

**WHEELER CREST FIRE PROTECTION
DISTRICT**

Audit Report

June 30, 2015

**WHEELER CREST FIRE PROTECTION DISTRICT
AUDIT REPORT**

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BEELY ACCOUNTANCY CORP.
CERTIFIED PUBLIC ACCOUNTANTS
10000 Canyon Blvd, Suite 200
Denver, CO 80202

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS

We have audited the accompanying financial statements of the company, consisting of the balance sheet as of December 31, 2003, the related statements of income, cash flows, and equity, and the related notes to the financial statements, which management has prepared in accordance with the accounting principles generally accepted in the United States of America.

Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America. This responsibility 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 caused by fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the standards of the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is not a guarantee that an audit conducted in accordance with these standards will always detect a material misstatement.

We did not identify any material weaknesses in internal control. The audit included the examination of the accounting records, including the accounting system, and the performance of other audit procedures. We also performed analytical procedures. The results of our audit procedures are summarized in our audit report. We have concluded that the financial statements present fairly, in all material aspects, the financial position, results of operations, and cash flows of the company as of and for the periods indicated.

In addition, we have audited the company's internal control over financial reporting as of December 31, 2003, and have issued a separate report on that audit.

NEELY ACCOUNTANCY CORP.
CERTIFIED PUBLIC ACCOUNTANT
17037 Chatsworth Street, Suite 208A
Granada Hills, CA 91344

818-360-9800

INDEPENDENT AUDITOR'S REPORT

Wheeler Crest Fire Protection District
Swall Meadows, CA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wheeler Crest 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 and the State Controller's Minimum Audit requirements for 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 opinions

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Wheeler Crest 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.

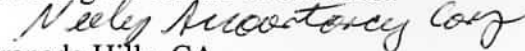
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the analysis and budgetary comparison information on pages 16-17 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.

Management has omitted 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.

In accordance with Government Auditing Standards, we have also issued a report dated June 4, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.


Granada Hills, CA
June 4, 2016

CHICAGO FIREFIGHTERS LOCAL UNION NO. 1
DISTRICT OF CHICAGO
June 30, 2018

Page 1 of 1
1/1/2018

**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Report prepared by
the
District of Chicago
for the
year ended
June 30, 2018
Full position
statement to report assets
liabilities
fund balance position

See accompanying notes to financial statements

WHEELER CREST FIRE PROTECTION DISTRICT

Statement of Net Position

June 30, 2015

	<u>Primary Government Governmental Activities</u>
Assets	
Current assets	
Cash	<u>\$ 126,634</u>
Total current assets	<u>126,634</u>
Capital assets	
Structures and improvements	51,720
Equipment	<u>495,921</u>
Total capital assets	<u>547,641</u>
Accumulated depreciation	<u>(261,931)</u>
Net capital assets	<u>285,710</u>
Total assets	<u>412,344</u>
Liabilities	<u>-</u>
Net position	
Investment in capital assets	285,710
Unrestricted	<u>126,634</u>
Total net position	<u>\$ 412,344</u>

See accompanying notes to financial statements.

WHEELER CREST FIRE PROTECTION DISTRICT

**Statement of Activities
Year ended June 30, 2015**

	<u>Primary Government Governmental Activities</u>
Program Expenses	
Public protection	\$ 97,532
Depreciation	34,807
Total expenses	<u>132,339</u>
General Revenues:	
Taxes	59,861
Grants	12,877
Contributions	23,399
Permits	9,357
Miscellaneous	54,601
Unrestricted interest and investment earnings	<u>1,313</u>
Total General Revenues	<u>161,408</u>
Increase in net position	29,069
Net position at the beginning of the year	383,275
Net position at the end of the year	<u><u>\$ 412,344</u></u>

See accompanying notes to financial statements.

CHERRY CREEK FIRE PROTECTION DISTRICT

Balance Sheet

Governmental Funds

June 30, 2013

Assets

**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

Capital assets

and

Other assets

Liabilities and fund balances

The accompanying notes are an integral part of these financial statements.

WHEELER CREST FIRE PROTECTION DISTRICT

**Balance Sheet
Governmental Funds
June 30, 2015**

Assets

Current assets

Cash	\$ 126,634
------	------------

Total assets	<u>\$ 126,634</u>
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Liabilities and Fund Balance

Current liabilities

Accounts payable and accrued expenses	\$ -
---------------------------------------	------

Fund balance

Unassigned	<u>126,634</u>
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Total fund balance	<u>126,634</u>
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Total liabilities and fund balance	<u>\$ 126,634</u>
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See accompanying notes to financial statements.

WHEELER CREST FIRE PROTECTION DISTRICT
Reconciliation of the Government Funds Balance Sheet to the
Government-Wide Financial Statement of Net Position - Governmental Activities
Year ended June 30, 2015

Fund Balance - total government funds (page 5)	\$ 126,634
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	285,710
Net position of governmental activities (page 3)	<u>\$ 412,344</u>

See accompanying notes to financial statements.

WHEELER CREST FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Activities
Year Ended June 30, 2015

Operating revenues:	
Taxes	\$ 59,861
Grant	12,877
Grant	9,357
Contributions	23,399
Miscellaneous	54,601
Unrestricted interest and investment earnings	<u>1,313</u>
Total operating revenues	<u>161,408</u>
Expenditures:	
Public protection	
Services and supplies	97,532
Capital assets	<u>132,978</u>
Total expenditures	<u>230,510</u>
Net change in fund balances	(69,102)
Fund balances at the beginning of the year	<u>195,736</u>
Fund balances at the end of the year	<u><u>\$ 126,634</u></u>

See accompanying notes to financial statements.

WHEELER CREST FIRE PROTECTION DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
Year ended June 30, 2015

Net change to fund balance - total governmental funds (page 7) \$ (69,102)

Amounts reported for governmental activities in the statement of revenues, expenditures and changes in net position are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of revenues, expenditures and changes in net position, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Purchases of capital assets 132,978

Depreciation (34,807)

Change in net position of governmental activities (page 4) \$ 29,069

See accompanying notes to financial statements.

WHEELER CREST FIRE PROTECTION DISTRICT

Notes to Financial Statements For the Fiscal Year Ended June 30, 2015

Note 1: **General**

The District was organized and formed on August 17, 1982 pursuant to Board of Supervisors of the County of Mono Resolution Number 82-143. The District provides fire protection and emergency services for Wheeler Crest and the surrounding area of Mono County.

Note 2: **Summary of Significant Accounting Policies**

The financial statements of the Wheeler Crest Fire Protection District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District includes all activities (operations of its administrative staff and officers) considered to be a part of the District. The District reviewed the criteria developed by the Governmental Accounting Standards Board (GASB) in its issuance of Statement No. 14, relating to the financial reporting entity to determine whether the District is financially accountable for other entities. The District has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the financial statements. In addition, the District is not aware of any entity that would be financially accountable for the District that would result in the District being considered a component unit of any entity. The District is governed by a board of five commissioners.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of revenues, expenditures and changes in net position display information about the primary government (the District). These statements include the non-fiduciary financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on service fees. At June 30, 2015 the District had no business-type activities.

WHEELER CREST FIRE PROTECTION DISTRICT

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 2: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Government-Wide Financial Statements (continued)

The statement of revenues, expenditures and changes in net position demonstrates the degree to which the program expenses of a given function or identifiable activity is offset by program revenues. Program expenses are those that are clearly identifiable with a specific function or identifiable activity, and allocated indirect expenses. Interest expense related to long-term debt is reported as a direct expense. Program revenues include 1) fees, fines and charges paid by the recipient of goods, services, or privileges provided by the program and 2) grants 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 and investment earnings, are presented instead as general revenues.

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

Fund Financial Statements

The District's fund balances are classified as nonspendable, restricted, committed, assigned and unassigned funds. They account for all financial resources of the District.

C. **Basis of Accounting**

The government-wide fund financial statements are reported using the economic resources measurement focus and the modified accrual basis of accounting.

Revenues other than interest are recognized both measurable and available to pay liabilities in the current period. Expenses are recorded when incurred. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are collected and allocated by the County of Mono. Revenues from sales tax, grants, entitlements and donations are recognized when received.

WHEELER CREST FIRE PROTECTION DISTRICT

Notes to Financial Statements For the Fiscal Year Ended June 30, 2015

Note 2: Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues, except interest, are recognized when both measurable and available to pay liabilities in the current period. Salary, benefits, and expenditures, as well as debt service expenditures, are recorded when incurred. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

D. Non-Current Governmental Assets/Liabilities

GASB Statement No. 34 eliminates the presentation of accounts groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide statement of net position.

E. Capital Assets

Capital assets have been acquired for general District purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost or estimated cost where no historical records are available. The District defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are depreciated using the straight-line method over their estimated useful lives of 3 to 50 years in the government-wide statements.

F. Net Position/Fund Balances

The government-wide financial statements utilize a net position presentation. Net position is categorized as invested capital assets (net of related debt), restricted and unrestricted.

- Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balance of debt that are attributable to capital assets reduce the balance in this category.
- Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

WHEELER CREST FIRE PROTECTION DISTRICT

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 2: **Summary of Significant Accounting Policies** (continued)

F. Net Position/Fund Balances (continued)

- **Unrestricted Net Position** – This category represents net resources of the District that are not restricted for any project or any other purpose.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased or eliminated by similar actions.

As of June 30, 2015 fund balances are classified as follows:

Non Spendable fund balances are amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balances are amounts that can be spent only for specific purposes because of laws or externally imposed conditions by grantors or creditors.

Committed fund balances are amounts that can be used only for specific purposes determined by a formal action by the District's ordinance or resolution.

Assigned fund balances are amounts that are designated by the District for a particular purpose but are not spendable until a budget is passed or there is a majority vote approval by the governing body.

Unassigned fund balances are all amounts not included in other spendable classifications.

G. Property Tax Revenue

Secured property taxes attach as an enforceable lien on property as of January 1st. Taxes are payable in two installments on December 10th and April 10th. Unsecured property taxes are payable in one installment on or before August 31st. Tax revenues are recognized by the District when earned.

The County of Mono bills and collects the taxes for the District.

WHEELER CREST FIRE PROTECTION DISTRICT

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 2: Summary of Significant Accounting Policies (continued)

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenses during the reporting period. Actual results could differ from those estimates.

I. Fair Value of Financial Instruments

The financial position of the District at June 30, 2014 includes certain financial instruments that may have a fair value that is different from the value currently reflected in the financial statements. In reviewing the financial instruments to the District, certain assumptions and methods were used to determine the fair value of each category of financial instruments for which it is practical to estimate that value. The carrying amounts of the District's financial instruments generally approximate their fair values at June 30, 2015.

J. Subsequent Events

Management has evaluated subsequent events through June 4, 2016, the date the financial statements were available to be issued.

Note 3: Cash and Investments

The District holds unrestricted cash and investments with the Treasurer of the County of Mono in a cash and investment pool. On a quarterly basis the Auditor-Controller allocates interest to participants based upon their average daily balances. The Treasurer's investment and policies are overseen by the Mono County Treasury Oversight Committee. Required disclosure information regarding the categorization of investments and risk can be found in the County of Mono's basic financial statements. The balance in the account as of June 30, 2015 was as follows:

Wheeler Crest Fire Protection District Operating Fund	\$ 101,216
Wheeler Crest Fire Protection Fire Mitigation Fund	23,566
Cash in checking account, held at the District	<u>1,852</u>
Total Funds	<u>\$ 126,634</u>

WHEELER CREST FIRE PROTECTION DISTRICT

Notes to Financial Statements For the Fiscal Year Ended June 30, 2015

Note 3: **Cash and Investments** (continued)

Government Accounting Standards requires additional disclosures about a government's deposits and investments risks that include credit risk, custodial risk, concentration risk and interest rate risk. The District did not have a deposit or investment policy that addressed a specific type of risk.

Required disclosures for the District's investment in the Mono County Investment Pool at June 30, 2015, were as follows:

Credit risk	Not rated
Custodial risk	N/A
Concentration of credit risk	N/A
Interest rate risk	655 days average maturity

Investments held in the County's investment pool are available on demand and are stated at cost plus accrued interest, which approximates fair value.

Note 4: **Capital Assets**

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2015</u>
Capital assets, being depreciated:				
Structures and improvements	\$ 24,342	\$ 27,378	\$ -	\$ 51,720
Machinery and equipment	<u>390,321</u>	<u>105,600</u>	<u>-</u>	<u>495,921</u>
Total capital assets, being depreciated	<u>414,663</u>	<u>132,978</u>	<u>-</u>	<u>547,641</u>
Less accumulated depreciation for:	<u>(227,124)</u>	<u>(34,807)</u>	<u>-</u>	<u>(261,931)</u>
Total capital assets, net	<u>\$187,539</u>	<u>(\$ 98,171)</u>	<u>\$ -</u>	<u>\$285,710</u>

Depreciation expense for the year ended June 30, 2015 was \$34,807. The federal government has a vested interest in the vehicle which was purchased with funding from the Volunteer Fire Assistance Program.

WHEELER CREST FIRE PROTECTION DISTRICT

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 5: **Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; general liability and natural disasters. The District has secured commercial lines of coverage for these types of losses.

**WHEELER CREST FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive (Negative)</u>
District revenues:				
Taxes	\$ 58,365	\$ 58,365	\$ 59,861	\$ 1,496
Grants	8,000	8,000	12,877	4,877
Contributions	-	-	23,399	23,399
Miscellaneous	-	-	63,958	63,958
Interest	1,200	1,200	1,313	113
Total revenues:	<u>67,565</u>	<u>67,565</u>	<u>161,408</u>	<u>93,843</u>
Expenditures:				
Public protection	75,500	75,500	97,532	(22,032)
Capital expenditures			132,978	(132,978)
Total expenditures:	<u>75,500</u>	<u>75,500</u>	<u>230,510</u>	<u>(155,010)</u>
Net change in Fund Balance	<u>(7,935)</u>	<u>(7,935)</u>	(69,102)	<u>\$ (61,167)</u>
Fund balance, beginning of the year			<u>195,736</u>	
Fund balance, end of the year			<u>\$ 126,634</u>	

See note to accompanying budgetary comparison schedule.

WHEELER CREST FIRE PROTECTION DISTRICT

Note to Required Supplementary Information
Year ended June 30, 2015

BUDGETARY BASIS OF ACCOUNTING

The District operates under the general laws of the State of California and annually adopts a budget to be effective July 1 of the ensuing fiscal year. Formal budgetary integration is employed as a management control device during the year for all governmental fund types. The level of control (level at which expenditures may not exceed budget) is the fund. Unused appropriations for all of the above annually budgeted funds lapse at the end of the fiscal year.

Budgets are adopted on a modified cash basis. Budget information is presented for all funds budgeted. The District makes adjustments to its original budget during the year. This enables the effectiveness of individual departments in meeting budget objectives to be evaluated and the adequacy of the budget itself to be judged. The only exceptions to this are the appropriations of unanticipated revenues and the revision of appropriations to reflect major economic up or down turns materially affecting estimated revenues. Expenditures in excess of budgeted amounts are approved individually by the Board. Annual appropriated budgets are adopted for the general fund. It is this final revised budget that is presented in these financial statements.

ANNUAL REPORT OF THE BOARD OF DIRECTORS
OF THE COMPANY
FOR THE YEAR ENDING 1964
AND FINANCIAL STATEMENTS

OTHER REPORT

Financial Reporting

The Board of Directors of the Company is pleased to present to you the financial statements of the Company for the year ending 1964. These statements are prepared in accordance with the accounting principles generally accepted in the United States of America and are intended to provide you with a clear and concise summary of the Company's financial performance for the year.

The financial statements consist of the Balance Sheet, the Statement of Income, the Statement of Retained Earnings, and the Statement of Cash Flows. These statements are prepared on a consolidated basis and are subject to audit by independent accountants. The Board of Directors is responsible for the accuracy and completeness of the financial statements and for the integrity of the accounting system.

NEELY ACCOUNTANCY CORP.
CERTIFIED PUBLIC ACCOUNTANT
17037 Chatsworth Street, Suite 208A
Granada Hills, CA 91344

818-360-9800

**INDEPENDENT AUDITOR'S 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
Wheeler Crest Fire Protection District
Swall Meadows, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wheeler Crest Fire Protection District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Wheeler Crest Fire Protection District's basic financial statements, and have issued our report thereon dated June 4, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wheeler Crest Fire Protection District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wheeler Crest Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of Wheeler Crest Fire Protection District's internal control.

A *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, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wheeler Crest Fire Protection District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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 matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Granada Hills, CA

June 4, 2016