

**CLARKSBURG FIRE
PROTECTION DISTRICT**

FINANCIAL STATEMENTS
With
Independent Auditor's Report Thereon

JUNE 30, 2018 and 2017

**CLARKSBURG FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Clarksburg Fire Protection District
Clarksburg, California

We have audited the accompanying financial statements of the governmental activities and fund information of the Clarksburg Fire Protection District as of and for the years ended June 30, 2018 and 2017, respectively, 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 an opinion 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 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.

Board of Commissioners
Clarksburg Fire Protection District
Clarksburg, California

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the fund information of the Clarksburg Fire Protection District as of June 30, 2018 and 2017, respectively, and the respective changes in financial position for the years 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 the budgetary comparison information on pages 22-24, 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.

Other Information

The Management's Discussion and Analysis is not a required part of the financial statements but is supplemental information required by the Government Auditing Standards Board. Management has elected to omit the Management's Discussion and Analysis. Our opinion has not been modified for this omission.

Fechter & Company,
Certified Public Accountants

A handwritten signature in black ink that reads "Fechter & Company, CPAs". The signature is written in a cursive, flowing style.

Sacramento, California
May 3, 2019

GOVERNMENT – WIDE FINANCIAL STATEMENTS

CLARKSBURG FIRE PROTECTION DISTRICT
STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and investments	\$ 240,551	\$ 179,445
Restricted cash	236,022	230,878
Accounts Receivable	327	486
Due from other funds	47,827	-
Capital assets, net of accumulated depreciation	858,769	932,619
Total Assets	1,383,496	1,343,428
LIABILITIES		
Accounts payable	49,675	15,247
Accrued Payroll	196	-
Total Liabilities	49,871	15,247
NET POSITION		
Invested in capital assets, net of related debt	858,769	932,619
Restricted	236,022	230,878
Unrestricted	238,834	164,684
NET POSITION	\$ 1,333,625	\$ 1,328,181

CLARKSBURG FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
Governmental Activities:					
Public Protection	\$ 235,711	\$ 13,616	\$ -	\$ -	\$ (222,095)
Total Governmental Activities	\$ 235,711	\$ 13,616	\$ -	\$ -	(222,095)

General Revenues

Taxes and assessments	164,356
Developer fees	1,935
Investment income	5,448
Other income	55,800
Total general revenues	227,539
Change in net position	5,444
Net position at beginning of fiscal year	1,328,181
Net position at end of fiscal year	\$ 1,333,625

CLARKSBURG FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
Governmental Activities:					
Public Protection	\$ 184,299	\$ 28,629	\$ -	\$ -	\$ (155,670)
Total Governmental Activities	\$ 184,299	\$ 28,629	\$ -	\$ -	(155,670)

General Revenues

Taxes and assessments	163,273
Investment income	3,082
Other income	-
Total general revenues	166,906
Change in net position	11,236
Net position at beginning of fiscal year	1,316,945
Net position at end of fiscal year	\$ 1,328,181

FUND FINANCIAL STATEMENTS

CLARKSBURG FIRE PROTECTION DISTRICT
BALANCE SHEETS
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and investments	\$ 240,551	\$ 179,445
Restricted cash	236,022	230,878
Accounts receivable	327	486
Due from other agencies	47,827	-
Total Assets	\$ 524,727	\$ 410,809
LIABILITIES		
Accounts payable	49,675	15,247
Accrued payroll	196	-
Total Liabilities	49,871	15,247
FUND BALANCES		
Fund Balances:		
Restricted	2,669	87,953
Assigned	233,353	142,925
Unrestricted	238,834	164,684
Total Fund Balances	474,856	395,562
Total Liabilities and Fund Balances	\$ 524,727	\$ 410,809

**CLARKSBURG FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Total fund balances - governmental funds	\$ 474,856	\$ 395,562
<p>In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.</p>		
Capital assets at historical cost, net	<u>858,769</u>	<u>932,619</u>
Net position of governmental activities	<u>\$ 1,333,625</u>	<u>\$ 1,328,181</u>

CLARKSBURG FIRE PROTECTION DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
REVENUES		
Taxes and assessments	\$ 164,356	\$ 163,273
Developer fees	1,935	551
Investment income	5,448	3,082
Charges for services	13,616	28,629
Other income	55,800	-
	<hr/>	<hr/>
Total revenues	241,155	195,535
	<hr/>	<hr/>
EXPENDITURES		
Public safety:		
Salaries and benefits	17,577	26,138
Services and supplies	144,283	96,826
	<hr/>	<hr/>
Total operating expenditures	161,860	122,964
	<hr/>	<hr/>
NET OPERATING INCOME	79,295	72,571
	<hr/>	<hr/>
Capital outlay - funded with reserves	-	207,010
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	79,295	(134,439)
	<hr/>	<hr/>
FUND BALANCES - BEGINNING OF YEAR	395,561	530,001
	<hr/>	<hr/>
FUND BALANCES - END OF YEAR	\$ 474,856	\$ 395,562
	<hr/> <hr/>	<hr/> <hr/>

**CLARKSBURG FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018 and 2017**

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Change in Fund Balances, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

	2018	2017
NET CHANGE IN FUND BALANCES	\$ 79,295	\$ (134,439)
<p>Amounts reported for governmental activities in the Statement of Activities are different because of the following:</p> <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital Outlay	-	207,010
Depreciation expense not reported in governmental funds	(73,851)	(61,335)
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but deferred and amortized throughout the period during which the related debt is outstanding in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.</p>		
Repayment of debt principal is added back to fund balance	-	-
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 5,444	\$ 11,236

CLARKSBURG FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Clarksburg Fire Protection District (The District) are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The District's reporting applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

A. Description of the Reporting Entity

Both the township of Clarksburg and the Clarksburg Fire Protection District are located in the southernmost corner of Yolo County and the northernmost area of the Sacramento-San Joaquin Delta. Geographically, the District is surrounded by water and divided into four Reclamation Districts. The majority of the population consists of farmers, people who work in the farming industry, commuters, and people who work in local businesses.

In 1946, the District was established following a fire that partially destroyed the Clarksburg High School. The District covers 52 square miles, consisting of rural farms, residential dwellings, some commercial property, and some industrial property. Fire District personnel, both Governing Board and Firefighters, are residents who volunteer to serve the citizens, businesses, and tourists in this very southern portion of Yolo County, California. The mission of the District is to provide fire protection for all properties, structures, and citizens of the District; to participate in mutually beneficial mutual aid agreements with neighboring fire districts as well as County, State, and Federal agencies and; to provide first response services in the event of accident or medical emergency within the District.

All personnel are governed by the rules and regulations set forth by the Administrative Code of the District. Personnel resources include: 1) twenty non-paid Firefighters, 2) one Fire Chief, 3) one Assistant Chief, 4) one Captain, 5) four Lieutenants, and 6) five Fire Commissioners. The Commissioners are appointed by the Yolo County Board of Supervisors and provide management, guidance, and leadership in the areas of budget development, training, and overall operation of the District.

The number of volunteer firefighters meets present needs; notwithstanding, the need for recruitment and retention is ongoing due to the size of the District and the increased level of agri-tourism in the area. Due to the enormous territory and the high level of traffic in the Sacramento-San Joaquin Delta, the District is often called upon to provide basic emergency services. Because medical services are not available in the area, District firefighters are often called upon to provide critical emergency services for both residents and visitors.

CLARKSBURG FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Description of the Reporting Entity (continued)

The District services range from fire suppression to community outreach programs. Fire suppression and emergency medical services play a significant role in the overall function of the fire district. Currently, the District has three mutual aid agreements with neighboring fire departments; these agreements are reciprocated by other neighboring departments and provide additional assistance during all emergencies. The District provides strike team and urban disaster assistance for the Governor's Office of Emergency Services (OES) during state and national disasters. The District provides resources (firefighters and equipment) to the California Department of Forestry with wild-land fire suppression. The Forestry Department agreement aids in the protection of nearly 8 million Californians who own homes and businesses in wild-land areas. The District has three trained fire investigators who provide services to Yolo County. These fire investigators provide Yolo County with added resources in fire investigations, crime scenes, arson, and technical assistance.

B. Basis of Presentation – Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and user charges for support. The District has \$13,616 in business-type activities as of June 30, 2018 and \$28,629 as of June 30, 2017.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are allocated from the general government activity to the public safety function based on relative percentages or prior year actual operating expenditures. Program revenues include 1) charges to customers who purchase, use or directly benefit from the goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general expenses.

CLARKSBURG FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation – Government-Wide Financial Statements (continued)

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. Grants and similar items are recognized as revenue when reimbursable costs are incurred under the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Basis of Presentation – Fund Financial Statements

The accounts of the District are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Separate financial statements are provided for each governmental fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues susceptible to accrual include property taxes, grants, donations, and charges for current services. The District uses an availability period of 60 days after year-end. Expenditures under the modified accrual basis of accounting are generally recognized when the related fund liability is incurred.

CLARKSBURG FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation – Fund Financial Statements (continued)

The District reports the following major governmental fund type:

General Fund

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

Budgets and Budgetary Process

The District operates under the laws of the State of California. There are five members of the Board. Each member of the Governing Board is a resident of the District and is appointed by the Yolo County Board of Supervisors. In the event of a challenge, an election may be held. The Board of Directors adopts a General Fund budget only, which can be amended by the Board during the fiscal year. All appropriations lapse at year end.

The budgeted financial statements represented in these reports reflect the final budget authorizations including all amendments.

Estimates

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

Cash

The District holds its cash in the County of Yolo Treasury. The County maintains a cash and investment pool and allocates interest to the various funds based upon the average monthly cash balances. Information regarding categorization of investments can be found in the County's financial statements.

Allowance for Doubtful Accounts

Management believes its accounts receivables to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary. The District only had \$327 and \$486 in accounts receivable, which is related to property tax that is assessed and collected by Yolo County as of June 30, 2018 and June 30, 2017, respectively.

**CLARKSBURG FIRE PROTECTION DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2018 and 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation – Fund Financial Statements (continued)

Property, Plant, and Equipment

Fixed assets are recorded at actual cost or estimated historical cost if actual cost is not available. Assets costing \$5,000 or more and with an expected life of 1 year or more are capitalized. Donated fixed assets are valued at donation date at the estimated fair market value. When actual cost is not available, estimated costs are made by knowledgeable personnel. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Fixed assets of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building	10-45
Equipment	1-40
Vehicles	5-20

Revenue

Revenue to finance the District’s operation is derived from the County property tax bills and a Proposition 218 Special Assessment. Secured property taxes and the District’s Special Assessment attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on April 10 and December 10. Unsecured property taxes are payable in one installment on or before August 31.

In November of 1993, California voters enacted Proposition 172, which established a permanent statewide half-cent sales tax for support of local public safety functions in cities and counties. Under the terms of Proposition 172, cities and counties must use the funds received to support public safety. At this time, the Clarksburg Fire District receives no Proposition 172 revenue.

**CLARKSBURG FIRE PROTECTION DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2018 and 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Taxes and Special Assessments

Secured property taxes are considered measurable and available when apportioned to the District. The County is responsible for assessing and collecting secured property taxes for the District in accordance with enabling state legislation (including appropriation limits). The County apportions secured taxes to the District under the “Teeter Plan” – California Revenue and Taxation Code Sections 4701-4717. A complex allocation formula is used to

distribute levied secured taxes to the County and its districts. The levy date is July 1. The District is credited with 100 percent of its apportionments, regardless of the actual collections and delinquencies and accordingly, penalties and interest collected by the County are not allocated to the District. Apportionments are distributed according to the following schedule:

<u>Action</u>	<u>Date</u>	<u>Percent</u>
1st Apportionment	By December 25	55 Percent
2 nd Apportionment	By April 25	40 Percent
3 rd Apportionment	By June 25	5 Percent

Contributed Services

A number of unpaid volunteers have made significant contributions of their time to maintain and upgrade the firehouse, fire trucks, and equipment. The value of this contributed time is not reflected in these statements, since it is not susceptible to objective measurement or valuation.

Net Position

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.

- Invested in capital assets, net of related debt – this category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- Restricted net position – this category presents external restrictions of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position – this category represents net position of the District not restricted for any project or other purpose.

CLARKSBURG FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation – Fund Financial Statements (continued)

Fund Balances

In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes accounting and financial reporting standards for all governments that report governmental funds.

Under GASB 54, fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund Balances are now broken out in five categories:

- Nonspendable Fund Balance – this fund balance classification includes amounts that cannot be spent because they are either not in spendable form (i.e. – prepaid expenses) or legally or contractually required to be maintained intact.
- Restricted Fund Balance – this fund balance classification should be reported when there are constraints placed on the use of resources externally (by creditors, grant sources, contributors, etc.) or imposed by law or enabling legislation.
- Committed Fund Balance – this fund balance classification can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (i.e. – fund balance designations passed by board resolution).
- Assigned Fund Balance – this fund balance classification refers to amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted or committed.
- Unassigned Fund Balance – this fund balance classification is the residual classification for the general fund.

Deferred Inflows and Outflows of Resources

The District adopted the provisions of GASB Statement No. 63 (GASB 63), *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, during the 2013 fiscal year. GASB 63 provides financial reporting guidance for deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. It also identifies net position as the residual of all other elements presented in a statement of financial position, or the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. As implied above, GASB 63 changes the previous classification of net assets to net position, and consequently, the statement of net assets to the statement of net position. The District had no deferred inflows or outflows of resources as of June 30, 2018 and June 30, 2017, respectively.

**CLARKSBURG FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassification

Certain amounts in the prior year financial statements may have been reclassified to conform to the current year financial statement presentation.

NOTE 2: CASH AND INVESTMENTS

All cash held by the District is on deposit with the Yolo County Treasury Pool. The County of Yolo Treasurer pools its funds with other governmental agencies in the County and invests them as prescribed by the California Government Code and the County of Yolo's Investment Policy. The District's deposits in the County pool may be assessed at any time. The District is allocated interest income on monies deposited with the County based on its proportional share of the pooled investments. All investments are carried at fair value.

The District's total cash and investments at June 30, 2018 and 2017, consisted of the following:

	June 30, 2018	June 30, 2017
Deposits:		
Cash in County Treasury	\$ 240,551	\$ 179,445
Restricted Cash – Development Fees	2,669	87,953
Assigned Cash – Vehicle Replacement	233,353	142,925
Total Restricted Cash	236,022	230,878
Total Funds	\$ 476,573	\$ 410,323

Cash Restriction and Assignment

Yolo County reports reflect the District's cash as segregated into three accounts: Cash in Treasury, Restricted Cash – Vehicle Replacement, and Restricted Cash – Development Fees. Per the definitions provided by GASB 54, and noting that the District Board is the only authority placing the restriction on that particular Vehicle Replacement cash balance, the Governmental Funds Balance Sheet reflects the \$233,353 as assigned rather than restricted. However, for the purposes of the Government-wide Statement of Net Position, both the balances for Development Fees and Vehicle Replacement are classified as restricted, due to the nature of the County's reporting of these cash balances and the District's highlighting the true unrestricted balance immediately available to meet its ongoing operational obligations.

CLARKSBURG FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 2: CASH AND INVESTMENTS (continued)

Authorized Investments

California statutes authorize the District to invest idle or surplus funds in a variety of credit instruments as provided for in California Government Code Section 53600, Chapter 4 – Financial Affairs. The Government Code allows investments in the following instruments:

- Securities of the United States Government, or its agencies
- Small Business Administration loans
- Certificates of Deposit (or Time Deposits) placed with commercial banks
- Negotiable Certificates of Deposit
- Banker’s Acceptances
- Commercial paper and medium-term corporate notes
- Local Agency Investment Fund (State Pool and County Pool) Deposits
- County Cash Pool

Investments

The District has adopted provisions of Governmental Accounting Standards Board (GASB) 31, “*Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*” GASB 31 establishes accounting and financial standards for investments in interest-earning investment contracts, external investment pools, and mutual funds. The statement requires all applicable investments to be reported at fair value on the balance sheet. Fair value is the amount at which an investment could be exchanged in a current transaction

between willing parties, other than in a forced sale. All investment income, including changes in fair market value of investments, is recognized as revenue in the operating statement.

In accordance with Statement No. 31, the District has adjusted certain investments to fair value (when material).

The District relied upon information provided by the Yolo County Treasurer in estimating the District’s fair value at June 30, 2018 and June 30, 2017.

The Yolo County Treasurer’s Investment Pool is a governmental investment pool managed and directed by the elected Yolo County Treasurer. The County Pool is not registered with the Securities and Exchange Commission. An oversight committee comprised of local government officials and various participants provide oversight to the management of the fund. The daily operations and responsibilities of the pool fall under the auspices of the County Treasurer’s office. The District is a voluntary participant in the investment pool.

The District is authorized under California Government Code to make direct investments; however, the District has not adopted an investment policy and thus does not maintain policies for exposure to interest rate risk, credit risk, and concentration of credit risk.

CLARKSBURG FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 2: CASH AND INVESTMENTS (continued)

Authorized Investments (continued)

Investment policies and related credit, custodial credit, concentration of credit, interest rate, and foreign currency risks applicable to the District are those of the County and are disclosed in the County's basic financial statements. The County of Yolo's financial statements may be obtained by contacting the Yolo's Auditor-Controller's office at 625 Court Street, Room 103, Woodland, CA 95776.

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 of its fair value to changes in market interest rates. The bank certificates of deposits held by the District are all under eighteen months in maturity and are non-negotiable and, thus, have a guaranteed face value.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Generally, this is measured by the assignment of a rating by a nationally recognized statistical rating organization.

CLARKSBURG FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 3: CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets, not being depreciated:				
Land	\$ 183,024	\$ -	\$ -	\$ 183,024
Construction in progress	250,324	-	(250,324)	-
Total capital assets, not being depreciated	<u>433,348</u>	<u>-</u>	<u>(250,324)</u>	<u>183,024</u>
Capital assets, being depreciated:				
Building and improvements	120,486	250,324	-	370,810
Equipment	1,115,879	-	-	1,115,879
Total capital assets, being depreciated	<u>1,236,365</u>	<u>250,324</u>	<u>-</u>	<u>1,486,689</u>
Less accumulated depreciation:				
Building and improvements	(40,017)	(17,545)	-	(57,562)
Equipment	(697,077)	(56,306)	-	(753,383)
Total accumulated depreciation	<u>(737,094)</u>	<u>(73,851)</u>	<u>-</u>	<u>(810,945)</u>
Total capital assets being depreciated, net	<u>\$ 499,271</u>	<u>\$ 176,473</u>	<u>\$ -</u>	<u>\$ 675,744</u>
Governmental activities capital assets, net	<u>\$ 932,619</u>	<u>\$ 176,473</u>	<u>\$ (250,324)</u>	<u>\$ 858,768</u>

Depreciation expense for the fiscal year ended June 30, 2018, was \$73,851 and has been charged to the Public Protection function in the Statement of Activities.

Capital assets activity for the fiscal year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets, not being depreciated:				
Land	\$ 183,024	\$ -	\$ -	\$ 183,024
Construction in progress	240,243	10,081	-	250,324
Total capital assets, not being depreciated	<u>423,267</u>	<u>10,081</u>	<u>-</u>	<u>433,348</u>
Capital assets, being depreciated:				
Building and improvements	120,486	-	-	120,486
Equipment	918,950	196,929	-	1,115,879
Total capital assets, being depreciated	<u>1,039,436</u>	<u>196,929</u>	<u>-</u>	<u>1,236,365</u>
Less accumulated depreciation:				
Building and improvements	(34,988)	(5,029)	-	(40,017)
Equipment	(640,771)	(56,306)	-	(697,077)
Total accumulated depreciation	<u>(675,759)</u>	<u>(61,335)</u>	<u>-</u>	<u>(737,094)</u>
Total capital assets being depreciated, net	<u>\$ 363,677</u>	<u>\$ 135,594</u>	<u>\$ -</u>	<u>\$ 499,271</u>
Governmental activities capital assets, net	<u>\$ 786,944</u>	<u>\$ 145,675</u>	<u>\$ -</u>	<u>\$ 932,619</u>

CLARKSBURG FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 3: CAPITAL ASSETS (continued)

Depreciation expense for the fiscal year ended June 30, 2017, was \$61,335 and has been charged to the Public Protection function in the Statement of Activities.

NOTE 4: OPERATING LEASE AGREEMENTS

The District had one operating lease agreement with a term of five years, which was terminated as of October 31, 2016. There were no material restrictions imposed by this agreement. Rent expense for the fiscal year ended June 30, 2018 and 2017, was \$0 and \$3,750, respectively. The District no longer has any minimum rental payments required under operating lease commitments as of June 30, 2018.

NOTE 5: RISK MANAGEMENT

The District is exposed to various risks of loss related to theft, damage, and/or destruction of assets, errors and omissions, and general liability.

The District participates in the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), a joint powers agency (risk sharing pool). Fourteen local agencies participate in the pool. Each participating agency makes cash payment for each year of participation in the amount approved by the YCPARMIA's Board of Directors. New members must remain a part of the fund for a minimum of three years and give six months of written notice before withdrawing from the pool. Participation by the agencies is authorized pursuant to California Government Code section 6500. The District is covered for general liability and automobile liability, workers' compensation, property damage, and fidelity through YCPARMIA. Through YCPARMIA membership in the California Joint Powers Insurance Authority (CALJPIA), the District is provided with an excess coverage fund for catastrophic liability losses. Loss contingency reserves established by YCPARMIA are funded by contributions from member agencies.

NOTE 6: DEVELOPER FEES

Developer Fees are collected for the District by the County and held in accounts separate from the District's general fund. The District determines the fees based on the type of construction. Developer Fees can only be used to expand and improve the District services (i.e., an additional fire truck, a second station). They cannot be used to replace or continue current services (i.e., a replacement fire truck or repairs and improvements to the existing station).

NOTE 7: SUBSEQUENT EVENTS

The District has evaluated subsequent events through May 3, 2019, the date the financial statements were available to be issued, and determined that there were no events occurring subsequent to June 30, 2018 and 2017, respectively, that would have a material impact on the District's results of operations or financial position.

REQUIRED SUPPLEMENTARY INFORMATION

CLARKSBURG FIRE PROTECTION DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Revenues:				
Taxes and assessments	\$ 162,832	\$ 163,715	\$ 164,356	\$ 641
Developer fees	-	-	1,935	1,935
Investment income	-	-	5,448	5,448
Charges for services	-	13,616	13,616	-
Other income	-	55,800	55,800	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	162,832	233,131	241,155	8,024
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current				
Public safety:				
Salaries and benefits	15,049	23,024	17,577	5,447
Services and supplies	91,783	154,106	144,283	9,823
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	106,832	177,130	161,860	15,270
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenue over expenditures			<u>\$ 79,295</u>	

**CLARKSBURG FIRE PROTECTION DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes and assessments	\$ 158,383	\$ 158,383	\$ 163,273	\$ 4,890
Developer fees	-	-	551	551
Investment income	-	-	3,082	3,082
Charges for services	-	28,624	28,629	5
Other income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	158,383	187,007	195,535	8,528
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current				
Public safety:				
Salaries and benefits	15,049	32,283	26,138	6,145
Services and supplies	93,334	93,684	96,826	(3,142)
Capital outlay	8,000	239,232	207,010	32,222
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	116,383	365,199	329,974	35,225
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenue under expenditures			<u>\$ (134,439)</u>	

**CLARKSBURG FIRE PROTECTION DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED JUNE 30, 2018 and 2017**

BUDGETARY BASIS OF ACCOUNTING

The District prepares and legally adopts a final budget on or before August 30th of each fiscal year. Until the final budget is adopted, operations of the District commencing July 1st are governed by a continuing resolution which is adopted by the Board at their final meeting of the preceding fiscal year.

After the budget is approved, the appropriations can be added to, subtracted from or changed only by Board resolution. All such changes must be within the revenues and reserves estimated as available in the final budget or within revised revenue estimates as approved by the Board.

An operating budget is adopted each fiscal year on the modified accrual basis. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if the unperformed contracts in process at year-end are completed or purchase commitments satisfied. Such year-end encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year and included in the subsequent year's budget. Unencumbered appropriations lapse at year-end.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the object level except for fixed assets which are controlled at the sub-object level. Object levels of expenditures are as follows: salaries and benefits, services and supplies, other charges including debt service, capital outlay, contingencies, expenditure transfers, and other financing uses. Sub-object levels of expenditures for fixed assets are land, structures and improvements, and equipment.

For budgetary purposes, actual GAAP expenditures have been adjusted to include encumbrances outstanding at year-end. Encumbrance accounting is employed as an extension of formal budgetary integration of the General and Special Revenue Funds under the jurisdiction of the Board of Directors.