

LOCKWOOD FIRE PROTECTION DISTRICT

23141 Shake Ridge Road Volcano, CA 95689

**Meeting of the Board of Directors
Agenda - January 23, 2023 - 6:00 p.m.**

In-person Meeting at Station 151 - 23141 Shake Ridge Rd., Volcano CA 95689

Google Meet:

Video call link: <https://meet.google.com/osw-vamr-cjh>

Or dial: (US) +1 252-776-9046

PIN: 440 963 368#

1. Call to order and reading of the mission statement.

LFPD CREED: The principal purpose of this district is the protection of its citizens through the prevention and extinguishing of fires and the protection of life and property. May each action taken by this board be for the benefit of the district and for no other purpose – self-serving or otherwise.

2. Establish quorum-roll call

3. Closed session. Closed session Authority:

According to the California Government Code 54957, the Lockwood Fire Protection District Board of Directors reserves the right to hold a closed session for consideration of real property negotiations, pending litigation, threats to public buildings or public access and personnel matters. **No closed session.**

4. Public Comments:

PUBLIC MATTERS NOT ON THE AGENDA: Discussion items only, no action to be taken. Any person may address the Board at this time upon any subject within the jurisdiction of the Lockwood Fire Protection District; however, any matter that requires action may be referred to staff and/or Committee for a report and recommendation for possible action at a subsequent Board meeting.

5. Action Items:

a. Official swear-in of newly elected Board Members

Motion: _____ 2nd _____ Vote: Yeas _____ No _____ Absent _____ Abstain _____

b. Elect Board Officers

Motion: _____ 2nd _____ Vote: Yeas _____ No _____ Absent _____ Abstain _____

6. Discussion Items:

None

7. Approval of Minutes from Board Meeting of December 5, 2022

Motion: _____ 2nd _____ Vote: Yeas _____ No _____ Absent _____ Abstain _____

8. Treasurer's report

9. Chief's Report

10. Committee Reports:

Grant Committee
Fiscal and Planning Committee
Policies and Procedures Committee
Building and Maintenance Committee
Communications and Outreach
LFPD/AFPDP Consolidation Ad-Hoc

11. Auxiliary Report

12. Adjournment

Motion: _____ 2nd _____ Vote: Yeas _____ No _____ Absent _____ Abstain _____

Next Board Meeting: February 27, 2023

Lockwood Fire Protection District

Board Meeting Minutes

December 5th, 2023

Board Meeting: 6:00pm

Board Attendees: Kelly McGee, JoAnne McLachlan, Cookie Stevens, Don Dowell (virtually) and Jan Hewitt

Public Comment:

Question: whereabouts of the old sign at Station 152 - Chief Withrow confirmed adequate signage has been placed on the premise to identify the station and another sign will be ordered and placed on the building. Chief Withrow also confirmed and clarified Station 152's use and staffing.

Question: clarification of staffing for both stations - Again, Chief Withrow clarified use and staffing of both stations, responding that the bulk of LFPD's staffing is at Station 151 (striving to keep staffed at all times), and Station 152 is staffed with volunteers who live closer to 152 and additional necessary staff depending on activity.

Approval of October Meeting Minutes: Don clarified the 2022 FEMA grant is on hold as FEMA has not released guidelines for this grant yet and requested the minutes be amended to reflect this clarification.

Minutes approved with amendments - CS Motioned DD Seconded Yeas: 4 Nay: 0 Absent: 0 Abstain: 1

Treasurer Report - See attached. Parcel audit continues: 70 parcels on list that LFPD is not currently collecting taxes on. The pursuit of retroactive pay is most likely not viable. Tim Worny and Chief Withrow are auditing which parcels are developed and which are not as this affects the amount taxed.

Chief's Report:

- 17 Volunteers - 3 more to attend next Academy - good standing number, no further recruitment planned for this year
- Driver Operator training is happening currently
- Engines and Squads are all equipped with snow chains
- Brian Jones is working on getting qualified to teach American Heart Association CPR
- Vehicle Maintenance Program is up to date
- Participating in Santa Parade in Amador Pines
- Auxiliary is hosting Cookies with Santa
- Patrick Tobin has completed his FF task book and was pinned last week at training
- Hydrants in La Mel heights have all been tested and serviced, will be painted in Spring
- Water tanks have been looked at by AWA - goal is to produce 400 gallons per minute; possible funding from SPI for upgrades to our tanks (approx 15-20k)
- Chief Withrow is requesting Emergency Phones for each station from Volcano Telephone in light of the fact that these are not 24-hr facilities and the public needs to be able to access 911
- Bay Station radio is in and Tom is working on installing a couple external speakers, keeping our neighbors in mind in regard to mitigating disruptive volume levels
- Second WT at 152 from AFD for our use
- Call volume:

	VEG FIRES	STRUCTURE FIRES	OTHER FIRES	VEHICLE ACCIDENTS	MEDICALS	PUBLIC ASSISTS	Total
CALFP	1	1	3	3	19	4	31

Committee Reports

Grants - Don Dowell waiting for FEMA to issue guidelines before applying for next grant

Fiscal Planning - none

Policy - none

Building/Maintenance - Lee Gravesen did grading work. Ice machine was donated by Mark and Tracy Berkner.

Outreach - Website is going well, events are being promoted via Social Media platform, new payment portal is being investigated as well as mobile credit card payment options

LFPD/AFP Consolidation Ad Hoc - none

Auxiliary Report - see attached

Action Items -

a) Addendum to JOA for Fire Chief Services - Chief Withrow clarified a JOA is not a "consolidation". The proposed addendum (Addendum B) to the JOA will include Chief Officer Services for LFPD through AFPD. Addendum A has been left blank for the opportunity to include an MOU, should one become necessary. Chief Withrow has accepted a position with AFPD as Deputy Fire Chief, however, he does not want to leave LFPD and wants to maintain consistent, successful Chief Officer services for the District. Chief Withrow read Addendum B aloud to the Board and Public. KM agrees with the Addendum, JM agrees with the Addendum, CS agrees with the Addendum, DD would like to see a "term" implemented - revisit JOA when there is a change at the Chief Officer level with AFPD.

Public comment:

Question: whether a time allotment will be given for Chief Officer services at LFPD - answer was no. Chief Withrow's office will remain at Station 151 and is accessible 24/7 to the staff and public.

Statement: community member would like to see more staffing at Station 152 - Chief Withrow agreed, however, there is currently not enough staff to warrant 152 being staffed regularly.

Clarification was requested regarding budget expenditures - Tim Worny, Chief Withrow and Jan Hewitt clarified desperately needed apparatus updates which had been deferred for many years.

Staffing question posed regarding AFPD Fiddletown Station - Chief Withrow answered that the station is currently not staffed, but recruitment is happening to obtain Volunteer FF's to help staff this station.

Question: whereabouts of LFPD WT? - It is located at 151, and AFPD WT is located at 152.

Question: what is the benefit for AFPD regarding JOA - Chief Withrow answered: Joint Volunteer Academy, plan to move 6546 to Station 111 due to Rescue Equipment availability and being closer to Hwy 88 where it would be utilized more, sharing resources, sharing personnel, etc.

Question: what is the "pickup purchase" in budget? - Holding off until budget is healthier.

Question: LFPD Equipment on ST - What is funding structure for this? Would like to see LFPD benefit from Mutual Aid - Chief Withrow will not limit our opportunity to participate.

Question: will Chief Withrow formally resign from LFPD? Chief Withrow said he can and will if that is the wish of the Board. Other Public member doesn't see problem with optics of Chief Withrow being Fire Chief for LFPD and Deputy Fire Chief for AFPD. Chief Withrow doesn't want to do both, although completely legal, the optics

aren't favorable for Chief Withrow and he'd rather not raise those issues and has no intentions of trying to make more money.

Question: Chief Withrow not getting lost to LFPD - Chief Withrow said he will stay at LFPD for the duration of the JOA and will be accessible through LFPD consistently, with no decrease in time spent at LFPD.

Question: in regard to payment up to this point through LFPD, was it still \$3500; Clarification of AFPD duties while providing Chief Officer Services to LFPD. Chief Withrow answered: Stipend will still be \$3500; Chief Withrow will be handling all Operations for AFPD, Volunteer Training and Recruitment, and is confident in his capacity to successfully perform in both positions.

Approval of Addendum to the JOA for Fire Chief Services (with recommended changes to the JOA suggested by DD) - CS motioned JM seconded Yeas: 5 Nay: 0 Absent: 0 Abstain: 0

Adjourned: 7:52pm

Next Meeting: February 27th, 2023

DRAFT

LOCKWOOD FIRE PROTECTION FY2023			BALANCE SHEET			
			11/30/2022			
	ASSETS:					
101780	Cash - General Fund		\$	118,969		
101785	Cash - Capital Improvement Fund		\$	1,330		
101786	Cash-Measure M & Prop 172		\$	314,088		
115001	Cash - El Dorado Savings/WestAmerica		\$	270		
	Total Cash & Investments		\$	434,657		
142000	Prepaid Expenses		\$	2,139		
150620	Fixed Assets-Structure		\$	351,670		
150630	Fixed Assets-Equipment		\$	1,009,828		
150631	Fixed Assets-Depreciation		\$	(973,424)		
	Total		\$	824,870		
	LIABILITIES AND FUND BALANCES:					
	Liabilities		\$	210,432		
	Investment in Fixed Assets		\$	426,187		
	Reserves and Control Balances		\$	188,252		
	Total		\$	824,870		
			INCOME STATEMENT			
		M			Year	Annual
	Revenues:			Month	to-date	Budget
44100	Interest income				\$1,401	\$5,000
45640	Intergovernmental				\$0	
45641	Prop 172				\$0	
45641	Measure M	\$110,089		\$18,519	\$110,089	\$155,000
46024	Mitigation Fees				\$0	
46025	Impact Fees				\$0	
47010	Assessments				\$0	\$70,000
47890	Donations/Fundraisers				\$0	
47890	Other (Strike Team, AFPD, etc.)			insurance pay truck damage	\$16,042	\$10,000
	Total Revenues	\$110,089		\$34,561	\$174,579	\$240,000
	Expenditures:					
50100	Salaries - Firefighters	\$77,019		\$14,239	\$77,019	\$161,280
50310	FICA - Firefighters	\$5,892		\$1,089	\$5,892	\$15,000
50500	Workers Comp Insurance	\$15,886			\$15,886	\$18,000
50600	Unemployment Insurance	\$758		\$118	\$758	\$2,000
51500	Insurance & Bonds	\$0			\$23,593	\$18,000

51800	Maintenance - Buildings & Structures	\$0			\$428	\$5,000		
51900	Supplies-Firefighters	\$0		\$1,453	\$9,019	\$32,500		
52200	Office Expense	\$0			\$0	\$2,500		
52300	Professional & Services	\$0		\$130	\$1,010	\$5,000		
52302	Outside Legal	\$0			\$232	\$2,000		
52328	Professional Services - Audit	\$0			\$0	\$4,000		
52400	Public & Legal Notices	\$0			\$0	\$1,000		
52870	Staff Training	\$5,320			\$5,320	\$2,000		
52900	Vehicle Expenses	\$0			\$172,692	\$15,000		
52900	Vehicle Expenses-FUEL	\$0		\$232	\$712	\$10,000		
56200	Equipment / repairs	\$0			\$5,405	\$5,000		
53000	Utilities	\$0		\$573	\$3,511	\$10,000		
	Subtotal Expenses	\$104,876		\$17,834	\$321,477	\$308,280		
	Excess of Revenue over (under) Expenditures before loan payments	\$5,213		\$16,727	(\$146,898)	(\$68,280)		
				CAPITAL ACTIVITY				
56100	Buildings and Improvements				\$0	\$0		
56200	Capital Equipment				\$0	\$15,000		
	Subtotal Expenses			\$0	\$0	\$15,000		
	Total Expenses			\$17,834	\$321,477	323,280		
	Excess of Revenue over (under) Expenditures after loan payments	\$5,213		\$16,727	(\$146,898)	(\$83,280)		
		Total M						

Minutes of LFPD Auxiliary Meeting

December 5, 2022 - 11:00 AM - Station 151

1. **Call meeting to order:** The meeting was called to order at 11:00 a.m. by President Megan Watts. Those attending: President Megan Watts, Vice President Sarah Rasheed, Treasurer Terry Bolyard, Secretary Deb Elliot, Lynn Graveson, Dyann Paradise, Bill McKenna and Hardeep Sullen.
2. **Minutes of the November 14, 2022 LFPD Auxiliary meeting:** Minutes of the November 14, 2022 meeting were distributed prior to the meeting for members to review and comment on. Comments were incorporated into the minutes. The minutes were approved, as revised.
3. **Treasurer's Report:** Terry reported that the current account balances are: \$1,729 in checking and \$6,000 in savings.

OLD BUSINESS

- A. **Giving Tuesday:** Final results from Giving Tuesday, held on November 29, 2022, were not yet in but Megan reported that initial donations totalled approximately \$1,700.
- B. **Donation Portal Update:** Hardeep reported that SWIPE would not be used due, in part, to personal privacy issues. Megan will work with Terry to implement SQUARE as the portal of choice.

NEW BUSINESS

- A. **District Operational Update:** Sarah reported that the District has 17 volunteers, including four new recruits, who finished Academy training. She also reported that the annual Santa Cruise would be on December 17, 2022. Last, she stated that the Lockwood and Amador Fire Protection Districts were continuing to work closely together and sharing resources which benefited both Districts. Chief Withrow will be working for the Amador Fire Protection District but contracted out as Lockwood's Fire Chief also. There was an article in Upcountry News, by Chief Withrow, detailing this action.
- B. **Cookies With Santa Event Logistics:** Alan Sorensen volunteered to be Santa for this event, held December 14, 2022, from 5:30 pm to 7:30 pm at Station 151. Auxiliary members were asked to bring cookies and LFPD would supply coffee, hot cocoa, a Christmas tree and props. Dyann volunteered to bring Christmas tablecloths and lights for the tree. Set up was scheduled to start at 4:30 pm.
- C. **LFPD Board Update:** Jan was unable to attend this meeting and so this update was deferred until the next Auxiliary meeting.
- D. **Fundraiser Schedule:** Discussion continued, primarily about a possible Spring Event at the Armory Hall in downtown Volcano. The event would be Bingo Night. Discussion included possible prizes, admission and game fees, hall rental costs and related topics. There are many details yet to be discussed on this topic.

E. SWAG: There is a desire to make and sell SWAG to support the LFPD. The actual products that would be sold and who will make the items is To Be Determined.

New and Out-Going Members: Deb Elliot resigned her position as Secretary and notified the group that she was leaving the Auxiliary. She offered to continue to run and coordinate bi-annual Clothing FUND DRIVES in April and September 2023, if the Auxiliary wanted her to do this.

MEMBERS COMMENTS AND SUGGESTIONS: There were no additional suggestions outside the items discussed above.

ADJOURNMENT: The meeting adjourned at 12:30 PM.

Next LFPD Auxiliary Meeting will be at Station 151: January 9, 2023 at 11:00 a.m.

LOCKWOOD FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED
JUNE 30, 2022 and 2021

LOCKWOOD FIRE PROTECTION DISTRICT

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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, 2022, and 2021 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, 2022 and 2021, 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 page 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, 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.

Blomberg & Griffin A.C.
Stockton, California
October 06, 2022

LOCKWOOD FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2022 and 2021

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, 2022 and 2021. 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, 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 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 purchase of capital items.
- Actual resources received in the Governmental Funds exceeded the final budget by \$171,599. The actual expenditures were \$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 decreased of \$250,300 from the prior year. The decrease was primarily due to intergovernmental revenue.
- General Fund expenditures of \$455,484 represents an increase of \$133,760.

LOCKWOOD FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2022 and 2021

FINANCIAL HIGHLIGHTS (Continued)

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

The following summarizes the District's financial highlights for the year ended June 30, 2021.

Fiscal Year 2020-21 - District-wide:

- The change in net position from operations and general revenues increased the District's net position by \$176,550 during the year.
- The total revenues from all sources for the year were \$596,552.
- The total cost of the District's programs for the year was \$420,002.

Fiscal Year 2020-21 - Fund Level:

- Governmental Fund balances Increase to \$748,304 from \$746,302.
- Governmental Fund revenues totaled \$596,552 for the year, an increase of \$272,827 from prior fiscal year.
- Governmental fund expenditures totaled \$594,550 representing an increase of \$261,969 compared to the prior year.
- Actual resources received in the Governmental Funds exceeded the final budget by \$381,552. The actual expenditures were \$195,662 over the budget. The positive revenue variance is largely due to rental of equipment. The negative expenditure variance is primarily due to capital outlay.

Fiscal Year 2020-21 - General Fund:

- The General Fund reported revenues of \$448,782, an increase of \$287,897 from the prior year. The increase was primarily due to income from rental of equipment.
- General Fund expenditures of \$321,724 represents an increase of \$205,262.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$295,740.

LOCKWOOD FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2022 and 2021

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 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, 2022 and 2021

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 in the near future 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, 2022, and 2021.

TABLE 1: SUMMARY OF NET POSITION AS OF,

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>\$ Charge</u>	<u>% Change</u>
Assets				
Cash and Investments	\$ 564,619	\$ 749,454	\$ (184,835)	-24.66%
Other Assets	2,139	2,139	-	0.00%
Capital Assets - Net	<u>459,000</u>	<u>388,074</u>	<u>70,926</u>	<u>18.28%</u>
Total Assets	<u>\$ 1,025,758</u>	<u>\$ 1,139,667</u>	<u>\$ (113,909)</u>	<u>-9.99%</u>
Liabilities				
Current and other Liabilities	\$ 103,911	\$ 3,288	\$ 100,623	3060.31%
Long-Term Liabilities	<u>-</u>	<u>11,844</u>	<u>(11,844)</u>	<u>-100.00%</u>
Total Liabilities	<u>103,911</u>	<u>15,132</u>	<u>88,779</u>	<u>586.70%</u>
Net Position				
Invested in Capital Assets, Net of				
Related Debt	459,000	376,230	32,228	8.57%
Restricted	332,420	322,181	(24,414)	-7.58%
Unrestricted	<u>169,122</u>	<u>426,124</u>	<u>15,547</u>	<u>3.65%</u>
Total Net Position	<u>\$ 960,542</u>	<u>\$ 1,124,535</u>	<u>\$ (163,993)</u>	<u>-14.58%</u>

LOCKWOOD FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2022 and 2021

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

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

TABLE 2 - SUMMARY OF STATEMENT OF ACTIVITY

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues				
Program Revenues:	\$ 106,477	\$ 405,418	\$ 10,701	2.64%
General Revenues:	<u>330,076</u>	<u>190,253</u>	<u>12,511</u>	<u>6.58%</u>
Total Revenues	<u>436,553</u>	<u>595,671</u>	<u>23,212</u>	<u>3.90%</u>
Program Expenses	<u>600,546</u>	<u>419,121</u>	<u>56,272</u>	<u>13.43%</u>
Changes in Net Position	(163,993)	176,550	(33,060)	-18.73%
Net Position, beginning of the year	<u>1,124,535</u>	<u>947,985</u>	<u>56,421</u>	<u>5.95%</u>
Net position, end of the year	<u>\$ 960,542</u>	<u>\$ 1,124,535</u>	<u>\$ 23,361</u>	<u>2.08%</u>

Capital Assets

As of June 30, 2022, and 2021, the District had invested a net amount of \$459,000 and \$388,074 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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>\$ Change</u>	<u>% Change</u>
Capital Assets:				
Buildings and Improvements	\$ 380,931	\$ 351,670	\$ 29,261	8.32%
Vehicles	753,982	753,982	-	0.00%
Equipment	<u>318,223</u>	<u>255,846</u>	<u>62,377</u>	<u>24.38%</u>
Total Capital Assets	<u>1,453,136</u>	<u>1,361,498</u>	<u>91,638</u>	<u>6.73%</u>
Accumulated Depreciation:				
Buildings and Improvements	95,861	88,039	7,822	8.88%
Vehicles	740,483	740,219	264	0.04%
Equipment	<u>157,792</u>	<u>145,166</u>	<u>12,626</u>	<u>8.70%</u>
Total Accumulated Depreciation	<u>994,136</u>	<u>973,424</u>	<u>20,712</u>	<u>2.13%</u>
Net Capital Assets	<u>\$ 459,000</u>	<u>\$ 388,074</u>	<u>\$ 70,926</u>	<u>18.28%</u>

LOCKWOOD FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
For the Years Ended June 30, 2022 and 2021

Budgetary Highlights

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 budget by \$171,599 and expenditures were more than budget by \$124,542. The overall variance resulted in a positive \$47,057.

Budget Summary as of June 30, 2021:

As finalized by the Board of Directors, the budgeted revenue and expenditures totaled \$215,000 and \$398,889 respectively. The revenue was more than budget by \$381,552 and expenditures were less than budget by \$195,661. The overall variance resulted in a positive \$185,891.

Long Term Debt

The District had the following loans outstanding as of June 30, 2022, and 2021:

TABLE 4A: LONG-TERM DEBT AS OF JUNE 30, 2022

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>
Leasource Financial Services, Inc.	\$ 11,840	\$ -	\$ 11,840	\$ -
Total long-term debt	<u>\$ 11,840</u>	<u>\$ -</u>	<u>\$ 11,840</u>	<u>\$ -</u>

TABLE 4B: LONG-TERM DEBT AS OF JUNE 30, 2021

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
Leasource Financial Services, Inc	\$ 23,240	\$ -	\$ 11,400	\$ 11,840
Total long-term debt	<u>\$ 23,240</u>	<u>\$ -</u>	<u>\$ 11,400</u>	<u>\$ 11,840</u>

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

LOCKWOOD FIRE PROTECTION DISTRICT
Statement of Net Position
For the Years Ended June 30, 2022 and 2021

	<u>Governmental Activities 2022</u>	<u>Governmental Activities 2021</u>
Assets		
Current Assets:		
Cash and Investments:		
El Dorado Bank	\$ 3,441	270
County Treasury - General Fund	101,963	300,208
County Treasury - Capital Improvement Fund	126,795	126,795
Restricted Cash and Investments:		
County Treasury - Measure M Fund	332,420	322,181
Accounts Receivable	38,695	-
Prepaid Insurance	2,139	2,139
Total Current Assets	<u>605,453</u>	<u>751,593</u>
Non-Current Assets		
Capital Assets, Net	<u>459,000</u>	<u>388,074</u>
Total Non-Current Assets	<u>459,000</u>	<u>388,074</u>
Total Assets	<u>1,064,453</u>	<u>\$ 1,139,667</u>
Liabilities		
Accounts Payable	\$ 86,030	1,752
Accrued Expenses	17,881	1,536
Liabilities - due within one year	-	11,844
Total Liabilities	<u>103,911</u>	<u>\$ 15,132</u>
Net Position		
Invested in Capital Assets, Net of Related Debt	459,000	376,230
Restricted	332,420	322,181
Unrestricted	<u>169,122</u>	<u>426,124</u>
Total Net Position	<u>\$ 960,542</u>	<u>\$ 1,124,535</u>

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, 2022 and 2021

	<u>Governmental Activities 2022</u>	<u>Governmental Activities 2021</u>
Program Expenses		
Fire Protection:		
Audit Expense	\$ 3,500	\$ 3,500
Depreciation	20,712	17,929
Firefighter Supplies and Equipment	215,806	100,962
General Liability Insurance	14,093	6,028
Maintenance - Building	736	274
Maintenance - Vehicle	102,559	-
Office Supplies	401	1,928
Staff Training	12,241	4,414
Station and Strike Team Wages	180,496	250,903
Station Wages Payroll Taxes	13,749	12,662
Utilities	10,396	8,491
Worker's Compensation Insurance	17,973	4,848
Other	7,883	7,182
	<u>600,546</u>	<u>419,121</u>
Program Revenues		
Assessment for fire protection services	-	35,763
Other Income	106,477	368,796
	<u>106,477</u>	<u>404,559</u>
	<u>(494,068)</u>	<u>(14,562)</u>
General Revenues		
Assessments	69,824	35,763
Impact Fees	1,500	-
Mitigation Fees	-	500
Measure M Assessments	236,089	144,257
Donations/Fundraising	20,000	859
Interest expense	(45)	(881)
Interest Income	2,708	10,614
	<u>330,076</u>	<u>191,112</u>
	(163,993)	176,550
Net Position-Beginning of Year	<u>1,124,535</u>	<u>947,985</u>
Net Position-End of Year	<u>\$ 960,542</u>	<u>\$ 1,124,535</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
Account Receivable	38,695	-	38,695
Prepaid Insurance	2,139	-	2,139
	<u>273,033</u>	<u>332,420</u>	<u>605,453</u>
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>
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 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
Balance Sheet
For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>Measure M Fund</u>	<u>Total</u>
Assets			
Cash and Investments:			
El Dorado Bank	\$ 270	\$ -	\$ 270
County Treasury - General	298,758	-	298,758
County Treasury - Capital Improvement	126,795	-	126,795
Fire Impact Fees and Mitigation Cash	1,449	-	1,449
Restricted Cash and Investments	-	322,181	322,181
Prepaid Insurance	2,139	-	2,139
	<u>429,411</u>	<u>322,181</u>	<u>751,592</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	1,752	-	1,752
Accrued Expenses	1,536	-	1,536
	<u>3,288</u>	<u>-</u>	<u>3,288</u>
Fund Balance			
Restricted	1,449	322,181	323,630
Assigned	128,934	-	128,934
Unassigned	295,740	-	295,740
	<u>426,123</u>	<u>322,181</u>	<u>748,304</u>
Total Fund Balance	<u>426,123</u>	<u>322,181</u>	<u>748,304</u>
Total Liabilities and Fund Balance	<u>\$ 429,411</u>	<u>\$ 322,181</u>	<u>\$ 751,592</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

	General Fund	Measure M Fund	Total
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
Impact Fee	1,500	-	1,500
	<u>198,482</u>	<u>238,117</u>	<u>436,599</u>
Total Revenues			
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	-	12,241	12,241
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>
Total Expenditures			
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
Statement of Revenues,
Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>Measure M Fund</u>	<u>Total</u>
General Revenues			
Assessments	\$ 71,525	\$ -	\$ 71,525
Donations and Fundraisers	860	-	860
Grant Revenue	8,898	-	8,898
Interest Income	7,101	3,513	10,614
Intergovernmental	359,898	-	359,898
Measure M Assessments	-	144,257	144,257
Mitigation Fees	500	-	500
	<u>448,782</u>	<u>147,770</u>	<u>596,552</u>
Total Revenues			
	<u>448,782</u>	<u>147,770</u>	<u>596,552</u>
Expenditures			
Audit Expense	3,500	-	3,500
Firefighter Supplies and Equipment	90,519	-	90,519
General Liability Insurance	6,028	-	6,028
Maintenance - Building	274	-	274
Office Supplies	1,928	-	1,928
Public and Legal Notices	7,182	-	7,182
Staff Training	-	4,414	4,414
Station and Strike Team Wages	-	250,903	250,903
Station Wages Payroll Taxes	-	12,662	12,662
Utilities	8,491	-	8,491
Worker's Compensation Insurance	-	4,847	4,847
Other	10,443	-	10,443
Principal Retirement	11,400	-	11,400
Interest Expense	880	-	880
Capital Outlay	181,079	-	181,079
	<u>321,724</u>	<u>272,826</u>	<u>594,550</u>
Total Expenditures			
	<u>321,724</u>	<u>272,826</u>	<u>594,550</u>
Excess (under) revenue of expenditures	127,058	(125,056)	2,002
Other Financing Sources (Uses)			
Transfers	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	127,058	(125,056)	2,002
Fund Balances-Beginning of Year	<u>299,065</u>	<u>447,237</u>	<u>746,302</u>
Fund Balances-End of Year	<u>\$ 426,123</u>	<u>\$ 322,181</u>	<u>\$ 748,304</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Total Fund Balances - Governmental Funds	\$ 501,542	\$ 748,304
<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	1,361,499
Accumulated Depreciation	<u>(994,136)</u>	<u>(973,424)</u>
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.</p>		
Current	<u>-</u>	<u>(11,844)</u>
Net Position of Governmental Activities	<u><u>\$ 960,542</u></u>	<u><u>\$ 1,124,535</u></u>

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, 2022 and 2021

	2022	2021
Net Change in Fund Balances - Governmental Funds	\$ (246,762)	\$ 2,002
<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	181,077
Current year depreciation	(20,712)	(17,929)
<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	11,400
Change in Net Position of Governmental Funds	\$ (163,992)	\$ 176,550

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, 2022 and 2021

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 of 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 statement but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, includes 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 identify 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, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021

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 appropriate 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, 2022 and 2021

2. CASH AND CASH INVESTMENTS

A. Cash Deposits

As of June 30, 2022, and 2021, the carrying amount of the District's deposits was \$3,441 and \$270, respectively. Bank balances before reconciling items were \$3,441 and \$270, 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 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 \$561,178 and \$749,184 at fiscal years ended June 30, 2022, and 2021, respectively. The County Treasury's balance was \$561,178 and \$749,184 at fiscal years ended June 30, 2022, and 2021, 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, 2022 and 2021

2. CASH AND CASH INVESTMENTS (Continued)

B. Cash with County Treasury (continued)

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

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, 2022 and 2021

2. CASH AND CASH INVESTMENTS (Continued)

D. Summary of Cash and Investments

The following is a summary of cash and investments on June 30, 2022 and 2021.

	<u>Credit Risk Category</u>	<u>2022</u>	<u>2021</u>
District Deposits			
Cash with Eldorado Bank	1	\$ 3,441	\$ 270
Cash with County Treasury	N/A	<u>564,619</u>	<u>749,184</u>
Total cash and investments		<u>\$ 568,060</u>	<u>\$ 749,454</u>

3. CAPITAL ASSETS

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

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>
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 expense for the fiscal year ended June 30, 2022, and 2021, was \$20,712 and \$17,929, respectively.

LOCKWOOD FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2022 and 2021

3. CAPITAL ASSETS

An analysis of capital asset balances as of June 30, 2021, is as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Capital Assets:				
Building and improvements	\$ 250,300	\$ 101,370	\$ -	\$ 351,670
Vehicle	753,982	-	-	753,982
Equipment	176,137	79,709	-	255,846
Total Capital Assets	<u>1,180,419</u>	<u>181,079</u>	<u>-</u>	<u>1,361,498</u>
Less Accumulated Depreciation:				
Building and improvements	80,224	7,815	-	88,039
Vehicle	731,891	8,328	-	740,219
Equipment	143,380	1,786	-	145,166
Total Accumulated Depreciation	<u>955,495</u>	<u>17,929</u>	<u>-</u>	<u>973,424</u>
Total Capital Assets-Net Depreciation	<u>\$ 224,924</u>	<u>\$ 163,150</u>	<u>\$ -</u>	<u>\$ 388,074</u>

Depreciation expense for the fiscal year ended June 30, 2021 was \$17,929.

4. LONG TERM DEBT

Leasource Financial Services, Inc. loan date June 1, 2018, payable in 5 annual installments of \$12,277 at 3.78% interest, maturing June 1, 2022. Loan origination amount was \$55,000 and is to be used for fire stations improvements.

The District had the following long-term debt obligation on June 30, 2022:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2022</u>
Leasource Financial Services, Inc.	\$ 11,840	\$ -	\$ 11,840	\$ -
	<u>\$ 11,840</u>	<u>\$ -</u>	<u>\$ 11,840</u>	<u>\$ -</u>

LOCKWOOD FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Years Ended June 30, 2022 and 2021

5. 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: Restrict, 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.

6. 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

7. CONTINGENCIES

In the natural course of events, the District can be named in lawsuits regarding water, facilities usage, and water rights. There are other events that 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.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 4, 2022, 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, 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>
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>
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
Schedule of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual
For the Year Ended June 30, 2021

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Assessments	\$ 70,000	\$ 70,000	\$ 71,526	\$ 1,526
Donations and fundraisers	-	-	859	859
Impact fees	-	-	8,898	8,898
Interest income	10,000	10,000	10,614	614
Intergovernmental	5,000	5,000	359,898	354,898
Measure M assessments	130,000	130,000	144,257	14,257
Miscellaneous	-	-	500	500
	<u>215,000</u>	<u>215,000</u>	<u>596,552</u>	<u>381,552</u>
EXPENDITURES				
Audit expense	3,000	3,000	3,500	(500)
Firefighter supplies and equipment	20,000	20,000	90,519	(70,519)
General Liability insurance	6,500	6,500	6,028	472
Maintenance - building	5,000	5,000	274	4,726
Maintenance - equipment	18,000	18,000	-	18,000
Office supplies	1,000	1,000	1,928	(928)
Public and legal notices	6,000	6,000	7,183	(1,183)
Staff training	5,000	5,000	4,414	586
Stations and strike team wages	240,612	240,612	250,903	(10,291)
Station wages payroll taxes	6,000	6,000	12,662	(6,662)
Utilities	10,000	10,000	8,491	1,509
Worker's compensation insurance	10,000	10,000	4,847	5,153
Other	25,000	25,000	10,443	14,557
Principal payment	-	-	11,400	(11,400)
Interest expense	-	-	881	(881)
Capital outlay	42,777	42,777	181,077	(138,300)
	<u>398,889</u>	<u>398,889</u>	<u>594,550</u>	<u>(195,661)</u>
Excess/(Deficiency) of Revenues over/(under) Expenditures	<u>\$ (183,889)</u>	<u>\$ (183,889)</u>	2,002	<u>\$ 185,891</u>
Fund Balance as of June 30, 2020			<u>746,302</u>	
Fund Balance as of June 30, 2021			<u>\$ 748,304</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, 2022 and 2021

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 final budget must be prepared and adopted no later than September 30.

The appropriated 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, 2022 and 2021.