

**MOSQUITO  
FIRE PROTECTION DISTRICT**

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**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
for the year ended June 30, 2020**

**ROBERT W. JOHNSON**  
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Mosquito Fire Protection District  
Mosquito, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of Mosquito Fire Protection District, as of and for the year ended June 30, 2020, as listed in the table of contents, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mosquito Fire Protection District as of June 30, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted the 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 opinion on the basic financial statements is not affected by the missing information.

### *Other Information*

The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Mosquito Fire Protection District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Robert Johnson, An Accountant in Charge*

Citrus Heights, California  
October 14, 2020

MOSQUITO FIRE PROTECTION DISTRICT  
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET  
June 30, 2020

ASSETS	<u>General Fund</u>	<u>Development Fees</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash with County (Note 3)	\$ 402,074	\$ 27,030	\$ -	\$ 429,104
Accounts receivable	33,574	-	-	33,574
Prepays	-	-	-	-
Capital assets (Note 4)	-	-	867,844	867,844
Less, accumulated depreciation	<u>-</u>	<u>-</u>	<u>( 644,884)</u>	<u>( 644,884)</u>
Total assets	<u>\$ 435,648</u>	<u>\$ 27,030</u>	<u>\$ 222,960</u>	<u>\$ 685,638</u>
LIABILITIES				
Accounts payable	\$ 48,974	\$ -	\$ -	\$ 48,974
Salaries and benefits payable	8,509	-	-	8,509
Compensated absences	<u>794</u>	<u>-</u>	<u>-</u>	<u>794</u>
Total liabilities	<u>58,277</u>	<u>-</u>	<u>-</u>	<u>58,277</u>
FUND BALANCES/NET POSITION				
Fund balances (Note 5):				
Restricted	-	27,030	( 27,030)	-
Committed	294,335	-	( 294,335)	-
Unassigned	<u>83,036</u>	<u>-</u>	<u>( 83,036)</u>	<u>-</u>
Total fund balances	<u>377,371</u>	<u>27,030</u>	<u>( 404,401)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 435,648</u>	<u>\$ 27,030</u>		
Net position (Note 5):				
Net investment in capital assets			222,960	222,960
Restricted			27,030	27,030
Unrestricted			<u>377,371</u>	<u>377,371</u>
Total net position			<u>\$ 627,361</u>	<u>\$ 627,361</u>

See notes to financial statements

MOSQUITO FIRE PROTECTION DISTRICT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
for the year ended June 30, 2020

	<u>General Fund</u>	<u>Development Fees</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:				
Services and supplies	\$ 156,036	\$ -	\$ -	\$ 156,036
Salaries and benefits	362,404	-	-	362,404
Capital outlay	15,058	-	( 15,058)	-
Depreciation	<u>-</u>	<u>-</u>	<u>43,671</u>	<u>43,671</u>
Total program expenditures/expenses	<u>533,498</u>	<u>-</u>	<u>28,613</u>	<u>562,111</u>
Program revenues:				
Paid fire revenue	<u>79,156</u>	<u>-</u>	<u>-</u>	<u>79,156</u>
Total program revenues	<u>79,156</u>	<u>-</u>	<u>-</u>	<u>79,156</u>
General revenues:				
Taxes	346,020	-	-	346,020
Development fees	8,250	2,518	-	10,768
Interest	6,461	486	-	6,947
Grant	80,880	-	-	80,880
Other	<u>8,228</u>	<u>-</u>	<u>-</u>	<u>8,228</u>
Total general revenues	<u>449,839</u>	<u>3,004</u>	<u>-</u>	<u>452,843</u>
Excess of revenues (expenditures)/ change in net position	( 4,503)	3,004	( 28,613)	( 30,112)
Fund balances:				
Beginning	<u>381,874</u>	<u>24,026</u>	<u>251,573</u>	<u>657,473</u>
Ending	<u>\$ 377,371</u>	<u>\$ 27,030</u>	<u>\$ 222,960</u>	<u>\$ 627,361</u>

See notes to financial statements

MOSQUITO FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES AND EXPENDITURES  
COMPARED TO BUDGET  
for the year ended June 30, 2020

	General Fund		Favorable/ (Unfavorable)
	Budget	Actual	
Revenues:			
General tax revenue	\$ 159,100	\$ 158,834	\$( 266)
Special tax	188,000	187,186	( 814)
Development fees	17,000	8,250	( 8,750)
Interest	1,500	6,461	4,961
Other	<u>33,500</u>	<u>168,264</u>	<u>134,764</u>
Total revenues	<u>399,100</u>	<u>528,995</u>	<u>129,895</u>
Expenditures:			
Services and supplies	181,388	156,036	25,352
Salaries and benefits	315,889	362,404	( 46,515)
Debt service	-	-	-
Contingencies	15,868	-	15,868
Capital outlay	<u>12,980</u>	<u>15,058</u>	<u>( 2,078)</u>
Total expenditures	<u>526,125</u>	<u>533,498</u>	<u>( 7,373)</u>
Excess revenues (expenditures)	<u>\$( 127,025)</u>	<u>\$( 4,503)</u>	<u>\$ 122,522</u>

See notes to financial statements

Development Fees

<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable)</u>
\$ -	\$ -	\$ -
-	-	-
-	2,518	2,518
-	486	486
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>3,004</u>	<u>3,004</u>
-	-	-
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 3,004</u>	<u>\$ 3,004</u>



MOSQUITO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
for the year ended June 30, 2020

1. Organization:

Mission Statement

The mission of Mosquito Fire Protection District (the “District”) is to provide the people of the community the services that will protect life, save property, and ensure the public health and safety. This shall be done by providing the best possible methods of fire suppression and emergency medical services through the efficient use of personnel, equipment, training, prevention, and public education.

Board of Directors

The District’s financial and administrative functions are governed by a five member Board of Directors elected by the voting population within the District.

2. Summary of Significant Accounting Policies:

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local government organizations. The District’s significant accounting policies are described below.

Measurement Focus and Basis of Accounting

The District reports a *General Fund* that is used to account for all financial resources except those required or designated by the Board of Directors to be accounted for in another fund.

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 at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

MOSQUITO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
for the year ended June 30, 2020

2. Summary of Significant Accounting Policies, continued:

Measurement Focus and Basis of Accounting, continued

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers revenues to be available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues that are accrued include property taxes, interest income, and charges for current services. Revenues that are not accrued include permits and fines, forfeitures, and penalties, if applicable. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

General capital assets are reported as expenditures in governmental funds. Proceeds of general long-term and capital assets are reported as other financing sources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Capital Assets

Capital assets are recorded at historical cost if purchased or constructed. Amortization of assets acquired under capital lease is included in depreciation. Structures and equipment are depreciated using the straight-line method over their estimated useful lives.

Budgets

In accordance with the provisions of Sections 13901 through 13906 of the California Health & Safety Code and other statutory provisions, commonly known as the Budget Act, the District prepares and legally adopts a final budget for each fiscal year.

Cash

The District maintains cash balances with the Treasurer of El Dorado County in interest-bearing pooled investment accounts. Such cash deposits are fully collateralized by governmental securities pledged for the purpose of Public Deposit Collateral.

MOSQUITO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
for the year ended June 30, 2020

2. Summary of Significant Accounting Policies, continued:

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

Property Taxes

The District receives property taxes from El Dorado County. Property taxes become a lien on the first day of the year they are levied. Secured property tax is levied on July 1 and due in two installments, on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are levied on July 1, and become delinquent on August 31. The District elected to receive the property taxes from the County under the Teeter Bill Program. Under this Program, the District receives 100% of the levied property taxes in periodic payments, with the County assuming responsibility for delinquencies.

Net Position

Net position is classified in the following categories:

Net Investment in capital assets – groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

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

Unrestricted – represents the net position of the District, which are not restricted or invested in capital assets net of related debt.

MOSQUITO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
for the year ended June 30, 2020

2. Summary of Significant Accounting Policies, continued:

Fund Balance

Fund balance is classified in the following categories:

Restricted – includes fund balance amounts that are subject to externally enforceable legal restrictions or constrained for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed – includes fund balance amount that can only be used for specific purposes pursuant to constraints imposed by the formal actions of the District’s Board of Directors.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed.

Unassigned – includes fund balance which has not been classified within the above mentioned categories.

3. Cash:

Cash with County consists of:

	Balance June 30, <u>2020</u>
General	\$ 402,074
Development fees	<u>27,030</u>
	<u>\$ 429,104</u>

MOSQUITO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
for the year ended June 30, 2020

4. Capital Assets:

Changes in capital assets for the year ended June 30, 2020 are as follows:

	<u>Balance,</u> <u>7/1/19</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance,</u> <u>6/30/20</u>
Vehicles	\$ 620,480	\$ -	\$ -	\$ 620,480
Buildings	180,762	-	-	180,762
Office furniture	8,929	-	-	8,929
Improvements	-	-	-	-
Machinery and equipment	<u>42,615</u>	<u>15,058</u>	<u>-</u>	<u>57,673</u>
	<u>\$ 852,786</u>	<u>\$ 15,058</u>	<u>\$ -</u>	<u>\$ 867,844</u>

MOSQUITO FIRE PROTECTION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued  
 for the year ended June 30, 2020

5. Equity:

General fund:

Total fund balances consist of:

Restricted for:

Developer fees reserve	\$ 27,030
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Committed for:

General reserve	\$ 163,327
Misc. reserve	130,508
Petty cash	<u>500</u>

294,335

Unassigned:

83,036

\$ 404,401

Statement of net position:

Total net position consist of:

Net investment in capital assets	\$ 222,960
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Restricted:

Developer fees reserve	27,030
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Unrestricted:

Board designated:	
General reserve	\$ 163,327
Misc. reserve	130,508
Petty cash	<u>500</u>

294,335

Undesignated:	<u>83,036</u>	<u>377,371</u>
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\$ 627,361

MOSQUITO FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued  
for the year ended June 30, 2020

6. Retirement Plan:

The District contributes to a Sep IRA on behalf of its permanent full-time employees. The contribution is equal to 9% of employee's annual salary. Contributions amounted to \$4,680 for 2020.

In addition, the District participates in the federal social security program.

7. Risk of Loss:

Mosquito Fire Protection District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During the 2020 fiscal year, the District purchased certain commercial insurance coverages to provide for these risks.

8. Subsequent Events:

Management has evaluated subsequent events through October 14, 2020, the date these June 30, 2020 financial statements were available to be issued.

9. Litigation:

Certain claims, suits and complaints arising in the ordinary course of operations have been filed or are pending against the District. The District's management estimate that any potential claims against the District from such litigation would not materially affect the operations or financial condition of the District.

## SUPPLEMENTAL DATA



MOSQUITO FIRE PROTECTION DISTRICT  
PRINCIPAL OFFICIALS

Board of Directors:

Barbara Mikel	President
William Buhnerkempe	Vice-President
Taffy Warner	Treasurer
Kathy Pico	
Vacant	

Staff:

Jack Rosevear	Fire Chief
Mark Schwegler	Division Chief
Mike Walters	Battalion Chief
Ryan Purves	Captain
Sharlyn Fields	District Board Clerk
Teresa Wren	Admin. Assistant

MOSQUITO FIRE PROTECTION DISTRICT  
SCHEDULE OF EXPENDITURES  
COMPARED TO BUDGET  
GENERAL FUND  
for the year ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable)</u>
Permanent employees	\$ 148,141	\$ 132,298	\$ 15,843
Temporary employees	83,910	113,088	( 29,178)
Overtime	4,000	2,199	1,801
Other compensation	-	46,684	( 46,684)
Retirement	8,050	4,680	3,370
Payroll taxes	22,583	27,881	( 5,298)
Health insurance	9,000	5,906	3,094
Workers compensation	25,259	29,668	( 4,409)
Flexible benefits	14,946	-	14,946
Fire turnouts	7,500	12,283	( 4,783)
Uniforms	3,000	3,399	( 399)
Communications	5,300	5,071	229
Food	400	71	329
Household	1,400	216	1,184
Utilities	12,100	14,555	( 2,455)
Insurance	12,288	12,434	( 146)
Maintenance-equipment	3,400	1,881	1,519
Maintenance-vehicles	16,600	11,551	5,049
Maintenance-buildings/grounds	2,500	5,993	( 3,493)
Medical supplies	7,750	6,622	1,128
Memberships	1,250	1,366	( 116)
Office	3,000	4,294	( 1,294)
Postage	250	64	186
Software	500	2,915	( 2,415)
Printing and subscriptions	350	511	( 161)
Prof. and specialized services	70,100	36,364	33,736
Audit and accounting	3,500	3,450	50
Legal	2,000	7,694	( 5,694)
Edc Dept. El Dorado County	3,300	306	2,994
Publication and legal notices	500	347	153
Rent and lease: equip.	200	215	( 15)

MOSQUITO FIRE PROTECTION DISTRICT  
SCHEDULE OF EXPENDITURES, continued  
COMPARED TO BUDGET  
GENERAL FUND  
for the year ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable)</u>
Equip: small tools and instruments	\$ 3,000	\$ 3,727	\$( 727)
Special department	500	654	( 154)
Educational materials	1,000	3,912	( 2,912)
Fire and safety supplies	4,500	1,513	2,987
Staff development	5,000	3,329	1,671
Transportation and travel	700	1,820	( 1,120)
Fuel purchases	9,500	6,629	2,871
Supplies – donated	-	2,850	( 2,850)
Fixed assets	12,980	15,058	( 2,078)
Contingencies	<u>15,868</u>	<u>-</u>	<u>15,868</u>
	<u>\$ 526,125</u>	<u>\$ 533,498</u>	<u>\$( 7,373)</u>

MOSQUITO FIRE PROTECTION DISTRICT  
SCHEDULE OF CASH FLOWS – ALL FUNDS  
for the year ended June 30, 2020

Cash flows from operating activities:

Change in net position (loss)	\$( 30,112)
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Adjustments to reconcile change in net position  
to net cash provided by operating activities

Depreciation	\$ 43,671
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(Increase) decrease in:

Accounts receivable	( 33,574)
Prepays	640

(Decrease) increase in:

Accounts payable and accrued liabilities	<u>36,260</u>
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46,997

Net cash provided  
by operating activities

16,885

Cash flows from investing activities:

Purchase of equipment	( 15,058)
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Cash flows from financing activities:

Principal payments of long-term debt	<u>-</u>
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Net increase in cash

1,827

Cash at beginning of year

427,277

Cash at end of year

\$ 429,104