

EL DORADO COUNTY
FIRE SAFE COUNCIL
INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
JUNE 30, 2014

EL DORADO COUNTY FIRE SAFE COUNCIL

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Jeanine J. Mays

— Certified Public Accountant —

INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of
El Dorado County Fire Safe Council

Report on the Financial Statements

I have audited the accompanying statement of financial position-modified cash basis of El Dorado County Fire Safe Council (a non-profit organization) as of June 30, 2014 and the related statement of activities and changes in net assets-modified cash basis, and statement of functional expenses-modified cash basis for the year then ended 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 statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

As described in Note 1, these financial statements are prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of El Dorado County Fire Safe Council as of June 30, 2014, and the activities and changes in net assets for the year then ended on the basis of accounting described in Note 1.

Jeanine J. Mays
June 22, 2015

EL DORADO COUNTY FIRE SAFE COUNCIL
Statement of Financial Position-Modified Cash Basis
June 30, 2014

ASSETS

CASH AND CASH EQUIVALENT		\$ 158,816
PROPERTY PLANT AND EQUIPMENT		
Office equipment	\$ 2,794	
Accumulated depreciation	<u>(2,446)</u>	<u>348</u>
TOTAL ASSETS		<u><u>\$ 159,164</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		\$ -
NET ASSETS		
Unrestricted	\$ 107,493	
Contractually Restricted (Note 8)	<u>51,671</u>	<u>159,164</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 159,164</u></u>

See accompanying notes.

EL DORADO COUNTY FIRE SAFE COUNCIL
Statement of Activity and Changes in Net Assets-Modified Cash Basis
For the Year Ended June 30, 2014

PUBLIC SUPPORT AND REVENUE	
Donations	\$ 5,293
Grants	186,395
Special events (net of \$3,552 expenses)	8,583
Interest income	<u>6</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>200,277</u>
EXPENDITURES	
Program	150,248
Administration	6,114
Fund raising	<u>-</u>
TOTAL EXPENDITURES	<u>156,362</u>
CHANGE IN NET ASSETS	43,915
NET ASSETS, beginning of year	<u>115,249</u>
NET ASSETS, end of year	<u><u>\$ 159,164</u></u>

See accompanying notes.

EL DORADO COUNTY FIRE SAFE COUNCIL
Statement of Functional Expenses-Modified Cash Basis
For the Year Ended June 30, 2014

	<u>Program</u>	<u>Administration</u>	<u>Fund Raising</u>	<u>Total</u>
Accounting fees	\$ -	\$ 1,798	\$ -	\$ 1,798
License and fees		20		20
Insurance	2,000	2,087		4087
Postage and shipping	10	309		319
Printing and publications		936		936
Program expense	147,829			147829
Rent		758		758
Telephone	409	37		446
TOTAL BEFORE DEPRECIATION	150,248	5,945	-	156,193
Depreciation expense	-	169	-	169
TOTAL	\$ 150,248	\$ 6,114	\$ -	\$ 156,362

See accompanying notes.

EL DORADO COUNTY FIRE SAFE COUNCIL

Notes to the Financial Statements

June 30, 2014

1.) ORGANIZATION

The El Dorado County Fire Safe Council is a California Nonprofit Corporation which is dedicated to protect the people of El Dorado County and their property from the effects of catastrophic wildfire through education, cooperation, innovation, and action.

The Council is publicly supported and exempt from income taxes under the Internal Revenue Code Section 501(C)(3). Donations to the council are tax deductible.

2.) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: In order to achieve its mission the Council is coordinating a county-wide fire plan, with the cooperation of local agencies, as well a educating the public about fire threat and fire prevention measures. The council is helping to promote fire safe communities by providing defensible space programs, chipper programs as assistance to senior and disabled.

Basis of Accounting: The books and records have been maintained on the modified cash basis method of accounting where the revenues are recognized in the accounting period in which they are received and expenses are recognized in the period in which they are paid. This method is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Unrestricted Net Assets: Net Assets that are not subject to donor-imposed stipulations. Voluntary resolutions of the Board of Directors making self imposed limits are also considered unrestricted.

Temporarily Restricted Net Assets: Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Association and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as unrestricted.

Permanently Restricted Net Assets : Net assets subject to donor-imposed stipulations that may be maintained permanently by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned on any related investment for general or specific purposes.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America may require management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the

Contributions: Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. If contributions are restricted by the donor and the restrictions are met in the same reporting period the Council chooses to show the contributions as unrestricted.

EL DORADO COUNTY FIRE SAFE COUNCIL

Notes to the Financial Statements

June 30, 2014

2.) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Functional Allocation of Expenses: The costs of providing the Council's programs have been summarized on a functional basis in the financial statements. Costs have been allocated to various programs and activities as they relate to those programs and activities. Many of management and general costs are directly related to program activities and are allocated to programs accordingly.

Depreciation Methods: The Council follows the practice of capitalizing all expenditures over \$500 for land buildings and equipment at historical cost. The fair value of donated fixed assets is similarly capitalized. Depreciation is provided on a straight line basis over the estimated useful lives of the assets.

Advertising: Advertising costs are expensed as incurred.

Taxes: The Organization's tax returns are subject to examination by taxing authorities for three years after they are filed and management believes that all of the positions would be sustained if examined.

Fair Value Measurement: The Organization is required to measure certain statement elements at fair value in accordance with generally accepted accounting principles. As the records are maintained cash basis management believes that the carrying values of those elements are not materially different from estimates of the corresponding fair values.

3.) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of the following:

	<u>Amount</u>	<u>Interest Rate</u>
Cash in checking-Fire Safe Council main checking	\$ 132,658	0.00%
Cash in checking-Grizzly Flats	20,701	0.01%
Cash in checking-Logtown	<u>5,457</u>	0.00%
TOTAL	<u>\$ 158,816</u>	

4.) DONATED SERVICES

No amounts have been reflected in the statements for donated services; however, a substantial number of volunteers have donated a significant amount of their time in the Council's program services.

The hours of community support for fuel reduction have been totaled for a grant match. The hours are valued at \$14 per hour and exceed the value of \$115,000.

EL DORADO COUNTY FIRE SAFE COUNCIL

Notes to the Financial Statements

June 30, 2014

5.) PROPERTY PLANT AND EQUIPMENT

The changes in fixed assets and accumulated depreciation consists of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Office equipment	<u>\$ 2,794</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,794</u>
Accumulated depreciation	<u>\$ 2,277</u>	<u>\$ 169</u>	<u>\$ -</u>	<u>\$ 2,446</u>

6.) CONTINGENCY

The Council receives funding that is subject to audit by granting agencies. Although such audits could generate expense disallowances under terms of the grants, management believes that any required reimbursements could not be material to the Council as a whole.

7.) ECONOMIC DEPENDENCY

The Council received fifty percent (50%) from the US Department of Forestry grants, and twenty five (25%) from El Dorado County Title III funds. Although there are no long-term contracts due to yearly budget decisions, the Council has been receiving funding since 2002.

8.) CONTRACTUAL REQUIREMENTS ON CASH

The Organization has received monies in advance for the performance of projects evidenced by contracts or grants. Maintaining the accounting records on the cash basis does not account for deferred revenues. Below is a list of grants that were not complete at year end so the Council has an obligation to provide additional services.

Title III from El Dorado County	\$ 12,765
8-CA Logtown fuel break	29,869
14-CA 11050300-016	<u>9,037</u>
TOTAL	<u>\$ 51,671</u>

9.) SUBSEQUENT EVENTS

The management of the organization has reviewed the results of operations for the period of time from its year end June 30, 2014 through June 22, 2015, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amount reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.