

**NEWCASTLE FIRE
PROTECTION DISTRICT**

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

The Board of Directors of Newcastle Fire Protection District approved to attach a copy of the Minutes from the January, 20, 2021 Fire Board meeting stating that the \$40,000 donation recorded in the 2019/2020 Audit was an in-kind donation from another agency.

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Enclosure: Newcastle Fire Board regular meeting minutes: January 20, 2021



Robert W. Johnson
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Newcastle 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 audits 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 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Newcastle Fire Protection District as of June 30, 2020, and the 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 this 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 Newcastle 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 W. Johnson, An Accountancy Corporation

Citrus Heights, California

November 17, 2020

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

ASSETS	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash with County (Note 3)	\$ 363,471	\$ -	\$ 363,471
Interest receivable	301	-	301
Accounts receivable	-	-	-
Capital assets (Notes 4 and 5)	-	1,730,137	1,730,137
Less, accumulated depreciation	<u>-</u>	<u>(397,979)</u>	<u>(397,979)</u>
 Total assets	 <u>\$ 363,772</u>	 <u>\$ 1,332,158</u>	 <u>\$ 1,695,930</u>

LIABILITIES AND FUND BALANCES/NET POSITION

Vouchers payable	\$ 30,540	\$ -	\$ 30,540
Salaries payable	28,869	-	28,869
Accrued vacation	9,359	-	9,359
Long term debt (Note 5)			
Due within one year	-	25,049	25,049
Due after one year	<u>-</u>	<u>81,146</u>	<u>81,146</u>
 Total liabilities	 <u>68,768</u>	 <u>106,195</u>	 <u>174,963</u>

Fund balances/net position (Note 6):

Fund balances:

Restricted (Note 10)	74,744	(74,744)	-
Committed	-	-	-
Unassigned	<u>220,260</u>	<u>(220,260)</u>	<u>-</u>
 Total fund balances	 <u>295,004</u>	 <u>(295,004)</u>	 <u>-</u>

Total liabilities and fund balances \$ 363,772

Net position (Note 6):

Net investment in capital assets	1,225,963	1,225,963
Restricted	74,744	74,744
Unrestricted	<u>220,260</u>	<u>220,260</u>
 Total net position	 <u>\$1,520,967</u>	 <u>\$1,520,967</u>

See notes to financial statements

NEWCASTLE 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>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
Public protection	\$ 771,873	\$ -	\$ 771,873
Support services	15,000	-	15,000
Capital outlay	151,726	(151,726)	-
Debt service:			
- principal	24,111	(24,111)	-
- interest	5,069	-	5,069
Loss on asset disposal	-	-	-
Depreciation	<u>-</u>	<u>33,035</u>	<u>33,035</u>
Total program expenditures/expenses	<u>967,779</u>	<u>(142,802)</u>	<u>824,977</u>
Program revenues:			
Charges for services	<u>4,887</u>	<u>-</u>	<u>4,887</u>
Total program revenues	<u>4,887</u>	<u>-</u>	<u>4,887</u>
General revenues:			
Taxes	269,000	-	269,000
Direct charges	499,696	-	499,696
Development fees	43,869	-	43,869
Interest	3,939	-	3,939
Donations	40,000	-	40,000
Miscellaneous	<u>12,943</u>	<u>-</u>	<u>12,943</u>
Total general revenues	<u>869,447</u>	<u>-</u>	<u>869,447</u>
Excess of revenues (expenditures)/ change in net position	(93,445)	142,802	49,357
Beginning fund balances/ net position	<u>388,449</u>	<u>1,083,161</u>	<u>1,471,610</u>
Ending fund balances/net position	<u>\$ 295,004</u>	<u>\$1,225,963</u>	<u>\$1,520,967</u>

See notes to financial statements

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

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
General tax revenue	\$ 267,225	\$ 269,000	\$ 1,775
Direct charges	499,608	499,696	88
Development fees	32,000	43,869	11,869
Interest income	5,200	3,939	(1,261)
Other services	37,500	4,887	(32,613)
Donations	-	40,000	40,000
Miscellaneous revenues	<u>27,000</u>	<u>12,943</u>	<u>(14,057)</u>
 Total revenues	 <u>868,533</u>	 <u>874,334</u>	 <u>5,801</u>
Expenditures:			
Salaries and wages	453,000	435,320	17,680
Benefits	38,000	42,855	(4,855)
Payroll taxes	35,000	31,789	3,211
Workers comp	37,350	38,458	(1,108)
Uniforms	21,000	22,501	(1,501)
Communication	5,000	4,286	714
Insurance – general	7,800	7,743	57
Maintenance – equipment	18,000	13,165	4,835
Materials – bldgs.	1,000	-	1,000
Medical supplies	1,250	883	367
Dues	-	360	(360)
Miscellaneous	1,000	901	99
Station/household expense	3,000	2,559	441
Other supplies	-	2,832	(2,832)
Office supplies	1,180	336	844
Services (Note 9)	102,600	115,375	(12,775)
Prof./spec. services	28,150	45,533	(17,383)
Fuel	7,700	5,539	2,161
Special dept. expense	<u>8,500</u>	<u>1,175</u>	<u>7,325</u>
 Sub-total (carried forward)	 <u>769,530</u>	 <u>771,610</u>	 <u>(2,080)</u>

See notes to financial statements

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

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Sub-total (brought forward)	\$ 769,530	\$ 771,610	\$(2,080)
Utilities	12,000	13,218	(1,218)
LAFCO fees	430	427	3
Publications/legal notices	500	620	(120)
Fixed assets	29,200	40,000	(10,800)
Small equipment	4,000	998	3,002
New fire station	108,000	111,726	(3,726)
Debt service – principal	-	24,111	(24,111)
– interest	<u>-</u>	<u>5,069</u>	<u>(5,069)</u>
Total expenditures	<u>923,660</u>	<u>967,779</u>	<u>(44,119)</u>
Excess revenues (expenditures)	<u>\$(55,127)</u>	<u>\$(93,445)</u>	<u>\$(38,318)</u>

See notes to financial statements

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

1. Organization:

Newcastle Fire Protection District (the “District”) is located in the Sierra Foothills of Placer County, California. The District was established in 1868 and has been located in the same building since 1922 in the heart of the town of Newcastle. The District covers 15 square miles, serves approximately 6,200 people and responds to over 600 calls every year.

The District is governed by a five member Board of Directors which is elected by voters of the District. The Fire Chief (currently shared with one neighboring fire agency) oversees 6 full time firefighters and 2-3 active volunteer firefighters.

The Newcastle Fire Protection District cross staffs both a Type 1 and Type 3 Wildland Interface Engine with a minimum staffing of two personnel. Both personnel are trained to a minimum of EMT-1 with an advanced scope of skills. One captain and one engineer is our minimum staffing with intern, seasonal and volunteer personnel augmenting staffing to provide three personnel when possible. We are an “All-Risk” Fire Department that provides a timely response to all types of fires, medical emergencies, rescues and hazardous material incidents. Additional services we deliver include a year-round Fire Prevention program incorporating building occupancy inspections, new building plan reviews and an aggressive risk reduction and Public Education delivery model.

2. Summary of Significant Accounting Policies:

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report as follows:

Governmental Funds:

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

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

2. Summary of Significant Accounting Policies (continued):

Basis of Accounting

The basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All government funds are accounted for using the current financial resources measurement focus. Under this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) as changes in net current assets.

Governmental funds are maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period they become measurable and available. The District considers revenues as available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues considered susceptible to accrual include property taxes, interest and certain other intergovernmental revenues. Expenditures are recognized in the accounting period in which the liability is incurred.

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 the 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 Invested

The District invests cash balances with the Treasurer of Placer County in an interest-bearing pooled investment account.

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

2. Summary of Significant Accounting Policies (continued):

Compensated Absences

Vested or accumulated vacation and overtime that is expected to be liquidated with expendable available financial resources is reported as an expense and as a current liability. Sick pay is not vested.

Property Taxes

The District receives property taxes from Placer County. Property taxes receivable are recorded in the fiscal year for which the tax is levied based on the assessed value as of September 1 of the preceding fiscal year. They become a lien on the first day of the year they are levied. Secured property tax is levied on September 1 and due in two installments, on November 1 and March 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are due 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 95% of the levied property taxes in periodic payments, with the County assuming responsibility for delinquencies.

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.

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

2. Summary of Significant Accounting Policies (continued):

Government-wide Financial Statements

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

The statement of activities present direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program, and are clearly identifiable to a particular function. Program revenues include 1) charges for services and 2) grant and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

When both restricted and unrestricted net assets are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

The fund financial statements provide information about the District's funds, which include only governmental funds.

The District has combined the statements of net position and the statement of activities, with the balance sheet and the statement of revenues, expenditures, and changes in fund balances, into two statements, the statement of net position and governmental funds balance sheet and the statement of activities and governmental fund revenues, expenditures, and changes in fund balances, for simplicity.

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.

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

2. Summary of Significant Accounting Policies (continued):

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.

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.

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

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

3. Cash and Cash Equivalents:

The District maintains its funds with Placer County. The County is authorized to deposit cash and invest excess funds by the California Government code Section 53648 et. seq. The funds maintained by the County are either secured by federal depository insurance or are collateralized.

	<u>Balance June 30, 2020</u>
Cash with County:	
General	\$ 288,789
Development fees	<u>74,682</u>
	<u>\$ 363,471</u>

4. Capital Assets:

Changes in capital assets for year ended June 30, 2020:

	<u>Balance, beginning of year</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance, end of year</u>
Land	\$ 3,000	\$ -	\$ -	\$ 3,000
Structures and improvements	71,584	-	-	71,584
Vehicles	343,076	40,000	-	383,076
Equipment	<u>255,371</u>	<u>-</u>	<u>-</u>	<u>255,371</u>
	<u>\$ 673,031</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 713,031</u>
Work in progress:				
New station construction	<u>\$ 905,380</u>	<u>\$ 111,726</u>	<u>\$ -</u>	<u>\$ 1,017,106</u>
Total	<u>\$ 1,578,411</u>	<u>\$ 151,726</u>	<u>\$ -</u>	<u>\$ 1,730,137</u>

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

5. Long-term Debt:

Long-term debt activities for the year ended June 30, 2020 consist of:

	<u>Balance</u> <u>6/30/2019</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>6/30/2020</u>	<u>Current</u> <u>Portion</u>
Oshkosh Capital	\$ <u>130,306</u>	\$ <u>-</u>	\$ <u>24,111</u>	\$ <u>106,195</u>	\$ <u>25,049</u>

In February 2014 the District purchased a 2014 Windland Type III Contender. The ten year lease-purchase agreement requires an annual payment of \$29,180 including an interest rate of 3.89%.

The future annual maturities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 25,049	\$ 4,131	\$ 29,180
2022	26,023	3,157	29,180
2023	27,036	2,144	29,180
2024	<u>28,087</u>	<u>1,093</u>	<u>29,180</u>
	<u>\$ 106,195</u>	<u>\$ 10,525</u>	<u>\$ 116,720</u>

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

6. Equity:

Fund Balance:

Restricted – Development fees		\$ 74,744
Committed		-
Unassigned		<u>220,260</u>
		<u>\$ 295,004</u>

Statement of Net Position:

Net investment in capital assets		\$1,225,963
Restricted		74,744
Unrestricted:		
Board designated	\$ -	
Undesignated	<u>220,260</u>	
		<u>220,260</u>
		<u>\$1,520,967</u>

7. Risk of Loss:

Newcastle 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 November 17, 2020, the date these June 30, 2020 financial statements were available to be issued.

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

9. Management Agreements:

In 2016, the District entered into an agreement with Placer Hills Fire Protection District for Fire Chief, Duty Chief and Administrative Services. The District subsequently renewed this annual agreement through June 30, 2021. Fire Chief contract services expense for 2019-20 was \$115,375.

10. Reserve:

Reserve for Development Fees

The District has created this Reserve to ensure that development fees received and designated for capital expansion projects are properly accounted for. At June 30, 2020 this reserve is analyzed as follows:

Balance, beginning of year	\$ 69,972
Add, development fees and interest	44,952
Deduct, qualified expenditures	<u>(40,180)</u>
Balance, end of year	<u>\$ 74,744</u>

11. Deferred Compensation:

The District provides each employee with the ability to contribute to a 457 deferred compensation account. The District will contribute matching funds up to a maximum of \$2,000 annually for each employee's contribution. Also, the District provides the option to contribute \$1,800 annually to the plan in lieu of health benefits. At June 30, 2020, the District's expense for these two benefits was \$17,107.

SUPPLEMENTAL DATA

NEWCASTLE FIRE PROTECTION DISTRICT
PRINCIPAL OFFICIALS
for the year ended June 30, 2020

Board of Directors:

William Kahrl	Chairman
Lawrence Bettencourt	Vice Chairman
Jonita Elder	Secretary
Robin Enos	
James Heisterkamp	

Operations:

Kirk Kushen	Fire Chief
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NEWCASTLE FIRE PROTECTION DISTRICT
 SCHEDULE OF CASH FLOWS
 for the year ended June 30, 2020

Cash flows from operating activities:

Change in net position (net income) \$ 49,357

Adjustments to reconcile change in net position
 to net cash provided by operating activities

Depreciation \$ 33,035

(Increase) decrease in:

Accounts receivable 46,550

(Decrease) increase in:

Accounts payable and accrued liabilities 25,298

104,883

Net cash provided by
 operating activities

154,240

Cash flows from investing activities:

Purchase of equipment/property (151,726)

Net cash used
 by investing activities

(151,726)

Cash flows from financing activities:

Principal payments of long-term debt (24,111)

Net cash used
 by financing activities

(24,111)

Net decrease in cash

(21,597)

Cash at beginning of year

385,068

Cash at end of year

\$ 363,471

Newcastle Fire Protection District
Minutes of Regular Board of Directors Meeting
Pursuant to the Governor's Special-Order N-29-20, issued March 17, 2020, the January 20, 2021 Regular
Board of Director's Meeting was held via teleconference.

1. Call Meeting to Order

- a. Chairman Kahrl called the meeting to order at 6:00 p.m.
- b. Director Heisterkamp led the Flag Salute.
- c. All Directors were present.
- d. Chief Gow, District Manager Lofrano, BC Nelson, BC Williamson and Fire Marshal D'Ambrogi were present.

2. Approval of Agenda

- a. Secretary Elder made a motion to approve the agenda as presented. Director Enos seconds the motion. Motion carries unanimously via roll call (5/0).

3. Approval of Minutes

- a. Chairman Kahrl pointed out that Architect John Bohnett's name has been misspelled in the minutes. Recording Secretary Metz will make the correction.
- b. VC Bettencourt made a motion to approve the minutes as amended. Director Enos seconds the motion. Motion carries unanimously via roll call (5/0).

4. Approval and Financial Report

- a. Chief Gow reported that the district is currently 52% of their budget.
 - i. Monies from strike team deployments are still outstanding.
 - ii. Newcastle is now paying their own bills each month.
- b. Director Heisterkamp asked about the Secure Property Tax received. DM Lofrano explained the Teeter program where the county disperses property tax in 2-3 installments through the year. 55% is received in December, 40% is received in April and 5% is received in June (certain restrictions apply to the June disbursement).
- c. VC Bettencourt made a motion to approve the financial report as presented. Director Enos seconds the motion. Motion carries unanimously via roll call (5/0).

5. Correspondence

- a. Chairman Kahrl reported that the Board received a letter from Neil Anderson stating that he will be unable to prepare the documentation for the collection of next fiscal year's direct charges. He added that once the Board decides how they will proceed with filling this need, the new person(s) can contact him to get his notes. The Board has expressed interest in recognizing Mr. Anderson with a resolution at the next meeting.

6. Public Comment

- a. None

7. Fire Chief Gow's Report:

- a. Chief Gow reported that PHF is in the middle of contract negotiations with L3800. A new generator has been installed at their administration office.
- b. County News
 - i. Penryn has hired a new Interim Fire Chief. Chief Brian Shannon is a former Division Chief from Sac. Metro Fire.
 - ii. South Placer Chief Walder has announced his retirement effective at the beginning of March.
 - iii. South Placer Fire is still considering a contract for administrative services with Penryn Fire.

- iv. VC Bettencourt and Chief Gow were interviewed for KAHI radio regarding the happenings at Newcastle Fire. The interview was arranged by Director Enos.
- c. Prevention (Fire Marshal D'Ambrogi Reporting)
 - i. Currently working on 2 minor subdivisions, 8 single family dwellings and 1 commercial building.
 - ii. Attended the Auburn Fire Safe Council meeting.
 - iii. Working on the Local Hazardous Mitigation Plan (LHMP) for PHF and NEW.
 - iv. Going to be adding a Fire Prevention section to the district's website.
- d. BC Nelson's Report
 - i. Currently working career development projects.
 - ii. Operations Report given by Captain Kirk:
 - a) 56 calls in December
 - b) 27 EMS
 - c) 5 MVA (2 rollover)
 - d) 8 Fires
 - e) 16 Other Types of Calls
 - f) 1 Billable Call

8. Newcastle Professional Firefighter's Association

- a. Engineer McCoy reported:
 - i. Currently maintain lockdown protocols.
 - ii. Captain Hicks is out for a family medical issue. Captain Kirk will be filling in on A Shift.

9. Board Committee Reports

- a. Building Committee: update on the new fire station and possible NEPA requirement.
 - i. VC Bettencourt reported that NEPA (National Environmental Policy Act) is applicable to the new fire station project as it is a requirement to get a USDA loan. In many cases the state equivalent (CEQA) is more stringent than NEPA. VC Bettencourt has contacted Placer County for guidance with the process. George Rosasco has been assigned to help.
 - ii. There are 3 levels of NEPA requirement:
 - a) Categorical Exclusion (CX)
 - b) Environmental Finding of No Impact (EA/FONSI), has a 45-day review process.
 - c) Environmental Impact Statement (EIS).
- b. Finance Committee: Update on USDA loan and possible need for Bond Counsel.
 - i. Chief Gow reported that the Finance Committee has been busy. Mike Vukas reported that his immediate supervisor is working on our pre-application. USDA was seeking a second refusal letter for financing the new station. DM Lofrano was able to get one from CA Bank.
 - ii. Yes, we will require Bond Counsel. DM Lofrano has spent a lot of time on this. There are a number of people who can do the job. The cost is (roughly):
 - a) PHF Counsel ~\$25K
 - b) KMTG (current counsel) ~\$25K
 - c) Capitol Finance (they do not use a lawyer) ~\$10K
 - d) Scott's Valley Firm ~\$30K
 - iii. The Board gave direction to Chief Gow to pursue getting firm information from the district's current counsel, KMTG.

10. Informational/Non-Action Items

- a. Update on First Responder Medical Service Fee and ALS programs.
 - i. Chief Gow reported that things are coming along quickly. So far, it looks like Wittman Enterprises will be the preferred company to provide billing services. Their price per call is \$15. AMR will send the call data to Wittman.
 - ii. Staff is working on an equipment list which we will take to the Chief's ambulance group and ask them to pay for the equipment.
 - iii. The district will have to pay for a nexus study to come up with a true "cost per call" amount.
- b. Update on the Departments' COVID-19 response.
 - i. This takes a lot of staff time.
 - ii. So far, we have seen a decline in sick people and an incline in available ICU beds.
 - iii. We have been responding to many known COVID calls as well as respiratory distress calls.
 - iv. Staff directives for the handling of COVID issues will be included in the Health and Safety Plan that will come before the board soon.
 - v. It is believed that 40% of eligible people (countywide) are getting the vaccine.
 - vi. Chief Gow was able to purchase in-house test kits through his medical license at a cost of ~\$20 each.

11. Action Items

- a. Election of Board Officers and appointment of Committee Assignments.
 - i. Chairman Kahrl thanked everyone for their patience and cooperation over the past year.
 - ii. He outlined the following accomplishments:
 - a) Clearing of the las of the County permit process.
 - b) The District went out to bid for the new station.
 - c) A new agreement with labor was reached.
 - d) A new Fire Chief was brought on.
 - e) The County Treasurer pulled out of funding the new station, but with Chief Gow's assistance the District still has her cooperation.
 - f) A loan from the USDA is in the process of being obtained.
 - iii. Secretary Elder stated that the group works very well together and, in her opinion, we should keep everyone in place for another year.
 - a) VC Bettencourt wants the committee assignments to remain the same, but he does not want to be Chair or Vice-Chair. The work of the Building Committee will most likely increase when the construction of the new station begins.
 - b) Directors Enos and Heisterkamp concur with leaving everyone in place for another year.
 - iv. Director Elder made a motion to nominate Director Kahrl for Chairman. Director Heisterkamp seconds the motion. Motion carries unanimously vial roll call vote (5/0).
 - v. Director Bettencourt made a motion to nominate Director Elder for Vice-Chairman. Director Heisterkamp seconds the motion. Motion carries unanimously vial roll call vote (5/0).

- vi. Director Elder made a motion to nominate Director Heisterkamp for Secretary. Director Kahrl seconds the motion. Motion carries unanimously via roll call vote (5/0).
- vii. The Committee Assignments will remain the same:
 - a) Building: Bettencourt/Kahrl
 - b) Personnel: Enos/Heisterkamp
 - c) Finance: Elder/Heisterkamp
 - d) Administration Contracts: Bettencourt/Heisterkamp
- b. Lexipol Policy review; Consider and approve the second reading of §2 Policies: 213, Credit Cards, 214, Payroll and §4: Fire Prevention.
 - 400 Fire Inspections
 - 401 Permits
 - 402 Fire Investigations
 - 403 Code Enforcement
 - 404 Alternative Materials and Methods Requests
 - 405 Public Education
 - 406 Fireworks Displays
 - 407 Hazardous Materials Disclosures
 - 408 Maximum Occupancy – Overcrowding
 - 409 Juvenile Fire Setter Referrals
 - 410 Fire Watch Services

Chief Gow reported that section F of the Payroll policy was added at the request of the Union.

Director Bettencourt made a motion to approve the second reading of policies 213, 214 and §4 Fire Prevention. Director Enos seconds the motion. Motion carries via roll call vote (5/0).

- c. Consider and approve the 1st reading of Section 5 of the Lexipol Policy Manual: Emergency Medical Services-
 - 500 Pre-Hospital Care Reports
 - 501 Medical Supplies
 - 502 Patient Refusal of Pre-Hospital Care
 - 503 Advance Health Care Directives
 - 504 Latex Sensitivity
 - 505 Controlled Substance Accountability
 - 506 CPR Training
 - 507 Automated External Defibrillators
 - 508 Automated External Defibrillator Training
 - 509 Bloodborne Pathogen Training
 - 510 Communicable Diseases
 - 511 Health Insurance Portability and Accountability Act (HIPAA) Training
 - i. Chief Gow told the board that this section is very basic.
 - ii. Director Bettencourt made a motion to approve the 1st reading of Section 5. VC Elder seconds the motion. Motion carried unanimously via roll call (5/0).
- d. Consider and approve an addendum to the district's 2019/2020 Audit recording that the \$40K donation was an in-kind donation from another agency and that it was a non-cash transaction.
 - i. Secretary Heisterkamp stated that there needs to be a footnote added to the audit regarding this item.

- ii. Director Bettencourt believes there should be a footnote and an addendum added.
 - iii. DM Lofrano suggested that the approved minutes be included at the end of the audit.
 - iv. Secretary Heisterkamp made a motion to attach a copy of the approved meeting minutes to the approved 2019/2020 financial audit. VC Elder seconds the motion. Motion carries unanimously via roll call vote (5/0).
- e. Discussion and action regarding the Continuation of the Board Members' stipend.
- i. VC Elder reported that she personally would rather not receive the stipend.
 - ii. Director Bettencourt stated that he would like to keep receiving the stipend to offset some of the expenses incurred on behalf of the district.
 - iii. Secretary Heisterkamp suggested that the board leave it up to each individual member to decide if they would like to receive the stipend or not.
 - iv. No action was taken on this item.
- f. Consider and approve the amended agreement for services with the Placer County Auditor-Controller for FY 20/21 at a cost of \$3,153.73.
- i. DM Lofrano reported that the original cost of the contract was to be \$4,500.00, but since the district will pay its own bills the new cost is \$3,153.73.
 - a) Secretary Heisterkamp made a motion to approve the amended agreement with the County Auditor-Controller's office at a cost of \$3,153.73. VC Elder seconds the motion. Motion carries unanimously via roll call vote (5/0).
- g. Consider and approve the meeting calendar for 2021.
- i. VC Elder made a motion to approve the board calendar for 2021 as presented. Chairman Kahrl seconds the motion. Motion carries unanimously via roll call vote (5/0).

12. Directors Reports:

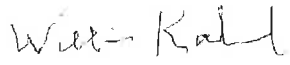
- a. None

13. Chairman Kahrl adjourned the meeting at 7:43 p.m.

Respectfully Submitted By:



Patrice Metz, Recording Secretary

Approved: 

**NEWCASTLE FIRE
PROTECTION DISTRICT**

**REPORT ON ACCOUNTING CONTROLS
AND PROCEDURES**

for the year ended June 30, 2020

1. Comparison of Operating Results:

	June 30,		Favorable (Unfavorable) Variance
	<u>2019</u>	<u>2020</u>	
Revenues	\$ 891,623	\$ 874,334	\$(17,289)
Expenses	<u>803,384</u>	<u>824,977</u>	<u>(21,593)</u>
Net income (loss)	\$ <u>88,239</u>	\$ <u>49,357</u>	\$(<u>38,882</u>)
Cash	\$ <u>385,068</u>	\$ <u>363,471</u>	\$(<u>21,597</u>)

Observations:

- 2020 net income of \$49,357 represents a decrease of 44% over 2019.
- this year's investment in new station construction was \$111,726.

2. Prior Year Recommendations:

(a) Board Member Compensation:

Recommendation – Board members are paid a \$25 board meeting stipend and have been issued a 1099 annually. The State labor laws state they should be issued W2's.

Follow up:

The Board has decided to continue issuing 1099s.

(b) Credit Cards:

Recommendation – The District has obtained credit cards for personnel. Although good credit card practices are followed, the procedures are not written in a policy. Establish a written credit card policy that would set out:

- limits
- purpose of use
- documentation, such as receipts
- safeguarding card

Follow up:

The District is currently updating their policies through Lexipol.