The District has not made any contributions to this plan.

Note 8 - Commitments and Contingencies

The District receives federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. District management believes such disallowances, if any, would be insignificant.

The District is subject to litigation arising in the normal course of business. The District represents that there is no pending litigation which is likely to have a material adverse effect on the financial position of the District.

The District has met its Gann Limit requirements for the fiscal year end 2020-21 and is estimated to meet its limitations for the fiscal year end 2021-22.

Note 9 - Subsequent Event

Management of the District has reviewed results of operations for the period of time from its year end June 30, 2021 through January 28, 2022, the date the financial statements were available to be issued, and have determined that no subsequent events occurred, the nature of which would require disclosures.

The District has implemented measures to monitor and mitigate the effects of Covid-19 and to provide for the safety of their staff. At this stage, the impact on the District has not been significant and based on the District's experience to date, the District expects this to remain the case.

SUPPLEMENTAL INFORMATION

**CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ 766,846	\$ 766,846	\$ 807,431	\$ 40,585
Charges for services	732,528	732,528	1,370,536	638,008
Other revenues	355,002	355,002	216,650	(138,352)
Total Revenues	<u>1,854,376</u>	<u>1,854,376</u>	<u>2,394,617</u>	<u>540,241</u>
Expenditures				
Salaries and benefits	1,292,112	1,292,112	1,287,088	5,024
Services and supplies	396,335	396,335	468,551	(72,216)
Debt service				
Principal	94,502	94,502	94,502	-
Interest	7,858	7,858	7,858	-
Total Expenditures	<u>1,790,807</u>	<u>1,790,807</u>	<u>1,857,999</u>	<u>(67,192)</u>
Change in Fund Balance	<u>\$ 63,569</u>	<u>\$ 63,569</u>	536,618	<u>\$ 473,049</u>
Fund Balance, Beginning of Year			<u>1,049,770</u>	
Fund Balance, End of Year			<u>\$ 1,586,388</u>	

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

**CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT
FIRE IMPACT FEES
FOR THE YEAR ENDED JUNE 30, 2021**

Note 1 - Fire Impact Fee

The District completed a fire impact fee Nexus study, with the purpose of establishing the legal and policy basis for the collection of new fire impact fees on new residential and nonresidential development within the District. The fees collected are to fund the one-time cost of expanding the District's facilities, apparatus, and equipment needed to accommodate new development.

Revenues

Extraction fees collected	\$ 77,939
Interest earned	-
Total Revenues	<u>77,939</u>

Expenditures

Projects expenses	-
Total Expenditures	<u>-</u>

Net Change in Balance	77,939
Balance, Beginning of Year	<u>27,706</u>
Balance, End of Year	<u>\$ 105,645</u>

INDEPENDENT AUDITOR’S 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

To the Board of Directors
Calaveras Consolidated Fire Protection District
Valley Springs, 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 and the general fund of Calaveras Consolidated Fire Protection District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Calaveras Consolidated Fire Protection District’s basic financial statements and have issued our report thereon dated January 28, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity’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.

We consider finding 2021-001 as described on the attached schedule, to be a significant deficiency in the financial reporting process.

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 considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

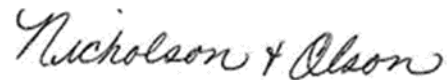
To the Board of Directors
Calaveras Consolidated Fire Protection District
Valley Springs, California

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 entity'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.



Certified Public Accountants
Roseville, California
January 28, 2022

**CALAVERAS COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF AUDIT FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021**

Current Audit Findings

Finding 2021 - 001

Condition

District did not prepare financial statements along with the accompanying notes to the financial statements.

Criteria

District's management has requested Nicholson & Olson prepare a draft of the financial statements, including the related foot notes.

Effect

Controls over the preparation of financial statements are not adequate.

Cause

District's management does not have personnel experienced in preparation of financial statements and the related notes to the financial statements.

Repeat Finding

Same as prior year.

Recommendation

The outsourcing of this service is not unusual in organizations of this size and is a result of management's cost benefit decision to use the services of their audit firm rather than expend additional time and incur additional costs for the purposes of increasing controls over the preparation of the financial statements.

Current Year Response From Responsible Officials

District agrees with the finding.

Current Status

No change from prior year.