

**MONTEZUMA FIRE
PROTECTION DISTRICT
OF SOLANO COUNTY**



**Independent Auditor's Report and Financial Statements
For the fiscal years ended June 30, 2023 and 2022**

**Montezuma Fire Protection District of Solano County
For the fiscal years ended June 30, 2023 and 2022**

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**Montezuma Fire Protection District of Solano County
For the fiscal years ended June 30, 2023 and 2022**

Board of Directors*

Mitch Mashburn, Chair

Monica Brown, Vice-Chair

Wanda Williams-Chair Pro Tem

John Vasquez, Director

Cassandra James, Director

* As of audit issuance date of April 7, 2025

District Fire Chief – Michael O'Connor

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Montezuma Fire Protection District
Rio Vista, California

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Montezuma Fire Protection District (District), as of and for the fiscal years ended June 30, 2023 and 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 each major fund of the Montezuma Fire Protection District as of June 30, 2023 and 2022, and the respective changes in financial position thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 opinion.

Responsibilities of Management 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; 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budget comparison schedules information 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.

The Montezuma Fire Protection District has not presented the Management Discussion and Analysis. The required supplementary information presented to supplement the basic financial statements is described as the Budget Comparison Schedules for the General Fund.

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.

Melinda S Ingram

Melinda S. Ingram, CPA
Fairfield, California
April 7, 2025

Montezuma Fire Protection District
Statement of Net Position
June 30, 2023 and 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
ASSETS		
Current assets		
Cash & equivalents	\$ 2,623,369	\$ 2,613,774
Prepaid expenses	<u>-</u>	<u>706</u>
Total current assets	<u>2,623,369</u>	<u>2,614,480</u>
Noncurrent assets		
Capital assets, net		
Land	140,086	140,086
Structure and improvements	327,163	355,521
Equipment	<u>1,150,736</u>	<u>1,174,839</u>
Total noncurrent assets	<u>1,617,985</u>	<u>1,670,446</u>
Total assets	<u>4,241,354</u>	<u>4,284,926</u>
LIABILITIES		
Current liabilities		
Outstanding warrants	116,452	51,710
Accounts payable	4,547	17,429
Due to other agencies	<u>7,209</u>	<u>5,598</u>
Total current liabilities	<u>128,208</u>	<u>74,737</u>
Noncurrent liabilities		
Compensated absences	<u>61,422</u>	<u>51,760</u>
Total noncurrent liabilities	<u>61,422</u>	<u>51,760</u>
Total liabilities	<u>189,630</u>	<u>126,497</u>
NET POSITION		
Net investment in capital assets	1,617,985	1,670,446
Unrestricted	<u>2,433,739</u>	<u>2,487,983</u>
Total net position	<u>\$ 4,051,724</u>	<u>\$ 4,158,429</u>

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

Montezuma Fire Protection District
Statement of Activities
For the fiscal years ended June 30, 2023 and 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Program expenses:		
Employee services	\$ 563,542	\$ 575,512
Depreciation	135,616	137,767
Maintenance	67,499	47,884
Professional & specialized services	49,186	32,333
Transportation & travel	35,445	35,227
Insurance	34,571	30,654
Communication	26,629	27,637
Utilities	23,232	22,167
Equipment for Non-County Agency	18,214	-
Non-capitalized equipment	14,690	9,638
Supplies	13,721	57,557
Special district expense	9,289	9,727
Household expense	8,269	7,711
Property tax refunds	1,605	1,447
Small tools & instruments	427	516
Miscellaneous	8,902	6,084
Total program expenses	<u>1,010,837</u>	<u>1,001,861</u>
Program revenues:		
Charges for services	58,345	190,675
Operating grants and contributions	27,390	11,217
Total program revenues	<u>85,735</u>	<u>201,892</u>
Net program expenses	925,102	799,969
General revenues:		
Property taxes	734,879	701,848
Interest income	54,679	8,147
Other revenue	16,775	8,673
Lease income	12,000	9,600
Intergovernmental revenues	64	58
Total general revenues	<u>818,397</u>	<u>728,326</u>
Change in net position	(106,705)	(71,643)
Net position:		
Beginning of the year	4,158,429	4,230,072
End of the year	<u>\$ 4,051,724</u>	<u>\$ 4,158,429</u>

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

Montezuma Fire Protection District
Balance Sheet
Governmental Fund
June 30, 2023 and 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Assets		
Cash and cash equivalents	\$ 2,623,369	\$ 2,613,774
Prepaid expenses	-	706
Total assets	<u>\$ 2,623,369</u>	<u>\$ 2,614,480</u>
Liabilities		
Outstanding warrants	\$ 116,452	\$ 51,710
Accounts payable	4,547	17,429
Due to other agencies	7,209	5,598
Total liabilities	<u>128,208</u>	<u>74,737</u>
Fund Balance		
Assigned for:		
Imprest cash	44,000	44,000
Future equipment acquisition	420,000	500,000
General reserve	500,000	500,000
Unassigned	1,531,161	1,495,743
Total fund balance	<u>2,495,161</u>	<u>2,539,743</u>
Total liabilities and fund balance	<u>\$ 2,623,369</u>	<u>\$ 2,614,480</u>

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

Montezuma Fire Protection District
Reconciliation of the Balance Sheet
of the Governmental Funds to the Statement of Net Position
For the fiscal years ended June 30, 2023 & 2022

	<u>2023</u>	<u>2022</u>
Total governmental funds, fund balance	\$ 2,495,161	\$ 2,539,743
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.	1,617,985	1,670,446
Long-term liabilities are not due and payable in the current period, and, therefore are not reported in the funds		
Compensated absences	<u>(61,422)</u>	<u>(51,760)</u>
Net position of governmental activities	<u>\$ 4,051,724</u>	<u>\$ 4,158,429</u>

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

Montezuma Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the fiscal years ended June 30, 2023 and 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Revenues:		
Property taxes	\$ 734,879	\$ 701,848
Charges for services	58,345	190,675
Interest income	54,679	8,147
Grant revenue	27,390	11,217
Other revenue	16,775	8,673
Lease income	12,000	9,600
Intergovernmental revenue	64	58
Total revenues	<u>904,132</u>	<u>930,218</u>
Expenditures:		
Employee services	553,880	559,204
Maintenance	67,499	47,884
Professional & specialized services	49,186	32,333
Transportation & travel	35,445	35,227
Insurance	34,571	30,654
Communication	26,629	27,637
Utilities	23,232	22,167
Equipment for Non-County Agency	18,214	-
Non-capitalized equipment	14,690	9,638
Supplies	13,721	57,557
Special district expense	9,289	9,727
Household expense	8,269	7,711
Property tax refunds	1,605	1,447
Small tools & instruments	427	516
Miscellaneous	8,902	6,084
Capital outlay	83,155	10,834
Total expenditures	<u>948,714</u>	<u>858,620</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(44,582)</u>	<u>71,598</u>
Fund balance - beginning	<u>2,539,743</u>	<u>2,468,145</u>
Fund balance - ending	<u><u>\$ 2,495,161</u></u>	<u><u>\$ 2,539,743</u></u>

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

Montezuma 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 years ended June 30, 2023 and 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Net change in fund balances	\$ (44,582)	\$ 71,598
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	83,155	10,834
Depreciation expense	(135,616)	(137,767)
Some 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.		
Change in compensated absences	(9,662)	(16,308)
Change in net position of governmental activities	<u>\$ (106,705)</u>	<u>\$ (71,643)</u>

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

Montezuma Fire Protection District of Solano County
Notes to the Basic Financial Statements
For the fiscal years ended June 30, 2023 and 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. In addition, the District complies with the uniform accounting system for districts prescribed by the State Controller in compliance with the Government Code of the State of California.

A. Reporting Entity

Montezuma Fire Protection District (District) of Solano County was formed in 1928 as an independent special district for the purpose of providing fire protection services to approximately 200 square miles of mostly farmland and pasture lands, and includes the communities of Birds Landing, Collinsville, Hastings Island, Prospect Island, Ryer Island, and Holland Tract. The District is located in the southeastern portion of Solano County and surrounds the city of Rio Vista almost in its entirety.

The District operates as a rural fire protection district under the authority of Health and Safety Code § 13800, *Uniform Fire Protection District Law of 1987*, of the State of California. This authority empowers fire districts to provide structural, wildland and vehicle fire suppression services, rescue services, emergency medical services, fire prevention services, hazardous material response, and other support services relating to the protection of lives and property.

The District is governed by the Solano County Board of Supervisor.

B. Basis of Accounting

The 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 revenue, in the period when levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay

liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal 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 expenditures related to 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 financing sources.

C. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government.

The statement of activities demonstrates the degree to which the program expenses of a given function or segment are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function. Program revenues include 1) charges paid by recipients of goods and services offered by the programs, and 2) grants and contributions restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues are presented instead as general revenues.

Fund Financial Statement

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in separate columns.

The District reports the following major governmental fund:

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

D. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balance

Cash and Cash Equivalents

The District's cash is maintained in the Solano County Treasury and in a commercial bank, Farmers & Merchants Bank of Central California.

The Farmers & Merchants Bank of Central California account is funded on an imprest (advance) basis from the District's cash in the County Treasury. The District uses the commercial bank account to satisfy its obligations resulting from day-to-day operations. As of June 30, 2023, and June 30, 2022, the District's bank account balances were entirely covered by federal depository insurance.

The District's cash maintained in the Solano County Treasury is pooled with the County and various other depositors. The District is a non-mandatory depositor, pursuant to the California Health & Safety Code Section 13854. The District's ability to withdraw large sums of cash from the County Treasury may be subject to certain restrictions set by the County Treasurer.

The County's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the County Board of Supervisors. The objectives of the policy (in order of priority) are: legality, preservation of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code, and the percentage of the portfolio which may be invested in certain instruments with longer terms of maturity. A detailed breakdown of cash and investments and a categorization of risk factors per GASB Statement No. 40, *Deposits and Investment Risk Disclosures* and GASB Statement No. 72, *Fair Value Measurement and Application*, are presented in the County of Solano Annual Comprehensive Financial Report.

1. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". The District's interfund accounts would be eliminated from the government-wide financial statements because both of those funds are reported within the governmental activities' column.

2. Prepaid Expenses

Prepaid expenses represent payments made to vendors for costs that benefit future periods.

3. Capital Assets

Capital assets, which include land, structures and improvements, equipment, and donated equipment are reported in the government-wide financial statements. Capital assets are defined by the District's capitalization policy as equipment-other with an initial cost of \$2,000 or more and a useful life of three years or longer and vehicles, specialty equipment and buildings and improvements with an initial cost of \$5,000 or more and a useful life of two years or longer. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. Donated capital assets are valued at their fair value on the date of donation.

Structures and improvements, equipment, and depreciable infrastructure assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Computer equipment	3-5
Office equipment	3-7
Specialty equipment and vehicles	2-20
Structures and improvements	10-40

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

In the fund financial statements, fixed assets used in the District's operations are accounted for as capital outlay expenditures of the District's General Fund upon acquisition.

4. Outstanding Warrants

Outstanding warrants represent the amount of warrants issued but not yet presented to the County for payment. When payables are processed, expenditures are recorded in the District's fund and a liability for accounts payable is created. When the warrant is issued, the liability for accounts payable is reduced and a outstanding warrant liability is created, pending payment of the warrant.

5. Accounts Payable

Accounts payable represent the balance due for goods received and/or services rendered.

6. Due to Other Agencies

Due to other agencies represent amounts owed to governmental entities and others outside the District.

7. Compensated Absences

It is the District's policy to permit qualified employees to accumulate earned but unused vacation and sick leave benefits. Accrued vacation and sick leave are paid at the time of the employee's termination based on established District policy. In accordance with GASB Statement No. 16, the District's compensated absences leave is accrued when incurred in the government-wide financial statements. An expenditure is reported in the governmental fund only if unused vacation and/or sick is paid out due to an employee separating from service with the District.

District policy states upon termination of employment because of regular or disability retirement, death, release from District employment because of a permanent reduction in the number of authorized regular help positions, a regular employee may be paid for fifty (50) percent of their accumulated unused sick leave, up to a maximum of 350 hours. Unused, earned vacation leave will be paid up to a maximum of 320 hours, at the hourly equivalent of the employee's salary for each hour of earned vacation up until the end of the last pay period worked.

8. Net Position/Fund Balance

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

- *Net invested in capital assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt, attributable to the acquisition, construction or improvement of these assets reduces the balance in this category.
- *Unrestricted* – This category represents net position of the District, not restricted for any project or other purpose.

The various categories of fund balance represent relative strength or hierarchy of spending constraints. These categories are established either by inherent, external or internal limitations.

As of June 30, 2023 and 2022, fund balance was categorized as follows:

- *Assigned* – Assigned fund balance consists of funds constrained by the District’s intent to be used for a specific purpose.
- *Unassigned* – Unassigned fund balance is the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications and is available for financing future budgets.

9. Fund Balance Policy

The District Board of Trustees has not formally adopted a Fund Balance Policy. However, the District adheres to the requirements of GASB Statement No. 54, Fund Balance Reporting. GASB 54 establishes fund balance classifications that comprise a hierarchy based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The District’s spending priority applies to fund balance and revenue sources. In circumstances when expenditures are made for a purpose for which amounts are available in multiple fund balance classification, the use of fund balance will be applied in the following order:

1. Restricted
2. Committed
3. Assigned
4. Unassigned

Assigned Fund Balance

During any District Board meeting, the Board of Fire Commissioners may establish or change an Assigned Fund Balance through Board approval of a 3/5 vote. The Board of Fire Commissioners is the only entity delegated to assign Fund Balance.

10. 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. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Property Taxes

The State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100 percent of market value as defined by Article XIII and may be adjusted by no more than two percent per year unless the property is sold or transferred. The State Legislature has determined the method of distributing receipts from a one percent tax levy among the counties, cities, school districts, and other districts.

Secured, unitary and supplemental property taxes are apportioned in advance of collection. Unsecured taxes are apportioned after collection.

B. GANN Appropriations Limit

In accordance with Article XIII B of the California Constitution, the District is subject to the appropriations limit since the District was in existence on January 1, 1978, and the District's tax levy for fiscal year 1977/78 was above 12 ½ cents per \$100 of assessed valuation. The appropriations limit for the fiscal years ended June 30, 2021 and 2020 are as follows:

	6/30/2023	6/30/2022
GANN Appropriations Limit	\$ 1,524,827	\$ 1,426,055
Appropriations Subject to Limitation	750,157	674,757
Amount Under Appropriations Limit	<u>\$ 774,670</u>	<u>\$ 751,298</u>

III. DETAILED NOTES

A. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2023 was as follows:

Governmental activities	Beginning Balance	Additions	Retirements and Adjustments	Ending Balance
Capital assets not being depreciated:				
Land	\$ 140,086	\$ -	-	\$ 140,086
Total capital assets not being depreciated	140,086	-	-	140,086
Capital assets being depreciated:				
Structures and improvements	770,984	-	-	770,984
Equipment	2,530,480	83,155	-	2,613,635
Donated equipment	4,868	-	-	4,868
Total capital assets being depreciated	3,306,332	83,155	-	3,389,487
Less accumulated depreciation for:				
Structures and improvements	(415,463)	(28,358)	-	(443,821)
Equipment	(1,355,641)	(107,259)	-	(1,462,900)
Donated equipment	(4,868)	-	-	(4,868)
Total accumulated depreciation	(1,775,972)	(135,617)	-	(1,911,589)
Total capital assets being depreciated, net	1,530,360	(52,462)	-	1,477,898
Governmental activities capital assets, net	\$ 1,670,446	\$ (52,462)	-	\$ 1,617,984

Capital assets activity for the fiscal year ended June 30, 2022 was as follows:

Governmental activities	Beginning Balance	Additions	Retirements and Adjustments	Ending Balance
Capital assets not being depreciated:				
Land	\$ 140,086	\$ -	-	\$ 140,086
Total capital assets not being depreciated	140,086	-	-	140,086
Capital assets being depreciated:				
Structures and improvements	770,984	-	-	770,984
Equipment	2,519,646	10,834	-	2,530,480
Donated equipment	4,868	-	-	4,868
Total capital assets being depreciated	3,295,498	10,834	-	3,306,332
Less accumulated depreciation for:				
Structures and improvements	(387,105)	(28,358)	-	(415,463)
Equipment	(1,246,719)	(108,922)	-	(1,355,641)
Donated equipment	(4,381)	(487)	-	(4,868)
Total accumulated depreciation	(1,638,205)	(137,767)	-	(1,775,972)
Total capital assets being depreciated, net	1,657,293	(126,933)	-	1,530,360
Governmental activities capital assets, net	\$ 1,797,379	\$ (126,933)	-	\$ 1,670,446

B. Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	51,760	9,662	-	61,422	15,356
Total long-term liabilities	<u>\$ 51,760</u>	<u>\$ 9,662</u>	<u>\$ -</u>	<u>\$ 61,422</u>	<u>\$ 15,356</u>

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	35,452	16,308	-	51,760	12,940
Total long-term liabilities	<u>\$ 35,452</u>	<u>\$ 16,308</u>	<u>\$ -</u>	<u>\$ 51,760</u>	<u>\$ 12,940</u>

IV. OTHER INFORMATION

A. 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; and natural disasters. The District continues to carry commercial insurance for all risks of loss, including general liability, business automobile liability, property, errors and omissions, pollution liability, fraud, workers' compensation and employee health and accident insurance.

B. Employee Retirement-SEP IRA Contribution Program

The District has elected to provide full time employees with a SEP IRA retirement account. The District contracts with Capital Group, American Funds Group Investments to provide four eligible employees with a SEP IRA retirement account. A Simplified Employee Pension (SEP) plan provides the District with a simplified method to contribute toward their employees' retirement savings. Employer contributions are made to an employee's Individual Retirement Account or Annuity (IRA). Contributions are optional and at employers' discretion and must be the same percentage of compensation for all eligible employees. The District was contributing seven percent (7%) of an employee's base salary each pay period. Effective 5/1/22 all retirement benefits were raised from 7% to 10% of base salary. No participant contributions are allowed, and contributions are immediately vested. Plan participants control their accounts and make their own investment choices. Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value. The District has no access, ownership, or liability for participant accounts. Upon an employee's separation from the District, no further obligation remains to the District.

For fiscal year 2022/23 and 2021/22, the District paid \$27,549 and \$19,813, respectively, for District employee retirement plans.

C. Subsequent Events

1. The District had been governed by an appointed Board of Fire Commissioners consisting of five (5) members serving four-year terms. The Board of Supervisors of Solano County approved the appointment of each member.

On March 11, 2025, the Solano County Board of Supervisors adopted a resolution appointing the Solano County Board of Supervisors as the Montezuma Fire Protection District's Governing Board of Directors, thus dissolving the Montezuma Fire Protection District's Board of Fire Commissioners.

2. In fiscal year 2020/21, the Board of Fire Commissioners applied for two Assistance to Firefighters Grant funding opportunity offered by the Department of Homeland Security's Federal Emergency Management Agency (FEMA). One was for pagers and radios and a second was for turnouts and an extractor.

During fiscal year 2023/24, the District received federal grant funding in the amount of \$738,107 from the first grant and \$15,087 from the second grant. The total amount of federal grant funding received for the fiscal year 2023/24 was \$753,194.

As a result of expending \$750,000 or more in federal awards during fiscal year 2023/24, the District is required to undergo a Single Audit. Per Grant Financial Management Requirements under 2 *CFR* 200.501—*Audit Requirements*, a single audit is required for an entity that expends \$750,000 or more in federal awards during its fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

Montezuma Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the fiscal year ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual Amounts	
Revenues:				
Property taxes	\$ 791,860	791,860	\$ 734,879	\$ (56,981)
Charges for services	-	-	58,345	58,345
Interest income	8,000	8,000	54,679	46,679
Grant revenue	-	-	27,390	27,390
Other revenue	-	-	16,775	16,775
Lease income	7,200	7,200	12,000	4,800
Intergovernmental revenue	-	-	64	64
Total revenues	<u>807,060</u>	<u>807,060</u>	<u>904,132</u>	<u>97,072</u>
Expenditures:				
Employee services	565,862	565,862	553,880	11,982
Maintenance	43,000	43,000	67,499	(24,499)
Professional & specialized services	67,000	67,000	49,186	17,814
Transportation & travel	22,500	22,500	35,445	(12,945)
Insurance	34,000	34,000	34,571	(571)
Communication	21,500	21,500	26,629	(5,129)
Utilities	20,900	20,900	23,232	(2,332)
Equipment for Non-County Agency	-	18,214	18,214	-
Non-capitalized equipment	25,000	34,786	14,690	20,096
Supplies	42,850	42,850	13,721	29,129
Special district expense	16,600	16,600	9,289	7,311
Household expense	9,000	9,000	8,269	731
Property tax refunds	-	-	1,605	(1,605)
Small tools & instruments	1,000	1,000	427	573
Miscellaneous	5,900	5,900	8,902	(3,002)
Capital Outlay	-	80,000	83,155	(3,155)
Total expenditures	<u>875,112</u>	<u>983,112</u>	<u>948,714</u>	<u>34,398</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(68,052)</u>	<u>(176,052)</u>	<u>(44,582)</u>	<u>131,470</u>
Fund balance - beginning	<u>2,539,743</u>	<u>2,539,743</u>	<u>2,539,743</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,471,691</u>	<u>\$ 2,363,691</u>	<u>\$ 2,495,161</u>	<u>\$ 131,470</u>

The notes to the required supplementary information are an integral part of this statement.

Montezuma Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the fiscal year ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual Amounts	
Revenues:				
Property taxes	\$ 694,300	\$ 694,300	\$ 701,848	\$ 7,548
Charges for services	-	-	190,675	190,675
Grant revenue	-	-	11,217	11,217
Lease income	10,400	10,400	9,600	(800)
Other revenue	-	-	8,673	8,673
Interest income	8,000	8,000	8,147	147
Intergovernmental revenue	-	-	58	58
Total revenues	<u>712,700</u>	<u>712,700</u>	<u>930,218</u>	<u>217,518</u>
Expenditures:				
Employee services	514,013	592,813	559,204	33,609
Supplies	42,800	62,800	57,557	5,243
Maintenance	39,000	55,000	47,884	7,116
Transportation & travel	17,500	35,500	35,227	273
Professional & specialized services	47,000	47,000	32,333	14,667
Insurance	17,000	17,000	30,654	(13,654)
Communication	20,500	20,500	27,637	(7,137)
Utilities	19,000	22,000	22,167	(167)
Special district expense	16,500	16,500	9,727	6,773
Non-capitalized equipment	25,000	25,000	9,638	15,362
Household expense	9,000	9,000	7,711	1,289
Property tax refunds	-	-	1,447	(1,447)
Small tools & instruments	1,000	1,000	516	484
Miscellaneous	4,300	4,300	6,084	(1,784)
Capital Outlay	30,388	42,388	10,834	31,554
Total expenditures	<u>803,001</u>	<u>950,801</u>	<u>858,620</u>	<u>92,181</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(90,301)</u>	<u>(238,101)</u>	<u>71,598</u>	<u>309,699</u>
Fund balance - beginning	<u>2,468,145</u>	<u>2,468,145</u>	<u>2,468,145</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,377,844</u>	<u>\$ 2,230,044</u>	<u>\$ 2,539,743</u>	<u>\$ 309,699</u>

The notes to the required supplementary information are an integral part of this statement.

Montezuma Fire Protection District of Solano County
Notes to Required Supplementary Information
For the fiscal years ended June 30, 2023 and 2022

Budgetary Information

Pursuant to Health and Safety Code § 13895, on or before October 1st of each year, the District Board of Fire Commissioners shall adopt a budget which shall conform to the accounting and budgeting procedures for Special Districts contained in the California Code of Regulations. The budget shall establish its appropriations limit pursuant to Division 9 of the Government Code. All annual appropriations lapse at fiscal year-end.

An operating budget prepared on a modified accrual basis is adopted each fiscal year for the general fund. The Board of Fire Commissioners shall provide a copy of the final budget to the auditor of each county in which the District is located.