

LOCKWOOD FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED
JUNE 30, 2023 and 2022

LOCKWOOD FIRE PROTECTION DISTRICT

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-8
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	11-12
Statement of Revenues, Expenditures, and Changes in Fund Balance	13-14
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position	15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Government-Wide Statement of Activities	16
Notes to basic Financial Statements	17-25
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Information	26-27
Notes to Required Supplementary Information	28



Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lockwood Fire Protection District
Volcano, CA

Opinions

We have audited the accompanying financial statements of the and for the years ended June 30, 2023, and 2022 and the related notes to the financial statements, which collectively comprise the Lockwood Fire Protection District basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Lockwood Fire Protection District as of June 30, 2023, and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special District. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Lockwood Fire Protection District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 the Lockwood Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are 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 our 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, we:

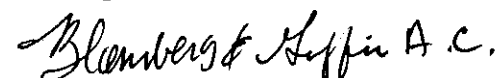
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Lockwood Fire Protection District's 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lockwood Fire Protection District's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8, and statement of revenue, expenditures, changes in fund balances- budget and actual on pages 26-27 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, which 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.


Blomberg & Griffin A.C.
Stockton, California
April 10, 2024

LOCKWOOD FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2023 and 2022

This section of the annual financial report of the Lockwood Fire Protection District (District) presents our discussion and analysis of the District's financial performance during the fiscal years ended June 30, 2023, and 2022. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements, including the notes and the supplementary information that immediately follow this section.

FINANCIAL HIGHLIGHTS

The following summarizes the District's financial highlights for the year ended June 30, 2023.

Fiscal Year 2022-23 - District-wide:

- The change in net position from operations and general revenues decreased the District's net position by \$157,020 during the year.
- The total revenues from all sources for the year were \$303,914.
- The total cost of the District's programs for the year was \$460,934.

Fiscal Year 2022-23 - Fund Level:

- Governmental Fund balances decreased to \$377,733 from \$501,542.
- Governmental Fund revenues totaled \$303,914 for the year, a decrease of \$132,685 from the prior fiscal year due to intergovernmental revenue.
- Governmental fund expenditures totaled \$427,723 representing a decrease of \$255,638 compared to the prior year due to the purchase of capital items.
- Actual resources received in the Governmental Funds exceeded the final budget by \$63,914. The actual expenditures were \$56,837 less than the budget. The positive revenue variance is largely due to Measure M assessments. The positive expenditure variance is primarily due to capital outlay and stations and strike team wages.

Fiscal Year 2022-23 - General Fund:

- The General Fund reported revenues of \$110,351, a decrease of \$88,131 from the prior year. The decrease was primarily due to intergovernmental revenue.
- General Fund expenditures of \$165,122, represent a decrease of \$290,362.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$84,609.

LOCKWOOD FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2023 and 2022

FINANCIAL HIGHLIGHTS (Continued)

The following summarizes the District's financial highlights for the year ended June 30, 2022.

Fiscal Year 2021-22 - District-wide:

- The change in net position from operations and general revenues decreased the District's net position by \$163,993 during the year.
- The total revenues from all sources for the year were \$436,599.
- The total cost of the District's programs for the year was \$600,546.

Fiscal Year 2021-22 - Fund Level:

- Governmental Fund balances decreased to \$501,541 from \$748,304.
- Governmental Fund revenues totaled \$436,599 for the year, a decrease of \$159,953 from the prior fiscal year due to intergovernmental revenue.
- Governmental fund expenditures totaled \$683,361 representing an increase of \$88,811 compared to the prior year due to the purchase of capital items.
- Actual resources received in the Governmental Funds exceeded the final budget by \$171,599. The actual expenditure was \$124,542 over the budget. The positive revenue variance is largely due to Measure M assessments. The negative expenditure variance is primarily due to capital outlay.

Fiscal Year 2021-22 - General Fund:

- The General Fund reported revenues of \$198,482, a decrease of \$250,300 from the prior year. The decrease was primarily due to intergovernmental revenue.

General Fund expenditures of \$455,484 represent an increase of \$133,760.

- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$38,734.

LOCKWOOD FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2023 and 2022

FINANCIAL HIGHLIGHTS (continued)

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the government-wide statements.

The fund financial statements are composed of:

- Governmental fund statements, which tell how basic services were financed in the short term, as well as what remained for future spending.

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities report information about the District as a whole and its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net Position and changes in them. Net Position is the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. To assess the overall health of the District, you need to consider additional non-financial factors including the condition of the District's buildings and other facilities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund financial statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to record specific sources of funding and spending on particular programs:

- Some funds are required by law and covenants.

LOCKWOOD FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2023 and 2022

FINANCIAL HIGHLIGHTS (continued)

Fund financial statements (continued)

- The District establishes other funds to control and manage money for a particular purpose or to show that certain revenues have been properly used.

Governmental funds

Most of the District's basic services are reported in governmental funds which generally focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting, which measures cash, and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent soon to finance the District's programs.

Because this information does not encompass the additional long-term focus of the government-wide statement, we provide additional information of the governmental fund statements that explain the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The following table presents a summary of the District's Statement of Net Position by category as of June 30, 2023, and 2022.

TABLE 1: SUMMARY OF NET POSITION AS OF,

	June 30, 2023	June 30, 2022	June 30, 2021	2023 vs. 2022		2022 vs. 2021	
				\$	%	\$	%
Assets							
Cash and Investments	\$ 379,950	\$ 564,619	\$ 749,454	\$(184,669)	-32.71%	\$(184,835)	-24.66%
Accounts Receivable & Other Assets	7,730	40,834	2,139	(33,104)	-81.07%	38,695	1809.02%
Capital Assets - Net	425,788	459,000	388,074	(33,212)	-7.24%	70,926	18.28%
Total Assets	\$ 813,468	\$ 1,064,453	\$ 1,139,667	\$(250,985)	-23.58%	\$ (75,214)	-6.60%
Liabilities							
Current and other Liabilities	\$ 9,947	\$ 103,911	\$ 3,288	\$ (93,964)	-90.43%	\$ 100,623	3060.31%
Long-Term Liabilities	-	-	11,844	-	0.00%	(11,844)	-100.00%
Total Liabilities	9,947	103,911	15,132	(93,964)	-90.43%	88,779	586.70%
Net Position							
Invested in Capital Assets, Net of Restricted	425,788	459,000	376,230	(33,212)	-7.24%	82,770	22.00%
Unrestricted	250,004	332,420	322,181	(82,416)	-24.79%	10,239	3.18%
	127,729	169,122	426,124	(41,393)	-24.48%	(257,002)	-60.31%
Total Net Position	\$ 803,521	\$ 960,542	\$ 1,124,535	\$(157,020)	-16.35%	\$ (163,993)	-14.58%

LOCKWOOD FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2023 and 2022

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

A summary of the total District statement of activities is presented in the table below.

TABLE 2 - SUMMARY OF STATEMENT OF ACTIVITY

	June 30, 2023	June 30, 2022	June 30, 2021	2023 vs. 2022		2022 vs. 2021	
				\$	%	\$	%
Revenues							
Program Revenues:	\$ 32,107	\$ 106,477	\$ 405,418	\$ (74,370)	-69.85%	\$ (298,941)	-73.74%
General Revenues:	271,807	330,076	190,253	(58,269)	-17.65%	139,823	73.49%
Total Revenues	303,914	436,553	595,671	(132,639)	-30.38%	(159,118)	-26.71%
Program Expenses	460,934	600,546	419,121	(139,612)	-23.25%	181,425	43.29%
Changes in Net Position	(157,020)	(163,993)	176,550	6,973	-4.25%	(340,543)	-192.89%
Net Position, beginning of the year	960,542	1,124,535	947,985	(163,993)	-14.58%	176,550	18.62%
Net position, end of the year	\$ 803,521	\$ 960,542	\$ 1,124,535	\$ (157,021)	-16.35%	\$ (163,993)	-14.58%

Capital Assets

As of June 30, 2023, and 2022, the District had invested a net amount of \$387,680 and \$459,000 respectively, in capital assets (including additions, deductions, and depreciation). The following outlines capital assets at year-end and a detailed listing of the year's capital improvements.

TABLE 3: CAPITAL ASSETS

	June 30, 2023	June 30, 2022	June 30, 2021	2023 vs. 2022		2022 vs. 2021	
				\$	%	\$	%
Capital Assets:							
Buildings and Improvements	\$ 380,931	\$ 380,931	\$ 351,670	\$ -	0.00%	\$ 29,261	8.32%
Vehicles	753,982	753,982	753,982	-	0.00%	-	0.00%
Equipment	318,223	318,223	255,846	-	0.00%	62,377	24.38%
Total Capital Assets	1,453,136	1,453,136	1,361,498	-	0.00%	91,638	6.73%
Accumulated Depreciation:							
Buildings and Improvements	102,044	95,861	88,039	6,183	6.45%	7,822	8.88%
Vehicles	741,982	740,483	740,219	1,499	0.20%	264	0.04%
Equipment	183,322	157,792	145,166	25,530	16.18%	12,626	8.70%
Total Accumulated Depreciation	1,027,348	994,136	973,424	33,212	3.34%	20,712	2.13%
Net Capital Assets	\$ 425,788	\$ 459,000	\$ 388,074	\$ (33,212)	-7.24%	\$ 70,926	18.28%

LOCKWOOD FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2023 and 2022

Budgetary Highlights

Budget Summary as of June 30, 2023:

As finalized by the Board of Directors, the budgeted revenue and expenditures totaled \$240,000 and \$484,560 respectively. The revenues were more than the budget by \$63,914 and expenditures were less than the budget by \$56,837. The overall variance resulted in a positive for \$120,750.

Budget Summary as of June 30, 2022:

As finalized by the Board of Directors, the budgeted revenue and expenditures totaled \$265,000 and \$558,819 respectively. The revenue was more than budgeted by \$171,599 and expenditures were more than budgeted by \$124,542. The overall variance resulted in a positive \$47,057.

Long Term Debt

The District had no outstanding debt as of the fiscal year ending June 30, 2023.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, contact Lockwood Fire Protection District, P.O. Box 221, Volcano, CA 95689.

LOCKWOOD FIRE PROTECTION DISTRICT
Statement of Net Position
For the Years Ended June 30, 2023 and 2022

	<u>Governmental Activities 2023</u>	<u>Governmental Activities 2022</u>
Assets		
Current Assets:		
Cash and Investments:		
El Dorado Bank	\$ 7,943	\$ 3,441
County Treasury - General Fund	85,230	101,963
County Treasury - Capital Improvement Fund	36,773	126,795
Restricted Cash and Investments:		
County Treasury - Measure M Fund	250,004	332,420
Accounts Receivable	-	38,695
Interest Receivable	2,855	-
Prepaid Insurance	4,875	2,139
	<hr/>	<hr/>
Total Current Assets	387,680	605,453
Non-Current Assets		
Capital Assets, Net	425,788	459,000
	<hr/>	<hr/>
Total Non-Current Assets	425,788	459,000
	<hr/>	<hr/>
Total Assets	813,468	1,064,453
Liabilities		
Accounts Payable	-	86,030
Accrued Expenses	9,947	17,881
	<hr/>	<hr/>
Total Liabilities	9,947	103,911
Net Position		
Invested in Capital Assets, Net of Related Debt	425,788	459,000
Restricted	250,004	332,420
Unrestricted	127,729	169,122
	<hr/>	<hr/>
Total Net Position	\$ 803,521	\$ 960,542
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The notes to the financial statements are an integral part of this statement.

LOCKWOOD FIRE PROTECTION DISTRICT
Statement of Activities
For the Years Ended June 30, 2023 and 2022

	Governmental Activities 2023	Governmental Activities 2022
Program Expenses		
Fire Protection:		
Audit Expense	\$ 3,500	\$ 3,500
Depreciation	33,212	20,712
Firefighter Supplies and Equipment	26,550	215,806
General Liability Insurance	20,857	14,093
Maintenance - Building	676	736
Maintenance - Vehicle	119,002	102,559
Office Supplies	-	401
Staff Training	9,303	12,241
Station and Strike Team Wages	185,266	180,496
Station Wages Payroll Taxes	13,563	13,749
Utilities	15,601	10,396
Worker's Compensation Insurance	27,505	17,973
Other	5,899	7,883
Total Program Expenses	460,934	600,546
Program Revenues		
Assessment for fire protection services	-	-
Other Income	32,107	106,477
Total Program Revenues	32,107	106,477
Net Program Revenues (Expenses)	(428,827)	(494,068)
General Revenues		
Assessments	70,618	69,824
Impact Fees	2,500	1,500
Mitigation Fees	-	-
Measure M Assessments	190,254	236,089
Donations/Fundraising	-	20,000
Interest expense	-	(45)
Interest Income	8,435	2,708
Total General Revenues	271,807	330,076
Change in Net Position:	(157,020)	(163,993)
Net Position-Beginning of Year	960,542	1,124,535
Net Position-End of Year	\$ 803,521	\$ 960,542

The notes to the financial statements are an integral part of this statement.

LOCKWOOD FIRE PROTECTION DISTRICT

Balance Sheet

For the Year Ended June 30, 2023

	<u>General Fund</u>	<u>Measure M Fund</u>	<u>Total</u>
Assets			
Cash and Investments:			
El Dorado Bank	\$ 7,943	\$ -	\$ 7,943
County Treasury - General	83,758	-	83,758
County Treasury - Capital Improvement	36,773	-	36,773
Fire Impact Fees and Mitigation Cash	1,472	-	1,472
Restricted Cash and Investments	-	250,004	250,004
Account Receivable	-	-	-
Interest Receivable	2,855	-	2,855
Prepaid Insurance	4,875	-	4,875
	<u>137,676</u>	<u>250,004</u>	<u>387,680</u>
Total Assets			
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	-	-	-
Accrued Expenses	9,947	-	9,947
	<u>9,947</u>	<u>-</u>	<u>9,947</u>
Total Liabilities			
Fund Balance			
Restricted	1,472	250,004	251,476
Assigned	41,648	-	41,648
Unassigned	84,609	-	84,609
	<u>127,729</u>	<u>250,004</u>	<u>377,733</u>
Total Fund Balance			
Total Liabilities and Fund Balance			
	<u>\$ 137,676</u>	<u>\$ 250,004</u>	<u>\$ 387,680</u>

The notes to the financial statements are an integral part of this statement.

LOCKWOOD FIRE PROTECTION DISTRICT

Balance Sheet

For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Measure M Fund</u>	<u>Total</u>
Assets			
Cash and Investments:			
El Dorado Bank	\$ 3,441	\$ -	\$ 3,441
County Treasury - General	100,509	-	100,509
County Treasury - Capital Improvement	126,795	-	126,795
Fire Impact Fees and Mitigation Cash	1,454	-	1,454
Restricted Cash and Investments	-	332,420	332,420
Accounts Receivable	38,695	-	38,695
Prepaid Insurance	2,139	-	2,139
	<u>273,033</u>	<u>332,420</u>	<u>605,453</u>
Total Assets			
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	86,030	-	86,030
Accrued Expenses	17,881	-	17,881
	<u>103,911</u>	<u>-</u>	<u>103,911</u>
Total Liabilities			
Fund Balance			
Restricted	1,454	332,420	333,874
Assigned	128,934	-	128,934
Unassigned	38,734	-	38,734
	<u>169,122</u>	<u>332,420</u>	<u>501,542</u>
Total Fund Balance			
Total Liabilities and Fund Balance	<u>\$ 273,033</u>	<u>\$ 332,420</u>	<u>\$ 605,453</u>

The notes to the financial statements are an integral part of this statement.

LOCKWOOD FIRE PROTECTION DISTRICT
Statement of Revenues,
Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2023

	<u>General Fund</u>	<u>Measure M Fund</u>	<u>Total</u>
General Revenues			
Assessments	\$ 70,618	\$ -	\$ 70,618
Grant Revenue	-	-	-
Interest Income	5,126	3,309	8,435
Intergovernmental	32,107	-	32,107
Measure M Assessments	-	190,254	190,254
Impact Fee	2,500	-	2,500
	<u>110,351</u>	<u>193,563</u>	<u>303,914</u>
Total Revenues			
	<u>110,351</u>	<u>193,563</u>	<u>303,914</u>
Expenditures			
Audit Expense	3,500	-	3,500
Firefighter Supplies and Equipment	26,111	440	26,551
General Liability Insurance	-	20,857	20,857
Maintenance - Building	676	-	676
Office Supplies	-	-	-
Public and Legal Notices	-	-	-
Vehicle Expenses	119,002	-	119,002
Staff Training	-	9,303	9,303
Station and Strike Team Wages	-	185,266	185,266
Station Wages Payroll Taxes	-	13,563	13,563
Utilities	15,601	-	15,601
Worker's Compensation Insurance	-	27,505	27,505
Other	232	5,667	5,899
Principal Retirement	-	-	-
Interest Expense	-	-	-
Capital Outlay	-	-	-
	<u>165,122</u>	<u>262,601</u>	<u>427,723</u>
Total Expenditures			
	<u>165,122</u>	<u>262,601</u>	<u>427,723</u>
Excess (under) revenue of expenditures	<u>(54,771)</u>	<u>(69,038)</u>	<u>(123,809)</u>
Other Financing Sources (Uses)			
Transfers	13,378	(13,378)	-
	<u>13,378</u>	<u>(13,378)</u>	<u>-</u>
Net Change in Fund Balance	<u>(41,393)</u>	<u>(82,416)</u>	<u>(123,809)</u>
Fund Balances-Beginning of Year	<u>169,122</u>	<u>332,420</u>	<u>501,542</u>
Fund Balances-End of Year	<u>\$ 127,729</u>	<u>\$ 250,004</u>	<u>\$ 377,733</u>

The notes to the financial statements are an integral part of this statement.

LOCKWOOD FIRE PROTECTION DISTRICT
Statement of Revenues,
Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Measure M Fund</u>	<u>Total</u>
General Revenues			
Assessments	\$ 69,824	\$ -	\$ 69,824
Grant Revenue	20,000	-	20,000
Interest Income	681	2,028	2,709
Intergovernmental	106,477	-	106,477
Measure M Assessments	-	236,089	236,089
Mitigation Fees	1,500	-	1,500
	<u>198,482</u>	<u>238,117</u>	<u>436,599</u>
Expenditures			
Audit Expense	3,500	-	3,500
Firefighter Supplies and Equipment	215,803	-	215,803
General Liability Insurance	14,096	-	14,096
Maintenance - Building	736	-	736
Office Supplies	402	-	402
Public and Legal Notices	1,247	-	1,247
Vehicle Expenses	102,558	-	102,558
Staff Training	-	12,242	12,242
Station and Strike Team Wages	-	180,496	180,496
Station Wages Payroll Taxes	-	17,167	17,167
Utilities	10,396	-	10,396
Worker's Compensation Insurance	-	17,973	17,973
Other	3,218	-	3,218
Principal Retirement	11,844	-	11,844
Interest Expense	45	-	45
Capital Outlay	91,638	-	91,638
	<u>455,483</u>	<u>227,878</u>	<u>683,361</u>
Excess (under) revenue of expenditures	(257,001)	10,239	(246,762)
Other Financing Sources (Uses)			
Transfers	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(257,001)	10,239	(246,762)
Fund Balances-Beginning of Year	426,123	322,181	748,304
Fund Balances-End of Year	<u>\$ 169,122</u>	<u>\$ 332,420</u>	<u>\$ 501,542</u>

The notes to the financial statements are an integral part of this statement.

LOCKWOOD FIRE PROTECTION DISTRICT
Reconciliation of the Balance Sheet
to the Statement of Net Position
For the Years Ended June 30, 2023 and 2022

	2023	2022
Total Fund Balances - Governmental Funds	\$ 377,733	\$ 501,542
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets, Net of Liabilities used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental Capital Assets	1,453,136	1,453,136
Accumulated Depreciation	(1,027,348)	(994,136)
Net Position of Governmental Activities	\$ 803,521	\$ 960,542

The notes to the financial statements are an integral part of this statement.

LOCKWOOD FIRE PROTECTION DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance to the Statement of Activities,
For the years Ended June 30, 2023 and 2022

	2023	2022
Net Change in Fund Balances - Governmental Funds	\$ (123,809)	\$ (246,762)
<p>Amounts reported for governmental activities in the statement of net Position are different because:</p> <p>Capital outlays is reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p>		
Capital Outlay	-	91,638
Current year depreciation	(33,212)	(20,712)
<p>Governmental funds report the issuance of debt as an other financing source and principal retirements as expenditures. However, in the statement of net position the issuance of debt and principal payments increase debt and principal payment reduce debt.</p>		
	-	11,844
Change in Net Position of Governmental Funds	\$ (157,020)	\$ (163,993)

The notes to the financial statements are an integral part of this statement.

LOCKWOOD FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2023 and 2022

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The District provides fire protection and first emergency medical response to the citizens and property owners of the unincorporated area surrounding the towns of Volcano and Fiddletown, located in Amador County, California. The District is considered an Independent Special District of the State of California. Assessments are collected on 1,237 parcels, occupied and vacant. A five-member Board of Directors, who serves for a four-year term, governs the District.

B. Basis of Presentation

Government-Wide Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net positions) report information on all of the activities of the District.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements but differs from how governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function.

The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

LOCKWOOD FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2023 and 2022

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (continued)

Fund Financial Statements:

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column. All of the District's funds were considered major.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds' present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing use) in net current assets.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Governmental funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Revenues considered susceptible to accrual include property taxes and interest income. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received, or services are rendered).

D. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund types and funds utilized by the District are described as follows:

LOCKWOOD FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2023 and 2022

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (continued)

Major Governmental Funds:

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The District reports the following major special revenue fund:

Measure M Fund – Established by voter approval in 2010, Measure M funds are funded by an additional state sales tax. The State Board of Equalization allocates the sales tax based on each county’s proportionate share of statewide taxable sales. Only the Measure M fund is legally restricted to expenditures for specified purposes.

E. Budgets and Budgetary Accounting

The District’s annual or final budget is the initial budget and any revisions to the budget that have been approved by the Board of Directors. The Board may amend the budget during the fiscal year.

F. Capital Assets

Capital assets are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset’s lives are not capitalized but are expensed as incurred.

Depreciation and all capital assets are computed using a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Assets</u>	<u>Estimated Useful Life in Years</u>
Land	Land	-
Building & Improvements	Fire Stations, Additions	15-40
Vehicle	Furniture, Computers	5
Equipment	Fire Apparatus, Fire Engines	5

LOCKWOOD FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2023 and 2022

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Long –Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. In the fund financial statements, the face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses.

H. Fund Balance Reserves

Reservations of the ending fund balance indicate the portions of fund balance not appropriable for expenditures or amounts legally segregated for a specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

I. Net Position

Net Position represents the difference between assets and liabilities. Net Position invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net position are available.

J. Use of Estimates

The District's management has made certain estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

LOCKWOOD FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2023 and 2022

2. CASH AND CASH INVESTMENTS

A. Cash Deposits

As of June 30, 2023, and 2022, the carrying amount of the District's deposits was \$7,943 and \$3,441, respectively. Bank balances before reconciling items were \$7,943 and \$3,441, at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the District's name as discussed in the following.

The California Government Code requires California banks and savings and loan associations to secure the District's cash deposits by pledging securities as collateral. The Code states that a collateral pledge in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the District's name.

According to California law, the market value of pledged securities with banking institutions must equal at least 110% of the District's cash deposits. California law also allows institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total cash deposits. The District may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

B. Cash with County Treasury

Amador County holds the District's cash and investments within the County's external investment pool. District cash maintained by the County Treasury was \$372,007, and \$561,178, in the fiscal years ended June 30, 2023, and 2022, respectively. The County Treasury's balance was \$372,007, and \$561,178, in the fiscal years ended June 30, 2023, and 2022, respectively. The County sponsors an investment pool that is managed by the County Treasurer. Cash and investment for most County activities are included in the investment pool. All District 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 investment cash by the County.

Government Code Section 53601 governs the County's investment policies. These policies authorize the District to invest in the following types of investments:

LOCKWOOD FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2023 and 2022

2. CASH AND CASH INVESTMENTS (Continued)

B. Cash with County Treasury (continued)

<p>Bonds issued by the State of California And/or any local agency within the State of California</p> <p>Certificates of Deposits (or Time Deposits) Placed with commercial bank and/or Savings and loan companies</p> <p>Local Agency Investment Fund (State Pool) Demand Deposits</p> <p>Medium Term Corporate Notes Commerical Acceptance</p>	<p>Securities of the US Government, or its agencies</p> <p>Negotiable Certificates of Deposit Bankers Acceptences</p> <p>Repurchase Agreements (Repos) Reverse Repurchase Agreements</p> <p>Passbook Savings Account Demand Deposits</p> <p>Mutual Funds holding the above allowable investments</p>
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C. Credit Risk

Governmental Accounting Standards Board Statement No. 3 requires that deposits and investments be classified by credit risk.

Classifications of deposits and investment by credit risk are as follows:

Deposits

- Category 1 – Insured or collateralized with securities held by the entity or by its agents in the entity’s name.
- Category 2 – Collateralized with securities held by the pledging financial institution’s trust department or agent in the entity’s name.
- Category 3 – Deposits which are uninsured or uncollateralized.

Investments

- Category 1 – Insured or registered, with securities held by the entity or its agent in the entity’s name.
- Category 2 – Uninsured and unregistered, with securities held by the counterparty’s trust department or agent in the entity’s name.
- Category 3 – Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the entity’s name.

LOCKWOOD FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2023 and 2022

2. CASH AND CASH INVESTMENTS (Continued)

D. Summary of Cash and Investments

The following is a summary of cash and investments on June 30, 2023, and 2022.

	<u>Credit Risk Category</u>	<u>2023</u>	<u>2022</u>
District Deposits			
Cash with Eldorado Bank	1	\$ 7,943	\$ 3,441
Cash with County Treasury	N/A	372,007	564,619
		<u>\$ 379,950</u>	<u>\$ 568,060</u>

3. CAPITAL ASSETS

An analysis of capital asset balances as of June 30, 2023, is as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
Capital Assets:				
Building and improvements	\$ 380,931	\$ -	\$ -	\$ 380,931
Vehicle	753,982	-	-	753,982
Equipment	318,223	-	-	318,223
Total Capital Assets	<u>1,453,136</u>	<u>-</u>	<u>-</u>	<u>1,453,136</u>
Less Accumulated Depreciation:				
Building and improvements	95,861	6,183	-	102,044
Vehicle	740,483	1,499	-	741,982
Equipment	157,792	25,530	-	183,322
Total Accumulated Depreciation	<u>994,136</u>	<u>33,212</u>	<u>-</u>	<u>1,027,348</u>
Total Capital Assets-Net Depreciation	<u>\$ 459,000</u>	<u>\$(33,212)</u>	<u>\$ -</u>	<u>\$ 425,788</u>

Depreciation expenses for the fiscal years ended June 30, 2023, and 2022, were \$33,212 and \$20,712, respectively.

LOCKWOOD FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2023 and 2022

3. CAPITAL ASSETS

An analysis of capital asset balances as of June 30, 2022, is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital Assets:				
Building and improvements	\$ 351,670	\$ 29,261	\$ -	\$ 380,931
Vehicle	753,982	-	-	753,982
Equipment	255,846	62,377	-	318,223
Total Capital Assets	<u>1,361,498</u>	<u>91,638</u>	<u>-</u>	<u>1,453,136</u>
Less Accumulated Depreciation:				
Building and improvements	88,039	7,822	-	95,861
Vehicle	740,219	264	-	740,483
Equipment	145,166	12,626	-	157,792
Total Accumulated Depreciation	<u>973,424</u>	<u>20,712</u>	<u>-</u>	<u>994,136</u>
Total Capital Assets-Net Depreciation	<u>\$ 388,074</u>	<u>\$ 70,926</u>	<u>\$ -</u>	<u>\$ 459,000</u>

Depreciation expenses for the fiscal years ended June 30, 2022, and 2021, were \$20,712, and \$17,929, respectively.

4. FUND BALANCE CLASSIFICATIONS

In pursuant of GASB 54, District procedures to classify fund balance are as follows:

- Restricted
- Nonspendable
- Committed
- Assigned
- Unassigned

In the Governmental Fund Balance Sheet, the District has three classifications for fund balance: Restricted, Assigned, and Unassigned. The District has classified committed fund balance to fund balance that is restricted by the Board of Directors. The unassigned fund balance is used to classify the fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose.

5. RISK MANAGEMENT

The District is exposed to various risks of losses 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.

LOCKWOOD FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2023 and 2022

6. CONTINGENCIES

In the natural course of events, the District can be named in lawsuits regarding water, facility usage, and water rights. Other events occur that can result in legal action against the District from normal operations. The District purchases insurance to mitigate the possibility of loss from contingencies. No amounts are provided in the accompanying financial statements for such contingencies.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 10, 2024, the date these statements were available to issue. There are no material subsequent events that should be disclosed. If events requiring disclosure have occurred between the balance sheet date and the date the financial statements were available to be issued, they would be disclosed here.

LOCKWOOD FIRE PROTECTION DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Assessments	\$ 70,000	\$ 70,000	\$ 70,618	\$ 618
Impact fees	-	-	2,500	2,500
Interest income	5,000	5,000	8,435	3,435
Intergovernmental	10,000	10,000	32,107	22,107
Measure M assessments	155,000	155,000	190,254	35,254
Total Revenue	240,000	240,000	303,914	63,914
EXPENDITURES				
Audit expense	4,000	4,000	3,500	500
Firefighter supplies and equipment	32,500	32,500	26,551	5,949
General Liability insurance	18,000	18,000	20,857	(2,857)
Maintenance - building and structures	5,000	5,000	676	4,324
Office supplies	2,500	2,500	-	2,500
Public and legal notices	1,000	1,000	-	1,000
Vehicle Expenses	30,000	30,000	119,002	(89,002)
Staff training	2,000	2,000	9,303	(7,303)
Stations and strike team wages	161,280	161,280	185,266	(23,986)
Station wages payroll taxes	15,000	15,000	13,563	1,437
Utilities	10,000	10,000	15,601	(5,601)
Worker's compensation insurance	18,000	18,000	27,505	(9,505)
Other	9,000	9,000	5,899	3,101
Capital outlay	15,000	15,000	-	15,000
Total expenditures	323,280	323,280	427,723	(104,443)
Excess/(Deficiency) of Revenues over/(under) Expenditures			(123,809)	\$ (40,529)
Fund Balance as of June 30, 2022			501,542	
Fund Balance as of June 30, 2023			\$ 377,733	

The notes to the financial statements are an integral part of this statement.

LOCKWOOD FIRE PROTECTION DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Assessments	\$ 70,000	\$ 70,000	\$ 69,824	\$ (176)
Donations and fundraisers	-	-	20,000	20,000
Impact fees	-	-	1,500	1,500
Interest income	10,000	10,000	2,709	(7,291)
Intergovernmental	45,000	45,000	106,477	61,477
Measure M assessments	140,000	140,000	236,089	96,089
	<u>265,000</u>	<u>265,000</u>	<u>436,599</u>	<u>171,599</u>
Total Revenue	<u>265,000</u>	<u>265,000</u>	<u>436,599</u>	<u>171,599</u>
EXPENDITURES				
Audit expense	4,000	4,000	3,500	500
Firefighter supplies and equipment	51,000	51,000	215,803	(164,803)
General Liability insurance	8,500	8,500	14,096	(5,596)
Maintenance - building	27,000	27,000	736	26,264
Office supplies	1,000	1,000	402	598
Public and legal notices	4,000	4,000	1,247	2,753
Vehicle Expenses	104,500	104,500	102,559	1,941
Staff training	2,000	2,000	12,241	(10,241)
Stations and strike team wages	299,542	299,542	180,496	119,046
Station wages payroll taxes	10,000	10,000	17,167	(7,167)
Utilities	10,000	10,000	10,396	(396)
Worker's compensation insurance	10,000	10,000	17,973	(7,973)
Other	5,000	5,000	3,218	1,782
Principal payment	12,277	12,277	11,844	433
Interest expense	-	-	45	(45)
Capital outlay	10,000	10,000	91,638	(81,638)
	<u>558,819</u>	<u>558,819</u>	<u>683,361</u>	<u>(124,542)</u>
Total expenditures	<u>558,819</u>	<u>558,819</u>	<u>683,361</u>	<u>(124,542)</u>
Excess/(Deficiency) of Revenues over/(under) Expenditures			(246,762)	<u>\$ 47,057</u>
Fund Balance as of June 30, 2021			<u>748,304</u>	
Fund Balance as of June 30, 2022			<u>\$ 501,542</u>	

The notes to the financial statements are an integral part of this statement.

LOCKWOOD FIRE PROTECTION DISTRICT
Notes to Required Supplementary Information
June 30, 2023 and 2022

NOTE 1 - BUDGETARY INFORMATION

Annual budgets are adopted on a non-GAAP basis for all governmental funds. All annual appropriations lapse at fiscal year-end.

Before May 31, the proposed budget is presented to the board of directors for review. The board holds public hearings, and the final budget must be prepared and adopted no later than September 30.

The appropriate budget is prepared by character and subject. Transfers of appropriations between characters require the approval of the board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the character level. The board made several supplemental budgetary appropriations throughout the year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be appropriated and honored during the subsequent year. The District had no encumbrances outstanding at fiscal year ended June 30, 2023 and 2022.