

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

1112 I Street #100

Sacramento, California 94814

(916) 874-6458

November 5, 2014

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer **PB**

RE: FINAL WALNUT GROVE FIRE PROTECTION DISTRICT MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE (09-14) CEQA EXEMPT

CONTACT: Donald J. Lockhart AICP, Assistant Executive Officer
Donald.Lockhart@SacLAFCo.org 874-2937

RECOMMENDATION

Staff recommends that the Sacramento Local Agency Formation Commission accept the Final Municipal Service Review and Sphere of Influence Update for the Walnut Grove Fire Protection District.

The Final Municipal Service Review (MSR) for the Walnut Grove Fire Protection District and Sphere of Influence Update has been circulated for public review and comment for 60 days, in light of the cancellation of the October regular meeting.

The Final MSR is the result of collaboration with the Walnut Grove FPD Administration. Your staff would like to recognize the WGFPD for their ongoing assistance.

DISCUSSION

The Draft MSR was considered by your Commission on September 3, 2015. At that time your Commission requested that the Final MSR expand on the Status of and Opportunities for Innovation and Shared Facilities information. Staff consulted with the WGFPD Administration to augment Section 4 of the Final MSR, in response to the concerns of the Commission.

MUNICIPAL SERVICE REVIEW

The Final Municipal Service Review (MSR) makes the following determinations:

- The Walnut Grove Fire Protection District is an effective fire district as it relates to emergency responses related to fire, medical aid and other critical services. The Walnut Grove Fire Protection District serves a rural population effectively and efficiently.
- Regarding growth and population projections for the affected area, the Commission determines that the Walnut Grove Fire Protection District is capable of providing service that includes the growth and population projections for the affected territory for the next five years.
- Regarding infrastructure needs or deficiencies, the Commission determines that the Walnut Grove Fire Protection District currently has no immediate unmet infrastructure needs or existing deficiencies at the current levels of coverage and service response.
- Regarding financing constraints and opportunities, the Commission determines that the Walnut Grove Fire Protection District has no serious financing constraints at this time. Regarding cost avoidance opportunities, the Commission determines that the District uses its best efforts to take advantage of all reasonable cost avoidance and grant funding opportunities.
- Regarding opportunities for rate restructuring, the Commission determines that the District's Tax Rate Area method of financing is reasonable for providing emergency services. The District is a non-enterprise entity which does not charge fees for services, e.g., plan check and inspection fees for new development, due to the limited level of activity.
- Regarding opportunities for shared facilities, the Commission determines that the District shares facilities with other agencies and continually reviews new opportunities to do so. The District participates with the Sacramento Fire/ EMS Communication Center.
- Regarding government structure options, including advantages and disadvantages of consolidation or reorganization of service providers, the Commission determines that the District currently provides services primarily to a clearly defined geographic area which is primarily rural and agricultural in nature.
- Regarding evaluation of management efficiencies, the Commission determines the District operates with a high degree of efficiency and professional cooperation with the community and other private/ public agencies. This cooperation is exemplified by the active participation in the quarterly South County Chiefs meetings.
- Regarding local accountability and governance, the Commission determines that the District's Board of Directors represents an adequate level of Special District accountability and governance. The District is an independent District governed by a five member Board of Directors elected at-large from the service territory.

FINAL
MUNICIPAL SERVICE REVIEW

And

SPHERE OF INFLUENCE UPDATE

Walnut Grove Fire Protection District

November 5, 2014

LAFC #09-14

Prepared By:

**Sacramento Local Agency Formation Commission
112 I Street, Suite #100
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SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

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**CORTESE -KNOX -HERTZBERG
LOCAL GOVERNMENT REORGANIZATION ACT OF 2000**

Introduction

The Cortese-Knox-Hertzberg Local Government Reorganization (CKH) Act of 2000 requires that each Local Agency Formation Commission (LAFCo) prepare a Municipal Service Review and Spheres of Influence Updates for all cities and independent special districts within its jurisdiction.

A *Sphere of Influence* is defined by Government Code 56425 as:

A plan for the probable physical boundary and service area of a local agency or municipality.

A *Municipal Service Review* is defined by Government Code Section 56430 as: A means of identifying and evaluating public services.

A Municipal Service Review may be conducted prior to, or in conjunction with, the update of a Sphere of Influence, as necessary.

MUNICIPAL SERVICE REVIEW

Purpose

The Municipal Service Review is intended to provide adequate information for the Commission to make decisions related to both current Spheres of Influence (SOI) and SOI Amendments to determine logical service providers and boundaries, to initiate additional studies in the event that the Commission determines that adequate services are not being provided.

In addition to MSR's, annexations, reorganizations, consolidations, and incorporations require detailed master service plans, fiscal analysis and environmental analysis and other special studies as may be required for these types of action.

Requirements

The Commission shall include a written statement of its determinations with respect to each of the following:

- Growth and population projections for the affected area.
- Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
- Financial ability of agencies to provide services.

- Status of, and opportunities for, shared facilities.
 - Accountability for community service needs, including governmental structure and operational efficiencies.
 - Any other matter related to effective or efficient service delivery, as required by Commission policy.

SPHERE OF INFLUENCE

Purpose

In order to carry out its purposes and responsibilities for planning and shaping logical and orderly development as well as the coordination of local governmental agencies so as to most advantageously provide for the present and future needs of the County and its communities, the Sacramento Local Agency Formation Commission must develop and determine the Sphere of Influence of each local governmental agency within the County.

Requirements

When adopting, amending or updating a Sphere of Influence, the Commission shall, according to Government Code, do all of the following:

- Require districts to file written statements specifying the functions or classes of services provided.
- Establish the nature, location and extent of any functions or classes of services provided by the districts.

In determining the Sphere of Influence of each local agency, the Commission shall consider and prepare determinations with respect to each of the following:

- The present and planned land uses in the area, including agricultural and open space lands.
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services that the agency provides, or is authorized to provide.
- The existence of any social or economic communities of interest in the area if the Commission determines they are relevant.

OVERVIEW

Introduction

Sacramento County has an estimated population of approximately 1.4 million people. Public and municipal services are provided by the County, cities, and special districts. The local government structure in Sacramento County is somewhat unique because a significant amount of development has occurred in the unincorporated area from 1950 to the present. Consequently, municipal services to the unincorporated areas are primarily provided by the County, and/or dependent and independent Special Districts. During the past 15 years there have been three incorporations of urbanized areas: City of Citrus Heights, City of Elk Grove, and the City of Rancho Cordova. For the most part, the new cities continue to use the county and special districts for some municipal service providers. Only the Cities of Sacramento, Folsom and Galt (except fire and emergency services) provide the full array of municipal services.

Most of the fire districts in Sacramento County were formed during the 1940's. However, Galt, Elk Grove, Natomas, Rancho Cordova, and Rio Linda can trace establishment back to the 1920's. With the exception of the town of Freeport, fire and emergency services are provided either by cities or special districts for the entire county. Note: The Town of Freeport receives fire service primarily from the City of Sacramento, however, it does not lie within either a city or fire protection district boundary.

FIRE DISTRICTS

Fire protection is an indispensable municipal service with which all areas in the County, regardless of their rural or urban nature, should be provided. Fire service is provided in the County of Sacramento by the Cities of Folsom and Sacramento, and eleven fire protection districts. The Board of Supervisors governs one district: Natomas Fire Protection District, ex officio. The other districts (which include the Cosumnes Community Services District) are independent special districts and are governed by elected Boards of Directors. There is one remaining area in the County that is not within any organized fire protection agency (see map). It contains the unincorporated community of Freeport. In addition to the eleven districts and two municipalities, Folsom State Prison provides fire protection services within Folsom State Prison and does not provide public protection. Finally, Sacramento International Airport provides rescue and fire support but does not provide emergency medical services.

Fire districts are formed and regulated pursuant to the Health and Safety Code, Section 13801 et seq. The enabling legislation authorizes fire districts to provide fire protection and ambulance and rescue services.

Seventy years ago, when the incorporated area was significantly less urbanized than it is today, fire protection was provided strictly on a volunteer basis. By 1940, increases in population and its attendant growth in fire and fire-related problems, created a need for more organized and widespread fire protection. Thus, the fire district system began to develop in the unincorporated area and professional fire fighting forces became full-time necessity. Districts developed from 1921 (Galt) through 1951 (North Highlands). However, in the more rural south County and Delta, the fire service remains largely staffed by volunteers. This is the case with Walnut Grove FPD.

At the time of formation, fire districts normally encompassed the general area associated with each suburban or rural community. With the post-World War II rise in population and attendant

development, the old central establishments in these communities frequently gave way to large shopping centers. The old, large, rural parcels in the unincorporated areas became new housing tracts, while county roads became freeways or other major thoroughfares. New developments did not follow district boundaries.

Numerous attempts toward reorganizing the historical fire district formation have been made in the past. Such endeavors include studies conducted by the Spink Corporation (1968-69), Fire Service Area Study Committee (1970-72), Sacramento Local Agency Formation Commission (1977), and the Local Government Reorganization Commission (1979-81).

As a result of these studies, several political consolidations occurred: Alta Mesa-Wilton (1980); Arden-Carmichael (1983); Arden and Carmichael as American River (1983); North Highlands- Citrus Heights (1984); American River-Arcade (1986); Rio Linda and Elverta (1987); Citrus Heights and Rancho Cordova as Sacramento County (1989); Rio Linda-Elverta with American River (1990); Sloughhouse with American River (1990); Fair Oaks with Sacramento County (1993); Florin with American River (1997); American River with Sacramento County to form Sacramento Metropolitan Fire District (2000); Fruitridge with Pacific to form Fruitridge Pacific Fire Protection District (2006); Elk Grove Community Services District with Galt Fire Protection District to form Cosumnes Community Services District (2006).

General Background

Fire Districts are formed and regulated pursuant to the California State Health and Safety Code, Section 13801, et. seq. The enabling legislation authorizes fire districts to provide fire protection, ambulance and rescue services. Fire districts in Sacramento County can be described as belonging to two broad categories: rural and urban. The definitions of rural and urban used here are developed in light of planning and zoning parameters, and in recognition of the development forces that have and are occurring in Sacramento County. The rural fire districts are generally found in the southern portion of the County and within the area known as the "Northwest Territories" located north of the City of Sacramento. Except for the unincorporated town of Freeport, fire districts serve the entire County.

Uniform Fire Code

In July of 1972 the Sacramento County Board of Supervisors adopted a Uniform Fire Code. This ordinance provides that one fire code will be used for all fire agencies within the County. This code replaced and improved the various individual district codes that govern conditions hazardous to life and property from fire and explosion. The Uniform Fire Code does not standardize the operations of fire districts countywide, but it does speak to what the public can do with regard to inflammable/explosive material. State law requires that public buildings be inspected yearly for fire safety. Each district is responsible for inspection procedures, and these vary from district to district. Fire prevention in all districts is handled as an educational basis.

Communication

The Sacramento Regional Fire/EMS Communications Center (SRFECC) provides fire and emergency medical dispatch services to the Sacramento region. The SRFECC is a Joint Powers Authority (JPA)

that is managed by the following fire agencies: Cosumnes Community Services District, Folsom Fire Department, Sacramento Fire Department, and Sacramento Metropolitan Fire District. For more information, please visit the following website: <http://www.srfec.ca.gov/>

Agency Cooperation-Mutual Aid and Automatic Response

All fire protection districts and city fire departments within Sacramento County have mutual aid and response agreements. When a call for service is received, the nearest available response unit is dispatched regardless of jurisdictional boundary.

ISO Rating

The Insurance Service Office (ISO) is used to rate a fire district's ability to defend against major fires that might occur in the area it serves. The ISO rating procedure evaluates three principal features of fire protection as well as their weight of importance: water supply (40%), fire department staffing (50%), and communications (10%). The ISO devised a system that insurance companies use to compute fire insurance coverage and rates. The rating classes are numbered 1 through 10; the highest number represents the least protection with the highest fire insurance premium rates.

Some of the factors which are considered in the establishment of fire rating zones are: water supply, building codes and structural conditions of buildings, the distance of structures from the nearest fire station, the type of equipment and number of firefighters available at the station, and factors and distances between residences and local street access circulation.

When two numbers are included in an ISO rating, the first number refers to the rating for "watered" areas (areas with a water distribution system and hydrant system,) while the second number refers to "unwatered" areas. In rural areas of Sacramento County, ISO ratings are found to be higher e.g. 9, while urban districts are rated in a range running from 2 to 6 for watered areas.

Finances

Independent special districts that provide fire protection and emergency medical services are funded primarily from property taxes and they are considered a non-enterprise district. City fire departments are typically funded by the city's General Fund that includes both property taxes, sales taxes, and a variety of other revenue sources.

The passage of Proposition 13 put a lid on the amount of revenues that non-enterprise districts could raise to finance needed services. Proposition 13 limited property taxes to one (1) percent of the assessed value. This one (1) percent is allocated to the county, cities, special districts, and school districts based on the districts share of revenue it received just prior to the adoption of

Proposition 13. This change removed the discretionary authority of special districts to raise tax rates to generate additional revenues for both on-going and new programs to increase service levels, or for that matter to keep up with inflation.

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite #100, Sacramento, California 95814
(916) 874-6458

MUNICIPAL SERVICE REVIEW WORKSHEET
AND QUESTIONNAIRE
DISTRICT PROFILE

Date: November 5, 2014

Agency Name: Walnut Grove Fire Protection District

Address: PO Box 41 Walnut Grove 95690

Website: N/A

Telephone: 916 776 1284

Title: Assistant Chief

Name of Contact: David Robinson

Contact's E-mail Address: drar21@gmail.com

Agency's Principle Act: Health & Safety Code Section 13801

Services Provided: Fire suppression, Emergency Medical Service

Latent Powers: None

Governing Body: 3 Member Board of Directors

Total Number of Employees:

0 Represented 23 volunteers Unrepresented

Acreage/ sq. Miles within Agency: 40

Total Population within Agency: 4300

Total Registered Voters within Agency: 850

INTRODUCTION

Background Information

The Walnut Grove Fire Protection District is an Independent Special District.

- **Mission:** Provide reliable fire suppression and protection; and emergency rescue and medical services.
- **Setting:**

The District is located in the Delta portion of Sacramento County, and straddles the Sacramento River. It encompasses the unincorporated community of Walnut Grove. The District is bounded by the Mokelumne River on the east, the Solano County line on the west, Courtland FPD on the north, and the River Delta FPD on the south.

The WGFPD service area includes the relatively dense townsite of Walnut Grove, and otherwise is predominately agricultural farmland with scattered Ag-Res Development on 5-acre and larger lots.

Surrounding Area

The areas surrounding the District are also rural in character with agricultural farms with intermittent rural residential type of developments.

Adjacent Fire Districts

The WGFPD is surrounded by the Cosumnes Community Services District on the east, CFPD on the north and the River Delta FPD on the south.

History

The District was formed in 1948. The District was established to provide fire and emergency response services

Services Provided

Management and Staffing Structure

The District employs zero full time positions.

0

In addition, the District employs on average zero part-time, zero seasonal and zero temporary positions.

- The type and purpose of contracts and consultants. None.
- Describe ongoing training and personnel policies.

Training is done two evenings/month app 3 hour duration

- Are salaries and pay scales comparable/ competitive with regional and industry standards?

Yes, on par w/other rural Delta fire agencies.

- Is organization structure similar with like service providers?

Yes.

LAFCo Determination

- The Walnut Grove Fire Protection District is an effective fire district as it relates to emergency responses related to rural fire, medical aid and other critical services. The Walnut Grove Fire Protection District serves a rural population effectively and efficiently.

Municipal Service Review Information and Determinations

1. Growth and Population Projections

- What is the current level of demand for services?

Approximately 300 calls/year . Approximately 70% EMS calls

- What is the projected demand for services?

Same, there is minimal population growth is proposed consistent with the County General Plan

LAFCo Determination

- Regarding growth and population projections for the affected area, the Commission determines that the Walnut Grove Fire Protection District is capable of providing service that includes the growth and population projections for the affected territory for the next five years.

2. Facilities and Programs

A. Facilities

Summary of Facilities (Parks, Physical Plant)

NAME	LOCATION	SIZE (Acres)	AMENITIES/SPECIAL FEATURES	DESCRIPTION
Station 96	14160 Grove St.	2	Community room 1 Fire Truck 1 water tender	Firehouse Built 1988
Station 95	Grand Ave	2	1 fire engine 2 Grass rigs	Firehouse Unknown age
			Water craft? 1 20' fireboat with 50 GPM portable water pump	

Present and Planned Capacity of Public Facilities

- What is the current and projected service capacity?

Rural volunteer fire protection district.

- What is the level of adequacy of services and facilities to serve current and future population?

ISO Rating: 6 in town 8b and 10 out of town

- What Performance Measures are used by the District to determine service adequacy?

None

Infrastructure Needs or Deficiencies/Capital Improvement Program

- Describe the District's Capital Improvement Program, as applicable.

Grants are applied for to purchase equipment

- Describe deferred maintenance strategy.

All maintenance performed as needed

- How will new or upgraded infrastructure and deferred maintenance be financed?

- List infrastructure deficiencies, if any; indicate if deficiencies have resulted in permit or other regulatory violations; if necessary, explain how deficiencies will be addressed.

There are no fire safety notices or classes w/schools or plan check services for new buildings.

LAFCo Determination

- Regarding infrastructure needs or deficiencies, the Commission determines that the Walnut Grove Fire Protection District currently has no immediate unmet infrastructure needs or existing deficiencies at the current levels of coverage and service response.

3. Financial Information

Budget (Please see attached current budget.)

Revenue

- Describe all revenue sources (i.e., property taxes, special taxes, service charges, fees, rentals, assessments, grants, etc.). Property taxes,

Rates, Fees, Charges, and Assessments

- Describe rate setting methodology.
- Explain constraints associated with agency's ability to generate revenue. What options are available – special assessments/ special taxes/ increases in sales tax/impact fees/grants, etc.?

- Please provide a comparison of rates and charges with similar service providers (favorable or less so).
- Describe revenue constraints.

Expenditures

- Describe the agency's Service Levels compared to industry standards and measurements.
- Describe the Cost of Service compared to industry standards and measurements.

Assets, Liabilities, Debt, Equity, and Reserves

- Provide the Book Value of Assets.
- Provide a list of equipment, land, and other fixed assets 1 truck (quint) 2001, 1 engine 2005, 1 tender 2011, 3 grass rigs, 1 each 20' fire boat
- Provide a summary of long term debt and liabilities.
- Explain the agency's bond rating; discuss reason for rating. Discuss amount and use of existing debt. Describe proposed financing and debt requirements.
- Describe policies and procedures for investment practices
- Describe policies and procedures for establishing and maintaining reserves/retained earnings.
 - What is the dollar limit of reserves/retained earnings?
 - What is the ratio of undesignated, contingency, and emergency reserves to annual gross revenue?

Summary of Revenue Sources

Fiscal Year	Past Year (2)	Past Year (1)	Current	Projected
Property Taxes		231,880		232,850
Interest		1885		1500
Rental Income				
HPTR				
In-Lieu Fees				
State & Federal Grants				
Recreation Fees & Grants				
Miscellaneous				2000
Fund Balance Avail.				
Total		233,765		236,650

Summary of Expenditures

Fiscal Year	Past Year (2)	Past Year (1)	Current	Projected
Salaries & Wages		79,671		82,000
Services & Supplies		129,094		129,350
Long-Term Debt		12,000		12,000
Capital Improvements ¹				
Equipment		13,000		13,000
Contingency ²				
Total		233,765		236,350

1. Identify Sources of Funding:
2. Fixed or Variable?

Summary of Financial and Operational Information

	Current FY
Population	
Area Served	
Developed Real Estate	
Undeveloped Real Estate	
Service Standard Ratios ¹	
Full Time Employees	
Average Part-Time Employees	
Total Annual Budget	236,500
Per Capita Spending	
Total Annual Administrative Costs	36,800
% Annual Administrative Costs to Total	15%
Estimated Deferred Maintenance	
Average Capital Improvements (5 Years)	
Reserve Amount	
Operational Cost per Employee	
Average Property Tax Rate	

LAFCo Determination

- Regarding financing constraints and opportunities, the Commission determines that the Walnut Grove Fire Protection District has no serious financing constraints at this time. Regarding cost avoidance opportunities, the Commission determines that the District uses its best efforts to take advantage of all reasonable cost avoidance and grant funding opportunities.

- Regarding opportunities for rate restructuring, the Commission determines that the District's Tax Rate Area method of financing is reasonable for providing emergency services. The District is a non-enterprise entity which does not charge fees for services, e.g., plan check and inspection fees for new development, due to the limited level of activity.

4. REVISED Status of and Opportunities for Innovation and Shared Facilities

- Describe existing and/or potential shared facilities, infrastructure, and staff. Describe any joint power agreements or other agreements for sharing resources with other agencies. Mutual aid agreements with adjacent South Sac county fire services - Courtland FPD, CCSD (Fire), and River Delta FPD. Also share Station 96 with the Sheriff's Office.
- Describe existing and/or potential joint use planning. Coordinate mutual aid response procedure.
- Describe existing and/or potential duplication with existing or planned facilities or services with other agencies. None
- Describe availability of any excess capacity to serve customers or other agencies. No excess capacity exists.
- Describe any economies of scale in shared purchasing power, and any other cost-sharing opportunities that can be implemented by joint use or sharing resources. None, the WGFPD operates as an Independent Special District.
- Describe any duplication (overlap), or gaps in services or boundaries. None.
- Describe ongoing cost avoidance practices. (For example, if you hire contract vs. in-house employees, is the bidding process cost effective and efficient)? The WGFPD operates as an Independent Special District, which maintains a balanced Budget.
- Describe any opportunities to reduce overhead and operational costs. None.
- Describe any opportunities to reduce duplication of infrastructure. No duplication identified.
- Identify any areas outside agency boundary which could be efficiently served by existing or proposed agency facilities. None.
- Identify any areas within agency boundary which could be more efficiently served by another agency. None identified.
- Are your service plans compatible with those of other local agencies? Yes, shared communication services and mutual aid agreements.

LAFCo Determination

- Regarding opportunities for shared facilities, the Commission determines that the District shares facilities with other agencies and continually reviews new opportunities to do so. The District participates with the Sacramento Fire/ EMS Communication Center.

5. Accountability for Community Service Needs, including Governmental Structure and Operational Efficiencies

a) Explain the composition of the agency's governing board.

- Number of Directors:

3

- Nature/ Length of Terms:

4 years staggered terms

- Is governing body landowner or population based?

Population.

- Are Directors elected or appointed?

Elected

- Are elections or appointments at large or by district?

By district

b) Explain compensation and benefits provided to the governing board, including any benefits that continue after term of service.

\$100/month while serving

c) Where and how frequently does the governing board meet?

Monthly or as needed at WGFPD Station 96

d) Describe rules, procedures, and programs for public notification of agency operations, meetings, programs, etc.

Meeting agendas are posted in at least 3 locations at each firehouse and Post Office 3 or more days prior to the meeting, consistent w/Brown Act public meeting requirements.

- How is public participation encouraged? Posted agendas.
- Are meetings accessible to the public, i.e., evening meetings, adequate meeting space, etc.?

Yes, ADA compliant

e) Describe public education/outreach efforts, (i.e., newsletters, bill inserts, website, etc.)

f) Describe level of public participation, and ways that staff and Directors are accessible to the public.

Minimal but Directors open to any communication

g) Describe ability of public to access information and agency reports.

Good

h) Describe any opportunities to eliminate service islands, peninsulas and other illogical service areas.

None.

6. Issues, Concerns and Opportunities

Our alert pagers are spotty but the dispatch center is looking at installing another antennae to assist transmissions.

LAFCo Determination

- Regarding government structure options, including advantages and disadvantages of consolidation or reorganization of service providers, the Commission determines that the District currently provides services primarily to a clearly defined geographic area which is primarily rural and agricultural in nature.
- Regarding evaluation of management efficiencies, the Commission determines the District operates with a high degree of efficiency and professional cooperation with the community and other private/ public agencies. This cooperation is exemplified by the active participation in the quarterly South County Chiefs meetings.
- Regarding local accountability and governance, the Commission determines that the District's Board of Directors represents an adequate level of Special District accountability and governance. The District is an independent District governed by a five member Board of Directors elected at-large from the service territory.

Attachments:

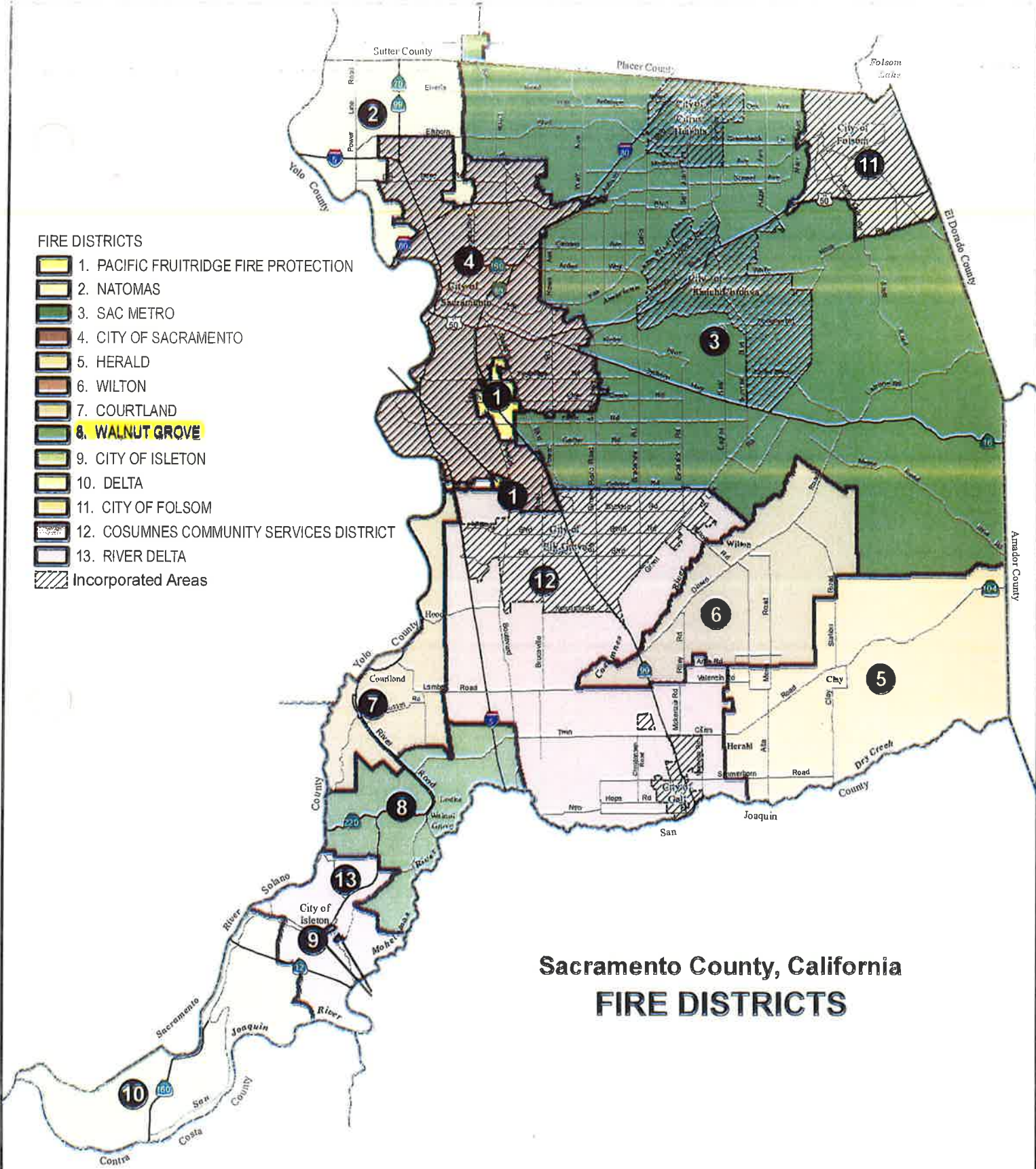
FY 2014-15 Budget

District Map

Audit 2013

FIRE DISTRICTS

-  1. PACIFIC FRUITRIDGE FIRE PROTECTION
-  2. NATOMAS
-  3. SAC METRO
-  4. CITY OF SACRAMENTO
-  5. HERALD
-  6. WILTON
-  7. COURTLAND
-  8. WALNUT GROVE
-  9. CITY OF ISLETON
-  10. DELTA
-  11. CITY OF FOLSOM
-  12. COSUMNES COMMUNITY SERVICES DISTRICT
-  13. RIVER DELTA
-  Incorporated Areas



Sacramento County, California FIRE DISTRICTS



FISCAL YEAR 2014-15 PRE' NARY BUDGET

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

<u>APPROPRIATIONS BY OBJECT OF EXPENDITURE</u>		<u>MEANS OF FINANCING THE BUDGET REQUIREMENTS</u>	0
<u>OBJECT 10 - SALARIES AND EMPLOYEE BENEFITS</u>	115,600.00	<u>ESTIMATED REVENUE</u>	
<u>OBJECT 20 - SERVICES AND SUPPLIES</u>	123,350.00	<u>RESERVES TO BE DECREAS</u>	
<u>OBJECT 30 - OTHER FINANCING USES</u>		<u>GENERAL RESERVE DECREASE</u>	238,950.00
<u>LOAN AND LEASE REPAYMENTS</u>		<u>ENCUMBRANCE DECREASE</u>	0
<u>INTEREST AND PRINCIPLE</u>	0	<u>OTHER RESERVE DECREASE</u>	0
<u>TAXES/LICENSES/ASSESSMENTS</u>	0	<u>TOTAL RESERVES TO BE DECREASED</u>	0
<u>JUDGEMENTS/DAMAGES</u>		<u>FUND BALANCE AVAILABLE DECREASE</u>	0
<u>TOTAL OBJECT 30 - OTHER FINANCING USES</u>	0	<u>ESTIMATED LONG TERM LOAN PROCEEDS</u>	
<u>OBJECT 40 - FIXED ASSETS</u>		<u>TOTAL AVAILABLE FINANCING</u>	238,950.00
<u>OBJECT 41 - LAND</u>	0		
<u>OBJECT 42 - STRUCTURES AND IMPROVEMENT</u>	0		
<u>OBJECT 43 - EQUIPMENT</u>			
<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 CONTINGENCIE</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>	238,950.00		
<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 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)
2359235	94941000	INTEREST INCOME	(360)	(1,885)	(1,900)	0	0	(1,000)
	Object 94		(360)	(1,885)	(1,900)	0	0	(1,000)
2359235	95952200	HOME PROP TAX REL	(3,006)	(3,020)	(3,000)	(1,488)	(1,488)	(3,000)
2359235	95952900	IN LIEU TAXES-OTHER	0	0	0	(10)	(10)	(50)
	Object 95		(3,006)	(3,020)	(3,000)	(1,497)	(1,498)	(3,050)
2359235	96969900	SVC FEES OTHER	0	(699)	(1,000)	0	0	(500)
	Object 96			(699)	(1,000)	0	0	(500)
2359235	97979000	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)
	FUNDCENTER 2359235		(212,467)	(233,765)	(236,350)	(127,990)	(127,991)	(238,950)
	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	66,531	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	OASDHI - 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
2359235	20200500	Object 10 ADVERTISING/LEGAL NOTICES	96,244	98,041	103,000	62,780	94,172	115,600
2359235	20203100	BUSINESS TRAVEL	3,564	0	1,000	619	929	1,000
2359235	20203500	EDUCATION & TRAINING SERVICE	0	0	0	0	0	1,000
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	1,930	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	100
2359235	20227100	RADIO/ELECTRONIC MAINTENANCE SER	0	0	500	56	84	500
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	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 SERVICE	190	0	0	0	0	550
		Object 20	63,809	102,883	120,350	68,307	102,461	123,350
2359235	43430300	EQUIP-SD-NON-RECON	0	1,783	126,000	12,000	12,000	0
		Object 43		1,783	126,000	12,000	12,000	0
		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
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

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
ASSETS			
Assets			
Cash and investments	\$ 205,193	\$ -	\$ 205,193
Accounts receivable	1,908	-	1,908
Capital assets, net of depreciation	-	772,106	772,106
	<u>\$ 207,101</u>	<u>\$ 772,106</u>	<u>\$ 979,207</u>
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
	<u>12,746</u>	<u>30,000</u>	<u>42,746</u>
Fund Balance / Net assets			
Fund Balance			
Unreserved			
Unassigned	194,355	(194,355)	-
	<u>194,355</u>	<u>(194,355)</u>	<u>-</u>
Total Liabilities and Fund Balance			
	<u>\$ 207,101</u>		
Net Assets:			
Invested in capital assets, net of related debt		742,106	742,106
Unrestricted		194,355	194,355
Total Net Assets		<u>\$ 936,461</u>	<u>\$ 936,461</u>

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

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
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			
Expenditures:			
Current:			
Public protection	189,767	-	189,767
Capital Outlay	-	-	-
Depreciation	-	77,206	77,206
	<u>189,767</u>	<u>77,206</u>	<u>266,973</u>
Total Expenditures			
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	\$ 194,355
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)
	<u>219,000</u>	<u>224,250</u>	<u>233,765</u>	<u>9,515</u>
Total Revenues				
Expenditures:				
Current:				
Public protection	185,650	211,250	189,767	21,483
Capital outlay	33,350	13,000	-	13,000
	<u>219,000</u>	<u>224,250</u>	<u>189,767</u>	<u>34,483</u>
Total Expenditures				
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.

