

# **Calaveras Consolidated Fire Protection District**

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

**Year Ended  
June 30, 2020**

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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, 2020, 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, 2020 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**

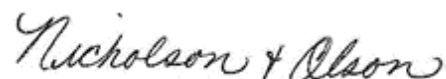
#### Required Supplementary Information

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 19, 2021 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 19, 2021

# **FINANCIAL STATEMENTS**

**CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	Governmental Activities
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 1,095,723
Total current assets	1,095,723
Capital assets:	
Land	46,673
Building and improvements	1,125,313
Equipment	2,402,874
Less: Accumulated depreciation	(1,773,109)
Total capital assets	1,801,751
Total Assets	\$ 2,897,474
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	\$ 9,754
Accrued payroll and taxes	33,473
Accrued interest notes payable	4,752
Compensated absences	2,726
Long-term liabilities, due within one year	94,502
Total current liabilities	145,207
Long-term liabilities:	
Compensated absences	8,181
Notes payable	113,360
Total long-term liabilities	121,541
Total Liabilities	266,748
<b>Net Position</b>	
Net investment in capital assets	1,593,889
Unrestricted	1,036,837
Total Net Position	2,630,726
Total Liabilities and Net Position	\$ 2,897,474

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, 2020**

	Governmental Activities
<b>Governmental Activities</b>	
Expense	
Public safety	\$ 1,209,104
 Program revenues	
Charges for services	165,611
Operating grants, contributions, and other revenues	30,525
Total program revenues	196,136
 Net program expenses	(1,012,968)
 General revenues	
Property tax	738,394
Other revenues	531,841
Total general revenues	1,270,235
 <b>Change in Net Position</b>	257,267
 Net Position, Beginning of Year	2,373,459
 <b>Net Position, End of Year</b>	\$ 2,630,726

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

**CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT  
GOVERNMENTAL FUND BALANCE SHEET  
JUNE 30, 2020**

	<u>General Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,095,723
Total Assets	\$ 1,095,723
 <b>Liabilities</b>	
Accounts payable	\$ 9,754
Accrued payroll and taxes	33,473
Compensated absences	2,726
Total Liabilities	45,953
 <b>Fund balances</b>	
Unassigned	1,049,770
Total Fund Balances	1,049,770
Total Liabilities and Fund Balances	\$ 1,095,723

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, 2020**

Fund Balance of Governmental Fund		\$ 1,049,770
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets, net of accumulated depreciation, are not current financial resources and, therefore, are not included in the governmental fund.</p>		1,801,751
<p>Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental fund balance sheet:</p>		
Compensated absences		(8,181)
Notes payable		(207,862)
Accrued interest notes payable		(4,752)
Net Position of Governmental Activities		\$ 2,630,726

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, 2020**

	<u>General Fund</u>
<b>Revenues</b>	
Property taxes	\$ 738,394
Charges for services	165,611
Other revenues	562,366
Total Revenues	1,466,371
<b>Expenditures</b>	
Current	
Public safety	1,038,593
Supplies and services	467,454
Debt service	
Principal	68,144
Interest	3,775
Total Expenditures	1,577,966
Net Change in Fund Balance	(111,595)
Fund Balance, Beginning of Year	1,161,365
Fund Balance, End of Year	\$ 1,049,770

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, 2020**

Change in Fund Balance of Governmental Fund	\$	(111,595)
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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		606,454
Depreciation expense		(115,123)
Retirements		(80,148)

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		68,144
Issuance of note payable		(133,858)

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 accounts payable		8,964
Change in accrued payroll		17,936
Change in accrued interest notes payable		(3,183)
Change in compensated absences		(324)

Change In Net Position of Governmental Activities	\$	<u>257,267</u>
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**CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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, 2020**

**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, 2020**

**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. 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
Site improvements	10-20 years
Equipment and machinery	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, 2020**

**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, 2020**

**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 1<sup>st</sup> of the preceding fiscal year.

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

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, 2020**

**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, 2019	Additions	Retirements	Balance June 30, 2020
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:				
Structures and improvements	1,125,313	-	-	1,125,313
Equipment and vehicles	<u>2,195,710</u>	<u>606,454</u>	<u>(399,290)</u>	<u>2,402,874</u>
Total capital assets being depreciated	<u>3,321,023</u>	<u>606,454</u>	<u>(399,290)</u>	<u>3,528,187</u>
Less accumulated depreciation:				
Structures and improvements	(582,325)	(38,400)	-	(620,725)
Equipment and vehicles	<u>(1,394,803)</u>	<u>(76,723)</u>	<u>319,142</u>	<u>(1,152,384)</u>
Total accumulated depreciation	<u>(1,977,128)</u>	<u>(115,123)</u>	<u>319,142</u>	<u>(1,773,109)</u>
Total net depreciable assets	<u>1,343,895</u>			<u>1,755,078</u>
Governmental Activity Capital Assets, Net	<u>\$1,390,568</u>	<u>\$ 491,331</u>	<u>\$ (80,148)</u>	<u>\$1,801,751</u>

**Note 5 - Compensated Absences**

The following is a summary of changes in the compensated absences liability for the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020	Current Portion	Long-Term Portion
Governmental Activities:						
Compensated Absences	<u>\$ 7,857</u>	<u>\$ 5,102</u>	<u>\$ 2,052</u>	<u>\$ 10,907</u>	<u>\$ 2,726</u>	<u>\$ 8,181</u>

**CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

**Note 6 - Notes Payable**

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

	Original Issue Amount	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020	Current Portion
Valley Springs Public Utility	\$ 40,000	\$ 12,000	\$ -	\$ 4,000	\$ 8,000	\$ 4,000
PNC Equipment Finance - 2015	\$ 461,526	130,148	-	64,144	66,004	66,004
PNC Equipment Finance - 2019	\$ 133,858	-	133,858	-	133,858	24,498
Total Notes Payable		<u>\$ 142,148</u>	<u>\$ 133,858</u>	<u>\$ 68,144</u>	<u>\$ 207,862</u>	<u>\$ 94,502</u>

On November 20, 2012, the District entered into a note payable with Valley Springs Public Utility District (VSPUD), to finance the purchase of the Valley Springs 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, 2020, the balance of the note payable is \$8,000.

Year Ending June 30:	Principal	Interest	Total
2021	\$ 4,000	\$ 0	\$ 4,000
2022	4,000	0	4,000
	<u>\$ 8,000</u>	<u>\$ 0</u>	<u>\$ 8,000</u>

On December 15, 2015, the District entered into an agreement for the construction and purchase of a new fire engine. The District entered into a capital lease agreement in the amount of \$461,526 with interest at 2.9%. An initial principal and interest payment was due on January 15, 2016 in the amount of \$150,000. Five annual payments in the amount of \$67,919 are due beginning December 15, 2016.

Year Ending June 30:	Principal	Interest	Total
2021	\$ 66,004	\$ 1,915	\$ 67,919
	<u>\$ 66,004</u>	<u>\$ 1,915</u>	<u>\$ 67,919</u>

On November 15, 2019, the District entered into a note payable with PNC Equipment Finance, to finance the purchase of a Pierce International 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
2021	\$ 24,498	\$ 5,943	\$ 30,441
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>\$133,858</u>	<u>\$18,347</u>	<u>\$152,205</u>

**CALAVERAS CONSOLIDATED FIRE PROTECTION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**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 2019-20 and is estimated to meet its limitations for the fiscal year end 2020-21

**Note 9 - Subsequent Event**

Management of the District has reviewed results of operations for the period of time from its year end June 30, 2020 through January 19, 2021, 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.

**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, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 726,087	\$ 726,087	\$ 738,394	\$ 12,307
Charges for services	65,128	65,128	165,611	100,483
Other revenues	583,068	583,068	562,366	(20,702)
Total Revenues	<u>1,374,283</u>	<u>1,374,283</u>	<u>1,466,371</u>	<u>92,088</u>
<b>Expenditures</b>				
Salaries and benefits	605,515	605,515	651,443	(45,928)
Services and supplies	854,606	854,606	854,604	2
Debt service				
Principal	68,144	68,144	68,144	-
Interest	3,775	3,775	3,775	-
Total Expenditures	<u>1,532,040</u>	<u>1,532,040</u>	<u>1,577,966</u>	<u>(45,926)</u>
Change in Fund Balance	<u>\$ (157,757)</u>	<u>\$ (157,757)</u>	(111,595)	<u>\$ 46,162</u>
Fund Balance, Beginning of Year			<u>1,161,365</u>	
Fund Balance, End of Year			<u>\$ 1,049,770</u>	

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

**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, 2020, 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 19, 2021.

**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 2020-001 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 19, 2021

**CALAVERAS COUNTY FIRE PROTECTION DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2020**

**Current Audit Findings**

Finding 2020 - 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.