

Jackson
Valley Fire
Protection
District

2022

For the Fiscal Year Ended June 30,
2022 with Comparative Totals For the
Fiscal Year Ended June 30, 2021

**Annual
Financial
Report**

Board of Directors

Jake Herfel - Chairman

Chris Cantwell - Treasurer

Vicky Farmer - Vice-Chairperson

Patrick Thompson - Director

Dana Calhoun - Director

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jackson Valley Fire Protection District
Ione, California

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson Valley Fire Protection District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson Valley Fire Protection District, as of June 30, 2022, and the respective changes in financial position and, the respective budgetary comparison for the General Fund and the Measure M Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Jackson Valley Fire Protections internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jackson Valley Fire Protections ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Report on Summarized Comparative Information

I also have previously audited, in accordance with auditing standards generally accepted in the United States of America, Jackson Valley Fire Protections basic financial statements for the year ended June 30, 2021, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson Valley Fire Protection Districts basic financial statements as a whole.

Other Matters

Management has omitted the management discussion and analysis (MD & A) 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. My opinion on the basic financial statements is not affected by this missing information.



Cathy Castillo
Certified Public Accountant
January 19, 2023
Sutter Creek, California

JACKSON VALLEY FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
As of June 30, 2022 with Comparative Totals as of June 30, 2021

	Governmental Activities	
	2022	2021
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,382,376	\$ 1,223,375
Receivables:		
Due from other governments - strike team	16,275	37,849
Measure M allocation	-	22,633
Prepaid Expenses	10,057	9,413
TOTAL CURRENT ASSETS	1,408,708	1,293,270
NON CURRENT ASSETS		
Land	1,000	1,000
Other capital assets, net of accumulated depreciation	646,958	702,065
TOTAL NON-CURRENT ASSETS	647,958	703,065
Total Assets	\$ 2,056,666	\$ 1,996,335
LIABILITIES		
CURRENT LIABILITIES		
Accrued expenses	\$ 12,418	\$ 33,397
Compensated absences	5,502	4,950
Warrants payable	15,896	29,247
TOTAL CURRENT LIABILITIES	33,816	67,594
Total Liabilities	33,816	67,594
NET POSITION		
Net investment in capital assets, net of related debt	647,957	703,065
Restricted	938,952	784,862
Unrestricted	435,941	440,814
Total Net Position	2,022,850	1,928,741
Total Liabilities and Net Position	\$ 2,056,666	\$ 1,996,335

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

JACKSON VALLEY FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022 with Comparative Totals
For the Fiscal Year Ended June 30, 2021

	Governmental Activities	
	2022	2021
EXPENSES		
Audit expense	\$ 5,750	\$ 5,500
Clothing and personal supplies	30,742	5,183
Communications	10,040	6,242
Depreciation	55,108	72,215
Employee benefits	21,273	13,735
Insurance-general liability, auto and worker's comp	41,063	40,527
Interest expense	-	289
Maintenance-buildings	13,771	8,267
Maintenance-equipment	64,866	13,145
Medical/dental supplies	3,625	8,272
Minor equipment	2,158	7,145
Miscellaneous and special expenses	1,266	2,470
Office supplies	2,782	2,634
Payroll taxes	23,619	21,355
Professional fees	15,939	18,214
Salaries	304,299	301,079
Training	3,860	10,035
Travel/fuel	18,860	14,747
Utilities	13,238	13,647
Total Expenses	<u>632,259</u>	<u>564,701</u>
PROGRAM REVENUES		
Strike team reimbursement	123,069	104,282
Total Program Revenues	<u>123,069</u>	<u>104,282</u>
Net Program Revenues (Expenses)	<u>(509,190)</u>	<u>(460,419)</u>
GENERAL REVENUES		
Property taxes	122,429	114,050
Measure M district tax	386,653	326,662
Special assessment taxes	55,040	55,315
Impact and mitigation fees	21,810	34,050
Donations	1,000	2,500
Intergovernmental Cares Act reimbursement	12,622	9,997
Miscellaneous income	88	824
Interest income	3,657	14,238
Total General Revenues	<u>603,299</u>	<u>557,636</u>
Change in Net Position	94,109	97,217
NET POSITION-beginning of year	<u>1,928,741</u>	<u>1,831,524</u>
NET POSITION-end of year	<u><u>\$ 2,022,850</u></u>	<u><u>\$ 1,928,741</u></u>

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

JACKSON VALLEY FIRE PROTECTION DISTRICT
BALANCE SHEET-GOVERNMENTAL FUNDS
As of June 30, 2022 with Comparative Totals as of June 30, 2021

	Special Revenue Funds				Total 2022	Total 2021
	General Fund	Special Assessment Fund	Measure M Fund	Non Major Governmental Funds		
ASSETS						
Cash:						
Imprest cash					\$ -	\$ 300
Cash with county treasury	\$ 10,308	\$ 279,010	\$ 944,935	\$ 148,123	1,382,376	1,223,074
Total Cash	<u>10,308</u>	<u>279,010</u>	<u>944,935</u>	<u>148,123</u>	<u>1,382,376</u>	<u>1,223,374</u>
Other Current Assets:						
Accounts receivable - strike team	16,275	-	-	-	16,275	5,054
Accounts receivable - assessments	-	-	-	-	-	22,634
Prepaid expenses	-	-	10,057	-	10,057	9,413
Total Other Current Assets:	<u>16,275</u>	<u>-</u>	<u>10,057</u>	<u>-</u>	<u>26,332</u>	<u>37,101</u>
Total Assets	<u>\$ 26,583</u>	<u>\$ 279,010</u>	<u>\$ 954,992</u>	<u>\$ 148,123</u>	<u>\$ 1,408,708</u>	<u>\$ 1,260,475</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accrued expenses	\$ 12,419	\$ -	\$ -	\$ -	\$ 12,419	\$ 11,471
Warrants payable	4,823	-	10,092	-	14,915	28,496
Total Liabilities	<u>17,242</u>	<u>-</u>	<u>10,092</u>	<u>-</u>	<u>27,334</u>	<u>39,967</u>
Fund Balances:						
Nonspendable	-	-	10,057	-	10,057	9,413
Restricted	-	-	934,843	-	934,843	780,812
Unassigned	9,341	279,010	-	148,123	436,474	430,283
Total Fund Balances	<u>9,341</u>	<u>279,010</u>	<u>944,900</u>	<u>148,123</u>	<u>1,381,374</u>	<u>1,220,508</u>
Total Liabilities and Fund Balances	<u>\$ 26,583</u>	<u>\$ 279,010</u>	<u>\$ 954,992</u>	<u>\$ 148,123</u>	<u>\$ 1,408,708</u>	<u>\$ 1,260,475</u>

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

**JACKSON VALLEY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
As of June 30, 2022 with Comparative Totals as of June 30, 2021**

	<u>2022</u>	<u>2021</u>
Total Fund Balances of Governmental Funds	\$ 1,381,374	\$ 1,220,508
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 are not reported in governmental funds	647,958	703,065
Certain liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet.		
Accrued Expenses	-	(21,925)
Compensated absences payable	(5,502)	(4,950)
Warrants Payable	(980)	(752)
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.		
Due from other governments	-	32,795
 Net Position of Governmental Activities	 <u><u>\$ 2,022,850</u></u>	 <u><u>\$ 1,928,741</u></u>

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

JACKSON VALLEY FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2022 with Comparative Totals For the Fiscal Year Ended June 30, 2021

	General Fund	Special Asst Fund	Measure M Fund	Non Major Governmental Funds	Total 2022	Total 2021
REVENUES						
Property taxes	\$ 122,429	\$ -	\$ -	\$ -	\$ 122,429	\$ 114,050
Donations	1,000	-	-	-	1,000	2,500
Impact fees	17,810	-	-	4,000	21,810	34,050
Intergovernmental Cares Act reimbursement	12,622	-	-	-	12,622	9,998
Interest income	89	778	2,446	343	3,656	14,237
Miscellaneous income	88	-	-	-	88	824
Strike team reimbursements	136,106	-	19,331	428	155,865	71,486
Special assessment taxes	-	55,040	386,653	-	441,693	381,977
Total Revenues	290,144	55,818	408,430	4,771	759,163	629,122
EXPENDITURES						
Current:						
Audit	1,500	-	4,250	-	5,750	5,500
Clothing and personal supplies	30,742	-	-	-	30,742	5,183
Communications	10,040	-	-	-	10,040	6,242
Employee benefits	-	-	20,721	-	20,721	13,323
Insurance	15,853	-	25,210	-	41,063	40,528
Maintenance-buildings	13,771	-	-	-	13,771	8,380
Maintenance-equipment	64,866	-	-	-	64,866	12,897
Medical/dental supplies	1,691	-	1,934	-	3,625	8,272
Minor Equipment	2,158	-	-	-	2,158	7,145
Miscellaneous and special expenses	1,267	-	-	-	1,267	2,469
Office supplies	2,555	-	-	-	2,555	2,634
Payroll taxes	9,704	-	13,915	-	23,619	21,355
Professional fees	14,169	-	1,770	-	15,939	18,215
Salaries	142,777	-	183,447	-	326,224	278,742
Training	537	-	3,323	-	3,860	10,035
Travel/fuel	18,679	-	181	-	18,860	14,747
Utilities	13,237	-	-	-	13,237	13,533
Debt service:						
Principal	-	-	-	-	-	10,325
Interest	-	-	-	-	-	289
Total Expenditures	343,546	-	254,751	-	598,297	479,814
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(53,402)	55,818	153,679	4,771	160,866	149,308
NET CHANGE IN FUND BALANCES	(53,402)	55,818	153,679	4,771	160,866	149,308
FUND BALANCES, beginning of year	61,229	8,899	77,063	228,274	1,220,508	1,071,200
FUND BALANCES, end of year	<u>\$ 7,827</u>	<u>\$ 64,717</u>	<u>\$ 230,742</u>	<u>\$ 233,045</u>	<u>\$ 1,381,374</u>	<u>\$ 1,220,508</u>

**JACKSON VALLEY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022 with Comparative Totals
For the Fiscal Year Ended June 30, 2021**

	<u>2022</u>	<u>2021</u>
Net Change in Fund Balances-Total Government Funds	\$ 160,866	\$ 149,308
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 not reported in governmental funds	(55,108)	(72,215)
The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):		
Accrued Expenses	21,925	(21,925)
Compensated absences	(552)	(319)
Warrants Payable	(227)	(752)
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 government funds.		
Due from other governments-strike team	(32,795)	32,795
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	-	10,325
Change in Net Position of Governmental Activities	<u>\$ 94,109</u>	<u>\$ 97,217</u>

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

JACKSON VALLEY FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS-BUDGETS AND ACTUAL
For the Fiscal Year Ended June 30, 2022

	Original and Final General and Special Revenue Budget Amount	Original and Final Measure M Budget Amount	Total Original and Final Budget Amount	Actual	Variance (unfavorable)
REVENUES					
Property taxes	\$ 105,000	\$ -	\$ 105,000	\$ 122,429	\$ 17,429
Donations	-	-	-	13,622	13,622
Interest income	4,800	10,150	14,950	3,657	(11,293)
Impact fees	25,000	-	25,000	21,810	(3,190)
Measure M assessments	-	298,000	298,000	386,653	88,653
Miscellaneous income	2,500	-	2,500	88	(2,412)
Special assessment taxes	51,000	-	51,000	55,040	4,040
Strike team	87,200	24,000	111,200	123,069	11,869
Total Revenues	275,500	332,150	607,650	726,368	118,718
EXPENDITURES					
Audit expense	1,750	4,200	5,950	5,750	200
Capital outlay-building and equipment	20,370	-	20,370	-	20,370
Clothing and personal supplies	31,450	-	31,450	30,742	708
Communications	8,050	-	8,050	10,040	(1,990)
Employee benefits	-	28,750	28,750	21,273	7,477
Insurance	18,100	25,210	43,310	41,063	2,247
Maintenance-buildings	7,500	-	7,500	13,771	(6,271)
Maintenance-equipment	45,000	-	45,000	64,866	(19,866)
Medical/dental supplies	2,200	-	2,200	3,625	(1,425)
Minor Equipment	1,250	-	1,250	2,158	(908)
Miscellaneous and special expenses	3,275	-	3,275	1,266	2,009
Office supplies	3,750	-	3,750	2,782	968
Payroll taxes	14,133	16,805	30,938	23,619	7,319
Professional fees	11,200	5,400	16,600	15,939	661
Salaries	184,750	243,675	428,425	304,299	124,126
Training	9,000	-	9,000	3,860	5,140
Travel/fuel	20,400	8,110	28,510	18,860	9,650
Utilities	14,904	-	14,904	13,238	1,666
Total Expenditures	397,082	332,150	729,232	577,151	152,081
Net Change in Fund Balances	<u>\$ (121,582)</u>	<u>\$ -</u>	<u>\$ (121,582)</u>	<u>\$ 149,217</u>	<u>\$ 270,799</u>

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

**JACKSON VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1- ORGANIZATION AND PURPOSE

Reporting Entity

The Jackson Valley Fire Protection District (herein after known as the District), was created to provide fire protection as a rural volunteer fire department. The District is considered an Independent Special District of the State of California. The District covers an area within Amador County that was established based on boundaries, which encompass the original school districts of Jackson Valley, Buena Vista, Julien, Lancha Plana and Campora as delineated on the official map of Amador County of 1904. A five-person Board of Directors, elected by the citizens for four -year terms, govern the District. The District's legal authority and responsibilities are contained in the State of California Health and Safety Code under the "Fire Protection District Law of 1987".

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation:

Government-wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and assessments that are restricted to meeting the operational requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds. All individual governmental funds are reported as separate columns in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, and reserves, fund equity, revenues and expenditures. The funds have been established for the purpose of accounting for specific activities or attaining certain objectives in accordance with applicable regulations, restrictions or limitations.

Governmental Funds:

The focus of governmental funds' measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The District reports the following major governmental funds:

General Fund is the primary operating fund of the District and is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Measure M Fund is the allocation of an additional voter approved sales tax increase in Amador County.

JACKSON VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Fund Financial Statements - continued

The District reports the following nonmajor governmental funds:

Capital Improvement Funds are used to account for financial resources to be used for major acquisition or construction of buildings and or facilities and acquisition of fire engines or other major fire suppression equipment

Impact Fee Fund - fees collected by Amador County on new development projects.

Special Assessment Fund - special assessment on parcels for the purpose of fire prevention, protection and emergency medical services.

Basis of Accounting:

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 fund financial statements are reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recorded when susceptible to accrual; both measurable and available. "Available" means collectible within the current period or within 90 days after the year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to the general rule is that principal and interest on general obligation long-term debt is recognized when due.

Budgetary Control:

The District establishes the fiscal year as the twelve-month period beginning July 1. The Budget is formally adopted by the Board of Directors by July of each year. The Board complied with this requirement. The District is required to budget expenditures for the General Fund and Measure M. These budgets are 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 monitors monthly expenses using the budgets as a control device. Any expenditures in excess of budgeted amount were covered by the General Fund balance.

Capital Assets:

Capital assets, which include equipment and buildings, are reported in the governmental activity columns in the fund financial statements. All assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Donated labor may also be capitalized. Repairs and maintenance are recorded as expenses. Capital assets are recorded if acquisition or construction cost exceed \$5,000. Improvements and renewals that significantly extend the useful life of the asset are capitalized.

Depreciation expense for June 30, 2022 was \$55,108.

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	5-10 years
Machinery & equipment	5-10 years

JACKSON VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Capital Assets - continued:

Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts, and any resulting gain or loss is included in the results of operations.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Upon sale of capital assets, the proceeds from the sale of capital assets are included in the results of operations as other financing sources.

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 fiscal year ended June 30, 2021, from which the summarized information was derived. Certain amounts have been restated to conform to current year's presentation.

Estimates and Assumptions:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates as assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and 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. The District has one restricted fund, Measure M fund.

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

Fund Financial Statements

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

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

JACKSON VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Fund Financial Statements 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 Jackson Valley Fire Protection District. Commitments may be established, modified, or rescinded only through resolutions or motions approved by the Board.

Assigned - amount 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.

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.

New Accounting Pronouncements:

In February 2016, The FASB issued ASU 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840 Leases. The FASB also subsequently issued the following additional ASU's, which amend and clarify Topic 842: ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU 2018-10 Codification Improvements to Topic 842 Leases; ASU 2018-11, Leases (Topic 842): Targeted Improvements; ASU 2018-20, Narrow-scope Improvements for Lessors; and ASU 2019-01, Leases (Topic 842): Codification Improvements. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

The District elected to adopt these ASUs effective July 1, 2021, and utilized all of the available practical expedients. As the District has not impacted leases on the adoption date, there was no financial impact to net position.

Prepaid Expense:

Prepaid balances are for payments made by the District in the current year to provide for services occurring in the subsequent year.

Revenues:

Property Taxes - The County of Amador, through the Auditor-Controller's Office and the Treasurer-Tax Collector, levies, bills and collects all property taxes for the County, Cities and Special Districts within the County. The County apportions property taxes according to the alternative method of distribution known as the Teeter Plan.

Under the Teeter Plan, the entire current year's secured property tax levy is distributed to participating agencies within the County without consideration of delinquent factors, therefore, no allowance for uncollectible taxes is provided and consequently no receivables are established at the District level at year-end.

JACKSON VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Revenues - continued

The District recognizes property tax revenue when the County distributes and records revenue in to the District's funds. The District's general operations are funded primarily by tax assessments on 2,139 parcels that comprise the District. Amador County is responsible for assessing, collecting and distributing the assessments. Assessments are billed by the County in two installments on secured property bills, which become delinquent after December 10th and April 10th. Liens on real property are established on March 1 for the ensuing year. These special tax charges are incorporated on property tax bills, and therefore are attached as an enforceable lien on real property located within the District.

The County also levies taxes on personal property, known as unsecured taxes. A mid-year completion of construction or transfer of property will generate a supplemental tax bill reflecting the market value at the time. The required payment of this tax is in addition to the regular roll and may be due at various times of the year.

Measure M district tax - established by local voter approval in 2010, Measure M funds are funded by an additional state sales tax of one-half cent. Revenue from Measure M will provide funding for personnel to allow for 24/7 coverage of existing fire stations in Amador County. The State Board of Equalization allocates the sales tax based on each counties proportionate share of statewide taxable sales. Measure M proceeds are allocated by the County per the voter approved measure. Only the Board of Supervisors can amend that allocation. Measure M funds are legally restricted to expenditures for specified purposes.

Special assessment taxes - established by voter approval June 1999 by Measure X for adoption of an Ordinance establishing a special tax for fire prevention, fire protection, and emergency medical services, purposes under Government Code Section 50077 (uncodified). The special assessment fund imposes a tax of \$30 per parcel for all improved parcels of real property and \$20 per parcel for all unimproved real property.

Impact and mitigation fees - established through an ordinance dated April 1995 and approved by the County of Amador, imposes a fee on new development projects within the District's area. The District is responsible for collecting the fees and determining their use. In 2022 the District received mitigation fees from the East Bay Municipal Utility District in the amount of \$17,810.50.

Strike team reimbursement - The District receives reimbursements from various government agencies for approved costs of fire services performed, including the cost of staffing and use of equipment performing fire protection services. The reimbursements are reported at the gross amounts billed, while reductions in billing are reported separately.

Donations - The District occasionally receives donations from private organizations, other government agencies or individuals. The Board approves how donations will be spent.

NOTE 3- CASH

Amador County acts as a financial agent for the District, and as such, holds the District's cash and investments within Amador 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 Amador County Treasurer receive quarterly allocations of County investment income based on the District's share of cash in relation to the total invested cash by the County.

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

JACKSON VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3- CASH -continued

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 is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's bank deposits are required by state law to be secured by the deposit of certain securities with the District or trustee institution. The value of the securities must amount to the total of the District's cash not insured by the Federal Deposit Insurance Corporation.

To mitigate the above risks, the District holds all its funds with the County of Amador, which has detailed formal policies. Required disclosure information regarding categorization of investments, credit risk, interest rate risk and concentration of credit risk disclosures can be found in the County's financial statements. The County's financial statements may be obtained by contacting the County of Amador Auditor-Controller's Office at 810 Court Street, Jackson, CA 95642 or by visiting the following website: <http://www.amadorgov.org/government/auditor/county-audits>

Restricted cash consists of funds in the Measure M Fund. These monies have restricted purposes as described in Note 2 *Revenue*.

NOTE 4- ACCOUNTS RECEIVABLE

Accounts receivable consist of strike team reimbursements due from other governmental agencies. Strike team receivables are deemed to be entirely collectible by management. Therefore, no allowance for uncollectible accounts has been made.

NOTE 5- CAPITAL ASSETS

Capital assets at June 30, 2022, consisted of the following:

	Beg. Balance 7/1/2021	additions	deletions	End Balance 6/30/2022
Capital assets not being depreciated:				
Land	\$ 1,000	\$ -	\$ -	\$ 1,000
Total capital assets not being depreciated	1,000	-	-	1,000
Capital assets being depreciated:				
Buildings and improvements	932,109	-	-	932,109
Equipment	1,056,743	-	(4,275)	1,052,468
Total capital assets being depreciated	1,988,852	-	(4,275)	1,984,577
Less accumulated depreciation	(1,286,787)	(55,108)	4,276	(1,337,619)
Total capital assets being depreciated, net	702,065	(55,108)	1	646,958
Total capital assets, net				<u><u>\$ 647,958</u></u>

JACKSON VALLEY FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6- COMPENSATED ABSENCES

Compensated absences consist of accrued paid time off. The District provides eligible staff with paid vacation leave and sick leave. Accrued paid time off is a liability and an expense in the year earned. Employees accrue paid time off based on the number of hours worked each month and length of time employed by the District. Accrued time is paid to employees at the rate of pay in effect when the time is used. Only accrued vacation time is payable in full upon termination of employment.

NOTE 7- 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 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. Since assets held under this plan are not the District's property and are not subject to District control, they have been excluded from these financial statements.

The District changed the employer contribution allocation during the fiscal year from a flat contribution to a 3% employer match. The District contributes an additional \$400 per month for employees who elect out of medical insurance coverage. For the fiscal year ended June 30, 2022, employee contributions totaled \$3,947 and employer contributions totaled \$12,736.

NOTE 8- COMMITMENTS AND CONTIGENCIES

The District is unaware of any claims against it, which may have a material effect on the financial statements as of June 30, 2022.

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; and natural disasters. The District purchases general liability insurance through a commercial coverage company.

NOTE 10 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 19, 2023, the date the financial statements were available to be issued and determined there were no significant events to report.