

***MADISON FIRE PROTECTION DISTRICT***

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Report on Audits  
Years Ended June 30, 2021, 2020 and 2019

# **MADISON FIRE PROTECTION DISTRICT**

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**June 30, 2021, 2020 and 2019**

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## Independent Auditor's Report

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

We have audited the accompanying statements of net position and balance sheets - governmental funds of Madison Fire Protection District as of June 30, 2021, 2020 and 2019 and the related statements of activities and revenues, expenditures and changes in fund balance - governmental funds for the years then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

### 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 estimates made by management, as well as evaluating the overall financial statement presentation.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Madison Fire Protection District as of June 30, 2021, 2020 and 2019 and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Perry, Bunch & Johnston, Inc.*

Woodland, California  
June 1, 2023

***MADISON FIRE PROTECTION DISTRICT***

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Basic Financial Statements - Government-Wide Financial Statements  
Years Ended June 30, 2021, 2020 and 2019

# MADISON FIRE PROTECTION DISTRICT

## STATEMENTS OF NET POSITION

June 30,	2021	2020	2019
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and investments	\$ 444,614	\$ 362,454	\$ 434,467
Restricted cash and investments	60,457	48,052	63,222
Property tax receivables	906	-	25
Due from other governments	21,486	21,486	8,186
<b>Total Current Assets</b>	<b>527,463</b>	<b>431,992</b>	<b>505,900</b>
<b>NON-CURRENT ASSETS:</b>			
Capital assets:			
Depreciable, net of accumulated depreciation	418,309	389,484	439,265
Non-depreciable	30,507	30,507	30,507
<b>Total Non-Current Assets</b>	<b>448,816</b>	<b>419,991</b>	<b>469,772</b>
<b>Total Assets</b>	<b>\$ 976,279</b>	<b>\$ 851,983</b>	<b>\$ 975,672</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 6,897	\$ 5,752	\$ 77,420
Accrued payroll	4,143	3,380	1,264
Accrued interest	2,006	2,483	2,945
Due to other governments	7,829	3,903	12,211
Unearned revenue	16,353	16,353	34,913
Capital leases, current	16,677	16,179	15,697
<b>Total Current Liabilities</b>	<b>53,905</b>	<b>48,050</b>	<b>144,450</b>
<b>Non-Current Liabilities:</b>			
Capital leases, long-term	52,713	69,390	85,569
<b>Total Non-Current Liabilities</b>	<b>52,713</b>	<b>69,390</b>	<b>85,569</b>
<b>Total Liabilities</b>	<b>106,618</b>	<b>117,440</b>	<b>230,019</b>
<b>NET POSITION:</b>			
Net investment in capital assets	379,426	334,422	368,506
Restricted	44,104	31,699	28,309
Unrestricted	446,131	368,422	348,838
<b>Total Net Position</b>	<b>869,661</b>	<b>734,543</b>	<b>745,653</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 976,279</b>	<b>\$ 851,983</b>	<b>\$ 975,672</b>

# MADISON FIRE PROTECTION DISTRICT

## STATEMENTS OF ACTIVITIES

<b>Years Ended June 30,</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>PROGRAM EXPENSES:</b>			
Public safety - Fire protection:			
Salaries and employee benefits	\$ 123,199	\$ 105,961	\$ 78,636
Services and supplies	134,514	148,976	76,159
Other	140,755	6,890	19,655
Depreciation	52,873	49,781	40,793
<b>Total Program Expenses</b>	<b>451,341</b>	<b>311,608</b>	<b>215,243</b>
<b>PROGRAM REVENUES:</b>			
Charges for service	298,289	46,675	42,121
Operating grants and contributions	19,666	350	500
Capital grants and contributions	68,294	36,581	190,613
<b>Total Program Revenues</b>	<b>386,249</b>	<b>83,606</b>	<b>233,234</b>
<b>Net Program (Income) Expense</b>	<b>65,092</b>	<b>228,002</b>	<b>(17,991)</b>
<b>GENERAL REVENUES:</b>			
Property taxes	192,977	187,744	177,297
Interest earnings	360	11,607	12,301
Rent	7,200	5,400	7,200
Intergovernmental revenue	1,787	14,752	1,497
Interest expense	(2,114)	(2,611)	(3,092)
<b>Total General Revenues</b>	<b>200,210</b>	<b>216,892</b>	<b>195,203</b>
<b>Change in Net Position</b>	<b>135,118</b>	<b>(11,110)</b>	<b>213,194</b>
Net Position, Beginning of Year	734,543	745,653	532,459
<b>Net Position, End of Year</b>	<b>\$ 869,661</b>	<b>\$ 734,543</b>	<b>\$ 745,653</b>

***MADISON FIRE PROTECTION DISTRICT***

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Basic Financial Statements - Fund Financial Statements  
Years Ended June 30, 2021, 2020 and 2019



# MADISON FIRE PROTECTION DISTRICT

## BALANCE SHEETS - GOVERNMENTAL FUNDS

Years Ended June 30,	2021	2020	2019
	<b>GENERAL FUND</b>		
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and investments	\$ 444,614	\$ 362,454	\$ 434,467
Restricted cash and investments	60,457	48,052	63,222
Property tax receivables	906	-	25
Due from other governments	21,486	21,486	8,186
<b>Total Current Assets</b>	<u>527,463</u>	<u>431,992</u>	<u>505,900</u>
<b>Total Assets</b>	<u>\$ 527,463</u>	<u>\$ 431,992</u>	<u>\$ 505,900</u>
<b>LIABILITIES AND FUND BALANCE:</b>			
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 6,897	\$ 5,752	\$ 77,420
Accrued payroll	4,143	3,380	1,264
Due to other governments	7,829	3,903	12,211
Unearned revenue	16,353	16,353	34,913
<b>Total Current Liabilities</b>	<u>35,222</u>	<u>29,388</u>	<u>125,808</u>
<b>Total Liabilities</b>	<u>35,222</u>	<u>29,388</u>	<u>125,808</u>
<b>FUND BALANCE:</b>			
Restricted	44,104	31,699	28,309
Assigned	38,777	38,636	38,358
Unassigned	409,360	332,269	313,425
<b>Total Fund Balance</b>	<u>492,241</u>	<u>402,604</u>	<u>380,092</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 527,463</u>	<u>\$ 431,992</u>	<u>\$ 505,900</u>

# MADISON FIRE PROTECTION DISTRICT

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

Years Ended June 30,	2021	2020	2019
	<b>GENERAL FUND</b>		
<b>REVENUES:</b>			
Property taxes	\$ 192,977	\$ 187,744	\$ 177,297
Licenses, permits and fees	12,006	2,759	15,526
Use of money and property	7,560	17,007	19,501
Intergovernmental revenue	76,408	48,574	176,584
Charges for services	298,289	46,675	42,121
Other	1,333	350	500
<b>Total Revenues</b>	<b>588,573</b>	<b>303,109</b>	<b>431,529</b>
<b>EXPENDITURES:</b>			
Current:			
Public safety - Fire protection:			
Salaries and employee benefits	\$ 123,199	\$ 105,961	\$ 78,636
Services and supplies	134,514	148,976	76,159
Other charges	140,755	6,890	19,655
Debt service:			
Principal	16,179	15,697	15,243
Interest	2,591	3,073	3,528
Capital outlay	81,698	-	175,006
<b>Total Expenditures</b>	<b>498,936</b>	<b>280,597</b>	<b>368,227</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>89,637</b>	<b>22,512</b>	<b>63,302</b>
<b>Net Change in Fund Balance</b>	<b>89,637</b>	<b>22,512</b>	<b>63,302</b>
Fund Balance, Beginning of Year	402,604	380,092	316,790
<b>Fund Balance, End of Year</b>	<b>\$ 492,241</b>	<b>\$ 402,604</b>	<b>\$ 380,092</b>

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**FINANCIAL REPORTING ENTITY AND NATURE OF ACTIVITIES:**

The Madison Fire Protection District (the District) was formed on March 18, 1930 pursuant to the 1923 Statutes of California. The District was reorganized in 1961 and later by the Fire Protection District Law of 1987 pursuant to Section 13800 et seq. of the California Health and Safety Code. The District's boundaries have been adjusted twice since its initial formation. The District currently serves an area encompassing approximately 66 square miles and has a population of approximately 1390 residents within the unincorporated community of Madison and surrounding rural areas of Yolo County.

The District is governed by an elected five-member Board of Directors and provides the following services: Fire protection services, rescue services, emergency medical services, hazardous material emergency response services, and any other services relating to the protection of lives and property. The District is a special purpose local government.

The governmental reporting entity consists of the District (Primary Government) and its component units. Component units are legally separate organizations for which the Commissioners are financially accountable or other organizations whose nature and significant relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the District's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the District. The District does not have any component units.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION:**

***Government-Wide Financial Statements:***

The government-wide financial statements (i.e., the statements of net position and the statements of activities) report information on all activities of the District. The District is a special purpose entity engaged in a single governmental program. The District has no fiduciary funds or component units that are fiduciary in nature.

The statements of activities demonstrate the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues consist of assessments, grants, and strike team revenue that are restricted to meeting the operational requirements of the District. Other items not properly included among program revenues are reported instead as general revenues. The District considers interest earnings and other revenue to be general revenues.

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

Equity is classified as net position and displayed in three components:

- Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

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

- Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both unrestricted and restricted net position are available for use, it is the District's policy to use restricted resources first, until they are depleted, then unrestricted resources as they are needed. The District's restricted resources at June 30, 2021, 2020, and 2019 were \$44,104, \$31,699, and \$28,309, respectively.

***Fund Financial Statements:***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available; property taxes are accrued if received within 60 days, interest, certain state and federal grants, and charges for services are accrued if received within 90 days, and expenditure-driven grant revenues are accrued if received within one year of the fiscal year end. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The District uses a single general fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The single general fund utilized by the District is a governmental fund. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. The difference between governmental fund assets and liabilities is reported as fund balance.

Fund balance is required to be reported according to the following classifications:

- Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, long-term receivables and endowment principal.
- Restricted fund balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).
- Committed fund balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority.
- Assigned fund balance - Amounts that are constrained by the District's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by an official to whom that authority has been given.
- Unassigned fund balance - This is the residual classification of the General Fund.

# MADISON FIRE PROTECTION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2021, 2020 and 2019

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

When expenditures are incurred for purposes in which amounts in any unrestricted fund balance could be used, it is the District's policy to use the restricted funds first, then committed funds, then assigned, then unassigned funds. This Board of Commissioners may authorize a different order of spending depending on the circumstances.

#### BUDGETS:

Budgets are adopted on a basis consistent with generally accepted accounting principles. All budgetary changes during the fiscal year required the approval of the District's Board of Commissioners. The District's budgetary period is from July 1st to June 30th. All unencumbered annual appropriations lapse at the end of each fiscal year.

#### INVESTMENTS:

The District maintains all of its cash in a County-sponsored investment pool that is managed by the Yolo County Treasurer. The Treasurer invests on behalf of most funds of the County and external participants (such as the District) in accordance with the California State Government Code and the County's investment policy.

Statutes authorize the District to invest its surplus cash in obligations of the U.S. Treasury, agencies and instrumentalities, California municipal obligations including those issued by the State and any other local agency within the state, other states' municipal obligations, corporate bonds rated P-1 by Standards & Poor's Corporation or A-1 by Moody's Investor Service, bankers' acceptances, certificates of deposit, commercial paper, repurchase and reverse repurchase agreements, asset-back securities, money market funds, and local government investment pools.

The District's equity in the County-sponsored investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income.

Investment income is determined on an amortized cost basis. Interest received and realized gains and losses, net of expenses, are apportioned to pool participants each quarter. Accrued interest and unrealized gains and losses, net of expenses, are apportioned to pool participants at the end of each fiscal year.

Income from the pooled investments of the County-sponsored pool is allocated to the District based on the District's average daily cash balance for each quarter.

#### PROPERTY TAX LEVY, COLLECTION AND MAXIMUM RATES:

The State of California's (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value, as defined by Article XIII A, and may be adjusted by no more than 2% per year unless the property is sold or transferred. The appropriate levy is based on the assessed value as of the valuation date. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among the County, cities, school districts, and other districts. The County assesses properties and bills for and collects property taxes as follows:

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

# MADISON FIRE PROTECTION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

### Years Ended June 30, 2021, 2020 and 2019

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

The term "unsecured" refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty (60) days after fiscal year-end. Property taxes are recorded as unavailable revenue in the governmental fund statements when not received within sixty (60) days after fiscal year-end.

The County apportions secured property tax receipts to the District in January (50%), April (45%) and June (5%). Unsecured receipts are apportioned monthly in the subsequent month after collection.

#### CAPITAL ASSETS:

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The District defines all land acquisitions as capital assets and assets with an initial, individual cost of more than \$10,000 for structures and improvements and easements, and equipment and software with a cost greater than \$5,000 and has an estimated useful life in excess of one year. Capital assets, except non-depreciable land and easements, used in operations are depreciated or amortized using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements. The estimated useful lives are as follows:

<u>Description</u>	<u>Estimated Useful Life</u>
Structures and improvements	10 - 40 years
Easements	Life of the easement
Software	Life of the license or 2 - 7 years
Equipment	2 - 25 years

#### USE OF ESTIMATES:

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

#### NOTE 2 - ACCOUNTS AND RECORDS:

The Department of Financial Services of Yolo County maintains records of the District's transactions. The Yolo County Treasurer collects the District's property tax revenues. The District submits claims for expenditures to the Yolo County Department of Financial Services Office for processing and payment.

#### NOTE 3 - CASH AND INVESTMENTS:

The District's cash is invested in a Yolo County sponsored investment pool that is managed by the Yolo County Treasurer for the purpose of increasing interest earnings through investment activities. Interest earned by the investment pool is distributed to the District using a formula based on the average daily cash balance of each fund.

The investment pool includes both voluntary and involuntary participation from external entities. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer.

# MADISON FIRE PROTECTION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2021, 2020 and 2019

### NOTE 3 - CASH AND INVESTMENTS: (Continued)

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy in order of priority are; public trust, safety, liquidity and return on investment. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code.

The Board of Directors reviews and approves the investment policy annually. The oversight committee reviews investment activity and results quarterly. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every quarter. The report covers the type of investments in the pool, maturity dates, par value, actual costs and fair value.

A summary of the investments held by the County-sponsored investment pool can be found at: <https://www.yolocounty.org/government/general-government-departments/financial-services/publications>.

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

	June 30,		
	2021	2020	2019
Cash and cash equivalents	\$ 505,071	\$ 410,506	\$ 497,689

### INVESTMENTS AUTHORIZED BY THE CALIFORNIA GOVERNMENT CODE AND THE COUNTY'S INVESTMENT POLICY:

The table below identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, whichever is more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, and concentration risk.

	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	No limit	No limit
U.S. Treasury Obligations	5 years	No limit	No limit
U.S. Agency Obligations	5 years	No limit	No limit
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	No limit
Repurchase Agreements	1 year	No limit	No limit
Reverse Repurchase Agreements	92 days	20% of base	No limit
Medium Term Notes	5 years	30%	No limit
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	No limit
County Pooled Investment Funds	N/A	No limit	No limit
Local Agency Investment Fund (LAIF)	N/A	No limit	No limit
JPA Pools (other investment pools)	N/A	No limit	No limit

**NOTES TO THE FINANCIAL STATEMENTS**

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**Years Ended June 30, 2021, 2020 and 2019**

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**NOTE 3 - CASH AND INVESTMENTS: (Continued)**

**INTEREST RATE RISK:**

Interest rate risk is the measurement of how changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the more sensitive to changes in market interest rates of its fair value. The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy.

**CREDIT RISK:**

State law and the County's Investment Policy limit investments in commercial paper to the rating of A1 by Standards & Poor's or P-1 by Moody's Investors Service. State law and the County's Investment Policy also limit investments in corporate notes to the rating of A by Standard & Poor's and Moody's Investors Service. The County does not have credit limits on federal government agency securities, municipal bonds and money market mutual funds. A summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of total investments of the investment pool can be found at: <https://www.yolocounty.org/government/general-government-departments/financial-services/publications>.

**CONCENTRATION OF CREDIT RISK:**

The investment policy of the County contains certain limits on the amount that can be invested in any one issuer beyond that stipulated by California Government Code. The County did not have any investments that represented 5% or more of the County's investments, excluding investment pools, US Treasury bonds and mutual funds, as of June 30, 2021.

**CUSTODIAL CREDIT RISK:**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will be able to recover the value of its investment or collateral securities that are in the possession of another party. Neither the California Government code nor the County's investment policy contain legal or policy requirements that would limit the County's exposure to custodial credit risk for deposits or investments except for the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure County deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits. GASB Statement No. 40 requires that disclosure is made with respect to custodial credit risks related to deposits. The County has cash deposits, held in collateralized accounts, with financial institutions in excess of federal depository insurance limits in the amount of \$17.7 million. Investment securities are registered and held in the name of Yolo County in a third-party custodial account with Bank of New York-Mellon. Securities are not held in broker

**FAIR VALUE MEASUREMENTS:**

The fair value of the underlying investments, which represent level 2 inputs under the fair value hierarchy. Information regarding fair value measurements of the County pool may be found in the notes to the County of Yolo comprehensive annual financial reports at <https://www.yolocounty.org/government/general-government-departments/financial-services/publications>.



# MADISON FIRE PROTECTION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

### Years Ended June 30, 2021, 2020 and 2019

#### NOTE 4 - RECEIVABLES:

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

	<u>June 30,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Governmental Activities:			
Fire Protection:			
Property tax receivable	\$ 906	\$ -	\$ 25
Due from other governments	<u>21,486</u>	<u>21,486</u>	<u>8,186</u>
	<u>\$ 22,392</u>	<u>\$ 21,486</u>	<u>\$ 8,211</u>

Property taxes are apportioned to the District under the Teeter Plan method of apportionment. Under this method the District is apportioned 100% of the property tax levy without regard to delinquencies. In addition, the District also receives grants from other governmental agencies. Accordingly, the District does not establish an allowance for doubtful accounts

#### NOTE 5 - CAPITAL ASSETS:

Capital assets activity for the years ended June 30, 2021, 2020 and 2019 was as follows:

	<u>Balance at</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2021</u>
Capital assets not being depreciated:				
Land	\$ 30,507	\$ -	\$ -	\$ 30,507
<b>Total Capital Assets Not Being Depreciated</b>	<u>30,507</u>	<u>-</u>	<u>-</u>	<u>30,507</u>
Capital assets being depreciated:				
Structures and improvements	43,519	-	-	43,519
Equipment	<u>964,398</u>	<u>81,698</u>	<u>-</u>	<u>1,046,096</u>
<b>Total Capital Assets</b>	<u>1,007,917</u>	<u>81,698</u>	<u>-</u>	<u>1,089,615</u>
Less accumulated depreciation for:				
Structures and improvements	33,481	553	-	34,034
Equipment	<u>584,952</u>	<u>52,320</u>	<u>-</u>	<u>637,272</u>
<b>Total Accumulated Depreciation</b>	<u>618,433</u>	<u>52,873</u>	<u>-</u>	<u>671,306</u>
<b>Total Capital Assets Being Depreciated - Net</b>	<u>389,484</u>	<u>28,825</u>	<u>-</u>	<u>418,309</u>
<b>Total Capital Assets - Net</b>	<u>\$ 419,991</u>	<u>\$ 28,825</u>	<u>\$ -</u>	<u>\$ 448,816</u>

# MADISON FIRE PROTECTION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2021, 2020 and 2019

### NOTE 5 - CAPITAL ASSETS: (Continued)

	<u>Balance at July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2020</u>
Capital assets not being depreciated:				
Land	\$ 30,507	\$ -	\$ -	\$ 30,507
<b>Total Capital Assets Not Being Depreciated</b>	<u>30,507</u>	<u>-</u>	<u>-</u>	<u>30,507</u>
Capital assets being depreciated:				
Structures and improvements	43,519	-	-	43,519
Equipment	964,398	-	-	964,398
<b>Total Capital Assets</b>	<u>1,007,917</u>	<u>-</u>	<u>-</u>	<u>1,007,917</u>
Less accumulated depreciation for:				
Structures and improvements	32,928	553	-	33,481
Equipment	535,724	49,228	-	584,952
<b>Total Accumulated Depreciation</b>	<u>568,652</u>	<u>49,781</u>	<u>-</u>	<u>618,433</u>
<b>Total Capital Assets Being Depreciated - Net</b>	<u>439,265</u>	<u>(49,781)</u>	<u>-</u>	<u>389,484</u>
<b>Total Capital Assets - Net</b>	<u>\$ 469,772</u>	<u>\$ (49,781)</u>	<u>\$ -</u>	<u>\$ 419,991</u>
	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2019</u>
Capital assets not being depreciated:				
Land	\$ -	\$ 30,507	\$ -	\$ 30,507
<b>Total Capital Assets Not Being Depreciated</b>	<u>-</u>	<u>30,507</u>	<u>-</u>	<u>30,507</u>
Capital assets being depreciated:				
Structures and improvement	32,467	11,052	-	43,519
Equipment	830,951	133,447	-	964,398
<b>Total Capital Assets</b>	<u>863,418</u>	<u>144,499</u>	<u>-</u>	<u>1,007,917</u>
Less accumulated depreciation for:				
Structures and improvement	32,467	461	-	32,928
Equipment	495,392	40,332	-	535,724
<b>Total Accumulated Depreciation</b>	<u>527,859</u>	<u>40,793</u>	<u>-</u>	<u>568,652</u>
<b>Total Capital Assets Being Depreciated - Net</b>	<u>335,559</u>	<u>103,706</u>	<u>-</u>	<u>439,265</u>
<b>Total Capital Assets - Net</b>	<u>\$ 335,559</u>	<u>\$ 134,213</u>	<u>\$ -</u>	<u>\$ 469,772</u>

# MADISON FIRE PROTECTION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

### Years Ended June 30, 2021, 2020 and 2019

#### NOTE 5 - CAPITAL ASSETS: (Continued)

Depreciation expense was charged to governmental activities as follows:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2021	\$ 52,873
2020	49,781
2019	40,793

#### NOTE 6 - LONG-TERM LIABILITIES:

Long-term liability activity for the fiscal years ended June 30, 2021, 2020 and 2019, was as follows:

	<u>Balance at</u> <u>7/1/2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at</u> <u>6/30/2021</u>	<u>Due Within</u> <u>One Year</u>
Capital leases	\$ 85,569	\$ -	\$ 16,179	\$ 69,390	\$ 16,677
<b>Total</b>	<u>\$ 85,569</u>	<u>\$ -</u>	<u>\$ 16,179</u>	<u>\$ 69,390</u>	<u>\$ 16,677</u>
	<u>Balance at</u> <u>7/1/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at</u> <u>6/30/2020</u>	<u>Due Within</u> <u>One Year</u>
Capital leases	\$ 101,266	\$ 0	\$ 15,697	\$ 85,569	\$ 16,179
<b>Total</b>	<u>\$ 101,266</u>	<u>\$ 0</u>	<u>\$ 15,697</u>	<u>\$ 85,569</u>	<u>\$ 16,179</u>
	<u>Balance at</u> <u>7/1/2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at</u> <u>6/30/2019</u>	<u>Due Within</u> <u>One Year</u>
Capital leases	\$ 116,509	\$ -	\$ 15,243	\$ 101,266	\$ 15,697
<b>Total</b>	<u>\$ 116,509</u>	<u>\$ -</u>	<u>\$ 15,243</u>	<u>\$ 101,266</u>	<u>\$ 15,697</u>

#### CAPITAL LEASES:

During the year ended June 30, 2015, the District entered into a capital lease agreement to purchase a 2000 gallon water tender. The total cost of the equipment was \$259,981 with \$159,981 being financed with Leasource Financial Services, Inc. Beginning May 2016 and ending May 2025, the lease is payable in annual payments of \$18,770, which includes interest at a rate of 3.02 percent.

The following is a schedule of the future payments on the outstanding capital leases as of June 30, 2021:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 16,677	\$ 2,093	\$ 18,770
2023	17,180	1,590	18,770
2024	17,698	1,072	18,770
2025	17,835	936	18,771
	<u>\$ 69,390</u>	<u>\$ 5,691</u>	<u>\$ 75,081</u>

# MADISON FIRE PROTECTION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

### Years Ended June 30, 2021, 2020 and 2019

#### NOTE 6 - LONG-TERM LIABILITIES: (Continued)

Assets held through capital lease agreements at June 30, 2021, 2020 and 2019, were as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Equipment	\$ 259,981	\$ 259,981	\$ 259,981
Less: Accumulated depreciation	<u>(89,549)</u>	<u>(72,217)</u>	<u>(54,885)</u>
Net Book Value	<u>\$ 170,432</u>	<u>\$ 187,764</u>	<u>\$ 205,096</u>

#### NOTE 7 - RECONCILIATION TO GOVERNMENT-WIDE STATEMENTS:

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total Fund Balance - General Fund</b>	\$ 492,241	\$ 402,604	\$ 380,092
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	448,816	419,991	469,772
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the General Fund.			
Accrued interest	(2,006)	(2,483)	(2,945)
Capital lease	<u>(69,390)</u>	<u>(85,569)</u>	<u>(101,266)</u>
<b>Net Position of Governmental Activities</b>	<u>\$ 869,661</u>	<u>\$ 734,543</u>	<u>\$ 745,653</u>

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# MADISON FIRE PROTECTION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2021, 2020 and 2019

### NOTE 7 - RECONCILIATION TO GOVERNMENT-WIDE STATEMENTS: (Continued)

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Net Change in Fund Balance - General Fund</b>	\$ 89,637	\$ 22,512	\$ 63,302
<p>Governmental funds report capital outlays as expenditures; however, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>			
Capital outlay	81,698	-	175,006
Depreciation expense	(52,873)	(49,781)	(40,793)
<p>Repayment of long-term liabilities are expenditures in the General Fund, but reduce long-term liabilities in the statement of net position.</p>			
	16,179	15,697	15,243
<p>Other expenses in the statement of activities that do not use current financial resources are not reported as expenditures in the General Fund.</p>			
Accrued interest	477	462	436
<b>Change in Net Position of Governmental Activities</b>	<u>\$ 135,118</u>	<u>\$ (11,110)</u>	<u>\$ 213,194</u>

### NOTE 8 - FUND BALANCE AND NET POSITION:

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30 is as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Restricted for:</b>			
Development impact fees	\$ 44,104	\$ 31,699	\$ 28,309
<b>Total Restricted</b>	<u>44,104</u>	<u>31,699</u>	<u>28,309</u>
<b>Assigned for:</b>			
Capital asset replacement	13,587	13,446	13,168
General reserve	25,190	25,190	25,190
<b>Total Assigned</b>	<u>38,777</u>	<u>38,636</u>	<u>38,358</u>
Unassigned	409,360	332,269	313,425
<b>Total Fund Balance</b>	<u>\$ 492,241</u>	<u>\$ 402,604</u>	<u>\$ 380,092</u>

# MADISON FIRE PROTECTION DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2021, 2020 and 2019

### NOTE 8 - FUND BALANCE AND NET POSITION: (Continued)

Restricted net position is assets that are subject to constraints either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation, net of liabilities and deferred inflows of resources related to those assets. Restricted net position at June 30, is as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Function/Program</b>			
<b>Governmental Activities</b>			
Fire Protection:			
Development impact fees*	\$ 44,104	\$ 31,699	\$ 28,309
<b>Total Restricted Balance</b>	<u>\$ 44,104</u>	<u>\$ 31,699</u>	<u>\$ 28,309</u>

\* Restricted by enabling legislation.

### NOTE 9 - RISK MANAGEMENT:

The District obtains insurance against various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; general and automobile liability, natural disasters; and injuries to volunteers from the Yolo County Public Agency Risk Management Insurance Agency (YCPARMIA), a joint powers agency (risk-sharing pool). YCPARMIA's coverage programs include general and automobile, workers' compensation, property, pollution, fidelity, and cyber liability. Through YCPARMIA membership in the California Joint Powers Risk Management Authority (CJPRMA), CSAC Excess Insurance Authority (CSAC), Fidelity and Deposit Company of Maryland, and Lloyd's of London, the District is provided with excess coverage fund for catastrophic general and automobile losses, workers' compensation, property, pollution, fidelity, and cyber losses. The annual contribution charge for each member agency includes the member agency's prorated share of excess insurance contribution or premium and/or reinsurance costs; charge for pooled risk, recognizing the deductible selected and including a margin for contingencies as determined by the Board; claims adjusting and legal cost; and administrative costs and other costs to operate YCPARMIA.

The table below presents the district coverage and coverage limits.

<u>Coverage</u>	<u>Deductible</u>	<u>YCPARMIA</u>	<u>CJPRMA</u>	<u>PRISM</u>
Liability	\$ 5,000	\$ 500,000	\$ 40,000,000	5,000,000
Workers' compensation	1,000	1,000,000	-	-
Property	1,000	25,000	-	25,000,000

The District has had no significant reduction in insurance coverage from prior years. The District has had no settlements that exceeded insurance coverage for the past three years.

# **MADISON FIRE PROTECTION DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

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**Years Ended June 30, 2021, 2020 and 2019**

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### **NOTE 10 - COMMITMENTS AND CONTINGENCIES:**

#### **GRANTS:**

The District recognizes as revenue, grant monies received from Yolo County as reimbursement for various eligible expenses and grants from Yocha Dehe Wintun Nation. Amounts received or receivable are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

### **NOTE 11 - DONATED SERVICES:**

Volunteers have donated significant amounts of time to the District. No amounts have been reflected in the financial statements for donated services as the requirements for recognition of income from donated services have not been met.

### **NOTE 12 - SUBSEQUENT EVENTS:**

Management has considered all subsequent events for disclosure in the financial statements through June 1, 2023, which represents the date the financial statements were available to be issued.

***MADISON FIRE PROTECTION DISTRICT***

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Required Supplementary Information  
Years Ended June 30, 2021, 2020 and 2019



**MADISON FIRE PROTECTION DISTRICT**

**BUDGETARY COMPARISON SCHEDULE**

**Years Ended June 30,**

	2021		2020		2019	
	Budget(1)	Actual	Budget(1)	Actual	Budget(1)	Actual
Budgetary Fund Balances, July 1	\$ 402,604	\$ 402,604	\$ 380,092	\$ 380,092	\$ -	\$ 316,790
<b>REVENUES:</b>						
Property taxes	188,400	192,977	176,000	187,744	166,200	177,297
Licenses, permits and fees	5,000	12,006	10,000	2,759	-	15,526
Use of money and property	13,700	7,560	12,200	17,007	9,700	19,501
Intergovernmental revenue	31,000	76,408	-	48,574	-	176,584
Charges for services	33,000	298,289	29,000	46,675	24,000	42,121
Other	-	1,333	33,000	350	33,000	500
<b>Total Revenues</b>	<b>673,704</b>	<b>991,177</b>	<b>640,292</b>	<b>683,201</b>	<b>232,900</b>	<b>748,319</b>
<b>EXPENDITURES:</b>						
Current:						
Public safety - Fire protection:						
Salaries and employee benefits	114,500	123,199	115,400	105,961	87,800	78,636
Services and supplies	109,200	134,514	89,900	148,976	71,700	76,159
Other charges	32,300	140,755	35,100	6,890	31,200	19,655
Debt service:						
Principal	-	16,179	-	15,697	-	15,243
Interest	-	2,591	-	3,073	-	3,528
Capital outlay	-	81,698	-	-	30,000	175,006
Appropriation for contingencies	15,100	-	19,800	-	12,200	-
<b>Total Expenditures</b>	<b>271,100</b>	<b>498,936</b>	<b>260,200</b>	<b>280,597</b>	<b>232,900</b>	<b>368,227</b>
<b>Budgetary Fund Balances, June 30</b>	<b>\$ 402,604</b>	<b>\$ 492,241</b>	<b>\$ 380,092</b>	<b>\$ 402,604</b>	<b>\$ -</b>	<b>\$ 380,092</b>

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

**Sources/Inflows of Resources:**

Actual amounts (budgetary basis)	\$ 991,177	\$ 683,201	\$ 748,319
Differences - Budget to GAAP:			
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(402,604)	(380,092)	(316,790)
Total revenues as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance.	<u>\$ 588,573</u>	<u>\$ 303,109</u>	<u>\$ 431,529</u>

**Uses/Outflows of Resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 498,936	\$ 280,597	\$ 368,227
Total expenditures as reported on the statement of activities and governmental fund revenues, expenditures and changes in fund balance.	<u>\$ 498,936</u>	<u>\$ 280,597</u>	<u>\$ 368,227</u>

**Budgetary Information:**

Budgets are adopted on a basis consistent with generally accepted accounting principles using the modified accrual basis of accounting. On or before June 30 of each year, the District Board shall adopt a preliminary budget which shall conform to the accounting and budgeting procedures for special districts. On or after July 1 of each year the amounts set forth in the preliminary budget, except obligations for capital assets and new permanent employee positions, are deemed appropriated until the District Board adopts the final budget. If the District Board has not adopted a preliminary budget, the amounts deemed appropriated shall be based on the budget of the preceding year, excluding capital assets and new permanent employee positions. On or before October 1 of each year, after making changes to the preliminary budget, the District Board shall adopt a final budget.

All budgetary changes during the fiscal year require the approval of the District's Board of Directors. The District's budgetary period is from July 1 to June 30. All unencumbered annual appropriations lapse at the end of each fiscal year.

(1) Budget represents original and final budgets.