

WOODLAKE FIRE PROTECTION DISTRICT

ANNUAL FINANCIAL REPORTS

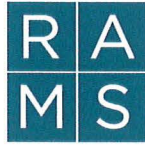
JUNE 30, 2022

WOODLAKE FIRE PROTECTION DISTRICT
ANNUAL FINANCIAL REPORTS

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Independent Auditor's Report

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Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of Woodlake Fire Protection District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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

The District's 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 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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 5, 2022

BASIC FINANCIAL STATEMENTS

**WOODLAKE FIRE PROTECTION DISTRICT
GOVERNMENTAL FUND BALANCE SHEET
AND STATEMENT OF NET POSITION
JUNE 30, 2022**

	Balance Sheet	Adjustments	Statement of Net Position
ASSETS			
Cash and investments	\$ 1,264,529	\$ -	\$ 1,264,529
Due from other governments	78,426	6,202	84,628
Capital assets:			
Depreciable, net of accumulated depreciation	-	511,063	511,063
Total assets	<u>1,342,955</u>	<u>517,265</u>	<u>1,860,220</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	-	86,524	86,524
LIABILITIES			
Accounts payable	38,012	-	38,012
Compensated absences	5,070	32,714	37,784
Net pension liability	-	73,516	73,516
Total liabilities	<u>43,082</u>	<u>106,230</u>	<u>149,312</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	-	54,595	54,595
FUND BALANCE/NET POSITION:			
Fund balance:			
Assigned	908,401	(908,401)	-
Unassigned	391,472	(391,472)	-
Net position:			
Net investment in capital assets	-	511,063	511,063
Unrestricted	-	1,231,774	1,231,774
Total fund balance/net position	<u>\$ 1,299,873</u>	<u>\$ 442,964</u>	<u>\$ 1,742,837</u>

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

**WOODLAKE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total fund balances-governmental funds		\$ 1,299,873
<p>Amounts reported for <i>governmental activities</i> in the statement of net position are different because:</p>		
<p>Long-term receivables in governmental activities that are not collected soon enough after year end to be used to pay liabilities of current period (usually 60 days) are not reported as assets in the governmental fund. However, all receivables are reported in the statement of net position.</p>		
		6,202
<p>Capital assets used in governmental activities are not current financial resources, and therefore are not reported in the funds:</p>		
Capital assets	\$ 1,149,646	
Accumulated depreciation	<u>(638,583)</u>	
Net capital assets		511,063
<p>Deferred inflows of resources and deferred outflows of resources:</p>		
<p>Deferred outflows of resources are not current assets of financial resources; and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds:</p>		
Deferred pension outflows of resources		86,524
Deferred pension inflows of resources		(54,595)
<p>Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the governmental fund balance sheet:</p>		
Compensated absences		(32,714)
Net pension liability		<u>(73,516)</u>
Net position of governmental activities		<u><u>\$ 1,742,837</u></u>

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

**WOODLAKE FIRE PROTECTION DISTRICT
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	Governmental Fund Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
REVENUES			
Property taxes	\$ 155,613	\$ -	\$ 155,613
Other property assessments	349,856	-	349,856
Intergovernmental revenues	136,396	-	136,396
Interest	2,762	-	2,762
Other	359,525	(46,330)	313,195
	<u>1,004,152</u>	<u>(46,330)</u>	<u>957,822</u>
EXPENDITURES			
Current:			
Salaries and employee benefits	567,486	(72,978)	494,508
Telephone	3,931	-	3,931
Office supplies and postage	1,378	-	1,378
Repairs and maintenance fire station	15,040	-	15,040
Repairs and maintenance, vehicles and equipment	72,485	(39,046)	33,439
Fuel and oil	13,173	-	13,173
Medical supplies/fire gear	11,254	-	11,254
Utilities	8,959	-	8,959
Contractual services, county dispatch fees	16,849	-	16,849
Insurance	13,482	-	13,482
Professional services	9,455	-	9,455
Training, travel, conferences and meetings	4,654	-	4,654
Special department expenditures	13,003	-	13,003
Depreciation	-	46,825	46,825
Fire prevention	1,941	-	1,941
Capital outlay	159,118	(154,969)	4,149
	<u>912,208</u>	<u>(220,168)</u>	<u>692,040</u>
Change in fund balance/net position	91,944	173,838	265,782
Fund balance/net position			
Beginning of the year	<u>1,207,929</u>	<u>269,126</u>	<u>1,477,055</u>
End of the year	<u>\$ 1,299,873</u>	<u>\$ 442,964</u>	<u>\$ 1,742,837</u>

The accompanying notes are an integral part of this financial statement.

**WOODLAKE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES ON FUND BALANCE OF GOVERNMENTAL
FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Net changes in fund balances - total governmental funds	\$ 91,944
 Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Revenue is recorded in the governmental funds as it is collected but is reported when earned in the statement of activities.	(46,330)
Governmental activities report capital outlay in the governmental funds statement as expenditures in the period they are incurred. However, in the statement of activity the costs of those assets are not expensed in the period of expenditure but are included with the assets of the District as a whole and depreciated over their estimated useful lives.	
Capitalized in 2021-22	194,016
Depreciation expense for 2021-22	(46,825)
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.	(4,929)
Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB Statement No. 68.	<u>77,906</u>
Change in net position of governmental activities	<u><u>\$ 265,782</u></u>

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

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2022

Note 1: **Summary of Significant Accounting Policies**

The Governmental Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the principles are described below.

A. Organization

Woodlake Fire Protection District (the District) was formed February 11, 1924, to provide fire protection and related services to the City of Woodlake and surrounding areas.

B. Reporting Entity

The District's basic financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these basic financial statements. The criteria for including organizations as component units within the District's reporting entity include whether:

- The organization is legally separate (can sue and be sued in its name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is fiscal dependency by the organization on the District
- Exclusion of the organization would render the financial statements incomplete or misleading

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB statements.

C. Government-wide and fund financial statements

The accounts of the District are organized on the basis of fund accounting. Under fund accounting, different types of District operations are accounted for in different funds, each with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures as appropriate. 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. Since the District does not have any financial resources that are required to be accounted for in other funds, it utilizes only a "General Fund" for its operations.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible soon enough thereafter to be used to pay liabilities of the current period (within 60 days).

Expenditures are generally recognized when the related fund liability is incurred, except that principal and interest on general long-term debt is recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are the only activities conducted by the District. The District conducts no *business-type* activities.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2022

Note 1: **Summary of Significant Accounting Policies** (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The District has no proprietary funds.

D. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual include sales taxes, intergovernmental revenues, interest and charges for services.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the District may fund certain programs and projects with a combination of cost reimbursement grants and general revenues. Thus, both restricted and unrestricted net position may be available to finance program and project expenditures.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods or services, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments.

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

Certain indirect costs are included in program and project expenses reported for individual functions and activities.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2022

Note 1: **Summary of Significant Accounting Policies** (continued)

E. Major funds

GASB Statement 34 defines major funds and requires that the District's major governmental funds be identified and presented separately in the fund financial statements. The District currently has no non-major funds.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures equal to ten percent of their fund-type total and five percent of the grand total. The general fund is always a major fund. The District may also select other funds it believes should be presented as major funds.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

F. Cash

The District holds its cash in the County of Tulare's and the City of Woodlake's treasuries. The County and City maintain cash and investment pools. Each fund type's portion of these pools is displayed on the combined balance sheet as "cash." Cash in excess of current requirements is invested in various interest bearing securities. Interest is apportioned quarterly to the various funds, based on the average monthly balance. Information, regarding categorization of investments, can be found in the County of Tulare's and City of Woodlake's financial statements.

G. Capital Assets

Capital assets, which include equipment, are reported in the governmental activities column of the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years.

As the District acquires additional capital assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts essentially spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimates. In the case of donations, capital assets are valued at their acquisition value at the date of the donation.

Capital assets of the District are depreciated using the straight-line method and the estimated useful life of equipment is 3 – 16 years.

H. Receivables and Payables

Activity between funds that represents current portion of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds." Grant revenues are recorded as "due from other governments" when all eligibility requirements have been met. The corresponding governmental revenues are recorded when they become available, with the differences recorded in deferred revenue.

I. Use of Management Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2022

Note 1: **Summary of Significant Accounting Policies** (continued)

J. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability of the District. Employees do not gain a vested right to accumulated sick leave; therefore, accumulated sick leave benefits are not recognized as liabilities of the District, but are recorded as expenditures in the year the sick leave is taken.

K. Net Position/Fund Balance

The government-wide financial statements utilize a net position presentation. Net position are categorized as invested in capital assets, restricted, and unrestricted.

Net investment in capital assets – This category groups all capital assets into one component of net position. Accumulated depreciation reduces the balance in this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions of enabling legislation.

Unrestricted net position – This category represents net position of the District, not restricted for any project or other purpose.

When expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District's policy is to apply restricted net assets first.

The fund financial statements utilize a fund balance presentation. Fund balances are categorized as nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable – to reflect amounts that cannot be spent because they are (1) not in spendable form, such as prepaid items, inventories, and long-term receivables for which the payment of proceeds are not restricted or committed with respect to the nature of the specific expenditures of that fund, or (2) legally or contractually required to remain intact.

Restricted – to reflect amounts that are restricted by external parties such as creditors or imposed by grants, laws, or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed – to reflect amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action by the entity's "highest level of decision-making authority," which the District considers to be the District Board. As of June 30, 2017, the District had no committed fund balance.

Assigned – to reflect amounts that have been allocated by action of the District Board in which the District's intent is to use the funds for a specific purpose.

Unassigned – to reflect amounts that constitute the residual balances that have no restrictions placed on them.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2022

Note 1: Summary of Significant Accounting Policies (continued)

The District does not have a policy on the order of spending of unrestricted amounts when an expenditure is incurred for which amounts in any of the unrestricted fund balance classifications could be used. Therefore, by default under GASB Statement No. 54, the District uses committed resources first, then assigned resources, and unassigned resources last as they are needed.

L. Stewardship (Budget)

Budgetary Information

The District operates under a budget prepared and approved annually by the Board of Commissioners. The budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by use (salaries and employee benefits, services and supplies, other charges, fixed asset acquisitions and contingencies). Once approved, the Board of Commissioners may amend the adopted budget when unexpected modifications are required in estimated revenues and expenditures.

Excess Expenditures over Appropriations

For this fiscal year ended, the expenditures exceeded appropriations by \$221,438. The major factors of this were wages for out of county fires which resulted in an overage of \$135,996, vehicle and equipment maintenance, which resulted in an overage of amount of \$45,231, increased fire station repairs and maintenance of \$10,040, increased medical supplies/fire gear of \$4,254, increased contractual services (county dispatch fees) of \$15,049 and special department of \$8,703.

Excess Revenues over Budget Projections

Out-of-county fire activity, grant revenues and property taxes collected were the major contributors that resulted in an overage of \$495,062 in original budgeted revenues for the current period.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. These taxes are levied from July 1 through June 30. Taxes are payable in two installments on November 1 and February 1 and are collected December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Tulare bills and collects the taxes for the District.

M. Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certified defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2022

Note 2: **Cash**

Cash and cash investments as of June 30, 2022, were as follows:

Cash in County of Tulare Treasury	\$ 396,850
Cash in City of Woodlake Treasury	867,679
Total cash and cash investments	<u>\$ 1,264,529</u>

Restricted and unrestricted cash and cash investments:

Unrestricted	\$ 1,264,529
Restricted	-
Total cash and cash investments	<u>\$ 1,264,529</u>

Statutes authorize districts to invest cash in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit, bankers' acceptances, repurchase agreements, insured money market accounts, commercial paper, county investment pools and the State Treasurer's Local Agency Investment Fund. The District currently follows the City of Woodlake's investment policy.

Cash of the District, deposited with the City of Woodlake Treasury, is invested in savings accounts and short-term investments by the City Finance Director, under their cash management programs. Interest income is allocated to the District by the City of Woodlake (the District's fiscal agents), based on its average daily cash balances.

The District's cash in City of Woodlake Treasury and cash in County Treasury are not subject to credit risk categorization and are carried at cost, which approximates fair value. All pooled funds are regulated by the California Government Code.

Fair Value Measurement

The District does not have any investments subject to the fair value standards.

Note 3: **Capital Assets**

A summary of changes in the capital assets follows:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
Equipment	\$ 955,630	\$ 194,016	\$ -	\$ 1,149,646
Accumulated Depreciation	<u>(591,758)</u>	<u>(46,825)</u>	<u>-</u>	<u>(638,583)</u>
Net book value	<u>\$ 363,872</u>	<u>\$ 147,191</u>	<u>\$ -</u>	<u>\$ 511,063</u>

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2022

Note 4: **Employee Retirement System**

A. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (fire). Plan assets may be used to pay benefits for any employer rate plan of the safety pool. Accordingly, rate plans within the safety pool are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the safety risk pool. The District participates in two rate plans. Benefit provisions under the Plan are established by State statute and the District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS’ website, at www.calpers.ca.gov.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily-reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is one of the following: Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit (if decedent is at least age 50). The District has contracted for the Special Death Benefit for public safety members, whose death is the direct result of a violent act while on duty. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan operates under the provisions of the California Public Employees’ Retirement Law (PERL), the California Public Employees’ Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan’s authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature, and in some cases require approval by the CalPERS Board.

The Plans’ provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Safety	
	<u>Hired prior to January 1, 2013</u>	<u>Hired on or after January 1, 2013</u>
Hire date		
Benefit formula	2% @ 55	2.% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age (eligible at age 50)	50	57
Monthly benefits, as a % of eligible compensation	2.0%	2.0%
Required employee contribution rates	7%	9.50%
Required employer contribution rates	14.810% + \$15,359	11.130% + \$312

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2022

Note 4: **Employee Retirement System** (continued)

Contributions - Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by the Safety risk pool, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Employer contributions to the Plan for the fiscal year ended June 30, 2022 were \$45,063. The actual employer payments of \$42,283 made to CalPERS by the District during the measurement period ended June 30, 2021 differed from the District's proportionate share of the employer's contributions of \$53,485 by \$(11,202), which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

B. Net Pension Liability

The District's net pension liability for Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Asset valuation method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality rate table (1)	
Post Retirement Benefit Increase	The lesser of contract COLA up to 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.

(1) The mortality rate table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2022

Note 4: **Employee Retirement System** (continued)

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at the CalPERS website at www.calpers.ca.gov.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compounding (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rate of return by asset class are as follows:

Asset Class ¹	Current target allocation	Real return years 1-10 ²	Real return years 11+ ³
Public Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	<u>100.0%</u>		

¹ In the System's CAFR, fixed income is included in the Global Debt Securities; Liquidity is included in Short-term investments; inflation assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.0% used for this period

³ An expected inflation of 2.92% used for this period

Change in Assumption

There were no changes in assumptions during the period.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2022

Note 4: **Employee Retirement System** (continued)

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position

Information about the pension plans' assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are reported at fair value.

C. Proportionate Share of Net Pension Liability

The following table shows the Plans' proportionate share of the net pension liability over the measurement period:

	Increase (decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2020 (VD*)	\$ 1,013,604	\$ 819,030	\$ 194,574
Balance at: 6/30/2021 (MD*)	1,074,624	1,001,108	73,516
Net changes during 2020-21	\$ 61,020	\$ 182,078	\$ (121,058)

*Valuation Date (VD), Measurement Date (MD)

The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The District's proportionate share of the net pension liability for the total as of the June 30, 2020 and 2021 measurement dates was as follows:

	Safety
Proportion - June 30, 2020	0.00292%
Proportion - June 30, 2021	0.00209%
Change - increase/(decrease)	-0.00083%

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2022

Note 4: **Employee Retirement System** (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount rate -1% 6.15%	Current discount rate 7.15%	Discount rate +1% 8.15%
Employer's Net Pension Liability - Safety	\$ 218,170	\$ 73,516	\$ (45,299)

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of .020%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2022

Note 4: **Employee Retirement System** (continued)

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2021 is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2020), the net pension liability for the plan was \$194,574. For the measurement period ending June 30, 2021 (the measurement date), the District incurred a pension credit of (\$32,842).

At June 30, 2022, the District has deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred outflows of resources	Deferred inflows of resources
Pension contributions subsequent to measurement date	\$ 45,063	\$ -
Differences between actual contributions and proportionate share of employer contributions	91	10,839
Differences between actual and expected experience	12,560	-
Net differences between projected & actual earnings on pension plan investments	-	43,756
Change in proportion	28,810	-
Total	\$ 86,524	\$ 54,595

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2022

Note 4: **Employee Retirement System** (continued)

The amounts above are net of outflows and inflows recognized in the 2020-21 measurement period expense. Contributions subsequent to the measurement date of \$45,063 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/(Inflows) of Resources
2023	\$ 4,164
2024	374
2025	(5,632)
2026	(12,040)
2027	-
Thereafter	-
	<u>\$ (13,134)</u>

E. Payable to the Pension Plan

At June 30, 2022, the District reports a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year then ended.

Note 5: **Commitments and Contingencies**

Tulare County Fire Department Agreement

Effective July 1, 2007, the District provides an area for the Tulare County Fire Department to park one fire truck unit and allows them to have a desk in the front office to be used during normal business hours seven days a week. In exchange, the Tulare County Fire Department will provide emergency dispatch services. Management has estimated the value of these services is \$5,916 for the year ended June 30, 2022.

Lease of Building

Effective April 13, 2020, the District entered into a month to month lease agreement to rent a building to a local entity. The terms of the lease are monthly rent of \$750 and the lease will expire forty-five (45) days after the Governor of California lifts the current State of Emergency relating to the COVID-19 Pandemic.

Note 6: **Subsequent Events**

Subsequent events have been evaluated through November 5, 2022, the date these financial statements have been made available to be issued. There were no subsequent events identified by management which would require disclosure in the financial statements.

WOODLAKE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
June 30, 2022

Note 7: Governmental Accounting Standards Board Statements Issued, Not Yet Effective

GASB Statement No. 91 – Conduit Debt Obligations: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements: The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements: The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 99 – Omnibus 2022: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during the implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

GASB Statement No. 100 – Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62: The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101 – Compensated Absences: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurements guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Schedule of District's Proportionate Share of Net Pension Liabilities as Related Ratios

- A ratio of the District's share of plan net position divided by the total pension liability, the payroll amount for employees in the plan (covered-employee payroll), and a ratio of the District's share of net pension liability divided by covered-employee payroll

SCHEDULE OF CONTRIBUTIONS

- If an agent employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the agent employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

WOODLAKE FIRE PROTECTION DISTRICT
FOR THE YEAR ENDED JUNE 30, 2022
Schedule of the Proportionate Share of the Net Pension Liability and
Related Ratios as of the Measurement Date
Last 10 Years*

Measurement Date	Employer's Proportion of the Collective Net Pension Liability ¹	Employer's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Employer's Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
6/30/2014	0.0016%	\$ 100,879	\$ 125,622	80.30%	81.902%
6/30/2015	0.0020%	81,561	129,129	63.16%	86.544%
6/30/2016	0.0023%	121,641	121,397	100.20%	80.441%
6/30/2017	0.0024%	144,686	153,961	93.98%	79.327%
6/30/2018	0.0025%	146,325	187,862	77.89%	81.970%
6/30/2019	0.0027%	165,257	222,978	74.11%	82.722%
6/30/2020	0.0029%	194,574	243,626	79.87%	80.804%
6/30/2021	0.0021%	73,516	360,300	20.40%	93.159%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes Safety Risk Pools excluding the 1959 Survivors Risk Pool.

WOODLAKE FIRE PROTECTION DISTRICT
 FOR THE YEAR ENDED JUNE 30, 2022
Schedule of Plan Contributions
Last 10 Years*

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 30	\$ (30)	\$ -	\$ 129,129	0.02%
6/30/2016	30,767	(30,767)	-	121,397	25.34%
6/30/2017	40,583	(40,583)	-	153,961	26.36%
6/30/2018	26,154	(26,154)	-	187,862	13.92%
6/30/2019	35,128	(35,128)	-	222,978	15.75%
6/30/2020	36,767	(36,767)	-	243,626	15.09%
6/30/2021	42,283	(42,283)	-	360,300	11.74%
6/30/2022	45,063	(45,063)	-	334,974	13.45%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

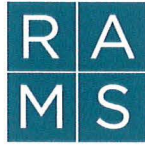
Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: There were no changes in 2021. The Plan adopted a new amortization policy effective with the 2020 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

**WOODLAKE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ORIGINAL, FINAL AND ACTUAL - REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 100,000	\$ 100,000	\$ 155,613	\$ 55,613
Other property assessments	349,090	349,090	349,856	766
Intergovernmental revenues	-	98,426	136,396	37,970
Interest	6,000	6,000	2,762	(3,238)
Other	54,000	54,000	359,525	305,525
	<u>509,090</u>	<u>607,516</u>	<u>1,004,152</u>	<u>396,636</u>
EXPENDITURES				
Current:				
Salaries and employee benefits	431,490	431,490	567,486	(135,996)
Telephone	4,000	4,000	3,931	69
Office supplies and postage	2,400	2,400	1,378	1,022
Repairs and maintenance, fire station	5,000	5,000	15,040	(10,040)
Repairs and maintenance, vehicles and equipment	9,000	27,254	72,485	(45,231)
Fuel and oil	7,000	7,000	13,173	(6,173)
Medical supplies fire gear	7,000	7,000	11,254	(4,254)
Utilities	8,000	8,000	8,959	(959)
Contractual services, county dispatch fees	1,800	1,800	16,849	(15,049)
Insurance	8,600	8,600	13,482	(4,882)
Professional services	15,000	15,000	9,455	5,545
Training, travel, conferences and meetings	4,500	4,500	4,654	(154)
Special department expenditures	4,300	4,300	13,003	(8,703)
Fire prevention	1,000	1,000	1,941	(941)
Capital outlay	-	163,426	159,118	4,308
	<u>509,090</u>	<u>690,770</u>	<u>912,208</u>	<u>(221,438)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (83,254)</u>	91,944	<u>\$ 175,198</u>
Fund Balance, Beginning			<u>1,207,929</u>	
Fund Balance, End			<u>\$ 1,299,873</u>	



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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*PCPS The AICPA Alliance
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*Governmental Audit
Quality Center*

*Employee Benefit Plan
Audit Quality Center*

California Society of
Certified Public Accountants



Independent Auditor's Report

Board of Commissioners
Woodlake Fire Protection District
Woodlake, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Woodlake Fire Protection District (the District), Woodlake, California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 5, 2022.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 5, 2022