

YOLO FIRE PROTECTION DISTRICT

Report on Audits
Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

YOLO FIRE PROTECTION DISTRICT

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June 30, 2019, 2018, 2017, 2016 and 2015

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Independent Auditor's Report

To the Board of Commissioners
Yolo Fire Protection District
Woodland, California

We have audited the accompanying statements of net position and balance sheets - governmental funds of Yolo Fire Protection District as of June 30, 2019, 2018, 2017, 2016 and 2015 and the related statements of activities and revenues, expenditures and changes in fund balance - governmental funds for the years then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. 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 estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board of Commissioners
Yolo Fire Protection District
Woodland, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yolo Fire Protection District as of June 30, 2019, 2018, 2017, 2016 and 2015 and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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.

Perry, Bunch & Johnston, Inc.

Woodland, California
June 11, 2021

YOLO FIRE PROTECTION DISTRICT

Basic Financial Statements - Government-Wide Financial Statements
Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

YOLO FIRE PROTECTION DISTRICT

STATEMENTS OF NET POSITION

June 30,	2019	2018	2017	2016	2015
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$ 667,370	\$ 382,319	\$ 323,677	\$ 288,402	\$ 368,457
Receivables	523	127	1,064	126	1,445
Total Current Assets	667,893	382,446	324,741	288,528	369,902
NON-CURRENT ASSETS:					
Capital assets:					
Depreciable, net of accumulated depreciation	675,206	245,733	312,115	271,192	220,613
Non-depreciable	1,571	1,571	1,571	1,571	95,641
Total Non-Current Assets	676,777	247,304	313,686	272,763	316,254
Total Assets	\$ 1,344,670	\$ 629,750	\$ 638,427	\$ 561,291	\$ 686,156
LIABILITIES AND NET POSITION					
LIABILITIES:					
Current Liabilities:					
Accounts payable	\$ 491,486	\$ 2,691	\$ 2,925	\$ 13,056	\$ 46,408
Accrued payroll	1,255	1,000	481	285	243
Accrued interest	-	-	-	-	2,895
Current portion of loan payable	-	-	-	-	76,942
Total Current Liabilities	492,741	3,691	3,406	13,341	126,488
Total Liabilities	492,741	3,691	3,406	13,341	126,488
NET POSITION:					
Net investment in capital assets	676,777	247,304	313,686	272,763	239,312
Restricted	38,248	169,365	103,451	83,427	130,657
Unrestricted	136,904	209,390	217,884	191,760	189,699
Total Net Position	851,929	626,059	635,021	547,950	559,668
Total Liabilities and Net Position	\$ 1,344,670	\$ 629,750	\$ 638,427	\$ 561,291	\$ 686,156

YOLO FIRE PROTECTION DISTRICT

STATEMENTS OF ACTIVITIES

Years Ended June 30,	2019	2018	2017	2016	2015
PROGRAM EXPENSES:					
Public safety - Fire protection:					
Salaries and employee benefits	\$ 74,420	\$ 49,908	\$ 29,127	\$ 26,639	\$ 22,800
Services and supplies	76,086	98,003	61,509	58,551	59,032
Other	3,000	3,000	3,000	3,000	-
Depreciation	67,686	66,382	66,382	60,658	52,582
Interest on long-term debt	-	-	-	-	2,895
Total Program Expenses	221,192	217,293	160,018	148,848	137,309
PROGRAM REVENUES:					
Charges for service	33,487	36,285	33,935	33,340	33,506
Operating grants and contributions	7,846	-	767	100	-
Capital grants and contributions	283,932	71,904	114,801	13,936	109,674
Total Program Revenues	325,265	108,189	149,503	47,376	143,180
Net Program (Income) Expense	(104,073)	109,104	10,515	101,472	(5,871)
GENERAL REVENUES:					
Property taxes	105,274	95,248	95,244	86,698	82,449
Interest earnings	16,066	4,514	1,927	2,613	980
Intergovernmental revenue	457	380	415	443	443
Total General Revenues	121,797	100,142	97,586	89,754	83,872
Change in Net Position	225,870	(8,962)	87,071	(11,718)	89,743
Net Position, Beginning of Year	626,059	635,021	547,950	559,668	469,925
Net Position, End of Year	\$ 851,929	\$ 626,059	\$ 635,021	\$ 547,950	\$ 559,668

YOLO FIRE PROTECTION DISTRICT

Basic Financial Statements - Fund Financial Statements
Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

YOLO FIRE PROTECTION DISTRICT

BALANCE SHEETS - GOVERNMENTAL FUNDS

Years Ended June 30,	2019	2018	2017	2016	2015
	GENERAL FUND				
ASSETS:					
Current Assets:					
Cash and cash equivalents	\$ 667,370	\$ 382,319	\$ 323,677	\$ 288,402	\$ 368,458
Receivables	523	127	1,064	126	1,444
Total Current Assets	<u>667,893</u>	<u>382,446</u>	<u>324,741</u>	<u>288,528</u>	<u>369,902</u>
Total Assets	<u>\$ 667,893</u>	<u>\$ 382,446</u>	<u>\$ 324,741</u>	<u>\$ 288,528</u>	<u>\$ 369,902</u>
LIABILITIES AND FUND BALANCE:					
LIABILITIES:					
Current Liabilities:					
Accounts payable	\$ 491,486	\$ 2,691	\$ 2,925	\$ 13,056	\$ 46,408
Accrued payroll	1,255	1,000	481	285	243
Total Current Liabilities	<u>492,741</u>	<u>3,691</u>	<u>3,406</u>	<u>13,341</u>	<u>46,651</u>
Total Liabilities	<u>492,741</u>	<u>3,691</u>	<u>3,406</u>	<u>13,341</u>	<u>46,651</u>
FUND BALANCE:					
Restricted	38,248	169,365	103,451	83,427	130,657
Assigned	18,900	84,304	73,204	72,681	81,926
Unassigned	118,004	125,086	144,680	119,079	110,668
Total Fund Balance	<u>175,152</u>	<u>378,755</u>	<u>321,335</u>	<u>275,187</u>	<u>323,251</u>
Total Liabilities and Fund Balance	<u>\$ 667,893</u>	<u>\$ 382,446</u>	<u>\$ 324,741</u>	<u>\$ 288,528</u>	<u>\$ 369,902</u>

YOLO FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

Years Ended June 30,	2019	2018	2017	2016	2015
	GENERAL FUND				
REVENUES:					
Property taxes	\$ 105,274	\$ 95,248	\$ 95,244	\$ 86,698	\$ 82,449
Licenses, permits and fees	3,932	41,904	5,727	1,436	9,674
Use of money and property	16,066	4,514	1,927	2,613	980
Intergovernmental revenue	280,457	30,380	109,489	12,943	100,443
Charges for services	33,467	36,270	33,910	33,340	33,506
Other	7,866	15	792	100	-
Total Revenues	447,062	208,331	247,089	137,130	227,052
EXPENDITURES:					
Current:					
Public safety - Fire protection:					
Salaries and employee benefits	\$ 74,420	\$ 49,908	\$ 29,127	\$ 26,639	\$ 22,800
Services and supplies	76,086	98,003	61,509	58,551	59,030
Other charges	3,000	3,000	3,000	3,000	-
Debt service:					
Principal	-	-	-	76,942	17,540
Interest	-	-	-	2,895	3,545
Capital outlay	497,159	-	107,305	17,167	94,070
Total Expenditures	650,665	150,911	200,941	185,194	196,985
Excess (Deficiency) of Revenues Over Expenditures	(203,603)	57,420	46,148	(48,064)	30,067
Net Change in Fund Balance	(203,603)	57,420	46,148	(48,064)	30,067
Fund Balance, Beginning of Year	378,755	321,335	275,187	323,251	293,184
Fund Balance, End of Year	\$ 175,152	\$ 378,755	\$ 321,335	\$ 275,187	\$ 323,251

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

FINANCIAL REPORTING ENTITY AND NATURE OF ACTIVITIES:

The Yolo Fire Protection District (the District) was formed on April 13, 1939 pursuant to the 1923 Statutes of California. The District was reorganized in 1961 and later by the Fire Protection District Law of 1987 pursuant to Section 13800 et seq. of the California Health and Safety Code. The District's boundaries have been adjusted twice since its initial formation. The District currently serves an area encompassing approximately 52 square miles and has a population of approximately 1300 residents within the unincorporated community of Yolo and surrounding rural areas of Yolo County.

The District is governed by an elected three-member Board of Commissioners and provides the following services: Fire protection services, rescue services, emergency medical services, hazardous material emergency response services, and any other services relating to the protection of lives and property. The District is a special purpose local government.

The governmental reporting entity consists of the District (Primary Government) and its component units. Component units are legally separate organizations for which the Commissioners are financially accountable or other organizations whose nature and significant relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the District's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the District. The District does not have any component units.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION:

Government-Wide Financial Statements:

The government-wide financial statements (i.e., the statements of net position and the statements of activities) report information on all activities of the District. The District is a special purpose entity engaged in a single governmental program. The District has no fiduciary funds or component units that are fiduciary in nature.

The statements of activities demonstrate the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues consist of assessments that are restricted to meeting the operational requirements of the District. Other items not properly included among program revenues are reported instead as general revenues. The District considers interest earnings and other revenue to be general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Equity is classified as net position and displayed in three components:

- Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

- Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - All other net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When both unrestricted and restricted resources are available for use, it is the District's policy to use restricted resources first, until they are depleted, then unrestricted resources as they are needed. The District's restricted resources at June 30, 2019, 2018, 2017, 2016 and 2015 were \$38,248, \$169,365, \$103,451, \$83,427, and \$130,657, respectively.

Fund Financial Statements:

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The District uses a single general fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The single general fund utilized by the District is a governmental fund. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. The difference between governmental fund assets and liabilities is reported as fund balance.

Fund balance is required to be reported according to the following classifications:

- Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.
- Restricted fund balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).
- Committed fund balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority.
- Assigned fund balance - Amounts that are constrained by the District's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by an official to whom that authority has been given.
- Unassigned fund balance - This is the residual classification of the General Fund.

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

When expenditures are incurred for purposes in which amounts in any unrestricted fund balance could be used, it is the District's policy to use the committed funds first, then assigned, then unassigned funds. This Board of Commissioners may authorize a different order of spending depending on the circumstances.

BUDGETS:

Budgets are adopted on a basis consistent with generally accepted accounting principles. All budgetary changes during the fiscal year required the approval of the District's Board of Commissioners. The District's budgetary period is from July 1st to June 30th. All unencumbered annual appropriations lapse at the end of each fiscal year.

INVESTMENTS:

The District maintains all of its cash in a County-sponsored investment pool that is managed by the Yolo County Treasurer. The Treasurer invests on behalf of most funds of the County and external participants (such as the District) in accordance with the California State Government Code and the County's investment policy.

Statutes authorize the District to invest its surplus cash in obligations of the U.S. Treasury, agencies and instrumentalities, California municipal obligations including those issued by the State and any other local agency within the state, other states' municipal obligations, corporate bonds rated P-1 by Standards & Poor's Corporation or A-1 by Moody's Investor Service, bankers' acceptances, certificates of deposit, commercial paper, repurchase and reverse repurchase agreements, asset-back securities, money market funds, and local government investment pools.

The District's equity in the County-sponsored investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income.

Investment income is determined on an amortized cost basis. Accrued interest, realized and unrealized gains and losses, net of expenses, are apportioned to pool participants each quarter.

Income from the pooled investments of the County-sponsored pool is allocated to the District based on the District's average daily cash balance for each quarter.

PROPERTY TAX LEVY, COLLECTION AND MAXIMUM RATES:

The State of California's (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value, as defined by Article XIII A, and may be adjusted by no more than 2% per year unless the property is sold or transferred. The appropriate levy is based on the assessed value as of the valuation date. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among the County, cities, school districts, and other districts. The County assesses properties and bills for and collects property taxes as follows:

<u>Description</u>	<u>Secured</u>	<u>Unsecured</u>
Valuation/lien dates	January 1	January 1
Due Dates (delinquent as of)	50% on November 1 (December 10) 50% on February 1 (April 10)	March 1 (August 31)

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

The term “unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty (60) days after fiscal year-end. Property taxes are recorded as unavailable revenue in the governmental fund statements when not received within sixty (60) days after fiscal year-end.

The County apportions secured property tax receipts to the District in January (50%), April (45%) and June (5%). Unsecured receipts are apportioned monthly in the subsequent month after collection.

CAPITAL ASSETS:

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The District defines all land acquisitions as capital assets and assets with an initial, individual cost of more than \$10,000 for structures and improvements and easements, and equipment and software with a cost greater than \$5,000 and has an estimated useful life in excess of one year. Capital assets, except non-depreciable land and easements, used in operations are depreciated or amortized using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements. The estimated useful lives are as follows:

<u>Description</u>	<u>Estimated Useful Life</u>
Structures and improvements	10 - 40 years
Easements	Life of the easement
Software	Life of the license or 2 - 7 years
Equipment	2 - 20 years

USE OF ESTIMATES:

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - ACCOUNTS AND RECORDS:

The Department of Financial Services of Yolo County maintains records of the District's transactions. The Yolo County Treasurer collects the District's property tax revenues. The District submits claims for expenditures to the Yolo County Department of Financial Services Office for processing and payment.

NOTE 3 - CASH AND INVESTMENTS:

The District's cash is invested in a Yolo County-sponsored investment pool that is managed by the Yolo County Treasurer for the purpose of increasing interest earnings through investment activities. Interest earned by the investment pool is distributed to the District using a formula based on the average daily cash balance of each fund.

The investment pool includes both voluntary and involuntary participation from external entities. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer.

YOLO FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 3 - CASH AND INVESTMENTS: (Continued)

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy in order of priority are; public trust, safety, liquidity and return on investment. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code.

The Board of Supervisors reviews and approves the investment policy annually. The oversight committee reviews investment activity and results quarterly. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every quarter. The report covers the type of investments in the pool, maturity dates, par value, actual costs and fair value.

A summary of the investments held by the County-sponsored investment pool can be found at: <https://www.yolocounty.org/government/general-government-departments/financial-services/publications>.

Total cash and investments maintain by the County-sponsored pool as of June 30, are presented on the District's financial statements as follows:

	June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	<u><u>\$ 667,370</u></u>	<u><u>\$ 382,319</u></u>	<u><u>\$ 323,677</u></u>	<u><u>\$ 288,402</u></u>	<u><u>\$ 368,458</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 3 - CASH AND INVESTMENTS: (Continued)

INVESTMENTS AUTHORIZED BY THE CALIFORNIA GOVERNMENT CODE AND THE COUNTY'S INVESTMENT POLICY:

The table below identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, whichever is more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, and concentration risk.

	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Credit Rating Per Policy
U.S. Treasury Obligations	5 years	None	None	N/A
U.S. Agency Obligations	5 years	None	None	N/A
State of California Obligations	5 years	None	None	"A" Long-term, "A-1" short term
Other Municipal Obligations	5 years	None	None	"A" Long-term, "A-1" short term NRSRO Highest Category
Banker's Acceptances	180 days	40%	5%	"A"
Commercial Paper - Select Agencies*	270 days	25%	5%	"A-1"
Commercial Paper - Other Agencies*	270 days	40%	5%	"A" Long-term, "A-1" short term
Negotiable Certificates of Deposit	5 years	30%	5%	N/A
Non-negotiable Certificates of Deposit	180 days	None	5%	N/A
Repurchase Agreements	90 days	None	None	N/A
Corporate Medium Term Notes	5 years	30%	5%	"AAA"
Mutual Funds/Money Market Mutual Funds	N/A	20%	None	N/A
Mortgage Pass-Through Securities	5 years	20%	None	N/A
Reverse Repurchase Agreements	92 days	20%	None	N/A
Local Government Investment Pools	N/A	None	None	N/A
Supranational Securities	5 years	30%	None	"AA"

INTEREST RATE RISK:

Interest rate risk is the measurement of how changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the more sensitive to changes in market interest rates of its fair value. The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy.

CREDIT RISK:

State law and the County's Investment Policy limit investments in commercial paper to the rating of A1 by Standards & Poor's or P-1 by Moody's Investors Service. State law and the County's Investment Policy also limit investments in corporate notes to the rating of A by Standard & Poor's and Moody's Investors Service. The County does not have credit limits on federal government agency securities, municipal bonds and money market mutual funds. A summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of total investments of the investment pool can be found at: <https://www.yolocounty.org/government/general-government-departments/financial-services/publications>.

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 3 - CASH AND INVESTMENTS: (Continued)

CONCENTRATION OF CREDIT RISK:

The investment policy of the County contains certain limits on the amount that can be invested in any one issuer beyond that stipulated by California Government Code. The County did not have any investments that represented 5% or more of the County's investments, excluding investment pools, US Treasury bonds and mutual funds, as of June 30, 2019.

CUSTODIAL CREDIT RISK:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will be able to recover the value of its investment or collateral securities that are in the possession of another party. Neither the California Government code nor the County's investment policy contain legal or policy requirements that would limit the County's exposure to custodial credit risk for deposits or investments except for the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure County deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits. GASB Statement No. 40 requires that disclosure is made with respect to custodial credit risks related to deposits. The County has cash deposits, held in collateralized accounts, with financial institutions in excess of federal depository insurance limits in the amount of \$17.7 million. Investment securities are registered and held in the name of Yolo County in a third-party custodial account with Bank of New York-Mellon. Securities are not held in broker

FAIR VALUE MEASUREMENTS:

The fair value of the underlying investments, which represent level 2 inputs under the fair value hierarchy. Information regarding fair value measurements of the County pool may be found in the notes to the County of Yolo comprehensive annual financial reports at <https://www.yolocounty.org/government/general-government-departments/financial-services/publications>.

NOTE 4 - RECEIVABLES:

Receivables as of June 30, for the District's general fund, are as follows:

	June 30,				
	2019	2018	2017	2016	2015
Governmental Activities:					
Fire Protection:					
Property tax receivable	\$ 523	\$ 127	\$ 297	\$ 126	\$ 67
Accounts receivable	-	-	767	-	1,377
	<u>\$ 523</u>	<u>\$ 127</u>	<u>\$ 1,064</u>	<u>\$ 126</u>	<u>\$ 1,444</u>

Property taxes are apportioned to the District under the Teeter Plan method of apportionment. Under this method the District is apportioned 100% of the property tax levy without regard to delinquencies. Accordingly, the District does not establish an allowance for doubtful accounts. In addition, other receivable balances are immaterial and do not warrant the establishment of an allowance.

YOLO FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 5 - CAPITAL ASSETS:

Capital assets activity for the years ended June 30, 2019, 2018, 2017, 2016, 2015 was as follows:

	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019
Capital assets not being depreciated:				
Land	\$ 1,571	\$ -	\$ -	\$ 1,571
Total Capital Assets Not Being Depreciated	<u>1,571</u>	<u>-</u>	<u>-</u>	<u>1,571</u>
Capital assets being depreciated:				
Vehicles and equipment	1,057,890	497,159	-	1,555,049
Buildings and improvements	185,223	-	-	185,223
Total Capital Assets	<u>1,243,113</u>	<u>497,159</u>	<u>-</u>	<u>1,740,272</u>
Less accumulated depreciation for:				
Vehicles and equipment	899,358	59,419	-	958,777
Buildings and improvements	98,022	8,267	-	106,289
Total Accumulated Depreciation	<u>997,380</u>	<u>67,686</u>	<u>-</u>	<u>1,065,066</u>
Total Capital Assets Being Depreciated - Net	<u>245,733</u>	<u>429,473</u>	<u>-</u>	<u>675,206</u>
Total Capital Assets - Net	<u>\$ 247,304</u>	<u>\$ 429,473</u>	<u>\$ -</u>	<u>\$ 676,777</u>
	Balance at July 1, 2017	Additions	Deletions	Balance at June 30, 2018
Capital assets not being depreciated:				
Land	\$ 1,571	\$ -	\$ -	\$ 1,571
Total Capital Assets Not Being Depreciated	<u>1,571</u>	<u>-</u>	<u>-</u>	<u>1,571</u>
Capital assets being depreciated:				
Vehicles and equipment	1,057,890	-	-	1,057,890
Buildings and improvements	185,223	-	-	185,223
Total Capital Assets	<u>1,243,113</u>	<u>-</u>	<u>-</u>	<u>1,243,113</u>
Less accumulated depreciation for:				
Vehicles and equipment	841,243	58,115	-	899,358
Buildings and improvements	89,755	8,267	-	98,022
Total Accumulated Depreciation	<u>930,998</u>	<u>66,382</u>	<u>-</u>	<u>997,380</u>
Total Capital Assets Being Depreciated - Net	<u>312,115</u>	<u>(66,382)</u>	<u>-</u>	<u>245,733</u>
Total Capital Assets - Net	<u>\$ 313,686</u>	<u>\$ (66,382)</u>	<u>\$ -</u>	<u>\$ 247,304</u>

YOLO FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 5 - CAPITAL ASSETS: (Continued)

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2017</u>
Capital assets not being depreciated:				
Land	\$ 1,571	\$ -	\$ -	\$ 1,571
Total Capital Assets Not Being Depreciated	<u>1,571</u>	<u>-</u>	<u>-</u>	<u>1,571</u>
Capital assets being depreciated:				
Vehicles and equipment	950,585	107,305	-	1,057,890
Buildings and improvements	185,223	-	-	185,223
Total Capital Assets	<u>1,135,808</u>	<u>107,305</u>	<u>-</u>	<u>1,243,113</u>
Less accumulated depreciation for:				
Vehicles and equipment	783,128	58,115	-	841,243
Buildings and improvements	81,488	8,267	-	89,755
Total Accumulated Depreciation	<u>864,616</u>	<u>66,382</u>	<u>-</u>	<u>930,998</u>
Total Capital Assets Being Depreciated - Net	<u>271,192</u>	<u>40,923</u>	<u>-</u>	<u>312,115</u>
Total Capital Assets - Net	<u>\$ 272,763</u>	<u>\$ 40,923</u>	<u>\$ -</u>	<u>\$ 313,686</u>
	<u>Balance at July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2016</u>
Capital assets not being depreciated:				
Land	\$ 1,571	\$ -	\$ -	\$ 1,571
Construction in progress	94,070	-	94,070	-
Total Capital Assets Not Being Depreciated	<u>95,641</u>	<u>-</u>	<u>94,070</u>	<u>1,571</u>
Capital assets being depreciated:				
Vehicles and equipment	950,585	-	-	950,585
Buildings and improvements	73,986	111,237	-	185,223
Total Capital Assets	<u>1,024,571</u>	<u>111,237</u>	<u>-</u>	<u>1,135,808</u>
Less accumulated depreciation for:				
Vehicles and equipment	731,227	51,901	-	783,128
Buildings and improvements	72,731	8,757	-	81,488
Total Accumulated Depreciation	<u>803,958</u>	<u>60,658</u>	<u>-</u>	<u>864,616</u>
Total Capital Assets Being Depreciated - Net	<u>220,613</u>	<u>50,579</u>	<u>-</u>	<u>271,192</u>
Total Capital Assets - Net	<u>\$ 316,254</u>	<u>\$ 50,579</u>	<u>\$ 94,070</u>	<u>\$ 272,763</u>

YOLO FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 5 - CAPITAL ASSETS: (Continued)

	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</u>
Capital assets not being depreciated:				
Land	\$ 1,571	\$ -	\$ -	\$ 1,571
Construction in progress	-	94,070	-	94,070
Total Capital Assets Not Being Depreciated	<u>1,571</u>	<u>94,070</u>	<u>-</u>	<u>95,641</u>
Capital assets being depreciated:				
Vehicles and equipment	950,585	-	-	950,585
Buildings and improvements	73,986	-	-	73,986
Total Capital Assets	<u>1,024,571</u>	<u>-</u>	<u>-</u>	<u>1,024,571</u>
Less accumulated depreciation for:				
Vehicles and equipment	679,326	51,901	-	731,227
Buildings and improvements	72,050	681	-	72,731
Total Accumulated Depreciation	<u>751,376</u>	<u>52,582</u>	<u>-</u>	<u>803,958</u>
Total Capital Assets Being Depreciated - Net	<u>273,195</u>	<u>(52,582)</u>	<u>-</u>	<u>220,613</u>
Total Capital Assets - Net	<u>\$ 274,766</u>	<u>\$ 41,488</u>	<u>\$ -</u>	<u>\$ 316,254</u>

Depreciation expense was charged to governmental activities as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Amount</u>
2019	\$ 67,686
2018	66,382
2017	66,382
2016	60,658
2015	52,582

NOTE 6 - LOAN PAYABLE:

The District has entered into a capital lease agreement under which the related equipment will become the property of the District when all terms of the lease agreements are met.

During the year ended June 30, 2012, the District entered into a capital lease agreement with First Municipal Leasing Corporation for \$206,960 towards the purchase of the One HI-TECH Type III Fire Engine. Beginning July 2012 and ending July 2018, the lease is payable in annual payments of \$21,085, which includes interest at a rate of 3.75 percent. During the year ended June 30, 2016, the District paid the entirety of this loan off.

YOLO FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 7 - RECONCILIATION TO GOVERNMENT-WIDE STATEMENTS:

Amounts reported for governmental activities in the statements of net position are different because:

	2019	2018	2017	2016	2015
Total Fund Balance - General Fund	\$ 175,152	\$ 378,755	\$ 321,335	\$ 275,187	\$ 323,251
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	676,777	247,304	313,686	272,763	316,254
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the General Fund.					
Accrued interest	-	-	-	-	(2,895)
Capital lease	-	-	-	-	(76,942)
Net Position of Governmental Activities	\$ 851,929	\$ 626,059	\$ 635,021	\$ 547,950	\$ 559,668

Amounts reported for governmental activities in the statements of activities are different because:

	2019	2018	2017	2016	2015
Net Change in Fund Balance - General Fund	\$ (203,603)	\$ 57,420	\$ 46,148	\$ (48,064)	\$ 30,067
Governmental funds report capital outlays as expenditures: however, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense.	429,473	(66,382)	40,923	(43,491)	41,486
Repayment of long-term liabilities are expenditures in the General Fund, but reduce long-term liabilities in the statement of net position.					
Capital outlay	-	-	-	76,942	17,540
Accrued interest	-	-	-	2,895	650
Change in Net Position of Governmental Activities	\$ 225,870	\$ (8,962)	\$ 87,071	\$ (11,718)	\$ 89,743

YOLO FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 8 - FUND BALANCE AND NET POSITION:

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30 is as follows:

	2019	2018	2017	2016	2015
Restricted for:					
Development impact fees	\$ 13,243	\$ 67,770	\$ 32,638	\$ 25,302	\$ 5,575
Tribal mitigation capital grants	25,005	101,595	70,813	58,125	125,082
Total Restricted	38,248	169,365	103,451	83,427	130,657
Assigned for:					
Capital asset replacement	-	65,404	54,304	53,781	53,026
General reserve	18,900	18,900	18,900	18,900	28,900
Total Assigned	18,900	84,304	73,204	72,681	81,926
Unassigned	118,004	125,086	144,680	119,080	148,452
Total Fund Balance	\$ 175,152	\$ 378,755	\$ 321,335	\$ 275,188	\$ 361,035

Restricted net position is assets that are subject to constraints either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation, net of liabilities and deferred inflows of resources related to those assets. Restricted net position at June 30, is as follows:

Function/Program	2019	2018	2017	2016	2015
Governmental Activities					
Fire Protection:					
Development impact fees*	\$ 13,243	\$ 67,770	\$ 32,638	\$ 25,302	\$ 5,575
Tribal mitigation capital grants	25,005	101,595	70,813	58,125	125,082
Total Restricted Balance	\$ 38,248	\$ 169,365	\$ 103,451	\$ 83,427	\$ 130,657

* Restricted by enabling legislation.

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YOLO FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

NOTE 9 - RISK MANAGEMENT:

The District obtains insurance against various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; general and automobile liability, natural disasters; and injuries to volunteers from the Golden State Risk Management Authority (the Authority), a joint powers agency (risk-sharing pool). The District has been a member since 11/1/2010 and is one of approximately 300 local agencies participating in the pool. The Authority's coverage programs include comprehensive general liability, workers' compensation, property and miscellaneous coverage, crime liability and cyber liability. To spread risk the Authority uses several layers of coverage; deductible, GSRM shared pool, CSAC-EIA Pool for excess insurance and other vendors for reinsurance. New member agencies cannot withdrawal within the first three years. After the initial three-year non-cancellable commitment to the program a member agency may withdrawal at the end of a fiscal year after giving a twelve-month notification. The annual contribution charge for each member agency includes the member agency's prorated share of excess insurance contribution or premium and/or reinsurance costs; charge for pooled risk, recognizing the deductible selected and including a margin for contingencies as determined by the Board; claims adjusting and legal cost; and administrative costs and other costs to operate the Authority. The member agency's loss history and loss exposure together with the performance of each program in making the calculations of the annual contribution for each member agency.

The table below presents the district coverage and coverage limits.

Coverage	Deductible	GSRMA	CSAC-EIA	Liberty Insurance Corporation
General and automobile	\$ -	\$ 250,000	\$ 1,000,000	\$ -
Workers' compensation	-	300,000	50,000,000	excess of \$50M
Property	1,000	25,000	-	-
Crime/Fidelity	2,500	25,000	10,000,000	-
Property	250 to 1,000	5,000 to 25,000	25,000,000	-

The District has had no significant reduction in insurance cover from prior years. The District has had no settlements that exceeded insurance coverage for the past five years.

NOTE 10 - COMMITMENTS AND CONTINGENCIES:

GRANTS:

The District recognizes as revenue, grant monies received from Yolo County and the Yocha Dehe Wintun Nation as reimbursement for various eligible expenses. Amounts received or receivable from are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

NOTE 11 - DONATED SERVICES:

Volunteers have donated significant amounts of time to the District. No amounts have been reflected in the financial statements for donated services as the requirements for recognition of income from donated services have not been met.

NOTE 12 - SUBSEQUENT EVENTS:

Management has considered all subsequent events for disclosure in the financial statements through June 11, 2021, which represents the date the financial statements were available to be issued.

YOLO FIRE PROTECTION DISTRICT

Required Supplementary Information
Years Ended June 30, 2019, 2018, 2017, 2016 and 2015

YOLO FIRE PROTECTION DISTRICT

BUDGETARY COMPARISON SCHEDULE

Years Ended June 30.

	2019		2018		2017		2016		2015	
	Budget(1)	Actual	Budget(1)	Actual	Budget(1)	Actual	Budget(1)	Actual	Budget(1)	Actual
Budgetary Fund Balances, July 1	\$ 378,646	\$ 378,646	\$ 321,223	\$ 321,223	\$ 275,077	\$ 275,077	\$ 323,141	\$ 323,141	\$ 293,074	\$ 293,074
REVENUES:										
Property taxes	96,370	105,273	96,400	95,248	79,600	95,244	83,600	86,698	77,600	82,449
Licenses, permits and fees	10,000	3,932	5,700	41,904	700	5,727	700	1,436	700	9,674
Use of money and property	3,000	16,066	750	4,514	-	1,927	-	2,613	-	980
Intergovernmental revenue	520,331	280,457	30,150	30,380	109,375	109,489	300	12,943	100,300	100,443
Charges for services	34,000	33,467	34,000	36,270	33,100	33,910	45,200	33,340	32,700	33,506
Other	-	7,866	-	15	100	792	-	100	-	-
Total Revenues	1,042,347	825,707	488,223	529,554	497,952	522,166	452,941	460,271	504,374	520,126
EXPENDITURES:										
Current:										
Public safety - Fire protection:										
Salaries and employee benefits	66,886	74,420	59,843	49,908	29,050	29,127	26,500	26,639	25,100	22,800
Services and supplies	78,508	76,086	87,530	98,000	73,270	61,511	82,250	58,551	80,750	59,030
Other charges	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	-	-
Debt service:										
Principal	-	-	-	-	-	-	76,332	76,942	17,540	17,540
Interest	-	-	-	-	-	-	3,545	2,895	3,545	3,545
Capital outlay	497,160	497,159	-	-	107,305	107,305	44,070	17,167	50,000	94,070
Appropriation for contingencies	18,147	-	16,627	-	10,250	-	4,103	-	34,365	-
Total Expenditures	663,701	650,665	167,000	150,908	222,875	200,943	239,800	185,194	211,300	196,985
Budgetary Fund Balances, June 30	\$ 378,646	\$ 175,042	\$ 321,223	\$ 378,646	\$ 275,077	\$ 321,223	\$ 213,141	\$ 275,077	\$ 293,074	\$ 323,141

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/Inflows of Resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 825,707	\$ 529,554	\$ 522,166	\$ 460,271	\$ 520,126
Differences - Budget to GAAP:					
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(378,646)	(321,223)	(275,077)	(323,141)	(293,074)
Total revenues as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance.	<u>\$ 447,061</u>	<u>\$ 208,331</u>	<u>\$ 247,089</u>	<u>\$ 137,130</u>	<u>\$ 227,052</u>

Uses/Outflows of Resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 650,665	\$ 150,908	\$ 200,943	\$ 185,194	\$ 196,985
Total expenditures as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance.	<u>\$ 650,665</u>	<u>\$ 150,908</u>	<u>\$ 200,943</u>	<u>\$ 185,194</u>	<u>\$ 196,985</u>

Budgetary Information:

Budgets are adopted on a basis consistent with generally accepted accounting principles using the modified accrual basis of accounting. On or before June 30 of each year, the District Board shall adopt a preliminary budget which shall conform to the accounting and budgeting procedures for special districts. On or after July 1 of each year the amounts set forth in the preliminary budget, except obligations for capital assets and new permanent employee positions, are deemed appropriated until the District Board adopts the final budget. If the District Board has not adopted a preliminary budget, the amounts deemed appropriated shall be based on the budget of the preceding year, excluding capital assets and new permanent employee positions. On or before October 1 of each year, after making changes to the preliminary budget, the District Board shall adopt a final budget.

All budgetary changes during the fiscal year require the approval of the District's Board of Commissioners. The District's budgetary period is from July 1 to June 30. All unencumbered annual appropriations lapse at the end of each fiscal year.

(1) Budget represents original and final budgets.