

NOVATO FIRE PROTECTION DISTRICT

NOVATO, CALIFORNIA

Popular Annual Financial Report

Fiscal Year Ended June 30, 2014

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The Novato Fire District exists to care for, protect and serve our communities.





Novato Fire District

95 Rowland Way, Novato, CA 94945 415.878.2690 Fax 415.878.2660 www.novatofire.org

December 12, 2014

To the Community Members of Novato Fire Protection District:

We are pleased to present the Novato Fire Protection District Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2014. This report was prepared by the Finance Division to provide readers with an easy to understand summary of our financial and operational activities. The financial information contained in this report was derived from our Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. Both reports are available for viewing at all District fire stations and administration office as well as from our website at www.novatofire.org.

The financial information in the PAFR is presented on the Government-Wide basis, which offers a broad overview and long-term perspective of the District assets, liabilities and net position, as well as its operations. The PAFR is not a substitute for the CAFR, as the PAFR does not present all the necessary financial statements and note disclosures required by Generally Accepted Accounting Principles (GAAP).

We hope you enjoy reading this report and invite you to access our CAFR from our website for additional details regarding District finances. We welcome your questions, comments and suggestions for improving this report. You may contact our office at (415) 878-2690 or visit our website at www.novatofire.org.

Respectfully submitted,

Mark Heine, CFO
Fire Chief

NOVATO FIRE PROTECTION DISTRICT

ABOUT US

Who We Are and What We Do

The Novato Fire Protection District is a stand-alone government body providing risk reduction, paramedics, and all-risk fire and rescue services to the City of Novato and surrounding county areas of Northern Marin County.

- | | |
|--|--|
| Board of Directors | - A five-member publicly elected governing body that creates policy, establishes service levels, and approves the annual budget and monthly expenditures |
| Fire Chief | - Provides leadership and oversees daily District activities |
| Deputy Fire Chief | - Oversees all fire/medical/rescue operations |
| Fire Marshal | - Implements and oversees compliance with fire/life safety codes |
| Three Operational Battalion Chiefs | - Work 24/7 in three rotating shifts and command daily operational activities |
| Emergency Medical Services Director | - Oversees paramedic operations |
| Battalion Chief / Training Officer | - Coordinates training/education for all personnel |
| Finance Director | - Maintains financial records, budget and financial reporting |
| Human Resources Manager | - Manages human resources and personnel functions |



Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

**Novato Fire Protection District
California**

For its Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Jeffrey R. Egan
Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Novato Fire Protection District for its Popular Annual Financial Report for the fiscal year ended June 30, 2013. In order to receive this award, the District must publish a Popular Annual Financial Report whose contents

conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for the period of one year only. We believe our current report for the fiscal year ended June 30, 2014 continues to meet the Popular Annual Financial Reporting requirement and will be submitting it to the GFOA for consideration.

**NOVATO FIRE PROTECTION DISTRICT
DIRECTORY OF OFFICIALS**

2014 Board of Directors



President
Lj Silverman



Vice President
Tomas Kaselionis



Secretary/Treasurer
Brad Beedle



Director
James Galli



Director
Worth "Skip"
Fenner, Jr

Executive and Command Staff

Fire Chief

Deputy Fire Chief

Battalion Chief (Fire Marshal)

Battalion Chief (Emergency Medical Services)

Battalion Chiefs (Operations)

A Shift

B Shift

C Shift

Training and Education Division

Organizational Resources

Finance Director

Human Resources Manager

Mark Heine, CFO

Adam Brolan

Bill Tyler, CFO

Ted Peterson, CMO

Dmitri Menzel

Gerald McCarthy

Jeffrey Veliquette

Jeffrey Whittet

Position Vacant

Daniel Hom, CPA

Lisa MacCubbin

**NOVATO FIRE PROTECTION DISTRICT
FIRE STATIONS AND FACILITIES**



Administration Building
95 Rowland Way



Station 61
7025 Redwood Blvd



Station 62
450 Atherton Avenue



Station 63
65 San Ramon Way



Station 64
105 Roblar Drive



Station 65
5 Bolling Drive

NOVATO FIRE PROTECTION DISTRICT STATEMENT OF NET POSITION

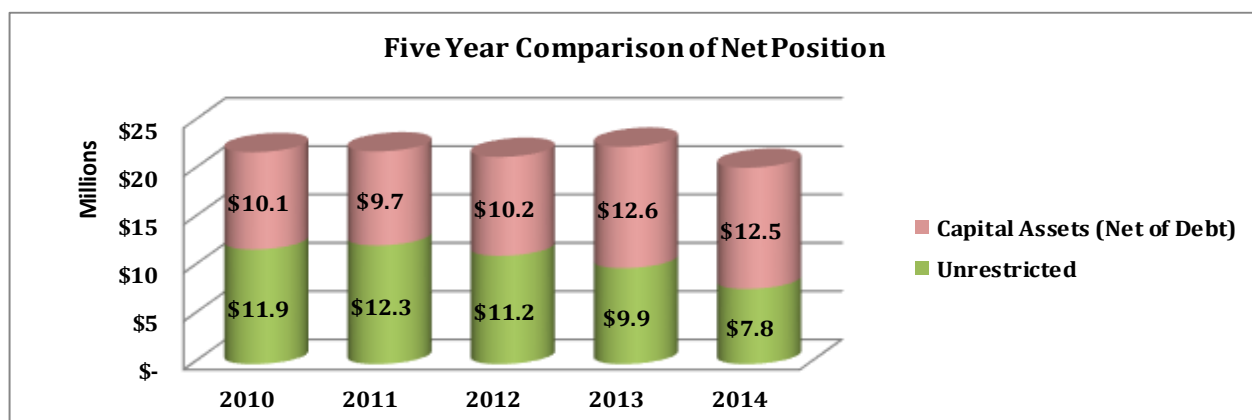
The Statement of Net Position presents the District financial position from a long-term perspective. It reports all District assets and liabilities, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the District financial position is improving or deteriorating.

A significant component of District net position, \$12.5 million or 62% of net position was invested in capital assets, less any related outstanding debt used to acquire those assets. Although the District investment in capital assets is reported net of related debt, the capital assets themselves cannot be used to satisfy District debt, therefore, the funds needed to pay these liabilities must be provided from other resources.

The remaining component of net position is unrestricted net position. Unrestricted net position are resources that can be used to meet ongoing obligations. Unrestricted net position totaled \$7.8 million or 38% of net position.

Changes in the District's net position were as follows. Please refer to the CAFR for complete details.

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
ASSETS			
Current and Other Assets	\$ 18,567,597	\$ 16,175,866	\$ 2,391,731
Net Capital Assets	<u>15,797,637</u>	<u>16,395,167</u>	<u>(597,530)</u>
Total Assets	<u>34,365,234</u>	<u>32,571,033</u>	<u>1,794,201</u>
LIABILITIES			
Current Liabilities	4,129,643	3,499,622	630,021
Noncurrent Liabilities	<u>9,907,356</u>	<u>6,570,370</u>	<u>3,336,986</u>
Total Liabilities	<u>14,036,999</u>	<u>10,069,992</u>	<u>3,967,007</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	12,546,527	12,560,788	(14,261)
Unrestricted	<u>7,781,708</u>	<u>9,940,253</u>	<u>(2,158,545)</u>
Total Net Position	<u>\$ 20,328,235</u>	<u>\$ 22,501,041</u>	<u>\$ (2,172,806)</u>

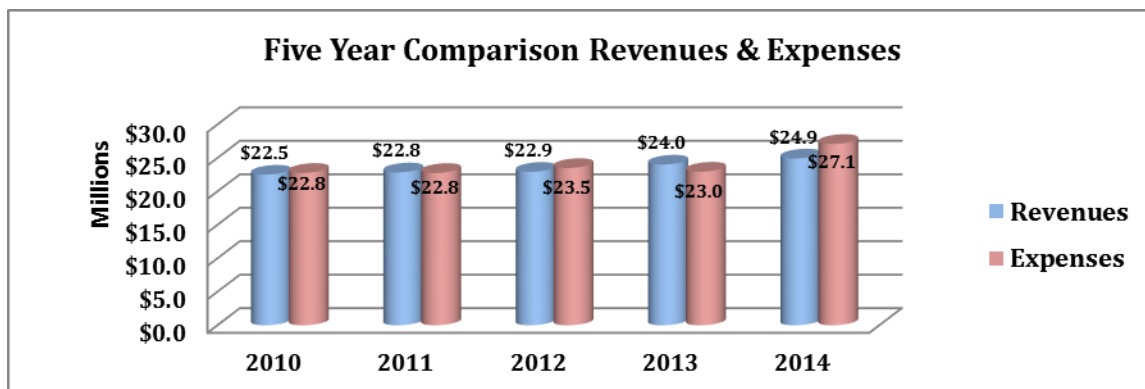


NOVATO FIRE PROTECTION DISTRICT STATEMENT OF ACTIVITIES

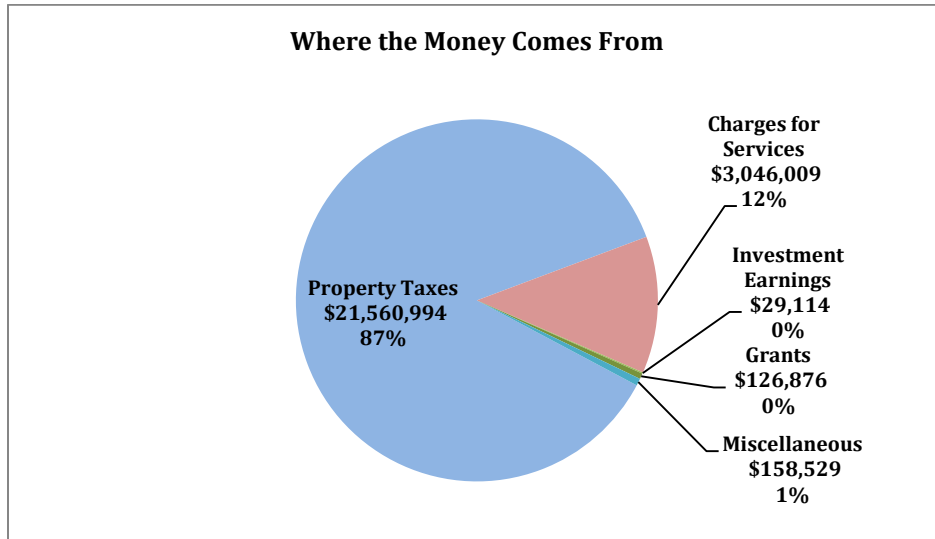
The Statement of Activities presents District revenues, expenses and change in net position for the fiscal years were as follows. Please refer to the CAFR for complete details.

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
REVENUES			
General Revenues:			
Property Taxes	\$ 21,560,994	\$ 19,998,893	\$ 1,562,101
Investment Earnings	29,114	29,602	(488)
Grants Not Restricted to Specific Programs	90,076	91,247	(1,171)
Miscellaneous	158,529	59,629	98,900
Total General Revenues	<u>21,838,713</u>	<u>20,179,371</u>	<u>1,659,342</u>
Program Revenues:			
Charges for Services	3,046,009	2,785,493	260,516
Capital Grants & Contributions	36,800	1,050,570	(1,013,770)
Total Program Revenues	<u>3,082,809</u>	<u>3,836,063</u>	<u>(753,254)</u>
Total Revenues	<u>24,921,522</u>	<u>24,015,434</u>	<u>906,088</u>
EXPENSES			
Personnel	22,809,822	18,597,566	4,212,256
Material and Services	2,973,071	3,089,286	(116,215)
Depreciation	1,219,849	1,001,072	218,777
Decrease in Market Value of Loan Collateral	-	170,777	(170,777)
Interest on Debt	91,586	100,698	(9,112)
Total Expenses	<u>27,094,328</u>	<u>22,959,399</u>	<u>4,134,929</u>
Change in Net Position	(2,172,806)	1,056,035	(3,228,841)
Net Position - Beginning of Year	<u>22,501,041</u>	<u>21,445,006</u>	<u>1,056,035</u>
Net Position - End of Year	<u>\$ 20,328,235</u>	<u>\$ 22,501,041</u>	<u>\$ (2,172,806)</u>

A recovery of real estate valuations during 2014 after four consecutive years of declines resulted in property taxes increasing from last year. Charges for services increased due to Ground Emergency Medical Transport program revenue which began in 2014. Capital grants decreased primarily due to FEMA grants for self-contained breathing apparatus, mobile data computers and heart monitors purchased in 2013. Personnel costs increased over the prior year primarily due to Workers Compensation, labor negotiations and retiree health care pre-funding. Expense for materials and services decreased due to cost cutting measures.

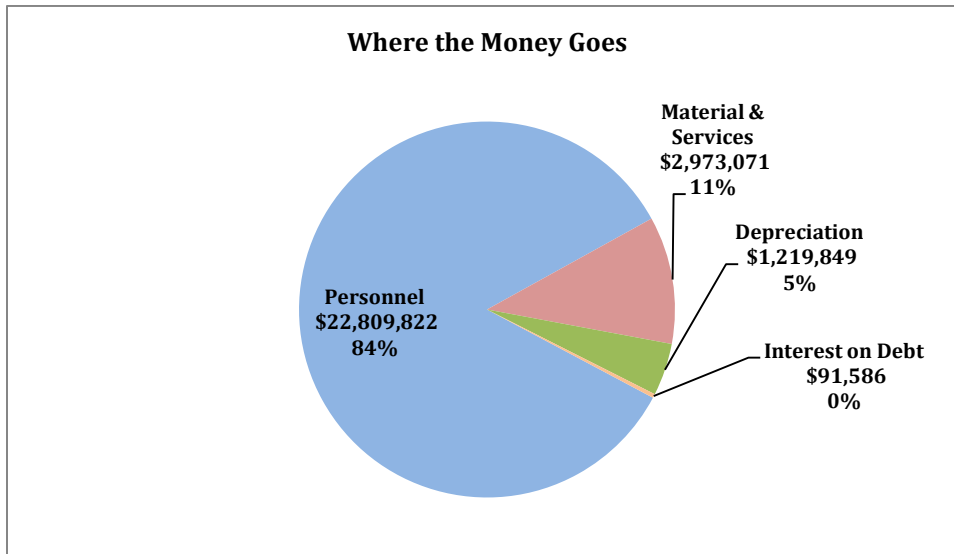


**NOVATO FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES**



Property Taxes – The District receives the majority of its revenue from property taxes. This includes secured property (real estate), unsecured property (business property), special assessments and Education Revenue Augmentation Fund.

Charges for Services – The District generates revenue from ambulance service fees, ambulance billing service fees, plan check fees and administration services to other governmental agencies.

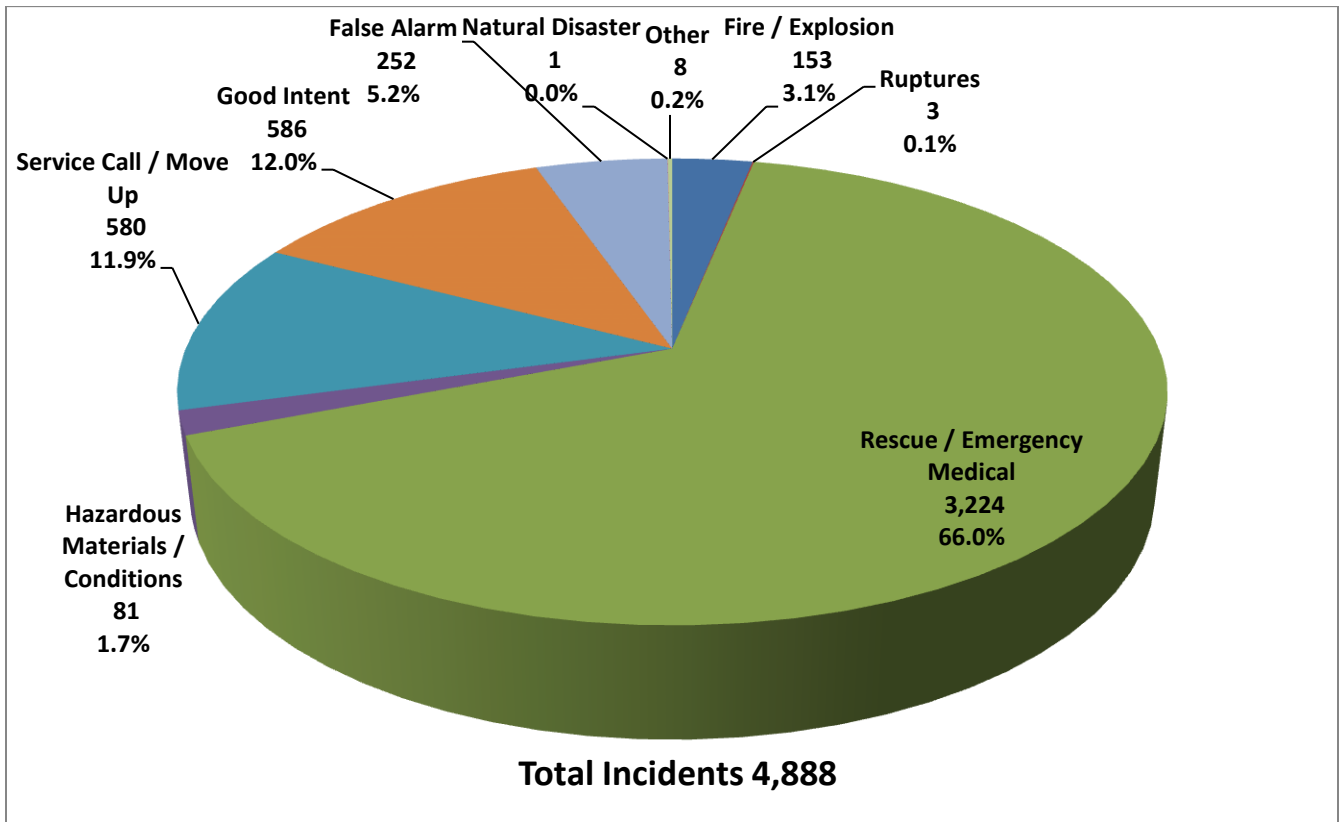


Personnel – The majority of District expenses is in personnel costs. This includes salaries, overtime, health insurance, retirement and Workers Compensation.

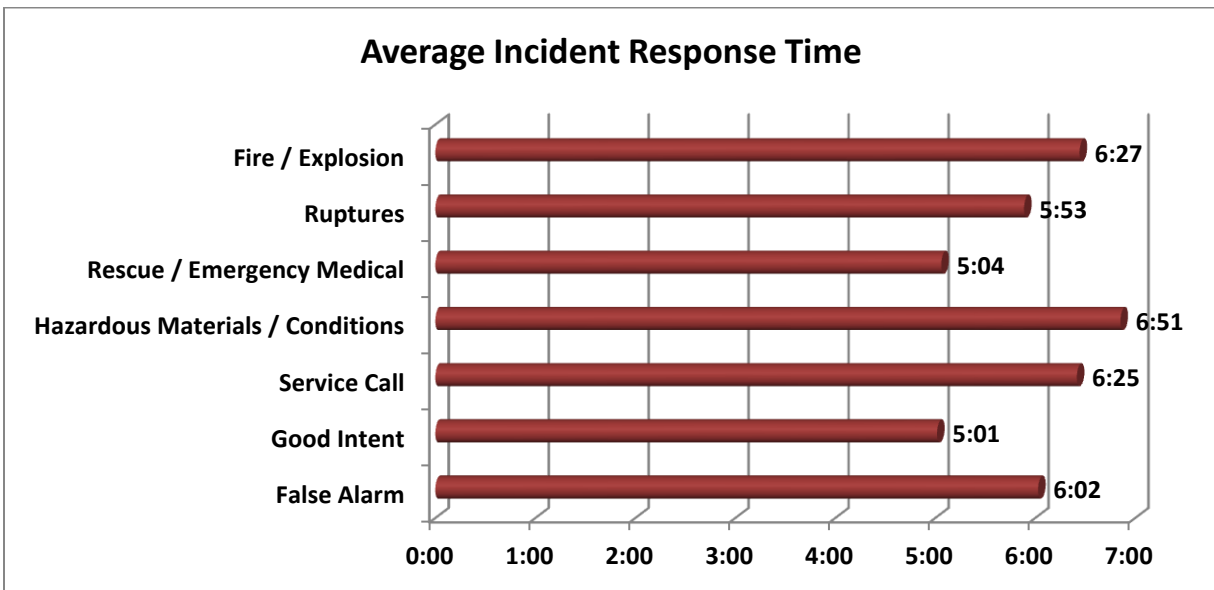
Material & Services – This includes insurance, utilities, fuel, maintenance on facilities and equipment, dispatch services, County of Marin fees, computer hardware and software, etc.

Depreciation – This is a periodic expense related to long life assets, such as building facilities, fire apparatus and equipment.

NOVATO FIRE PROTECTION DISTRICT STATISTICS

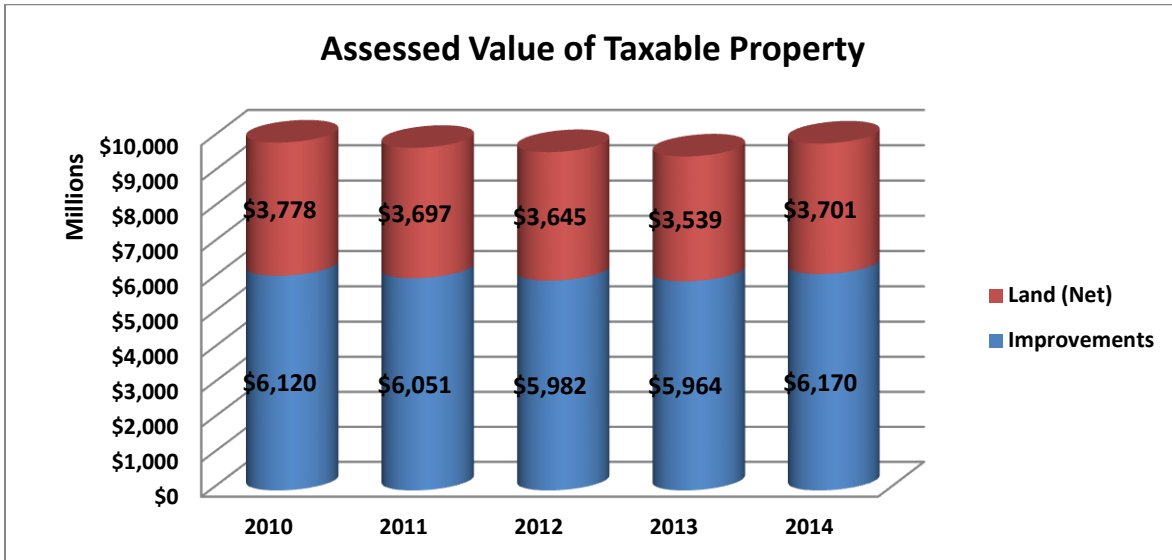


During 2013-14, the District responded to 4,888 incidents. 3,224 of the incidents were for Emergency Medical Services or 66% of the total. 153 incidents or 3% were due to fires. Please refer to the CAFR for more detailed information.

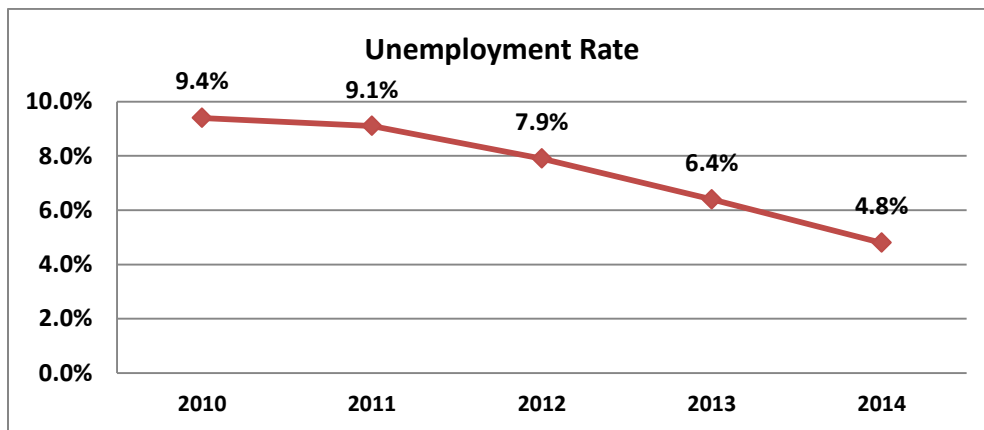


This illustrates average response time by incident type during 2013-14. The District goal is to respond to 90% of all emergency calls within nine minutes.

NOVATO FIRE PROTECTION DISTRICT STATISTICS



This illustrates the steady decline in assessed valuation of real estate in the District from 2010 to 2013 with a recovery in 2014. Projections are for modest growth in assessed valuations in 2015 and 2016 then leveling off. The District receives 87% of its revenues from property taxes, and its budgets are significantly impacted by the fluctuations in real estate assessed valuation. Please refer to the CAFR for more detailed information.



The local unemployment rate has improved the last four years along with the economy. The District is cautiously optimistic that the worst may be over and the economy is on its way to recovery. There are positive signs of real estate valuations on the rise and foreclosures on the decline. Please refer to the CAFR for more detailed information.