

**SPRINGLAKE
FIRE PROTECTION DISTRICT**

**FINANCIAL REPORT WITH
INDEPENDENT AUDITOR'S REPORT
THEREON**

JUNE 30, 2017 and JUNE 30, 2016

**SPRINGLAKE FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2017 and JUNE 30, 2016**

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Springlake Fire Protection District
Woodland, California

We have audited the accompanying financial statements of the governmental activities and the major fund for the Springlake Fire Protection District as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Commissioners
Springlake Fire Protection District
Woodland, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the major fund of Springlake Fire Protection District as of and for the years ended June 30, 2017 and 2016, and the respective changes in financial position for the years ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 14-15 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.

Fechter & Company,
Certified Public Accountants



Sacramento, California
June 26, 2018

**SPRINGLAKE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEARS ENDING JUNE 30, 2017 AND JUNE 30, 2016**

The following discussion and analysis of the Springlake Fire Protection District (the District) and its financial performance provides an overview of the District's financial activities, prepared by its administrative staff for the fiscal year ending June 30, 2016 and June 30, 2017. This discussion and analysis should be read in conjunction with the Fire District's financial statements and accompanying notes, which follow this introduction.

FINANCIAL REPORTING:

The District operates under the laws of the State of California. It has designated that the Yolo County Office of Finance Services perform all financial functions on behalf of the district.

The County maintains the District's accounts in accordance with Accounting Policies generally accepted in the United States of America. The District financial policies are those of Yolo County's and are monitored by the County's Auditor-Controller and audited through an annual independent audit. Investment policies and related credit, custodial credit, concentration of credit, interest rate, and foreign currency risks applicable to the District are those of the County and are disclosed in the County's basic financial statements. Information on the County of Yolo's financial policies may be obtained through Yolo's Auditor-Controller's office at 625 Court Street, Room 103, Woodland, California 95695.

The Board of Directors adopts a General Fund budget, which can be amended by the Board during the fiscal year. All appropriations lapse at year-end. Spending and revenues are constantly monitored by comparisons of actual revenues and expenditures with planned revenues and expenditures for the period.

FINANCIAL HIGHLIGHTS:

- The property tax allocation received this fiscal year ending 2016 accounted for \$406,832 of the District's operating revenue. In fiscal year ending 2017, the property tax allocation accounted for \$423,171 of the District's operations revenue.
- The District's Special Assessment revenue received for Fiscal Year Ending 2016 was \$50,333. For Fiscal Year ending 2017 the District received \$51,135 in Special Assessment revenue. Annual variations in Special Assessment revenue are typically a result of change in property use or division of parcels.
- In 2015, the District entered into agreement with UC Davis. UC Davis assumes sole responsibility for fire protection services for UC Davis properties located within the District's boundaries that is not covered by the City of Davis. The County, on the District's behalf, calculates and distributes to UC Davis the District's proportional share of property tax revenue that is attributable to the UC Davis properties.

**SPRINGLAKE FIRE PROTECTION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FISCAL YEARS ENDING JUNE 30, 2017 AND JUNE 30, 2016**

STATEMENT OF NET POSITION:

To begin our analysis, a summary of the District’s Statement of Net Position is presented in Table 1 below for the current year and two preceding years.

Typically, Net Position may serve over time as a useful indicator of a government’s financial position. However, in the case of the District, it does not typically maintain a net position balance, as the net property tax income received is pledged to the City of Woodland, City of Davis, and UC Davis to provide fire protection services to each respective service area. As shown in Table 1, assets exceeded liabilities by \$33,838 as of June 30, 2017 and assets did not exceed liabilities as of June 30, 2016. The 2017 Net Position balance is expected to resolve itself through future distributions to the City of Davis, the City of Woodland, and UC Davis. The Net Position of the District is the product of limited financial transactions including net result of activities.

**TABLE 1
CONDENSED STATEMENT OF NET POSITION**

	<u>FY 16/17</u>	<u>FY 15/16</u>	<u>FY 14/15</u>	<u>\$ Change (FYE '16 - '17)</u>
Total Current Assets	<u>\$ 232,057</u>	<u>\$ 22,566</u>	<u>\$ 182,770</u>	<u>\$ 209,491</u>
Total Current Liabilities	<u>\$ 198,219</u>	<u>\$ 22,566</u>	<u>\$ 182,770</u>	<u>\$ 175,653</u>
Net Assets:				
Unrestricted Net Position	<u>33,838</u>	<u>-</u>	<u>-</u>	<u>33,838</u>
Total Net Position	<u><u>\$ 33,838</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,838</u></u>

The majority of the District’s net assets is cash held in Treasury by Yolo County. The total liabilities are outstanding and pending payments to the City of Davis and the City of Woodland. The primary reason for the change in balances from June 30, 2016 to June 30, 2017 is due to the timing of receipt and release of property tax apportionments, issued by the County in late December, April, and June.

**SPRINGLAKE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEARS ENDING JUNE 30, 2017 AND JUNE 30, 2016**

STATEMENT OF ACTIVITIES:

To continue our analysis, a summary of the District's Statement of Activities is presented in Table 2 below for the current year and two preceding years.

**TABLE 2
CONDENSED STATEMENT OF ACTIVITIES**

	<u>FY 16/17</u>	<u>FY 15/16</u>	<u>FY 14/15</u>	<u>\$ Change (FYE '16 - '17)</u>
Total Revenues	<u>\$ 475,368</u>	<u>\$ 458,627</u>	<u>\$ 415,262</u>	<u>\$ 16,741</u>
Total Expenditures	<u>\$ 441,530</u>	<u>\$ 458,627</u>	<u>\$ 415,262</u>	<u>\$ (17,097)</u>
Excess Revenues over Expenditures	33,838	-	-	33,838
Beginning Net Position	-	-	-	-
Ending Net Position	<u><u>\$ 33,838</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,838</u></u>

Nearly all of the District's revenues are derived of property taxes and special assessments (greater than 99%). Similarly, nearly all of the District's expenditures are contributions to non-County agencies. Subsequent pro-rata contributions to non-County agencies will be revised to distribute all residual revenues, ultimately resolving (reducing) the net position balance remaining at June 30, 2017.

**DEBT ADMINISTRATION, FIXED ASSETS, AND GOVERNMENTAL ACCOUNTING STANDARDS
BOARD STATEMENT 68:**

The District does not have any long-term or short-term debt, nor capital assets. Since the District contracts with the City of Davis and the City of Woodland for fire protection services, it does not have any employees. Thus, the District does not have any pension obligations.

**SPRINGLAKE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEARS ENDING JUNE 30, 2017 AND JUNE 30, 2016**

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FINANCIAL FUTURE:

The District considers economic developments when preparing the annual budget, including statewide and national political developments that may affect the District. Overall, the Board approves and issues a fiscal-year budget based on prior and future economic events for the single General Fund.

- The District derives the majority of its revenue from the ad valorem property tax; therefore, management pays particular attention to the developments of the state economic factors that affect the property tax revenue source.
- Overall, property taxes and special assessments have incrementally increased year-over year for the past 4 years; a similar trend is expected for the near future as the service areas continue to see further property development.
- The District contracts with the City of Woodland, the City of Davis, and UC Davis to provide fire protection and emergency response services to Service Areas A and B. Because the District is essentially a pass-through entity, fluctuating property tax distributions received have a greater effect on the contracted agencies.
- These and other factors are taken into consideration when preparing the District's annual budget.

REQUESTS FOR INFORMATION:

This financial report is designed to provide our citizens, taxpayers, and customers with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board Clerk of Springlake Fire Protection District at:

1000 Lincoln Ave.
Woodland, CA 95696

**SPRINGLAKE FIRE PROTECTION DISTRICT
BALANCE SHEET AND STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2017**

	General Fund	Adjustments	Statement of Net Position
ASSETS			
General Fund	\$ 229,332	\$ -	\$ 229,332
Accounts receivable	2,725	-	2,725
Total current assets	232,057	-	232,057
TOTAL ASSETS	\$ 232,057	\$ -	\$ 232,057
LIABILITIES			
Accounts payable	\$ 198,219	\$ -	\$ 198,219
TOTAL LIABILITIES	198,219	-	198,219
FUND BALANCES/NET POSITION			
FUND BALANCES			
Designated for:			
Unassigned	33,838	(33,838)	-
Total Fund Balances	33,838	(33,838)	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 232,057		\$ 198,219
NET POSITION			
Unrestricted		33,838	33,838
TOTAL NET POSITION		\$ 33,838	\$ 33,838

The accompanying notes are an integral part of these financial statements.

**SPRINGLAKE FIRE PROTECTION DISTRICT
BALANCE SHEET AND STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2016**

	General Fund	Adjustments	Statement of Net Position
ASSETS			
General Fund	\$ 19,501	\$ -	\$ 19,501
Accounts receivable	3,065	-	3,065
Total current assets	22,566	-	22,566
TOTAL ASSETS	\$ 22,566	\$ -	\$ 22,566
LIABILITIES			
Accounts payable	\$ 22,566	\$ -	\$ 22,566
TOTAL LIABILITIES	22,566	-	22,566
FUND BALANCES/NET POSITION			
FUND BALANCES			
Designated for:			
Unassigned	-	-	-
Total Fund Balances	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 22,566		\$ 22,566
NET POSITION			
Unrestricted		-	-
TOTAL NET POSITION		\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

**SPRINGLAKE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE AND STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED
JUNE 30, 2017**

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property taxes	\$ 423,171	\$ -	\$ 423,171
Intergovernmental revenue	1	-	1
Use of money and property	1,061	-	1,061
Special assessments	51,135	-	51,135
TOTAL REVENUES	<u>475,368</u>	<u>-</u>	<u>475,368</u>
Services and supplies	7,409	-	7,409
Contributions to Non-County Agencies	434,121	-	434,121
TOTAL EXPENDITURES	<u>441,530</u>	<u>-</u>	<u>441,530</u>
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	33,838	-	33,838
FUND BALANCE/NET POSITION, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE/NET POSITION, END OF YEAR	<u>\$ 33,838</u>	<u>\$ -</u>	<u>\$ 33,838</u>

The accompanying notes are an integral part of these financial statements.

**SPRINGLAKE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE AND STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED
JUNE 30, 2016**

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property taxes	\$ 406,832	\$ -	\$ 406,832
Intergovernmental revenue	190	-	190
Use of money and property	1,272	-	1,272
Special assessments	50,333	-	50,333
TOTAL REVENUES	<u>458,627</u>	<u>-</u>	<u>458,627</u>
Services and supplies	10,633	-	10,633
Contributions to Non-County Agencies	447,994	-	447,994
TOTAL EXPENDITURES	<u>458,627</u>	<u>-</u>	<u>458,627</u>
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE/NET POSITION, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE/NET POSITION, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

SPRINGLAKE FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Springlake Fire Protection District (the District) provides fire protection and emergency response to approximately 65 square miles, which includes agricultural, residential, commercial, and industrial properties. It was first created on July 21, 1942, under the provisions of the Health and Safety Code, Chapter 2, Part 3, and was recognized in 1965, under Section 12812.5 of the Health and Safety Code.

The District covers two service areas, A and B. Service Area A includes Roads 18A, B, and C to the north of Woodland, and extends south to Road 29. Service Area B continues south from Road 29 to the northern and western boundaries of the City of Davis.

Under the agreement dated June 30, 2004, the District contracted with the City of Woodland to provide fire protection services to Area A. Under the same agreement, the District contracted with the City of Davis to provide fire protection services to Area B. Under a subsequent agreement dated June 30, 2015, the District contracted with UC Davis to provide fire protection services to UC Davis properties.

For the services provided by the City of Woodland, pursuant to the above agreement, the District pays the City of Woodland a portion of the real property taxes that the District annually receives, based on the percentage of the assessed value of Area A divided by the total assessed value of the District. For the services provided by the City of Davis, pursuant to the above agreement, the District pays the City of Davis a portion of the real property taxes that the District annually receives, based on the percentage of the assessed value of Area B divided by the total assessed value of the District. The District also pays the City of Woodland and the City of Davis fire suppression assessments on real property located in Area A and Area B respectively, and development impact fees for real property located in the designated areas. Property tax revenue attributable to UC Davis properties is assigned to UC Davis.

The Yolo County Board of Supervisors governs the District through a five-member Board of Commissioners. The Yolo County Board of Supervisors makes appointments to the Board of Commissioners and appointees are governed by Section 13831 of the Health and Safety Code. The terms of appointment may be either indefinite (“at the pleasure of the Board of Supervisors”) or fixed (four years with initial staggered terms).

The District’s specific purposes, provided by statute, include the following:

- To establish, equip, and maintain a fire department and to enforce rules for its operation (through Non-County Agency Contracts); and
- To provide (contract for) special services for fire protection, including investigation of fires, and prosecution of arson crimes.

SPRINGLAKE FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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

Basis of Presentation – Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and user charges for support. The District has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for the District's governmental activities. Direct expenses are those that are specifically associated with the District. Program revenues include special assessment charges that are restricted to meeting the operational or capital requirements of the District. Revenues that are not classified as program revenues, including all taxes and investment income, are presented instead as general revenues.

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

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

Basis of Presentation – Fund Financial Statements

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

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

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

SPRINGLAKE FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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

Basis of Presentation – Fund Financial Statements – (continued)

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means that the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues susceptible to accrual include property taxes. The District considers property taxes as available when deposited into the District’s trust account held by Yolo County. A 60 day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures under the modified accrual basis of accounting are generally recognized when the related fund liability is incurred.

The District reports the following major governmental fund:

General 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.

Budgets and Budgetary Process

The District operates under the laws of the State of California. The Board of Directors adopts a General Fund budget, which can be amended by the Board during the fiscal year. All appropriations lapse at year end.

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

Board of Commissioners

There are five members of the board. Each member of the board is a resident and registered voter of the District.

Estimates

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

Revenue

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

In November of 1993, California voters enacted Proposition 172, which established a permanent statewide half-cent sales tax for support of local public safety functions in cities

**SPRINGLAKE FIRE PROTECTION DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2017 AND 2016**

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

Basis of Presentation – Fund Financial Statements – (continued)

and counties. Under the terms of Proposition 172, cities and counties must use the funds received to support public safety.

Property Tax and Special Assessments

Secured property taxes are considered measurable and available when apportioned to the District. The County is responsible for assessing and collecting secured property taxes for the District, in accordance with enabling state legislation (including appropriation limits). The County apportions secured taxes to the District under the “Teeter Plan” – California Revenue and Taxation Code Sections 4701-4717. A complex allocation formula is used to distribute levied secured taxes to the County and its districts. The levy date is July 1.

The District is credited with 100 percent of its apportionments, regardless of the actual collections and delinquencies and, accordingly, penalties and interest collected by the County are not allocated to the District. Apportionments are distributed according to the following schedule:

<u>Action</u>	<u>Date</u>	<u>Percent</u>
1 st Apportionment	By December 25	50 Percent
2 nd Apportionment	By April 25	45 Percent
3 rd Apportionment	By June 25	5 Percent

Supplemental unsecured property taxes and special assessments are considered measurable and available when collected. The District assesses supplemental unsecured property taxes and special assessments on real property. These assessments are not based on property values but on usage and are levied by parcel, square footage, dwelling unit, and/or space, in accordance with Proposition 218. The assessments are remitted to the County for collection with the secured property tax billings. The County deposits collections in the District’s County Treasury account.

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as unrestricted.

Unrestricted Net Position – This category represents net position of the District not restricted for any project or other purpose.

SPRINGLAKE FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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

Due to Other Governments

Due to other governments represents payments due to the City of Davis, the City of Woodland, and UC Davis for fire protection services.

Fund Balances

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

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

- Nonspendable Fund Balance – this fund balance classification includes amounts that cannot be spent because they are either not in spendable form (i.e., prepaid expenses) or legally or contractually required to be maintained intact.
- Restricted Fund Balance – this fund balance classification should be reported when there are constraints placed on the use of resources externally (by creditors, grant sources, contributors, etc.) or imposed by law or enabling legislation.
- Committed Fund Balance – this fund balance classification can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (i.e., fund balance designations passed by board resolution).
- Assigned Fund Balance – this fund balance classification refers to amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned Fund Balance – this fund balance classification is the residual classification for the general fund.

Deferred Outflows and Inflows of Resources

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

**SPRINGLAKE FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2: CASH AND INVESTMENTS

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

The District’s total cash and investments at June 30, 2017 and 2016, consisted of the following:

	June 30, 2017	June 30, 2016
Deposits:		
Cash in County Treasury	\$ 229,332	\$ 19,501

Investments

GASB Statement No. 31 – *Accounting and Financial Reporting for Certain Investments and External Pools*, requires governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred

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

The District relied upon information provided by the Yolo County Treasurer in estimating the District’s fair value at June 30, 2017 and June 30, 2016.

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

The District is authorized under California Government Code to make direct Investments. However, the District has not adopted an investment policy and thus does not maintain policies for exposure to interest rate risk, credit risk, and concentration of credit risk. Investment policies and related credit, custodial credit, concentration of credit, interest rate, and foreign currency risks applicable to the District are those of the County and are disclosed in the County’s basic financial statements. The County of Yolo’s financial statements may be obtained by contacting the Yolo’s Auditor-Controller’s office at 625 Court Street, Room 103, Woodland, California 95776.

SPRINGLAKE FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 3: COMMITMENTS

On June 30, 2004, the District and the City of Woodland and City of Davis entered into an interagency agreement for the provision of fire protection services. Under the terms of the agreement, the City of Woodland shall provide all administrative services required under applicable laws and necessary for the effective operation of the District.

For Area A and Area B, through its Fire Department, the City of Woodland and City of Davis shall provide all fire protection services, fire suppression services, and emergency medical services, as required by applicable law.

In exchange for these services, the District shall pay the City of Woodland and the City of Davis a portion of real property taxes the District receives annually. The District shall also pay the City of Woodland and the City of Davis the fire suppression assessments on real property and development impact fees received for real property located in Areas A and B.

In addition, the District transferred title to three fire engines, maintained and utilized by the City of Woodland and the City of Davis. Payment of the property taxes, fire suppression assessment, and development impact fees to be paid by the District to the City of Woodland and the City of Davis under the interagency agreement shall be made concurrent with the distribution of property taxes.

Under the 2015 Agreement with UC Davis, UC Davis assumes sole responsibility for fire protection services for UC Davis properties located within the District's boundaries that is not covered by the City of Davis. The County agrees to, on the District's behalf, calculate and distribute to UC Davis the District's proportional share of property tax revenue that is attributable to the UC Davis properties.

NOTE 4: RISK MANAGEMENT

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

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

SPRINGLAKE FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 5: RELATED PARTY TRANSACTION

The District Board has designated the City of Woodland Fire Chief to perform administration duties on behalf of the District, such as prepare and administer budgets, develop agenda items, and supervise the District Clerk.

NOTE 6: SUBSEQUENT EVENTS

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

SUPPLEMENTARY DATA

**SPRINGLAKE FIRE PROTECTION DISTRICT
BOARD MEMBERS
JUNE 30, 2017**

Wes Arvin	Chairman
Robert Moeller	Vice Chair
Carolyn Bunfill	Member

Note: Remaining 2 Seats Vacant as of June 30, 2017

**SPRINGLAKE FIRE PROTECTION DISTRICT
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED
JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 407,742	\$ 407,742	\$ 423,171	\$ 15,429
Intergovernmental revenue	189	189	1	(188)
Use of money and property	80	80	1,061	981
Special Assessments	51,800	51,800	51,135	(665)
TOTAL REVENUES	<u>459,811</u>	<u>459,811</u>	<u>475,368</u>	<u>15,557</u>
EXPENDITURES/EXPENSES				
Services and supplies	13,500	13,500	7,409	(6,091)
Contributions to Non-County Agencies	446,311	446,311	434,121	(12,190)
TOTAL EXPENDITURES/EXPENSES	<u>\$ 459,811</u>	<u>\$ 459,811</u>	<u>\$ 441,530</u>	<u>\$ (18,281)</u>
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES			33,838	
FUND BALANCE/NET POSITION, BEGINNING OF YEAR			<u>-</u>	
FUND BALANCE/NET POSITION, END OF YEAR			<u><u>\$ 33,838</u></u>	

See Independent Auditor's Report

**SPRINGLAKE FIRE PROTECTION DISTRICT
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED
JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
REVENUES				
Property taxes	\$ 407,582	\$ 407,582	\$ 406,832	\$ (750)
Intergovernmental revenue	4	4	190	186
Use of money and property	558	558	1,272	714
Special Assessments	50,217	50,217	50,333	116
TOTAL REVENUES	458,361	458,361	458,627	266
 EXPENDITURES/EXPENSES				
Services and supplies	13,500	13,500	10,633	2,867
Contributions to Non-County Agencies	444,861	444,861	447,994	(3,133)
TOTAL EXPENDITURES/EXPENSES	\$ 458,361	\$ 458,361	\$ 458,627	\$ (266)
 EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES			-	
 FUND BALANCE/NET POSITION, BEGINNING OF YEAR			-	
 FUND BALANCE/NET POSITION, END OF YEAR			\$ -	