

**Zayante Fire  
Protection  
District**  
Felton, California

*Basic Financial Statements  
and Independent Auditors' Report*

*For the years ended June 30, 2020 and 2019*



**Zayante Fire Protection District**  
**Basic Financial Statements**  
**For the years ended June 30, 2020 and 2019**  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
of the Zayante Fire Protection District  
Felton, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Zayante Fire Protection District (District), as of and for the years ended June 30, 2020 and 2019, 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 unmodified and qualified audit opinions.

### **Opinions**

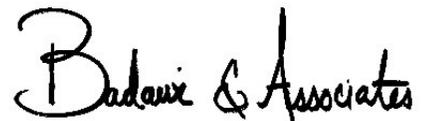
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District, as of June 30, 2020 and 2019, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors  
of the Zayante Fire Protection District  
Felton, California  
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## **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 3-9 and 39 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.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi and Associates  
Certified Public Accountants  
Berkeley, California  
May 26, 2021

**ZAYANTE FIRE PROTECTION DISTRICT**  
**Management's Discussion and Analysis**  
**June 30, 2020 and 2019**

This section of the District's financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2020.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements.

**Government - Wide Financial Statement**

Government-wide financial statements are designed to provide readers with a broad overview of the District finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all the District assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as expenses pertaining to earned but unused vacation and sick leave.

**Fund Financial Statements**

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are classified as governmental funds.

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available in the near future to finance the District's programs.

**ZAYANTE FIRE PROTECTION DISTRICT**  
**Management's Discussion and Analysis**  
**June 30, 2020 and 2019**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds organized according to their type (general and debt service). Information is presented separately in the governmental funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances for the general fund and the debt service fund, which are all considered to be major funds.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the District's general fund budgetary comparison schedule.

**ZAYANTE FIRE PROTECTION DISTRICT**  
**Management's Discussion and Analysis**  
**June 30, 2020 and 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Summary of Net Position**  
**Governmental Activities**

	<u>2020</u>	<u>2019</u>	Variance (%)	<u>2019</u>	<u>2018</u>	Variance (%)
<b>Assets:</b>						
Current assets	\$ 694,544	\$ 596,677	16%	\$ 596,677	\$ 595,960	0%
Noncurrent assets	924,316	1,045,744	-12%	1,045,744	1,126,878	-7%
Total assets	<u>1,618,860</u>	<u>1,642,421</u>	-1%	<u>1,642,421</u>	<u>1,722,838</u>	-5%
Deferred outflows	-	-	0%	-	-	0%
<b>Liabilities:</b>						
Current liabilities	23,513	35,809	-34%	35,809	45,311	-21%
Total liabilities	<u>23,513</u>	<u>35,809</u>	-34%	<u>35,809</u>	<u>45,311</u>	-21%
Deferred inflows	-	-	0%	-	-	0%
<b>Net position:</b>						
Net investment in capital assets	924,316	1,045,744	-12%	1,045,744	1,126,878	-7%
Unrestricted	671,031	560,868	20%	560,868	550,649	2%
Total net position	<u>\$ 1,595,347</u>	<u>\$ 1,606,612</u>	-1%	<u>\$ 1,606,612</u>	<u>\$ 1,677,527</u>	-4%

**Analysis of Net Position**

As noted earlier, net position may serve as a useful indicator of a government's financial position. The District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$1,595,347, 1,606,612, and \$1,677,527 for the fiscal years ended June 30, 2020, 2019, and 2018, respectively.

A portion of the District's net position reflects its net investment in capital assets (e.g. structures and improvements, and other equipment), less any related debt to acquire those assets that is still outstanding. The District's net position invested in capital assets was \$924,316, \$1,045,744, and \$1,126,878 for the fiscal years ended June 30, 2020, 2019, and 2018 respectively. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**ZAYANTE FIRE PROTECTION DISTRICT**  
**Management's Discussion and Analysis**  
**June 30, 2020 and 2019**

As of June 30, 2020, 2019, and 2018, the District's unrestricted net position was \$671,031, \$560,868, and \$550,649.

**Changes in Net Position - Governmental Activities**

	<u>2020</u>	<u>2019</u>	<u>Variance %</u>	<u>2019</u>	<u>2018</u>	<u>Variance %</u>
Revenues						
Program revenues:						
Charges for services	\$ 86,442	\$ 249,996	-65%	\$ 249,996	\$ 191,072	31%
Operating grants and contributions	-	-	0%	-	118,403	0%
General revenues						
Property Tax	425,558	407,712	4%	407,712	383,679	6%
Other taxes - fire protection tax	110,294	108,159	2%	108,159	108,514	0%
Use of money and property	11,095	11,528	-4%	11,528	6,819	69%
Homeowners' property tax relief	2,312	2,297	1%	2,297	2,301	0%
Miscellaneous Revenue	706	10,432	-93%	10,432	20,526	-49%
Total revenues	<u>636,407</u>	<u>790,124</u>	-19%	<u>790,124</u>	<u>831,314</u>	-5%
Expenses						
Governmental activities:	647,672	861,039	-25%	861,039	717,017	20%
Total expenses	<u>647,672</u>	<u>861,039</u>		<u>861,039</u>	<u>717,017</u>	
Change in net position	<u>\$ (11,265)</u>	<u>\$ (70,915)</u>	-84%	<u>\$ (70,915)</u>	<u>\$ 114,297</u>	-162%

**Analysis of Change in Net Position**

The District's change in net position decreased by \$11,265, \$70,915 and increased by \$114,297 for the fiscal years ended June 30, 2020, 2019 and 2018 respectively. The decrease in net position is from actual expenses exceeding actual revenue mainly due to depreciation expense in 2020 and 2019. The increase in 2018 was mainly due to higher monies received from the State of California for fire services.

**ZAYANTE FIRE PROTECTION DISTRICT**  
**Management's Discussion and Analysis**  
**June 30, 2020 and 2019**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The District's governmental fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

At June 30, 2020, the District's governmental funds reported combined ending fund balances of \$671,031. Approximately 99.4% of the combined ending fund balances constitutes unassigned fund balance, which is available to meet the District's current and future needs.

At June 30, 2019, the District's governmental funds reported combined ending fund balances of \$560,868. Approximately 99.3% of the combined ending fund balances constitutes unassigned fund balance, which is available to meet the District's current and future needs.

At June 30, 2018, the District's governmental funds reported combined ending fund balances of \$510,271. Approximately 99.2% of the combined ending fund balances constitutes unassigned fund balance, which is available to meet the District's current and future needs.

In the fiscal year 2020, governmental revenues exceeded expenditures by \$110,163, mainly due to lower salaries and benefits due to fewer strike team activities during the year. In fiscal year 2019, governmental revenues exceeded expenditures by \$50,597, expenditures were higher due to strike team activities, but those costs were offset by reimbursements received from the State of California. In fiscal year 2018, governmental revenues were lower than expenditures by \$80,780 mainly due to debt service expenditures and revenues that were considered unavailable to fund current year expenditures due to when those receivables were eventually collected.

**Budgetary Highlights**

The District's general fund budget to actual results for the fiscal year ended June 30, 2019 and 2018 are reported in the budgetary comparison schedule in the financial statements. The main source of revenue is property taxes which increased over the years. During the fiscal years, the District responded to multiple strike teams resulting in a non-recurring increase in revenues and expenditures.

**ZAYANTE FIRE PROTECTION DISTRICT**  
**Management's Discussion and Analysis**  
**June 30, 2020 and 2019**

In addition to the general fund, the District has a debt service fund. Property taxes collected within the debt service fund were used to make payments of general obligation bonds.

**Capital assets**

The District's investment in capital assets for its governmental activities as of June 30, 2020, 2019, totaled \$924,316, \$1,045,744 , and \$1,126,878(net of accumulated depreciation) respectively. This investment in capital assets includes land, structures and improvements, and equipment.

Capital assets for the governmental activities are presented below to illustrate changes from the prior years:

	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2020-2019</u> % of Change	<u>2019-2018</u> % of Change
Land	\$ 76,106	\$ 76,106	\$ 76,106	0%	0%
Structures and improvements	1,125,504	1,125,504	1,125,504	0%	0%
Equipment	2,019,445	2,019,445	1,977,346	0%	2%
Less accumulated depreciation	<u>(2,296,739)</u>	<u>(2,175,311)</u>	<u>(2,052,078)</u>	<u>6%</u>	<u>6%</u>
Total capital assets, net	<u>\$ 924,316</u>	<u>\$ 1,045,744</u>	<u>\$ 1,126,878</u>	<u>-12%</u>	<u>-7%</u>

Additional information on the District's capital assets can be found in Note 5 of this report.

**Long-Term Liabilities**

The District's long-term liabilities that included the general obligation bonds used to construct Station 1 were paid off in August of 2017. Fire Station 3 includes a \$25.00 per year land lease contingent on use. The lease has two twenty-year extensions.

**Economic factors and next year's budget**

The 18-19 cash balance was down, and assets value increased due to the purchase of a truck. Our net position decreased from 2018 to 2020 reflecting a solid and healthy net position.

Since January of 2018 new internal controls, and policies were implemented for payroll processing. Each employee will have a Bi-weekly time sheet. They will be signed by the employee and the Fire Chief. The Fire Chief's time cards will be signed by the Fire Chief and by the Board of Director's at each monthly meeting. This was implemented to give the Board of Directors additional oversight.

**ZAYANTE FIRE PROTECTION DISTRICT**  
**Management's Discussion and Analysis**  
**June 30, 2020 and 2019**

The District's main source of revenue is property taxes. The District has seen property taxes increase steadily since 2014-15 as property values and housing prices have rebounded.

The passing of measure "O" that was implemented on July 1, 2017 has allowed the District to hire additional paid daytime personnel.

The District is still realizing increased cost and budget pressure from both the County of Santa Cruz and the State of California as fee's increase for services.

The District did not have any significant financial impact due to the COVID-19 pandemic, and does not anticipate revenues to be immediately impacted in the upcoming year.

The District will continue to pursue DHS/FEMA grants to help offset cost.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Zayante Fire Protection District Fire Chief.

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## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**Zayante Fire Protection District**  
**Statements of Net Position**  
**June 30, 2020 and 2019**

ASSETS	2020	2019
Current assets:		
Cash in county treasury		
Cash and investment	\$ 694,544	\$ 596,677
Total current assets	<u>694,544</u>	<u>596,677</u>
Noncurrent assets:		
Land	76,106	76,106
Structures and improvements	1,125,504	1,125,504
Equipment	2,019,445	2,019,445
Capital Assets	<u>3,221,055</u>	<u>3,221,055</u>
Less accumulated depreciation	2,296,739	2,175,311
Total noncurrent assets	<u>924,316</u>	<u>1,045,744</u>
<b>Total assets</b>	<u><u>1,618,860</u></u>	<u><u>1,642,421</u></u>
<b>LIABILITIES</b>		
Current liabilities:		
Accrued payroll	21,395	33,788
Accounts payable	<u>2,118</u>	<u>2,021</u>
Total current liabilities	<u>23,513</u>	<u>35,809</u>
<b>Total liabilities</b>	<u><u>23,513</u></u>	<u><u>35,809</u></u>
<b>NET POSITION</b>		
Net investment in capital assets	924,316	1,045,744
Unrestricted	<u>671,031</u>	<u>560,868</u>
<b>Net position</b>	<u><u>\$ 1,595,347</u></u>	<u><u>\$ 1,606,612</u></u>

**Zayante Fire Protection District**  
**Statement of Activities**  
**For the year ended June 30, 2020**

	Program Revenues				Net (Expense)
					Revenue
					and Changes
					in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Total	Governmental Activities
<b>Governmental activities</b>					
Salaries and employee benefits	\$ 376,025	\$ 84,996	\$ -	\$ 84,996	\$ 291,029
Services and supplies	149,243	1,446	-	1,446	147,797
Other charges	976	-	-	-	976
Depreciation	121,428	-	-	-	121,428
<b>Total governmental activities</b>	<b>\$ 647,672</b>	<b>\$ 86,442</b>	<b>\$ -</b>	<b>\$ 86,442</b>	<b>561,230</b>
<b>General Revenues:</b>					
					425,558
					110,294
					11,095
					2,312
					706
					<b>549,965</b>
					(11,265)
					1,606,612
					<b>\$ 1,595,347</b>

See accompanying Notes to Basic Financial Statements.

**Zayante Fire Protection District**  
**Statement of Activities**  
**For the year ended June 30, 2019**

	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Total	Revenue and Changes in Net Position
<b>Governmental activities</b>					<b>Governmental Activities</b>
Salaries and employee benefits	\$ 533,944	\$ 248,645	\$ -	\$ 248,645	\$ 285,299
Services and supplies	195,557	1,351	-	1,351	194,206
Other charges	8,305	-	-	-	8,305
Depreciation	123,233	-	-	-	123,233
<b>Total governmental activities</b>	<b>\$ 861,039</b>	<b>\$ 249,996</b>	<b>\$ -</b>	<b>\$ 249,996</b>	<b>611,043</b>

**General Revenues:**

Property Tax	407,712
Other taxes - fire protection tax	108,159
Use of money and property	11,528
Homeowners' property tax relief	2,297
Micellaneous Revenue	10,432
<b>Total general revenues</b>	<b>540,128</b>
<b>Change in net position</b>	<b>(70,915)</b>
<b>Net position - beginning of year</b>	<b>1,677,527</b>
<b>Net position - end of year</b>	<b>\$ 1,606,612</b>

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## **FUND FINANCIAL STATEMENTS**

**Zayante Fire Protection District**  
**Balance Sheets - Governmental Funds**  
**June 30, 2020 and 2019**

	2020				2019		
	General	Debt	Capital	Total	General	Debt	Total
	Fund	Service	Project		Fund	Service	
<b>ASSETS</b>							
Cash	\$ 690,464	\$ -	\$ 4,080	\$ 694,544	\$ 592,604	\$ 4,073	\$ 596,677
<b>Total assets</b>	<b>\$ 690,464</b>	<b>\$ -</b>	<b>\$ 4,080</b>	<b>\$ 694,544</b>	<b>\$ 592,604</b>	<b>\$ 4,073</b>	<b>\$ 596,677</b>
<b>LIABILITIES</b>							
Accrued Payroll	\$ 21,395	\$ -	\$ -	\$ 21,395	\$ 33,788	\$ -	\$ 33,788
Accounts payable	2,118	-	-	2,118	2,021	-	2,021
<b>Total liabilities</b>	<b>23,513</b>	<b>-</b>	<b>-</b>	<b>23,513</b>	<b>35,809</b>	<b>-</b>	<b>35,809</b>
<b>DEFERRED INFLOW OF RESOURCES</b>							
Unavailable revenue	-	-	-	-	-	-	-
<b>Total deferred inflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Assigned	-	-	4,080	4,080	-	4,073	4,073
Unassigned	666,951	-	-	666,951	556,795	-	556,795
<b>Total fund balances</b>	<b>666,951</b>	<b>-</b>	<b>4,080</b>	<b>671,031</b>	<b>556,795</b>	<b>4,073</b>	<b>560,868</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 690,464</b>	<b>\$ -</b>	<b>\$ 4,080</b>	<b>\$ 694,544</b>	<b>\$ 592,604</b>	<b>\$ 4,073</b>	<b>\$ 596,677</b>

**Zayante Fire Protection District**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**For the years ended June 30, 2020 and 2019**

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	<u>2020</u>	<u>2019</u>
<b>Fund Balances of Governmental Funds</b>	\$ 671,031	\$ 560,868
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p> <p>Governmental funds report capital outlays as expenditures. In the Government-wide financial statements, the cost of assets are capitalized and depreciated over the estimated useful lives of the assets and reported as depreciation expense. The capital assets, net of depreciation, are:</p>		
	<u>924,316</u>	<u>1,045,744</u>
<b>Net Position of Governmental Activities</b>	<u>\$ 1,595,347</u>	<u>\$ 1,606,612</u>

**Zayante Fire Protection District**  
**Statements of Revenues, Expenditures and Changes in Fund Balances**  
**For the years ended June 30, 2020 and 2019**

	2020				2019		
	General	Debt	Capital	Total	General	Debt	Total
	Fund	Service Fund	Project Fund		Fund	Service Fund	
<b>REVENUES:</b>							
Property taxes	\$ 425,558	\$ -	\$ -	\$ 425,558	\$ 407,712	\$ -	\$ 407,712
Other taxes	110,294	-	-	110,294	108,159	-	108,159
Use of money and property	11,088	-	7	11,095	11,499	29	11,528
Aid from other government agencies	87,308	-	-	87,308	291,320	-	291,320
Other revenue	706	-	-	706	10,432	-	10,432
Charges for current services	1,446	-	-	1,446	1,351	-	1,351
<b>Total revenues</b>	<b>636,400</b>	<b>-</b>	<b>7</b>	<b>636,407</b>	<b>830,473</b>	<b>29</b>	<b>830,502</b>
<b>EXPENDITURES:</b>							
Salaries and employee benefits	376,025	-	-	376,025	533,944	-	533,944
Services and supplies	149,243	-	-	149,243	195,557	-	195,557
Other charges	976	-	-	976	2,098	-	2,098
Capital outlay	-	-	-	-	48,306	-	48,306
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>526,244</b>	<b>-</b>	<b>-</b>	<b>526,244</b>	<b>779,905</b>	<b>-</b>	<b>779,905</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>110,156</b>	<b>-</b>	<b>7</b>	<b>110,163</b>	<b>50,568</b>	<b>29</b>	<b>50,597</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer in	-	-	4,073	4,073	-	-	-
Transfer out	-	(4,073)	-	(4,073)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(4,073)</b>	<b>4,073</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>110,156</b>	<b>(4,073)</b>	<b>4,080</b>	<b>110,163</b>	<b>50,568</b>	<b>29</b>	<b>50,597</b>
<b>FUND BALANCES:</b>							
Beginning of year	556,795	4,073	-	560,868	506,227	4,044	510,271
End of year	\$ 666,951	\$ -	\$ 4,080	\$ 671,031	\$ 556,795	\$ 4,073	\$ 560,868

See accompanying Notes to Basic Financial Statements.

**Zayante Fire Protection District**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities**  
**For the years ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 110,163	\$ 50,597
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. In the statement of activities, however, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Expenditure for capital assets	-	42,099
Depreciation expense	(121,428)	(123,233)
<p>Revenue that met the revenue recognition criteria in the governmental funds in current year that were recognized as revenue in the Government-Wide Financial Statements in the prior year .</p>		
	<u>-</u>	<u>(40,378)</u>
<b>Change in Net Position of Governmental Activities</b>	<u>\$ (11,265)</u>	<u>\$ (70,915)</u>

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**Zayante Fire Protection District**  
**Notes to Basic Financial Statements**  
**June 30, 2020 and 2019**

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**1. GENERAL INFORMATION**

**A. Organization**

The Zayante Fire Protection District (District) was organized in 1957, and subsequently reorganized under the laws of the State of California. The financial statements of the reporting entity include only those of the Zayante Fire Protection District, there are no component units.

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether it exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters). The District has determined that no outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight responsibility that would result in the District being considered a component unit of that entity.

**B. District Officers**

The District is governed by an elected board of five directors. The following were in office at June 30, 2020:

	Term Expires
	<u>November</u>
Mary Clark, Chairperson	2022
Priva Tarbet, Director	2022
Lyle Fleming, Director	2020
Garry Herceg, Director	2020
Jeff Maxwell, Director	2020

John Stipes was the Fire Chief of the Zayante Fire Protection District at June 30, 2020.

**C. Accounting Records**

The official accounting records of the District are maintained in the office of the Santa Cruz County Auditor-Controller. Supporting documents are maintained by the District.

**D. Minutes**

Minutes were recorded for meetings and contained approvals for disbursements.

**E. Budgetary Procedure**

The District prepares a fiscal year budget in accordance with applicable laws and regulations.

**Zayante Fire Protection District**  
**Notes to Basic Financial Statements**  
**June 30, 2020 and 2019**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Introduction**

The District's financial statements are prepared in conformance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

**B. Basis of Accounting and Measurement Focus**

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenses or expenditures. The District uses a chart of accounts based on the uniform accounting system prescribed by the State Controller.

**C. Financial Statement Presentation**

Government-wide financial statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental activities for the District.

The basic Government-Wide Financial Statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets and long-term liabilities are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period the liability is incurred. The District's governmental-wide net position is classified in the following categories:

Net investment in capital assets - Includes amount of the net position that is invested in capital assets net of accumulated depreciation and any related debt.

Restricted - Includes amounts that can be spent only for the specific purposes stipulated by a formal action of the government's highest level of decision-making authority, external resource providers, constitutionally, or through enabling legislation.

Unrestricted - Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

**Zayante Fire Protection District**  
**Notes to Basic Financial Statements**  
**June 30, 2020 and 2019**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*C. Financial Statement Presentation, Continued*

Governmental fund financial statements

The District's Government Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance for all major governmental funds and non-major funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-Wide financial statements.

All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year end) are recognized when due. Expenditures are recorded in the accounting period in which the related fund liability is incurred. Reconciliation of the Fund financial statements to the Government-Wide Financial Statements is provided to explain the differences created by the different measurement focus and basis of accounting.

The District reported the following major governmental funds:

*General Fund* - The General Fund is the general operating fund of the District. It is used to account for all financial resources, which are not required to be accounted for in another fund.

*Debt Service Fund* - The Debt Service Fund accounts for monies held for debt service.

*Capital Project Fund* - The Capital Project Fund accounts for monies assigned, committed, or restricted for capital projects or capital acquisitions.

The District's governmental fund balance is classified in the following categories:

Nonspendable

Includes amounts that are not in a spendable form or are required to be maintained intact.

Restricted

Includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation.

**Zayante Fire Protection District**  
**Notes to Basic Financial Statements**  
**June 30, 2020 and 2019**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**C. Financial Statement Presentation, Continued**

Committed

Includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned

Includes amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Funds held by the Debt Service Fund are assigned for debt service, and funds held by the Capital Project Fund are assigned for capital projects.

Unassigned

Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

**D. Property Tax**

The County of Santa Cruz assesses properties, bills, and collects property taxes for the District. Assessed values are determined annually by the County Assessor as of March 1, and become a lien on real property as of that date. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. The County bills and collects property taxes and remits them to the District under the state authorized method of apportioning taxes, whereby, all local agencies, including special districts, receive from the County their respective shares of the amount of ad valorem taxes collected.

**E. Cash in County Treasury**

The District's cash is held in the County of Santa Cruz Treasury Pool. See Note 3 to the financial statements for information regarding the interest rate risk, concentration of credit risk and custodial credit risk.

**F. Accounts Receivable**

All accounts receivable, if any, are shown net of any allowance for uncollectible accounts. All receivables which have been remitted within 60 days subsequent to fiscal year end are considered measurable and available and recognized as income in the government-fund financial statements.

**G. Prepaid Items**

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both the government-wide and government fund financial statements, as applicable.

**Zayante Fire Protection District**  
**Notes to Basic Financial Statements**  
**June 30, 2020 and 2019**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*H. Liability for Compensated Absences*

The District does not provide for vacation or sick leave, accordingly, as of June 30, 2018 and 2017, so the District does not have a liability for compensated absences.

*I. Long-term Debt*

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position.

*J. Capital Assets*

Capital assets, which include land, buildings, improvements, and equipment, are reported in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. Normal maintenance and repairs are charged to operations as incurred. Major additions, improvements and replacements are capitalized. Gains and losses from sales or retirements of fixed assets are included in operations. The District has set capitalization thresholds for reporting capital assets at the following:

Structures and improvements	\$3,000
Equipment	\$300

Depreciation is recorded on the straight-line method (with no depreciation applied to the first year of acquisition) over the useful lives of the assets as follows:

Buildings	20 - 40 years
Equipment	5 - 10 years
Fire Engines	20 Years

*K. Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position (balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position (balance sheet) will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Zayante Fire Protection District**  
**Notes to Basic Financial Statements**  
**June 30, 2020 and 2019**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*L. Services and Supplies Expense*

Because fire hose couplings, nozzles, hydrants, and the like are peculiar to fire districts, the manual of the State Controller provides that purchases of such items be charged to the expense account "Services and Supplies Expense".

*M. Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*N. New Accounting Guidance*

In 2020, the District adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 95, *Certain Asset Retirement Obligations* – The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective for periods beginning after June 15, 2018, and later. There was no impact on the District’s basic financial statements as a result of implementing this statement.

**3. CASH AND INVESTMENTS**

Cash and investments held by the District at June 30, 2020 and 2019 are summarized below:

	2020	2019
	<u>          </u>	<u>          </u>
County of Santa Cruz Investment Pool	\$ 694,544	\$ 596,677
<b>Total cash and investments</b>	<b>\$ 694,544</b>	<b>\$ 596,677</b>
	<u>          </u>	<u>          </u>

**Zayante Fire Protection District**  
**Notes to Basic Financial Statements**  
**June 30, 2020 and 2019**

**3. CASH AND INVESTMENTS, Continued**

**A. Investment with Santa Cruz County Investment Pool**

The District's investment of \$694,544 and \$596,677 at June 30, 2020 and 2019 respectively is part of the common investment pool of the Santa Cruz County Investment Pool. It is the policy of the Treasurer-Tax Collector of Santa Cruz County to invest public funds in a manner which provides for the safety of the funds on deposit, the cash flow demands, or liquidity needs of the treasury pool participants, and the highest possible yield after first considering the first two objectives of safety and liquidity. In addition, it is the Treasurer-Tax Collectors' policy to invest all funds in strict conformance with all state statutes governing the investment of public monies.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment in the Santa Cruz County Investment Pool was not subject to the levelling disclosure.

**B. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. One of the ways that an agency manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

At June 30, 2020, the District had the following investment maturities.

Investment Type	Fair Value	Investment Maturities (in years)				
		1 year or Less	1 - 2 years	2 - 3 years	3 - 4 years	5 years or More
Santa Cruz County Investment Pool	\$ 694,544	\$ 694,544	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 694,544</b>	<b>\$ 694,544</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

At June 30, 2019, the District had the following investment maturities.

Investment Type	Fair Value	Investment Maturities (in years)				
		1 year or Less	1 - 2 years	2 - 3 years	3 - 4 years	5 years or More
Santa Cruz County Investment Pool	\$ 596,677	\$ 596,677	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 596,677</b>	<b>\$ 596,677</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Zayante Fire Protection District**  
**Notes to Basic Financial Statements**  
**June 30, 2020 and 2019**

**3. CASH AND INVESTMENTS, Continued**

*C. Credit Risk*

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Santa Cruz County Investment Pool is not rated.

*D. Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment was not subject to custodial credit risk.

*E. GASB 72 Fair Value Hierarchy*

The District categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles (GAAP). The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District's investment in the Santa Cruz County Investment Pool is exempt from levelling disclosure.

**4. CAPITAL ASSETS**

Capital assets at June 30, 2020 consisted of the following:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<b>Governmental Activities</b>				
<b>Capital Assets not being depreciated:</b>				
Land	\$ 76,106	\$ -	\$ -	\$ 76,106
<b>Total capital assets not being depreciated</b>	<b>76,106</b>	<b>-</b>	<b>-</b>	<b>76,106</b>
<b>Capital Assets being depreciated:</b>				
Structures and improvements	1,125,504	-	-	1,125,504
Equipment	2,019,445	-	-	2,019,445
<b>Total capital assets being depreciated</b>	<b>3,144,949</b>	<b>-</b>	<b>-</b>	<b>3,144,949</b>
<b>Less accumulated depreciation</b>	<b>2,175,311</b>	<b>121,428</b>	<b>-</b>	<b>2,296,739</b>
<b>Total capital assets, being depreciated, net</b>	<b>969,638</b>	<b>(121,428)</b>	<b>-</b>	<b>848,210</b>
<b>Total capital assets, net</b>	<b>\$ 1,045,744</b>	<b>\$ (121,428)</b>	<b>\$ -</b>	<b>\$ 924,316</b>

**Zayante Fire Protection District**  
**Notes to Basic Financial Statements**  
**June 30, 2020 and 2019**

**4. CAPITAL ASSETS, Continued**

Capital assets at June 30, 2019 consisted of the following:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>Governmental Activities</b>				
<b>Capital Assets not being depreciated:</b>				
Land	\$ 76,106	\$ -	\$ -	\$ 76,106
<b>Total capital assets not being depreciated</b>	<b>76,106</b>	<b>-</b>	<b>-</b>	<b>76,106</b>
<b>Capital Assets being depreciated:</b>				
Structures and improvements	1,125,504	-	-	1,125,504
Equipment	1,977,346	42,099	-	2,019,445
<b>Total capital assets being depreciated</b>	<b>3,102,850</b>	<b>42,099</b>	<b>-</b>	<b>3,144,949</b>
<b>Less accumulated depreciation</b>	<b>2,052,078</b>	<b>123,233</b>	<b>-</b>	<b>2,175,311</b>
<b>Total capital assets, being depreciated, net</b>	<b>1,050,772</b>	<b>(81,134)</b>	<b>-</b>	<b>969,638</b>
<b>Total capital assets, net</b>	<b>\$ 1,126,878</b>	<b>\$ (81,134)</b>	<b>\$ -</b>	<b>\$ 1,045,744</b>

**5. LEASE COMMITMENTS**

The District currently leases the property located at 15585 East Zayante Road. The term of the lease was entered into on June 1, 1998, with annual rent due of \$25 for a term of 25 years. The District has entered into an agreement for two additional 20 year terms. The lease expires May 31, 2048. Total rent expense for June 30, 2020 and 2019, was \$25 for each respective year.

**6. RISK MANAGEMENT**

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**Zayante Fire Protection District**  
**Notes to Basic Financial Statements**  
**June 30, 2020 and 2019**

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**6. RISK MANAGEMENT, Continued**

**A. *Workers' Compensation Coverage***

The District is a member of the Santa Cruz County Fire Agencies Insurance Group (the "Group"). In a board meeting on June 19, 2002, the Group approved the return of its self-insurance certificates to the State and to accept a proposal from California Public Entity Insurance Authority (CPEIA) a joint powers authority for both primary and excess workers compensation coverage. In a resolution dated September 20, 2007, the Santa Cruz County Fire Agencies Insurance Group's Board of Directors opted to terminate the CPEIA joint power agreement and merge into the CSAC Excess Insurance Authority (CSAC-EIA) Joint Power Agreement. This change was predicated on the decision of CSAC-EIA to restructure their bylaws and JPA agreements discontinuing the operation of CPEIA and allowing its members to become full participants in the CSAC-EIA programs. Being a CPEIA member granted automatic approval of inclusion into both the Primary and Excess EIA workers' compensation programs beginning with the July 1, 2007 policy renewals. The relationship between the Group and CSAC-EIA (the "JPA") is such that CSAC-EIA is not a component unit of the Group for reporting purposes.

CSAC-EIA is a joint powers agency (JPA) formed pursuant to Section 6500 et seq. of the California Government Code. Members are assessed a contribution for each program in which they participate. Members may be subject to additional supplemental assessments if it is determined that the contributions are insufficient. Members may withdraw from the CSACEIA only at the end of a policy period and only if a sixty day written advance notice is given. However, CSAC-EIA may cancel a membership at any time upon a two-thirds vote of the Board of Directors and with sixty days written notice. Upon withdrawal or cancellation, a member shall remain liable for additional assessments for the program periods they have participated. CSAC-EIA is governed by a board of directors. The Board controls the operations of CSAC-EIA including adopting an annual budget.

**B. *Primary Workers' Compensation***

The Primary Workers' Compensation program is a full service program including claims administration. The program blends pooling of workers' compensation claims with a purchased stop loss insurance policy.

**Zayante Fire Protection District**  
**Notes to Basic Financial Statements**  
**June 30, 2020 and 2019**

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**6. RISK MANAGEMENT, Continued**

*C. Excess Workers' Compensation*

CSAC-EIA retains responsibility for payment of claims in excess of \$125,000 for each member who also participates in the primary workers' compensation program. Claim liabilities are recognized based on actuarial estimate of expected ultimate claim cost discounted at 6%.

Insurance coverage at June 30, 2020 and 2019 were as follows:

	<u>Deductible</u>	<u>Amount</u>
Property:		
Property (buildings)	\$ 1,000	Guaranteed Repl Cost
Repl cost subject to scheduled limit		
Business personal property (including theft)	\$ 1,000	Repl. Cost
Earthquake:		
Buildings		Guaranteed Repl. Cost
Business personal property		Repl Cost
Deductible		5% per Buidling and BPP
Flood:		
Buildings		Guaranteed Repl. Cost
Business personal property		Repl. Cost
Deductible		\$1000 per premises
Portable equipment insurance		
Blanket portable equipment		Guaranteed Repl. Cost
Business personal property		\$50,000
General liability:		
General aggregate		\$10,000,000
Personal injury		\$1,000,000
Each occurrence		\$1,000,000
Automobile:		
Auto - liability		\$1,000,000 (Each Accident)
Auto - uninsured motorist		\$1,000,000 (Each Accident)
Auto - physical damage (comprehensive)		Agreed value, actual cash value, or cost of repairs, whichever is less minus \$1,000 deductible
Auto - physical damage (collision)		Agreed value, actual cash value, or cost of repairs, whichever is less minus \$1,000 deductible
Management practives liability insurance:		
General aggregate		\$10,000,000
Each wrongful act		\$1,000,000

**Zayante Fire Protection District**  
**Notes to Basic Financial Statements**  
**June 30, 2020 and 2019**

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**7. FEDERAL INSURANCE CONTRIBUTION ACT (FICA)**

The District and the District's employees contribute to FICA at a rate of 7.5% per payroll.

**8. CONTINGENCIES**

Strike Team Payroll

The District currently pays firefighters for strike team activities after reimbursement from the State of California Office of Emergency Services (Cal OES) is received, and not after services are provided, which may violate certain payroll timing requirements. The District is in the process of reviewing this practice or changing payroll agreement terms for firefighters.

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# REQUIRED SUPPLEMENTARY INFORMATION

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**Zayante Fire Protection District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget and Actual**  
**For the years ended June 30, 2020 and 2019**

*Budgetary Comparison Schedule - General Fund*

	2020				2019			
	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES:</b>								
Property taxes	\$ 327,532	\$ 327,532	\$ 425,558	\$ 98,026	\$ 335,227	\$ 335,227	\$ 407,712	\$ 72,485
Other taxes	108,000	108,000	110,294	2,294	66,882	66,882	108,159	41,277
Use of money and property	11,475	11,475	11,088	(387)	2,754	2,754	11,499	8,745
Aid from other government agencies	2,297	26,176	87,308	61,132	2,323	2,323	291,320	288,997
Other revenue	10,426	10,426	706	(9,720)	12,568	12,568	10,432	(2,136)
Charges for current services	1,350	1,350	1,446	96	790	790	1,351	561
<b>Total revenues</b>	<b>461,080</b>	<b>484,959</b>	<b>636,400</b>	<b>151,441</b>	<b>420,544</b>	<b>420,544</b>	<b>830,473</b>	<b>409,929</b>
<b>EXPENDITURES:</b>								
Salaries and employee benefits	470,500	488,345	376,025	112,320	392,500	440,860	533,944	(93,084)
Services and supplies	253,200	254,700	149,243	105,457	286,400	351,424	195,557	155,867
Other charges	3,000	3,000	976	2,024	2,000	2,000	2,098	(98)
Capital outlay	11,000	11,000	-	11,000	24,000	24,000	48,306	(24,306)
<b>Total expenditures</b>	<b>737,700</b>	<b>757,045</b>	<b>526,244</b>	<b>230,801</b>	<b>704,900</b>	<b>818,284</b>	<b>779,905</b>	<b>38,379</b>
<b>Net change in fund balance</b>	<b>\$ (276,620)</b>	<b>\$ (272,086)</b>	<b>110,156</b>	<b>\$ 382,242</b>	<b>\$ (284,356)</b>	<b>\$ (397,740)</b>	<b>50,568</b>	<b>\$ 448,308</b>
<b>FUND BALANCE:</b>								
Beginning of year			556,795				506,227	
End of year			<u>\$ 666,951</u>				<u>\$ 556,795</u>	