# *YOLO FIRE PROTECTION DISTRICT*

Report on Audits

Years Ended June 30, 2023 and 2022

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# Independent Auditor's Report

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

## Opinions

We have audited the accompanying financial statements of the governmental activities of Yolo Fire Protection District as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Yolo Fire Protection District, as of June 30, 2023 and 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Yolo Fire Protection District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information tha tmay raise substantial doubt shortly thereafter.

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the plannced scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page20 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.

*Perry, Bunch & Johnston, Inc.*

Woodland, California
July 11, 2024

## *YOLO FIRE PROTECTION DISTRICT*

Basic Financial Statements - Government-Wide Financial Statements

Years Ended June 30, 2023 and 2022

# YOLO FIRE PROTECTION DISTRICT

## STATEMENTS OF NET POSITION

| June 30, | 2023 | 2022 |
|---|---|---|
| **ASSETS** | | |
| **CURRENT ASSETS:** | | |
| Cash and cash equivalents | $ 524,270 | $ 433,006 |
| Taxes receivables | 506 | 579 |
| **Total Current Assets** | 524,776 | 433,585 |
| **NON-CURRENT ASSETS:** | | |
| Capital assets: | | |
| Depreciable, net of accumulated depreciation | 375,963 | 472,492 |
| Non-depreciable | 524,741 | 1,571 |
| **Total Non-Current Assets** | 900,704 | 474,063 |
| **Total Assets** | $ 1,425,480 | $ 907,648 |
| **LIABILITIES AND NET POSITION** | | |
| **LIABILITIES:** | | |
| **Current Liabilities:** | | |
| Accounts payable | $ 3,227 | $ 5,696 |
| Accrued payroll | 3,174 | 2,777 |
| Accrued interest | 3,699 | - |
| Accrued compensated absences | 1,640 | 1,776 |
| Notes payable, current | 91,140 | - |
| **Total Current Liabilities** | 102,880 | 10,249 |
| **Non-Current Liabilities:** | | |
| Notes payable, long-term | 408,860 | - |
| **Total Long-Term Liabilities** | 408,860 | - |
| **Total Liabilities** | 511,740 | 10,249 |
| **NET POSITION:** | | |
| Net investment in capital assets | 900,704 | 474,063 |
| Restricted | 251,885 | 158,617 |
| Unrestricted | (238,849) | 264,719 |
| **Total Net Position** | 913,740 | 897,399 |
| **Total Liabilities and Net Position** | $ 1,425,480 | $ 907,648 |

## STATEMENTS OF ACTIVITIES

| Years Ended June 30, | 2023 | 2022 |
|---|---|---|
| **PROGRAM EXPENSES:** | | |
| Public safety - Fire protection: | | |
| Salaries and employee benefits | $ 99,683 | $ 96,266 |
| Services and supplies | 129,440 | 144,075 |
| Other | 15,883 | 11,753 |
| Depreciation | 96,529 | 95,042 |
| Interest on long-term debt | 3,699 | - |
| **Total Program Expenses** | 345,234 | 347,136 |
| **PROGRAM REVENUES:** | | |
| Charges for service | 66,292 | 54,012 |
| Operating grants and contributions | 5,692 | 220,676 |
| Capital grants and contributions | 152,784 | 55,124 |
| **Total Program Revenues** | 224,768 | 329,812 |
| **Net Program (Income) Expense** | 120,466 | 17,324 |
| **GENERAL REVENUES/(EXPENSES):** | | |
| Property taxes | 133,630 | 124,427 |
| Interest earnings | 2,741 | (10,512) |
| Intergovernmental revenue | 436 | 460 |
| **Total General Revenues** | 136,807 | 114,375 |
| **Change in Net Position** | 16,341 | 97,051 |
| Net Position, Beginning of Year | 897,399 | 800,348 |
| **Net Position, End of Year** | $ 913,740 | $ 897,399 |

See accompanying notes.

*YOLO FIRE PROTECTION DISTRICT*

Basic Financial Statements - Fund Financial Statements

Years Ended June 30, 2023 and 2022

## BALANCE SHEETS - GOVERNMENTAL FUNDS

| Years Ended June 30, | 2023 | 2022 |
|---|---|---|
| | General Fund | General Fund |
| **ASSETS:** | | |
| **Current Assets:** | | |
| Cash and cash equivalents | $ 524,270 | $ 433,006 |
| Property tax receivable | 506 | 579 |
| **Total Current Assets** | 524,776 | 433,585 |
| **Total Assets** | $ 524,776 | $ 433,585 |
| **LIABILITIES AND FUND BALANCE:** | | |
| **LIABILITIES:** | | |
| **Current Liabilities:** | | |
| Accounts payable | $ 3,227 | $ 5,696 |
| Accrued payroll | 3,174 | 2,777 |
| **Total Current Liabilities** | 6,401 | 8,473 |
| **Total Liabilities** | 6,401 | 8,473 |
| **FUND BALANCE:** | | |
| Restricted | 251,885 | 158,618 |
| Assigned | 201,717 | 18,900 |
| Unassigned | 64,773 | 247,594 |
| **Total Fund Balance** | 518,375 | 425,112 |
| **Total Liabilities and Fund Balance** | $ 524,776 | $ 433,585 |

See accompanying notes.

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

| Years Ended June 30, | 2023 | 2022 |
|---|---|---|
| | General Fund | General Fund |
| **REVENUES:** | | |
| Property taxes | $ 133,630 | $ 124,427 |
| Licenses, permits and fees | 116,340 | 11,562 |
| Use of money and property | 2,741 | (10,512) |
| Intergovernmental revenue | 36,880 | 254,899 |
| Charges for services | 66,292 | 54,012 |
| Other | 5,692 | 9,800 |
| **Total Revenues** | 361,575 | 444,188 |
| **EXPENDITURES:** | | |
| Current: | | |
| Public safety - Fire protection: | | |
| Salaries and employee benefits | $ 99,819 | $ 95,137 |
| Services and supplies | 129,440 | 144,075 |
| Other charges | 15,883 | 11,753 |
| Capital outlay | 523,170 | 16,081 |
| **Total Expenditures** | 768,312 | 267,046 |
| **OTHER FINANCING SOURCES:** | | |
| Proceeds from long-term liabilities | 500,000 | - |
| **Total Other Financing Sources** | 500,000 | - |
| **Excess (Deficiency) of Revenues Over Expenditures** | 93,263 | 177,142 |
| **Net Change in Fund Balance** | 93,263 | 177,142 |
| Fund Balance, Beginning of Year | 425,112 | 247,970 |
| **Fund Balance, End of Year** | $ 518,375 | $ 425,112 |

See accompanying notes.

***YOLO FIRE PROTECTION DISTRICT***

Notes to the Financial Statements

Years Ended June 30, 2023 and 2022

## 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.

## 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, 2023 and 2022 were $434,702 and $158,617, 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.

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.

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

**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 XIIIA 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 XIIIA, 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:

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

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.

## 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:

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

**COMPENSATED ABSENCES:**
Unused vacation leave may be accumulated up to a specified maximum and is paid at the time employment with the District is terminated. The District is not obligated to pay for unused sick leave if employment is terminated prior to retirement.

The accumulated benefits will be liquidated in future years as employees elect to use them. In the normal course of business, compensated absences do not require the use of current financial resources as all payments of these accumulated benefits will be funded from appropriations of the year in which they are to be paid; therefore, the total liability is recorded in the government-wide financial statements only. A liability for compensated absences is reported in governmental funds only if they have matured, for example, because of employee resignations and retirements and is currently payable. In accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulated rights to receive sick pay benefits.

**UNAVAILABLE REVENUES:**
Unavailable revenues are a deferred inflow of resources that represents amounts earned, but which are not available (that is, not collectible in the relatively near future or when all eligibility requirements other than time requirements have been met). These are generally offset by a receivable.

**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 - CASH AND INVESTMENTS:

Deposits held in the County's investment pool are available on demand and are stated at fair value. As of June 30, 2023 and 2022, the District's total cash in the County of Yolo Treasury was $524,270 and $433,006, respectively.

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

| | June 30, 2023 | June 30, 2022 |
|---|---|---|
| Cash and cash equivalents | $ 524,270 | $ 433,006 |

**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 |
|---|---|---|---|
| Local Agency Bonds | 5 years | None | None |
| U.S. Treasury Obligations | 5 years | None | None |
| U.S. Agency Securities | 5 years | None | None |
| Banker's Acceptances | 180 days | 40% | 30% |
| Commercial Paper | 270 days | 25% | 10% |
| Negotiable Certificates of Deposit | 5 years | 30% | None |
| Repurchase Agreements | 1 year | None | None |
| Reverse Repurchase Agreements | 92 days | 20% of base value | None |
| Medium-Term Notes | 5 years | 30% | None |
| Mutual Funds/Money Market Mutual Funds | N/A | 20% | 10% |
| Mortgage Pass-Through Securities | 5 years | 20% | None |
| County Pooled Investment Funds | N/A | None | None |
| Local Agency Investment Fund (LAIF) | N/A | None | None |
| JPA Pools (other investment pools) | N/A | None | None |

**INVESTMENTS IN THE COUNTY OF YOLO INVESTMENT POOL:**

YECA's cash is held in the County of Yolo Treasury. The County maintains an investment pool and allocates interest quarterly to the various funds based upon quarterly average daily cash balances. Investments held in the County's investment pool are available on demand and are stated at fair value. The fair value of the County's investment pool is determined by teh 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 teh notes to the County of Yolo financial statements at http://countyofyolo.org/general-government/general-government-departments/financial-services/publications.

## NOTE 2 - CASH AND INVESTMENTS: (Continued)

**INTEREST RATE RISK:**
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity to its fair value is to changes in market interest rates. The weighted average maturity of the County's external investment pool as of June 30, 2023 and 2022 was 460 days and 513 days.

**CREDIT RISK:**
Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (Standard and Poor's). The County's external investment pool is not rated.

**CUSTODIAL CREDIT RISK:**
Custodial credit risk is the risk that the government will not be able to recover its deposits or the value of its investments that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect deposits or investments in securities with governmental investment pools (such as the County of Yolo investment pool).

## NOTE 3 - RECEIVABLES:

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

| | General Fund | |
|---|---|---|
| | 2023 | 2022 |
| Governmental Activities: | | |
| Fire Protection: | | |
| Property Tax Receivable | $ 506 | $ 579 |

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.

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## NOTE 4 - CAPITAL ASSETS:

Capital assets activity for the years ended June 30, 2023 and 2022 was as follows:

| | Balance at July 1, 2022 | Additions | Deletions | Balance at June 30, 2023 |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 1,571 | $ 423,170 | $ - | $ 424,741 |
| Construction in progress | - | 100,000 | - | 100,000 |
| **Total Capital Assets Not Being Depreciated** | 1,571 | 523,170 | - | 524,741 |
| Capital assets being depreciated: | | | | |
| Vehicles and equipment | 1,651,308 | - | - | 1,651,308 |
| Buildings and improvements | 185,223 | - | - | 185,223 |
| **Total Capital Assets** | 1,836,531 | - | - | 1,836,531 |
| Less accumulated depreciation for: | | | | |
| Vehicles and equipment | 1,239,958 | 91,825 | - | 1,331,783 |
| Buildings and improvements | 124,081 | 4,704 | - | 128,785 |
| **Total Accumulated Depreciation** | 1,364,039 | 96,529 | - | 1,460,568 |
| **Total Capital Assets Being Depreciated - Net** | 472,492 | (96,529) | - | 375,963 |
| **Total Capital Assets - Net** | $ 474,063 | $ 426,641 | $ - | $ 900,704 |

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## NOTE 4 - CAPITAL ASSETS: (Continued)

| | Balance at July 1, 2021 | Additions | Deletions | Balance at June 30, 2022 |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 1,571 | $ - | $ - | $ 1,571 |
| Construction in progress | 48,176 | 11,316 | 59,492 | - |
| **Total Capital Assets Not Being Depreciated** | 49,747 | 11,316 | 59,492 | 1,571 |
| Capital assets being depreciated: | | | | |
| Vehicles and equipment | 1,587,051 | 64,257 | - | 1,651,308 |
| Buildings and improvements | 185,223 | - | - | 185,223 |
| **Total Capital Assets** | 1,772,274 | 64,257 | - | 1,836,531 |
| Less accumulated depreciation for: | | | | |
| Vehicles and equipment | 1,149,620 | 90,338 | - | 1,239,958 |
| Buildings and improvements | 119,377 | 4,704 | - | 124,081 |
| **Total Accumulated Depreciation** | 1,268,997 | 95,042 | - | 1,364,039 |
| **Total Capital Assets Being Depreciated - Net** | 503,277 | (30,785) | - | 472,492 |
| **Total Capital Assets - Net** | $ 553,024 | $ (19,469) | $ 59,492 | $ 474,063 |

Depreciation expense was charged to governmental activities as follows:

| Fiscal Year Ended June 30, | Amount |
|---|---|
| 2023 | $ 96,529 |
| 2022 | 95,042 |

## NOTE 5 - LONG-TERM LIABILITIES:

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

| | Balance at 7/1/2022 | Additions | Retirements | Balance at 6/30/2023 | Due Within One Year |
|---|---|---|---|---|---|
| Compensated absences | $ 1,776 | $ - | $ 136 | $ 1,640 | $ 1,640 |
| Loan payable | - | 500,000 | - | 500,000 | 91,140 |
| **Total** | $ 1,776 | $ 500,000 | $ 136 | $ 1,640 | $ 1,640 |

## NOTE 5 - LONG-TERM LIABILITIES: (Continued)

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

| | Balance at 7/1/2021 | Additions | Retirements | Balance at 6/30/2023 | Due Within One Year |
|---|---|---|---|---|---|
| Compensated absences | $ 646 | $ 1,130 | $ - | $ 1,776 | $ 1,776 |
| **Total** | $ 646 | $ 1,130 | $ - | $ 1,776 | $ 1,776 |

In 2023, the District borrowed $500,000 at 4.5% from Yolo County to purchase land for a future fire station. Payments of $28,027.72 are due quarterly within 30 days of the end of the quarter. The loan amortization schedule is as follows:

| Fiscal Years Ending | Principal | Interest | Total |
|---|---|---|---|
| 2024 | $ 91,140 | $ 20,971 | $ 112,111 |
| 2025 | 95,300 | 16,811 | 112,111 |
| 2026 | 99,662 | 12,449 | 112,111 |
| 2027 | 104,223 | 7,888 | 112,111 |
| 2028 | 109,675 | 2,436 | 112,111 |
| **Total** | $ 500,000 | $ 60,555 | $ 560,555 |

## NOTE 6 - RECONCILIATION TO GOVERNMENT-WIDE STATEMENTS:

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

| | 2023 | 2022 |
|---|---|---|
| **Total Fund Balance - General Fund** | $ 518,375 | $ 425,112 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 900,704 | 474,063 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the General Fund. | | |
| Compensated absences | (1,640) | (1,776) |
| Accrued interest | (3,699) | - |
| Note payable | (500,000) | - |
| **Net Position of Governmental Activities** | $ 913,740 | $ 897,399 |

## NOTE 6 - RECONCILIATION TO GOVERNMENT-WIDE STATEMENTS: (Continued)

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

| | | |
|---|---|---|
| **Net Change in Fund Balance - General Fund** | $ 93,263 | $ 177,142 |
| 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. | | |
| Capital outlay | 523,170 | 16,081 |
| Depreciation expense | (96,529) | (95,042) |
| Governmental funds report proceeds from long-term liabilities as increases to fund balance. In the statement of activities, proceeds are excluded and recorded as liabilities in the statement of net position. | (500,000) | - |
| Other expenses in the statement of activities that do not use current financial resources are not reported as expenditures in the general fund. | | |
| Change in compensated absences | 136 | (1,130) |
| Change in accrued interest | (3,699) | - |
| **Change in Net Position of Governmental Activities** | $ 16,341 | $ 97,051 |

## NOTE 7 - 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:

| | 2023 | 2022 |
|---|---|---|
| **Restricted for:** | | |
| Development impact fees | $ 227,582 | $ 114,966 |
| Tribal mitigation capital grants | 24,303 | 43,652 |
| Total Restricted | 251,885 | 158,618 |
| **Assigned for:** | | |
| Capital asset replacement | 182,817 | - |
| General reserve | 18,900 | 18,900 |
| Total Assigned | 201,717 | 18,900 |
| Unassigned | 64,773 | 247,594 |
| **Total Fund Balance** | $ 518,375 | $ 425,112 |

## NOTE 7 - FUND BALANCE AND NET POSITION: (Continued)

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:

| | 2023 | 2022 |
|---|---|---|
| **Function/Program** | | |
| **Governmental Activities** | | |
| Fire Protection: | | |
| Development impact fees* | $ 227,582 | $ 114,966 |
| Tribal mitigation capital grants | 24,303 | 43,652 |
| **Total Restricted Balance** | $ 251,885 | $ 158,618 |

* Restricted by enabling legislation.

## NOTE 8 - 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. GSRMA coverage programs include comprehensive general liability, workers' compensation, property and miscellaneous coverage, crime liability and cyber liability.

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

## NOTE 9 - COMMITMENTS AND CONTINGENCIES:

**GRANTS:**

The District recognizes as revenue, grant monies received from Yolo County and the State of California 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 10 - 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 11 - SUBSEQUENT EVENTS:

Management has considered subsequent events for disclosure in the financial statements through July 11, 2024, which represents the date the financial statements were available to be issued.

## *YOLO FIRE PROTECTION DISTRICT*

Required Supplementary Information

Years Ended June 30, 2023 and 2022

## YOLO FIRE PROTECTION DISTRICT

**BUDGETARY COMPARISON SCHEDULE**

| Years Ended June 30, | 2023 | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Favorable/ Unfavorable Variance | Original Budget | Final Budget | Actual | Favorable/ Unfavorable Variance |
| Budgetary Fund Balances, July 1 | $425,112 | $ 425,112 | $ 425,112 | $ - | $247,970 | $ 247,970 | $ 247,970 | $ - |
| **REVENUES:** | | | | | | | | |
| Property taxes | 126,400 | 130,600 | 133,630 | 3,030 | 121,400 | 121,400 | 124,427 | $ 3,027 |
| Licenses, permits and fees | 15,000 | 15,000 | 116,340 | 101,340 | 15,000 | 15,000 | 11,562 | (3,438) |
| Use of money and property | 1,000 | 1,000 | 2,741 | 1,741 | 2,100 | 2,100 | (10,512) | (12,612) |
| Intergovernmental revenue | 30,301 | 33,745 | 36,880 | 3,135 | 30,401 | 261,247 | 254,899 | (6,348) |
| Charges for services | 45,000 | 70,996 | 66,292 | (4,704) | 40,000 | 52,362 | 54,012 | 1,650 |
| Other | - | - | 5,692 | 5,692 | - | - | 9,800 | 9,800 |
| **Total Revenues** | 642,813 | 676,453 | 786,687 | 110,234 | 456,871 | 700,079 | 692,158 | (7,921) |
| **EXPENDITURES:** | | | | | | | | |
| Current: | | | | | | | | |
| Public safety - Fire protection: | | | | | | | | |
| Salaries and employee benefits | 100,381 | 100,381 | 99,819 | (562) | 92,013 | 95,218 | 95,137 | (81) |
| Services and supplies | 110,183 | 124,761 | 129,440 | 4,679 | 110,888 | 142,273 | 144,075 | 1,802 |
| Other charges | 6,000 | 14,918 | 15,883 | 965 | 6,000 | 11,753 | 11,753 | - |
| Capital outlay | - | 529,230 | 523,170 | (6,060) | - | 17,484 | 16,081 | (1,403) |
| Appropriation for contingencies | 1,137 | - | - | - | - | - | - | - |
| **Total Expenditures** | 217,701 | 769,290 | 768,312 | (978) | 208,901 | 266,728 | 267,046 | 318 |
| **OTHER FINANCING SOURCES:** | | | | | | | | |
| Proceeds from long-term liabilities | - | 500,000 | 500,000 | - | - | - | - | - |
| **Budgetary Fund Balances, June 30** | $425,112 | $ 407,163 | $ 518,375 | $ 111,212 | $247,970 | $ 433,351 | $ 425,112 | $ (8,239) |

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

| | 2023 | 2022 |
|---|---|---|
| **Sources/Inflows of Resources:** | | |
| Actual amounts (budgetary basis) "available for appropriation" from thebudgetary comparison schedule. | $ 786,687 | $ 692,158 |
| 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. | (425,112) | (247,970) |
| Total revenues as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance. | $ 361,575 | $ 444,188 |
| **Uses/Outflows of Resources:** | | |
| Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule. | $ 768,312 | $ 267,046 |
| Total expenditures as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance. | $ 768,312 | $ 267,046 |

**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.