

FISCAL YEAR 2014-15 PRELIMINARY BUDGET

27-Mar-14
FINANCING REQUIREMENTS SCHEDULE FOR FUND 235A WALNUT GROVE FIRE -

MEANS OF FINANCING THE BUDGET REQUIREMENTS 0

<u>ESTIMATED REVENUE</u>	
<u>RESERVES TO BE DECREAS</u>	
<u>GENERAL RESERVE DECREASE</u>	238950 0
<u>ENCUMBRANCE DECREASE</u>	0
<u>OTHER RESERVE DECREASE</u>	0
<u>TOTAL RESERVES TO BE DECREASED</u>	0
<u>FUND BALANCE AVAILABLE DECREASE</u>	0
<u>ESTIMATED LONG TERM LOAN PROCEEDS</u>	
<u>TOTAL AVAILABLE FINANCING</u>	<u>238950 0</u>

APPROPRIATIONS BY OBJECT OF EXPENDITURE

<u>OBJECT 10 - SALARIES AND EMPLOYEE BENEFITS</u>	115 600 , 0
<u>OBJECT 20 - SERVICES AND SUPPLIES</u>	123 350 , 0
<u>OBJECT 30 - OTHER FINANCING USES</u>	
<u>LOAN AND LEASE REPAYMENTS</u>	0
<u>INTEREST AND PRINCIPLE</u>	0
<u>TAXES/LICENSES/ASSESSMENTS</u>	0
<u>JUDGEMENTS/DAMAGES</u>	0
<u>TOTAL OBJECT 30 - OTHER FINANCING USES</u>	0
<u>OBJECT 40 - FIXED ASSETS</u>	
<u>OBJECT 41 - LAND</u>	0
<u>OBJECT 42 - STRUCTURES AND IMPROVEMENT</u>	0
<u>OBJECT 43 - EQUIPMENT</u>	0
<u>TOTAL OBJECT 40 - FIXED ASSETS</u>	0
<u>OBJECT 50 - FUND TRANSFERS OUT</u>	0
<u>OBJECT 59 - FUND TRANSFER IN</u>	0
<u>OBJECT 60 - INTRAFUND TRANSFERS IN OR OUT</u>	0
<u>OBJECT 79 - APPROPRIATIONS FOR CONTINGENCE</u>	0
<u>OBJECT 80-OTHER COMMODITIES</u>	0
<u>PROVISIONS FOR RESERVE INCREASES</u>	
<u>GENERAL RESERVES</u>	0
<u>OTHER RESERVES</u>	0
<u>TOTAL BUDGETARY REQUIREMENT</u>	<u>238 950 0</u>
<u>TOTAL DIFFERENCE</u>	0

FUND EQUITY SCHEDULE

<u>RESERVES</u>	<u>EST BALANCE AS OF 02/28/14</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ADJUSTED FUND BALANCE</u>
<u>GENERAL</u>	63,461	0	0	63,461
<u>ENCUMBRANCE</u>	0	0	0	0
<u>OTHER</u>	0	0	0	0
<u>FUND BALANCE AVAILABLE</u>	2,797	0	0	2,797
<u>TOTALS</u>	66,258	0	0	66,258

<u>APPROPRIATIONS LIMIT</u>	0
<u>APPROPRIATIONS SUBJECT TO LIMIT</u>	0
<u>OVER/UNDER LIMIT</u>	0

REVENUE DETAIL SCHEDULE - FY 2014-15 PRELIMINARY BUDGET SPECIAL DISTRICT (310) - WALNUT GROVE FIRE DISTRICT

Fund Center	Commitment Item	Description	FY 11-12 History	FY 12-13 History	FY 13-14 Budget	FY 13-14 As Of 02/28/14	Computed Est For FY 13-14	Preliminary
FUND 235A	WALNUT GROVE FIRE -							
2359235	91910100	PROP TAX CUR SEC	(190,637)	(208,691)	(210,000)	(110,376)	(110,376)	(214,000)
2359235	91910200	PROP TAX CUR UNSEC	(8,773)	(8,879)	(9,000)	(8,718)	(8,718)	(9,000)
2359235	91910300	PROP TAX CUR SUP	(91)	(396)	(500)	(1,272)	(1,272)	(1,000)
2359235	91910400	PROPERTY TAX SECURED DELINQUENT	(3,692)	(2,710)	(3,000)	(2,277)	(2,277)	(3,000)
2359235	91910500	PROPERTY TAX SUPPLEMENTAL DELINQ	(37)	(29)	(150)	(76)	(76)	(100)
2359235	91910600	PROPERTY TAX UNITARY	(4,869)	(4,731)	(5,000)	(2,546)	(2,546)	(5,000)
2359235	91912000	PROPERTY TAX REDEMPTION	(4)	0	(50)	0	0	(50)
2359235	91913000	PROP TAX PR UNSEC	(314)	(237)	(200)	(149)	(149)	(200)
2359235	91914000	PROP TAX PENALTIES	(63)	(32)	(50)	(21)	(21)	(50)
		Object 91	(208,480)	(225,705)	(227,950)	(125,435)	(125,435)	(232,400)
			(360)	(1,885)	(1,900)	0	0	(1,000)
		Object 94	(360)	(1,885)	(1,900)	0	0	(1,000)
			(3,006)	(3,020)	(3,000)	(1,488)	(1,488)	(3,000)
		HOME PROP TAX REL	0	0	0	(10)	(10)	(50)
		IN LIEU TAXES-OTHER	(3,006)	(3,020)	(3,000)	(1,497)	(1,498)	(3,050)
		Object 95	0	(699)	(1,000)	0	0	(500)
				(699)	(1,000)	0	0	(500)
		SVC FEES OTHER		(699)	(1,000)	0	0	(500)
		Object 96		(699)	(1,000)	0	0	(500)
		MISCELLANEOUS OTHER REVENUES	(621)	(2,456)	(2,500)	(1,058)	(1,058)	(2,000)
		Object 97	(621)	(2,456)	(2,500)	(1,058)	(1,058)	(2,000)
			(212,467)	(233,765)	(236,350)	(127,990)	(127,991)	(238,950)
		FUNDCENTER 2359235						
		FUND TOTAL 235A	(212,467)	(233,765)	(236,350)	(127,990)	(127,991)	(238,950)
		DISTRICT TOTAL	(212,467)	(233,765)	(236,350)	(127,990)	(127,991)	(238,950)

EXPENDITURE DETAIL SCHEDULE - FY 2014-15 PRELIMINARY BUDGET SPECIAL DISTRICT (310) - WALNUT GROVE FIRE DISTRICT

Fund Center	Commitment Item	Description	FY 11-12 History	FY 12-13 History	FY 13-14 Budget	FY 13-14 As Of 02/28/14	Computed Est For FY 13-14	Preliminary
FUND 235A	WALNUT GROVE FIRE -							
2359235	10111000	SALARIES & WAGES - REGULAR EMPLOY	80,392	76,071	82,000	45,687	68,531	83,000
2359235	10112400	SALARIES & WAGES - COMMISSION & CO	0	0	0	2,400	3,600	3,600
2359235	10121000	RETIREMENT - EMPLOYER COST	3,150	2,800	5,000	0	0	5,000
2359235	10122000	OASDI - EMPLOYER COST	6,578	6,130	8,000	3,679	5,519	8,000
2359235	10124000	WORK COMP INS - EMPLOYER COST	6,124	13,040	8,000	11,015	16,523	16,000
		Object 10	96,244	98,041	103,000	62,780	94,172	115,600
2359235	20200500	ADVERTISING/LEGAL NOTICES	0	0	0	619	929	1,000
2359235	20203100	BUSINESS TRAVEL	3,564	0	1,000	0	0	1,000
2359235	20203500	EDUCATION & TRAINING SERVICE	0	0	0	2,193	3,290	4,000
2359235	20205100	INSURANCE - LIABILITY	2,690	12,608	16,000	11,685	17,528	16,000
2359235	20206100	MEMBERSHIP DUES	310	551	300	230	345	500
2359235	20207600	OFFICE SUPPLIES	401	781	800	124	186	800
2359235	20208100	POSTAL SERVICES	333	124	500	38	57	500
2359235	20208500	PRINTING SERVICES	0	0	100	0	0	100
2359235	20211100	BUILDING MAINTENANCE SERVICE	689	10,225	5,000	2,795	4,193	5,000
2359235	20213100	ELECTRICAL MAINTENANCE SERVICE	0	0	0	170	255	200
2359235	20214100	LAND IMPROVEMENT MAINTENANCE SER	0	0	0	1,400	2,100	1,200
2359235	20219100	ELECTRICITY	3,949	4,392	5,000	3,169	4,754	5,000
2359235	20219200	NATURAL GAS / LPG / FUEL OIL	2,815	2,690	4,000	2,116	3,174	4,000
2359235	20219300	REFUSE COLLECTION/DISPOSAL SERVIC	384	436	500	319	479	500
2359235	20219500	SEWAGE DISPOSAL SERVICES	1,809	1,990	2,000	1,768	2,652	2,500
2359235	20219700	TELEPHONE SERVICE	4,388	7,759	7,000	4,356	6,534	7,000
2359235	20219800	WATER	226	779	1,000	327	491	1,000
2359235	20220500	AUTOMOTIVE MAINTENANCE SERVICE	27,459	37,551	47,050	10,993	16,490	34,400

**EXPENDITURE DETAIL SCHEDULE - FY 2014-15 PRELIMINARY BUDGET
SPECIAL DISTRICT (310) - WALNUT GROVE FIRE DISTRICT**

Fund Center	Commitment Item	Description	FY 11-12 History	FY 12-13 History	FY 13-14 Budget	FY 13-14 As Of 02/28/14	Computed Est For FY 13-14	Preliminary
2359235	20223600	FUEL & LUBRICANTS	6,216	5,650	6,000	6,537	9,806	7 000
2359235	20225100	MEDICAL EQUIPMENT MAINTENANCE SE	0	0	0	2,694	4,041	3 000
2359235	20225200	MEDICAL EQUIPMENT MAINTENANCE SU	768	2,437	5,000	3,024	4,536	5 000
2359235	20226200	OFFICE EQUIPMENT MAINTENANCE SUP	59	0	100	0	0	1 00
2359235	20227100	RADIO/ELECTRONIC MAINTENANCE SER	0	0	500	56	84	5 00
2359235	20228100	SHOP EQUIPMENT MAINTENANCE SERVI	0	607	2,000	1,927	2,891	2 500
2359235	20231400	CLOTHING/PERSONAL SUPPLIES	1,074	5,929	5,000	2,759	4,139	5 000
2359235	20244300	MEDICAL SERVICE	(532)	0	0	0	0	
2359235	20250500	ACCOUNTING SERVICES	3,200	2,900	4,000	6,800	10,200	8 000
2359235	20250700	ASSESSMENT / COLLECTIONS SERVICES	3,817	5,534	5,500	2,208	3,312	5 000
2359235	20281700	ELECTION SERVICES	0	0	2,000	0	0	2 000
2359235	20293100	GS COMMUNICATION SYSTEMS SERVICES	190	0	0	0	0	5 50
		Object 20	63,809	102,883	120,350	68,307	102,461	123,350
		Object 43	0	1,783	126,000	12,000	12,000	-
		FUNDCENTER 2359235	160,053	202,707	349,350	143,087	208,632	238,950
		FUND TOTAL 235A	160,053	202,707	349,350	143,087	208,632	238,950
		DISTRICT TOTAL	160,053	202,707	349,350	143,087	208,632	238,950

**WALNUT GROVE FIRE
PROTECTION DISTRICT**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2013

**BODEN KLEIN & SNEESBY
A Professional Corporation**

WALNUT GROVE FIRE PROTECTION DISTRICT
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JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Walnut Grove Fire Protection District
P.O. Box 41
Walnut Grove, California 95690

We have audited the accompanying financial statements of the governmental activities of Walnut Grove Fire Protection District as of and for the year ended June 30, 2013, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. Except as discussed in the following paragraph 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.

Due to the inadequacies in the District's fixed assets records, we were unable to obtain sufficient competent evidential matter to support amounts recorded as fixed assets and depreciation.

Opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine sufficient evidence supporting the values of the fixed assets, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, of the Walnut Grove Fire Protection

District as of June 30, 2013, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

- Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 and 14, respectively, 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Walnut Grove Fire Protection District's financial statements, as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly we do not express an opinion or provide any assurance on them.

Boden Klein & Sneesby
BODEN KLEIN & SNEESBY
A Professional Corporation

Roseville, California
September 27, 2013

WALNUT GROVE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Our discussion and analysis of the Walnut Grove Fire Protection District's financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2013.

FINANCIAL HIGHLIGHTS

- The District's assets decreased as a result of this year's operations by \$45,899.
- During the year, the District had expenses of \$189,767, net of depreciation and capital outlays, and revenues of \$230,745, net of Intergovernmental Revenue.
- The District had no capital outlays this year.
- Revenues increased by 10% and expenditures increased by 14.7%
- The general fund unreserved balance increased by \$43,988 to \$194,355

Reporting the District as a Whole

Our analysis of the District, as a whole, includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The District as a Whole

The District's net assets decreased due primarily to increased expenses during the year. The District's total revenues increased by \$21,298, net of grants received during the year. It is anticipated that revenues will increase slightly next year. Expenses, less depreciation and capital outlays, during the year increased by \$24,270.

Economic Factors and Next Year's Budget

The District's officials considered many factors when setting the fiscal-year 2014 budget. Revenues and expenses are expected to remain steady. The District continues to make strides in providing the best personal equipment and fire fighting vehicles by searching for grants and other sources of revenue. Training continues to be a primary issue with the District as well as new equipment procurement.

WALNUT GROVE FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET ASSETS
JUNE 30, 2013

	General Fund	Adjustments	Statement of Net Assets
ASSETS			
Assets			
Cash and investments	\$ 205,193	\$ -	\$ 205,193
Accounts receivable	1,908	-	1,908
Capital assets, net of depreciation	-	772,106	772,106
	\$ 207,101	\$ 772,106	\$ 979,207
LIABILITIES			
Liabilities			
Warrants payable	\$ 11,250	\$ -	\$ 11,250
Accounts payable	1,496	-	1,496
Loans Payable			
Due within one year	-	12,000	12,000
Due after one year	-	18,000	18,000
	12,746	30,000	42,746
Fund Balance / Net assets			
Fund Balance			
Unreserved			
Unassigned	194,355	(194,355)	-
	194,355	(194,355)	-
Total Liabilities and Fund Balance			
	\$ 207,101		
Net Assets:			
Invested in capital assets, net of related debt		742,106	742,106
Unrestricted		194,355	194,355
		\$ 936,461	\$ 936,461

The accompanying notes are an integral part of this statement.

WALNUT GROVE FIRE PROTECTION DISTRICT
STATEMENT OF GOVERNMENTAL REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Adjustments	Statement of Activities
Revenues			
Use of money and property	\$ 1,885	\$ -	\$ 1,885
Taxes	225,704	-	225,704
Intergovernmental	3,020	-	3,020
Miscellaneous	3,156	-	3,156
	<u>233,765</u>	<u>-</u>	<u>233,765</u>
Total Revenues			
	<u>233,765</u>	<u>-</u>	<u>233,765</u>
Expenditures:			
Current:			
Public protection	189,767	-	189,767
Capital Outlay	-	-	-
Depreciation	-	77,206	77,206
	<u>-</u>	<u>77,206</u>	<u>77,206</u>
Total Expenditures			
	<u>189,767</u>	<u>77,206</u>	<u>266,973</u>
Excess of Revenues Over (Under) Expenditures	<u>43,998</u>	<u>(43,998)</u>	
Changes in Net Assets		<u>33,208</u>	<u>(33,208)</u>
Fund Balance/Net Assets			
Beginning of year, as restated (note 5)	<u>150,357</u>	<u>-</u>	<u>969,669</u>
End of year	<u>\$ 194,355</u>	<u>\$ -</u>	<u>\$ 936,461</u>

The accompanying notes are an integral part of this statement.

WALNUT GROVE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1 SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Policies

The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

B. Reporting Entity

The district is the level of government primarily accountable for activities related to public protection. The reporting entity for the Walnut Grove Fire Protection District includes all the funds and operations under the jurisdiction of the Board of Commissioners.

C. Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the district.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. The financial statements, therefore, include a reconciliation to better identify the relationship between the government-wide statements and the statements for the governmental funds.

Fund Financial Statements

Fund financial statements report detailed information about the district. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

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

WALNUT GROVE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the district, "available" means collectible within the current period or within 60 days after year-end.

Non-exchange transactions, in which the district receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the district must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the district on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

WALNUT GROVE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Fund Accounting

The accounts of the district are organized on the basis of funds, which are considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The district's accounts are organized into major, non-major, proprietary, and fiduciary funds as follows:

Major Governmental Fund

The General Fund is 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.

F. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the district's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The district's governing board satisfied these requirements.

These budgets are revised by the district's governing board during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund in the financial statements.

Capital Assets

Capital assets are those purchased or acquired with an original cost of \$5,000 or more and are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives:

WALNUT GROVE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1 **SIGNIFICANT ACCOUNTING POLICIES (continued)**

Budgets and Budgetary Accounting (continued)

Capital Assets (continued)

<u>Asset Class</u>	<u>Estimated Useful Life in Years</u>
Buildings	20-50
Improvements	20
Machinery & equipment	5-10
Licenses vehicles	8

G. Fund Equity

In the fund financial statements, governmental funds report fund balance as non-spendable, restricted, committed, assigned or unassigned, based primarily on the extent to which the District is bound to honor constraints on how specific amounts are to be spent:

Non-spendable Fund Balance – Includes the portions of fund balance not appropriable for expenditures.

Restricted Fund Balance - Includes amounts subject to externally imposed and legally enforceable constraints.

Committed Fund Balance – Includes amounts subject to District constraints self-imposed by formal action of the Districts' Governing Board.

Assigned Fund Balance – Includes amounts the District intends to use for a specific purpose. Assignments may be established by the Districts' Governing Board with the recommendation of the Treasurer and confirmed by the Governing Board.

Unassigned Fund Balance – Includes the residual balance that has not been assigned to other funds and is not restricted, committed, or assigned to specific purposes.

WALNUT GROVE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1 **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

G. **Fund Equity (cont'd)**

Fund Balance

The District's fund balances at June 30, 2013 consisted of the following:

	<u>General Fund</u>
Unassigned	<u>\$ 194,355</u>
Total Fund Balance	<u>\$ 194,355</u>

Fund Balance Policy

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain unassigned fund balance in its General Fund sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels because of temporary revenue shortfalls or unpredicted one-time expenditures.

The District does not have a formal minimum fund balance requirement.

The District's policy is that committed, assigned, or unassigned amounts are considered to have been spent when expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. This policy also applies to restricted and unrestricted fund balances

Note 2 **POOLED CASH AND INVESTMENTS**

The District's cash is included within the Sacramento County Treasurer's cash and investment pool which is described in the County's Comprehensive Annual Financial Report. Interest earnings from this pool are transferred to the District at year end. Interest earned but not received from the County at year end is included in accounts receivable on the combined balance sheet.

Cash at June 30, 2013 consisted of the following:

Cash – Sacramento County Treasury	<u>\$205,193</u>
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WALNUT GROVE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 3 **CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended June 30, 2013 is shown below:

	<u>Balance</u> <u>7/1/2012</u>	<u>Adjustments</u> <u>Adjustments</u>	<u>Balance</u> <u>6/30/2013</u>
Capital assets, Not being depreciated			
Land	\$ 45,000	\$ _____	\$ 45,000
Capital assets being depreciated			
Buildings	1,167,671		1,167,671
Equipment and vehicles	<u>1,121,915</u>	_____	<u>1,121,915</u>
Total capital assets being depreciated	<u>2,289,586</u>	_____	<u>2,289,586</u>
Less accumulated depreciation	<u>(1,485,274)</u>	<u>(77,206)</u>	<u>(1,562,480)</u>
Total capital assets, being depreciated, net	<u>804,312</u>	<u>(77,206)</u>	<u>727,106</u>
Government activities capital assets, net	<u>\$ 849,312</u>	<u>\$ (77,206)</u>	<u>\$ 772,106</u>

Depreciation expense was charged to governmental Activities as follows:

Governmental activities	
Public safety	<u>\$ 77,206</u>

WALNUT GROVE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 4 LONG-TERM DEBTS

A schedule of long-term debt at June 30, 2013 is as shown below:

	<u>Balance</u> <u>6/30/2012</u>	<u>Addition</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2013</u>
2008 Vehicle Purchase	\$ 42,000	\$ _____	\$ 12,000	\$ 30,000
	<u>\$ 42,000</u>	<u>\$ _____</u>	<u>\$ 12,000</u>	<u>\$ 30,000</u>

In June of 2008 the District purchased an engine and grass rig for \$62,000 and \$28,000, respectively. Payments are payable annually on July 1 through 2015.

Annual debt service requirements are shown below for the loan:

<u>For the Year</u> <u>Ending June 30</u>	<u>Payments</u>
2014	12,000
2015	12,000
2016	<u>6,000</u>
	<u>\$ 30,000</u>

Note 5 PRIOR PERIOD ADJUSTMENTS

The accompanying financial statements reflect adjustments resulting from a restatement of beginning fund balance/net assets as of June 30, 2013 as follows:

- a) Increase in General Fund fund balance of \$30,000 to record restatement of long term debt

The effect of this prior period adjustment on the government-wide financial statements is to increase general fund fund balance from \$120,357 to \$150,357 and there is no change to the government-wide net assets, it remains \$969,669.

Note 6 COMMITMENTS AND CONTINGENCIES

Litigation

The District is unaware of any claims which may have a material effect on the financial statements.

WALNUT GROVE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 7 SUBSEQUENT EVENTS

The District's management has evaluated the potential for subsequent events through the available for issuance date of the financial statements, September 27, 2013.

WALNUT GROVE FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2013

**WALNUT GROVE FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Use of money and property	\$ 200	\$ 300	\$ 1,885	\$ 1,585
Taxes	216,400	215,950	225,704	9,754
Intergovernmental	2,400	2,500	3,020	520
Other	-	5,500	3,156	(2,344)
Total Revenues	<u>219,000</u>	<u>224,250</u>	<u>233,765</u>	<u>9,515</u>
Expenditures:				
Current:				
Public protection	185,650	211,250	189,767	21,483
Capital outlay	33,350	13,000	-	13,000
Total Expenditures	<u>219,000</u>	<u>224,250</u>	<u>189,767</u>	<u>34,483</u>
Excess of Revenues Over Expenditures	-	-	43,998	43,998
Fund Balance, beginning of year, as restated (note 5)	<u>150,357</u>	<u>150,357</u>	<u>150,357</u>	<u>-</u>
Fund Balance, end of year	<u>\$ 150,357</u>	<u>\$ 150,357</u>	<u>\$ 194,355</u>	<u>\$ 43,998</u>

WALNUT GROVE FIRE PROTECTION DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2013

Note 1 PURPOSE OF STATEMENTS AND SCHEDULES

A. Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, the authority is required to present a Schedule of Revenues, Expenditures and Changes in Fund Balance budgetary comparison for the General Fund and each Major Special Revenue Fund that has an adopted budget. This schedule presents the original adopted budget and the actual revenue and expenditures of the General Fund.

**WALNUT GROVE FIRE PROTECTION DISTRICT
SUPPLEMENTARY INFORMATION
JUNE 30, 2013**

WALNUT GROVE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Use of Money and Property:	
Interest income	<u>\$ 1,885</u>
Taxes:	
Current secured	216,527
Current unsecured	9,116
Other taxes	<u>61</u>
Total Taxes	<u>225,704</u>
Intergovernmental:	
Homeowners property tax relief	<u>3,020</u>
Total Intergovernmental	<u>3,020</u>
Miscellaneous Income:	<u>3,156</u>
Total Revenues	<u><u>\$ 233,765</u></u>

**WALNUT GROVE FIRE PROTECTION DISTRICT
SCHEDULE OF EXPENDITURES - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Expenditures:

Public protection:

Salaries and benefits:

Salaries and wages	\$ 79,671
Other employee benefits	<u>21,970</u>

Total Salaries and Benefits	<u>101,641</u>
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Services and supplies:

Insurance	12,608
Utilities	8,785
Telephone	7,315
Office expense	1,902
Accounting, legal and election services	8,434
Building and ground maintenance	11,980
Equipment maintenance and supplies	23,803
Education and training services	2,339
Fuel and lubricants	5,031
Clothing and personal supplies	<u>5,929</u>

Total Services and Supplies	<u>88,126</u>
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Total Public Protection	189,767
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Capital Outlay	<u>-</u>
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Total Expenditures	<u><u>\$ 189,767</u></u>
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WALNUT GROVE FIRE PROTECTION DISTRICT

OTHER REPORTS

JUNE 30, 2013

WALNUT GROVE FIRE PROTECTION DISTRICT
REPORTABLE CONDITIONS
JUNE 30, 2013

Fixed Assets

District fixed asset records were not adequate to support fixed assets amounts reported to the State Controller. Control accounts were not used to identify fixed asset balances by category, and District records are not reconciled to Sacramento County Accounting Reporting System.

We recommend the District develop procedures for a fixed asset recording system which includes the following:

- * Taking an annual physical inventory;
- * Engraving or otherwise labeling each asset with an identification number;
- * Making an inventory card for each asset including item description, District ID number, manufacturers' serial number, date acquired, cost and space for date retired and disposition (Cards may be color coded to indicate year acquired);
- * Making a master list of fixed assets by category--land, structures and improvements, and equipment;
- * Comparing the master fixed asset totals to the amounts reported to the State Controller and adjusting the State Controller's Report to reflect actual assets owned; and
- * Establishing procedures to record and identify new fixed assets and reduce asset values for those sold or salvaged during the fiscal year.
- * Establish a Fixed Asset account within SCARS that would act as a control account for the District's subsidiary records. The District's subsidiary records and the SCARS account should be reconciled annually when preparing the State Controller's Report.

When these steps are completed, there should be an inventory card for each fixed asset. The total of the costs recorded on the cards should equal the total of the master list as well as the total reported to the State Controller. Once established, the records should be easy to update and provide reliable fixed asset information.

