



**FINANCIAL STATEMENTS
And
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2015

MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT

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Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mi-Wuk/Sugar Pine Fire Protection District
MiWuk Village, CA 95346

Report on the Financial Statements

We have audited the accompanying financial statements of Mi-Wuk/Sugar Pine Fire Protection District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 opinions 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 standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Mi-Wuk/Sugar Pine Fire Protection District, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

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 5 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 3, 2016, on our consideration of the Mi-Wuk/Sugar Pine Fire Protection 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 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 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 Mi-Wuk/Sugar Pine Fire Protection District's internal control over financial reporting and compliance.



Blomberg & Griffin A.C.
Stockton, CA
May 3, 2016

**MI-WUK SUGAR PINE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION
AND ANALYSIS**

Our discussion and analysis of the Mi-Wuk Sugar Pine Fire Protection District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2015. Please, read it in conjunction with the District's basic financial statements, which begin on page 6.

Basic Financial Statements

The District's basic financial statements include three components:

- Combined Statement of Net Position
- Combined Statement of Activities – All Fund Types
- Notes to the Financial Statements

The statement of net position includes all of the District's assets and liabilities, with the difference between the two reported as net position.

The statement of net position provides the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility.

The statement of activities presents information, which shows how, the District's net position changed during each year. Total revenues and expenses are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The statement of activities measures the success of the District's operations during the year and determines whether the District has recovered its costs through user fees and other charges.

These statements differentiate from the statement of revenues, expenditures and changes in fund balances by only accounting for transactions that result in cash receipts or cash disbursements.

The notes to financial statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements.

Financial Highlights

Mi-Wuk Sugar Pine Fire Protection District had a change in net position of \$869,555 at June 30, 2015. The cumulative change is primarily due to a positive increase of \$8,537. The District's accrued payroll liabilities increased by \$1,675.

**MI-WUK SUGAR PINE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION
AND ANALYSIS**

Financial Analysis of the District

Mi-Wuk Sugar Pine Fire Protection District decreased its current assets by 8.98% due primarily to the decrease in the cash account. The increase in non-current assets of 4.03% is due to the asset additions exceeding depreciation. The increase of liabilities is due to the accrual of payroll taxes. Net position increased by 0.99 % in the statement of net position.

Mi-Wuk Sugar Pine Fire Protection District

	30-Jun		Percent Change
	2015	2014	
Current Assets	\$ 155,364	\$ 170,689	-8.98%
Non Current Assets	732,947	704,573	4.03%
Total Assets	888,311	875,262	1.49%
Liabilities	18,756	14,244	31.68%
Total Liabilities	18,756	14,244	31.68%
Net Position	869,555	861,018	0.99%
Total Liabilities & Net Position	\$ 888,311	\$ 875,262	1.49%

Summary of Statement of Activity

Mi-Wuk Sugar Pine Fire Protection District Change in Net Position increased by 682.56% due primarily to the increase in revenues. Mi-Wuk Sugar Pine Fire Protection District total expenses decreased by 1.26% and total revenues increased by 12.23%. The District's total Net Position increased by 0.99%.

**MI-WUK SUGAR PINE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION
AND ANALYSIS**

Mi-Wuk Sugar Pine Fire Protection District

	30-Jun-15		Percent Change
	2015	2014	
Expenses:			
Public Safety	\$ 470,879	\$ 476,899	-1.26%
Total Expenses	<u>470,879</u>	<u>476,899</u>	<u>-1.26%</u>
Revenues:			
Program Revenues	303,508	273,348	11.03%
General Revenues	<u>175,909</u>	<u>153,812</u>	<u>14.37%</u>
Total Revenues	<u>479,417</u>	<u>427,160</u>	<u>12.23%</u>
Change in Net Position	8,538	(49,739)	682.56%
Net Position- Beginning of Year	<u>861,018</u>	<u>910,757</u>	<u>-5.46%</u>
Net Position- End of Year	<u>\$ 869,556</u>	<u>\$ 861,018</u>	<u>0.99%</u>

Capital Assets

Mi-Wuk Sugar Pine Fire Protection District has recorded assets at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are valued at the estimated fair market value. During the fiscal year ended June 30, 2015 the fixed assets increased by \$28,374 primarily due to asset additions exceeding depreciation expense.

Economic Factors

Due to the general economic conditions, the revenues for next fiscal year may decline. In addition, capital expenditures will be dependent on the completion of capital improvement plans and other related factors which cannot be accurately estimated at this time. Summary budget to actual comparison for the fiscal year were as follows: Revenues exceed budget by \$24,113. Expenditure exceed budget by \$20,215. A detail of budget comparison is included on page 20.

**MI-WUK SUGAR PINE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION
AND ANALYSIS**

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Mi-Wuk Sugar Pine Fire Protection District at PO Box 530 Mi-wuk Village, CA 95346.



Chief Larry



Secretary Bonnie

MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT

Statement of Net Position

June 30, 2015

	<u>Governmental Activities</u>
Assets:	
Current Assets:	
Cash and Investments	\$ 149,644
Property Tax Receivable	141
Due from Other Government	<u>5,579</u>
Total Current Assets	<u>155,364</u>
Capital Assets:	
Land	73,132
Buildings and Improvements	731,393
Equipment	252,239
Less: Accumulated Depreciation	<u>(323,817)</u>
Total Capital Assets	<u>732,947</u>
Total Assets	<u><u>\$ 888,311</u></u>
Liabilities:	
Current Liabilities:	
Accounts Payable	\$ 4,249
Accrued Liabilities	<u>14,507</u>
Total Current Liabilities	<u>18,756</u>
Total Liabilities	<u>18,756</u>
Net Position:	
Invested in Capital Assets	732,947
Unreserved	<u>136,608</u>
Total Net Position	<u>869,555</u>
Total Liabilities and Net Position	<u><u>\$ 888,311</u></u>

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

MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2015

	<u>Governmental Activities</u>
Expense:	
Public Safety	\$ 470,879
Total Expenses	<u>470,879</u>
Program Revenues:	
Charges for Services	236,011
Operating Grants, Contributions, and Other Revenues	<u>67,497</u>
Total Charges for Services and Operating Grants	<u>303,508</u>
Net Program Expenses	<u>167,371</u>
General Revenues:	
Property Tax	152,967
Investment Income	723
Sale of Surplus Property	19,000
Miscellaneous	<u>3,219</u>
Total General Revenues	<u>175,909</u>
Change in Net Position	8,538
Net Position - Beginning of Year	<u>861,018</u>
Net Position - End of Year	<u><u>\$ 869,556</u></u>

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

MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT

Balance Sheet
Governmental Funds
June 30, 2015

	<u>General Fund</u>
Assets:	
Cash and Investments	\$ 149,644
Property Tax Receivable	141
Due from Other Government	<u>5,579</u>
Total Assets	<u><u>\$ 155,364</u></u>
Liabilities and Fund Balances:	
Liabilities:	
Accounts Payable	\$ 4,249
Accrued Liabilities	<u>14,507</u>
Total Liabilities	<u>18,756</u>
Fund Balances:	
Fund Balances:	
Unassigned	<u>136,608</u>
Total Fund Balances	<u>136,608</u>
Total Liabilities and Fund Balances	<u><u>\$ 155,364</u></u>

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

MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2015

Fund Balances - Governmental Funds	\$ 136,608
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds	<u>732,947</u>
Net Position - Governmental Activities	<u><u>\$ 869,555</u></u>



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

MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	<u>General Fund</u>
Revenues:	
Property Taxes	\$ 149,778
Intergovernmental Revenues	3,189
Use of Money and Property	723
Charges for Services	236,011
Other Revenues	<u>89,716</u>
Total Revenues	<u>479,417</u>
Expenditures:	
Current:	
Public Safety-Fire	437,976
Debt Service	
Principal	-
Interest	-
Capital Outlay	<u>61,278</u>
Total Expenditures	<u>499,254</u>
Net Change in Fund Balances	(19,837)
Fund Balances, July 1	<u>156,445</u>
Fund Balances, June 30	<u><u>\$ 136,608</u></u>

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

MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds \$ (19,837)

Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of revenues, expenditures and changes in fund balance because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization amount

Cost of assets capitalized	61,278
Depreciation expense	<u>(32,903)</u>

Change in Net Position - Governmental Activities \$ 8,538



MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT

Notes to the Financial Statements

June 30, 2015

Note 1: Summary of Significant Accounting Policies

The Mi-Wuk Village Fire Protection District was formed by resolution of the Board of Supervisors of the County of Tuolumne, California, on January 19, 1959. On December 19, 1974 following the "Sugar Pine Annexation" the District was enlarged to its current boundaries and became the Mi-Wuk Sugar Pine Fire Protection District. The District is governed by an elected Board of Directors and is subject to various State of California statutes including the Health and Safety Code Sections 13800-13960 "The Fire Protection District Law of 1987" and others. The District provides fire protection and related services in the Mi Wuk Village and Sugar Pine areas. The District boundaries are detailed on the official records of Tuolumne County.

Services outside District boundaries are provided for the Tuolumne County Fire Department and as a party to the "County of Tuolumne Fire Agencies Master Mutual Aid Agreement."

The District is governed by a Board of Directors. Directors are elected by the Citizens of the District for four year terms. Terms are staggered, and there are no term limits.

The financial statements of the District are prepared on the accrual basis of accounting. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The District has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America, which provide guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit, or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the higher level of government, or a jointly appointed board.

Based on the aforementioned oversight criteria, there are no component units in accordance with Governmental Accounting Standards Board Statement No. 14.

MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT

Notes to the Financial Statements

June 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or as a reservation of fund balance. The District considers property taxes available if they are collected within sixty-days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as compensated absences and claims and judgments are recorded only when payment is due. General capital acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

The financial statements of the District are presented on the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred.

C. Non-Current Governmental Assets/Liabilities

GASB Statement 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information in the government-wide statement of net position.

D. Basis of Presentation

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's resources are accounted for in these individual funds based on the purposes for which they are to be spent and the means by which spending activity is controlled. For financial reporting, these funds have been grouped into the fund type discussed in the following page.

MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT

Notes to the Financial Statements

June 30, 2015

Note I: Summary of Significant Accounting Policies (Continued)

D. Basis of Presentation (Continued)

Governmental Fund Type

Governmental funds are used to account for the District's expendable financial resources and related liabilities (except those accounted for in proprietary and similar trust funds). The measurement focus is based upon determination of changes in financial position. The following are the District's governmental funds:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government type activities.

E. 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/expenses during the reporting period. Actual results could differ from those estimates.

F. Restricted Assets

Restricted assets are financial resources generated for a specific purpose such structural improvements and financing of debt obligations. These amounts are restricted, as their use is limited by applicable bond covenants or other external requirements.

G. Fund Balances

Reservations of fund balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures.

MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT

Notes to the Financial Statements

June 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

H. Property Taxes

The District receives property taxes from Tuolumne County, which has been assigned the responsibility for assessment, collections, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are levied on July 1 for the following fiscal year and on which date it becomes a lien on real property. Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District. The County, in return, receives all penalties and interest. Penalties and interest collected by the County are not allocated to the District. The levy date is July 1. Apportionments are distributed according to the following schedule:

<u>Action</u>	<u>Date</u>	<u>Percent of Levy</u>
1 st apportionment	November 25	10%
2 nd apportionment	By December 25	45%
3 rd apportionment	By April 25	40%
4 th apportionment	By June 25	5%

I. Capital Assets

Capital assets, recorded at historical cost or estimated historical cost if actual historical cost is not available, are reported in governmental activities column of the government-wide financial statements. Contributed fixed assets are valued at their estimated fair market value. Capital assets include land, buildings and building improvements, and equipment. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation is recorded in the government-wide financial statements on the straight-line basis over the useful life of the assets as follows:

<u>Assets</u>	<u>Useful Life</u>
Improvements to land	20 years
Building improvements	10-30 years
Vehicles	10-15 years
Machinery and Equipment	5 years

MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT
Notes to the Financial Statements
June 30, 2015

Note 2: Cash and Investments

Cash at June 30 consisted of the following:

	2015
Cash with County	\$ 149,144
Petty Cash	500
Total	\$ 149,644

The District maintains its general cash account with Tuolumne County Treasurer's office. The County maintains the cash of the District in a "pooled" cash fund for special District's. The cash maintained in the "pooled" cash fund with Tuolumne County at June 30, 2015 was \$149,144. The District maintains the petty cash at a local bank. The petty cash at June 30, 2015 was \$500.

California Government Code authorizes the Treasurer of the County to invest excess funds in the following list of eligible securities:

- a) Obligations of the U.S. Treasury, agencies and instrumentalities
- b) Banker's acceptances eligible for purchase by the Federal Reserve System
- c) Commercial paper with A-1 rating by Moody's Investors Service or a P-1 rating by Standard and Poor's Corporation
- d) Repurchase agreements or reverse repurchase agreements
- e) Medium-term notes with a five-year maximum maturity from corporations operating within the United States and rated in the top three rating categories by Moody's Investment Service and Standard and Poor's Corporation
- f) Shares of beneficial interest issued by the diversified management companies (money market funds) investing in securities and obligations as outlined in (a through f) above. Certain security rankings and/or organizational requirements apply to this investment

The District is a participant in the Tuolumne County Investment Pool (Pool) under the oversight of the Treasurer of the Tuolumne County, as required by California Government Code Section 27134. At June 30, 2015, the District's investment in the Pool was \$149,144. The District's investment is presented at fair value in accordance with GASB No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". However, the value of the pool shares in the County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District's portion in the pool.

MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT
Notes to the Financial Statements
June 30, 2015

Note 3: Property Plant and Equipment

Activity for general fixed assets capitalized by the District is summarized below:

	<u>Balance 7/1/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2015</u>
Governmental Activities:				
Capital Assets, not Being Depreciated:				
Land	\$ 73,132	\$ -	\$ -	\$ 73,132
Capital Assets, Being Depreciated:				
Buildings and Improvements	731,393	-	-	731,393
Equipment/Vehicles	240,962	61,277	(50,000)	252,239
Total Capital Assets, Being Depreciated	<u>972,355</u>	<u>61,277</u>	<u>(50,000)</u>	<u>983,632</u>
Less Accumulated Depreciation for:				
Building and Improvements	(186,836)	(24,699)	-	(211,535)
Equipment	(154,078)	(8,204)	50,000	(112,282)
Total Accumulated Depreciation	<u>(340,914)</u>	<u>(32,903)</u>	<u>50,000</u>	<u>(323,817)</u>
 Total Capital Assets, Being Depreciated Net	 <u>631,441</u>	 <u>28,374</u>	 <u>-</u>	 <u>659,815</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 704,573</u>	 <u>\$ 28,374</u>	 <u>\$ -</u>	 <u>\$ 732,947</u>

Note 4: Related Party Transaction

Mi-Wuk/Sugar Pine Fire Protection District auxiliary is a separate support organization that assists the District through fundraising and donations of cash, equipment, supplies, food and beverages, etc. Auxiliary funds expended directly to the vendors for the purchase of small equipment, supplies, food and beverages, etc., for use by the District are not budgeted.

Note 5: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to cover the risk of loss. The \$1,000,000 per occurrence and \$2,000,000 aggregate covers general liability. The District also purchases auto liability, property liability and management liability. The District pays an annual premium for its general insurance coverage.

MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT

Notes to the Financial Statements

June 30, 2015

Note 6: Commitments and Contingencies

The District receives federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. District management believes such disallowances, if any, would be insignificant. In the normal course of business, the District may be a defendant in lawsuits. Defense of lawsuits are handled by the District's insurance carrier, and losses, if any, would be expected to be covered by insurance. District officials are of the opinion that lawsuits, if any, will not have a material adverse effect on the District's financial position.

Note 7: 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 and the statement of net position, the District has one classification for fund balance: Unassigned. 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.

Note 8: Mutual Aid Agreement

The District is a party to the "County of Tuolumne Fire Agencies Master Mutual Aid Agreement". The Agreement is a mutual cooperation agreement to increase fire protection resources and other emergency operations to assure adequate protection to the community. The Agreement is intended to cover day-to-day mutual aid only and shall have no force or effect when the State of California, Office of Emergency Services Master Mutual Aid Agreement becomes operative. Under the Agreement, the District assumed all costs for salaries, bonuses, or other compensation for its own personnel, apparatus, equipment, and tools used specifically in response to a request for mutual aid, and shall make no charge for such use to the requesting party. The Agreement has no termination date however; the District may at any time terminate by serving a 30-day notice in writing to all of the other parties to the agreement.

Note 9 Subsequent Events

Management has evaluated subsequent events through May 3, 2016, the date these financial statements were available for release.

MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
Revenues:			
Property Taxes	\$ 143,677	\$ 143,677	\$ 149,778
Intergovernmental Revenues	2,000	2,000	3,189
Use of Money and Property	600	600	723
Charges for Services	236,011	236,011	236,011
Other Revenues	73,016	73,016	89,716
	<u>455,304</u>	<u>455,304</u>	<u>479,417</u>
Total Revenues			
Expenditures:			
Salaries and Benefits	300,447	300,447	299,710
Services and Supplies	137,529	137,529	138,266
Debt Service			
Principal	-	-	-
Interest	-	-	-
Capital Outlay	41,063	41,063	61,278
	<u>479,039</u>	<u>479,039</u>	<u>499,254</u>
Total Expenditures			
Net Change in Fund Balances	<u>\$ (23,735)</u>	<u>\$ (23,735)</u>	(19,837)
Fund Balances, July 1, 2014			<u>156,445</u>
Fund Balances, June 30, 2015			<u>\$ 136,608</u>

The accompanying note to the required supplementary information is an integral part of this statement

MI-WUK/SUGAR PINE FIRE PROTECTION DISTRICT
Note to the Required Supplementary Information
June 30, 2015

Note 1. Budgets and Budgetary Accounting

As required by State law the District prepares and legally adopts a final operating budget. Public hearings were conducted on the proposed and final budget to review all appropriations and the sources of financing.

The budget for the general fund is adopted on the modified cash basis of accounting. The budget for the general fund is the only legally adopted budget.

At the object level, actual expenditures cannot exceed budgeted appropriations. Management can transfer budgeted amounts between expenditure accounts within an object without the approval of the Board of Directors. Significant amendments and appropriation transfers between objects or funds must be approved by the Board of Directors. Appropriations lapse at fiscal year end.

The budgetary data presented in the accompanying financial statements includes all revisions approved by the Board of Directors.





Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

**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**

Board of Directors
Mi-Wuk/Sugar Pine Fire Protection District
Mi-Wuk Village, CA 95346

We have audited the governmental activities of the Mi-Wuk/Sugar Pine Fire Protection District as of and for the year ended June 30, 2015, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 03, 2016. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Mi-Wuk/Sugar Pine Fire Protection District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mi-Wuk/Sugar Pine Fire Protection District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Mi-Wuk/Sugar Pine Fire Protection District's internal control over financial reporting.

A control 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, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected and corrected by Mi-Wuk/Sugar Pine Fire Protection District's internal controls on a timely basis.

Mi-Wuk/Sugar Pine Fire Protection District-Report on Internal Controls-Page 2

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mi-Wuk/Sugar Pine Fire Protection District financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with 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 matter that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, County, and State Auditor/Controller and is not intended to be and should not be used by anyone other than these specified parties.



Blomberg & Griffin A.C.
Stockton, CA
May 03, 2016