

NOVATO FIRE PROTECTION DISTRICT

NOVATO, CALIFORNIA

Popular Annual Financial Report

Fiscal Year Ended June 30, 2016



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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 22, 2016

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, 2016. 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, 2016. 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
- Administrative Services Manager** - Manages Administrative office functions, Board of Directors and assists Fire Chief.



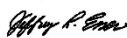
Government Finance Officers Association

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, 2015


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, 2015. 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, 2016 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

2016 Board of Directors



President
Lj Silverman



Vice President
Steve Metcho



Secretary/Treasurer
James Galli



Director
Worth "Skip"
Fenner, Jr



Director
Bill Davis

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 Division

Finance Director

Human Resources Manager

Administrative Services Manager/IT

Mark Heine, CFO

Adam Brolan

Bill Tyler, CFO

Ted Peterson, CMO

Gerald McCarthy

Dmitri Menzel

Jeffrey Veliquette

Jeffrey Whittet

Daniel Hom, CPA

Gretchen Felciano

Jeanne Villa

**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
319 Enfrente 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.

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

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Current Assets	\$ 16,903,594	\$ 18,364,365	\$ (1,460,771)
Net Capital Assets	<u>18,499,709</u>	<u>18,888,292</u>	<u>(388,583)</u>
Total Assets	<u>35,403,303</u>	<u>37,252,657</u>	<u>(1,849,354)</u>
Deferred Outflows	<u>9,733,896</u>	<u>5,814,970</u>	<u>3,918,926</u>
Current Liabilities	3,884,549	4,794,346	(909,797)
Non-Current Liabilities	<u>26,805,491</u>	<u>25,580,124</u>	<u>1,225,367</u>
Total Liabilities	<u>30,690,040</u>	<u>30,374,470</u>	<u>315,570</u>
Deferred Inflows	<u>4,141,694</u>	<u>8,915,120</u>	<u>(4,773,426)</u>
Net Position:			
Net Investment in Capital Assets	13,794,169	13,362,539	431,630
Unrestricted	<u>(3,488,704)</u>	<u>(9,584,502)</u>	<u>6,095,798</u>
Total Net Position	<u>\$ 10,305,465</u>	<u>\$ 3,778,037</u>	<u>\$ 6,527,428</u>

A significant component of District net position, \$13.8 million 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 \$(3.5) million for total net position of \$10.3 million.

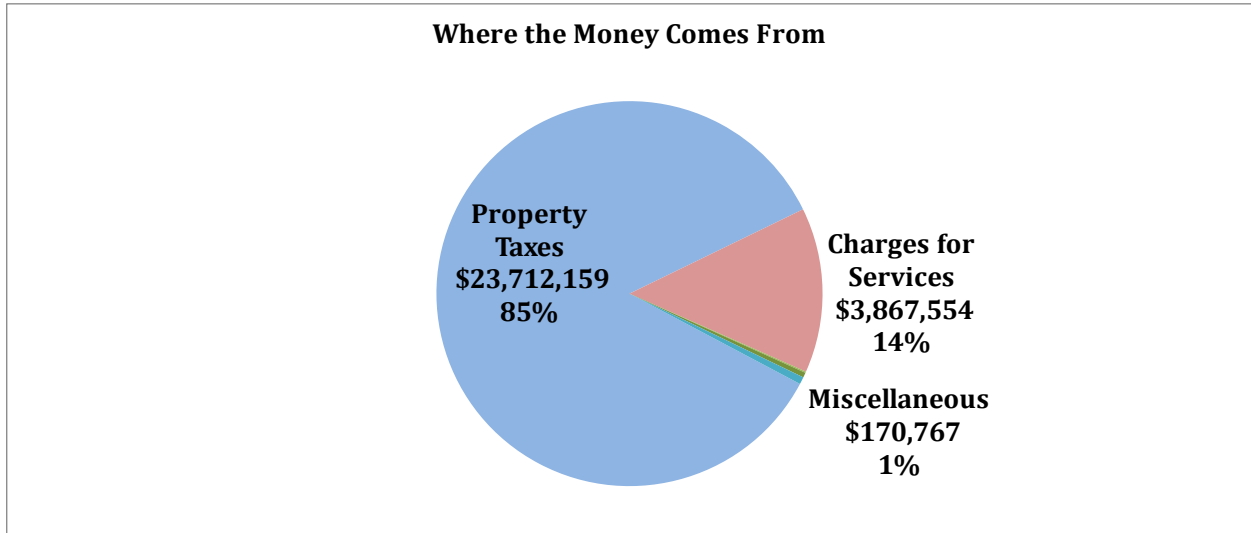
NOVATO FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES

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>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
REVENUES			
General Revenues:			
Property Taxes	\$ 23,712,159	\$ 22,103,053	\$ 1,609,106
Investment Earnings	29,950	28,330	1,620
Grants Not Restricted to Specific Programs	86,993	88,388	(1,395)
Miscellaneous	<u>170,767</u>	<u>150,088</u>	<u>20,679</u>
Total General Revenues	<u>23,999,869</u>	<u>22,369,859</u>	<u>1,630,010</u>
Program Revenues:			
Charges for Services	3,867,554	2,892,734	974,820
Capital Grants & Contributions	<u>27,862</u>	<u>32,414</u>	<u>(4,552)</u>
Total Program Revenues	<u>3,895,416</u>	<u>2,925,148</u>	<u>970,268</u>
Total Revenues	<u>27,895,285</u>	<u>25,295,007</u>	<u>2,600,278</u>
EXPENSES			
Personnel	15,431,417	16,625,451	(1,194,034)
Material and Services	4,378,374	3,272,297	1,106,077
Depreciation	1,442,580	1,225,925	216,655
Interest on Debt	<u>115,486</u>	<u>189,738</u>	<u>(74,252)</u>
Total Expenses	<u>21,367,857</u>	<u>21,313,411</u>	<u>54,446</u>
Change in Net Position	6,527,428	3,981,596	2,545,832
Net Position - Beginning of Year	<u>3,778,037</u>	<u>(203,559)</u>	<u>3,981,596</u>
Net Position - End of Year	<u>\$ 10,305,465</u>	<u>\$ 3,778,037</u>	<u>\$ 6,527,428</u>

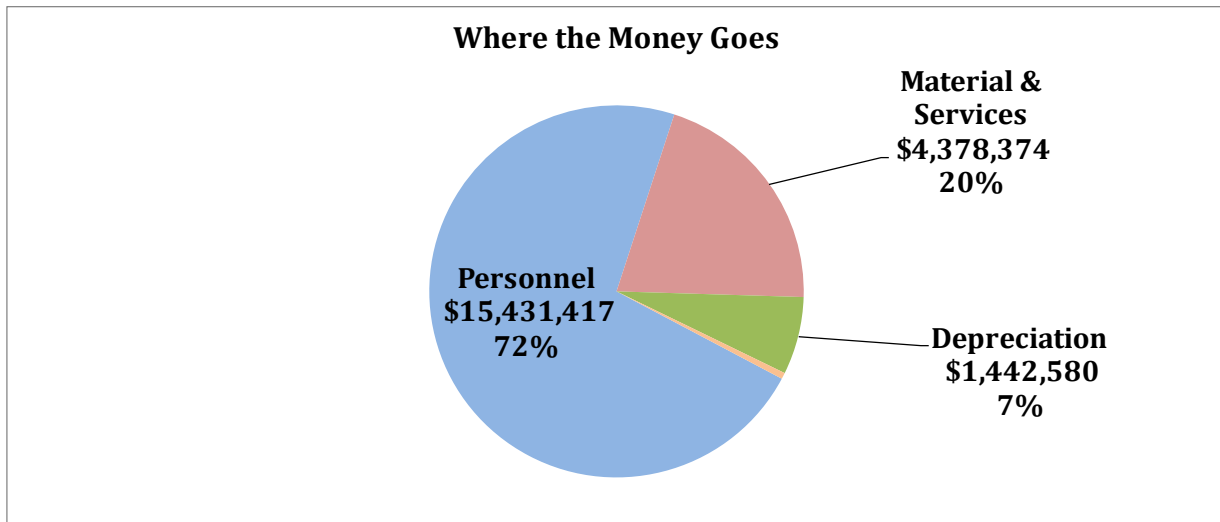
Continued recovery of real estate valuations during 2016 after four consecutive years of declines resulted in property taxes increasing from last year. Charges for services increased due to reimbursements for out of County incidents. Personnel expenses decreased due primarily to a decrease in retirement resulting from the implementation of GASB Statements 68 and 71.

**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.

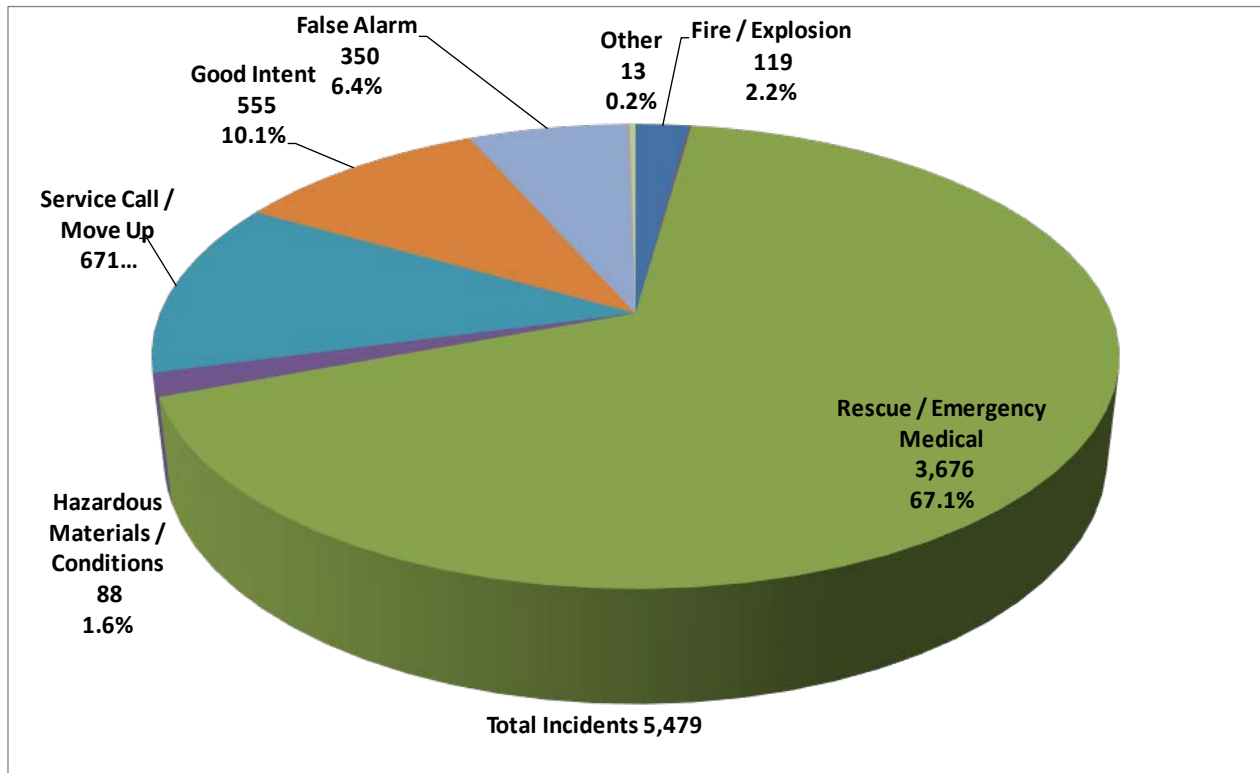


Personnel – The majority of District expenses is in personnel costs. This includes salaries, overtime, health insurance, retirement and Workers Compensation.

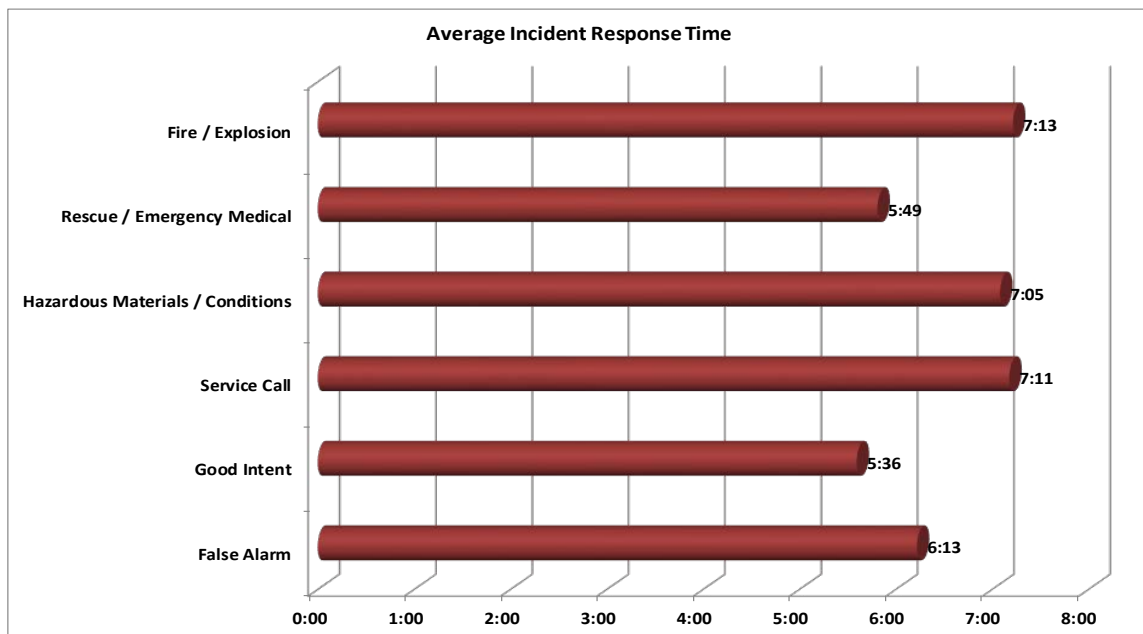
Material & Services – This includes insurance, utilities, fuel, maintenance on facilities and equipment, dispatch services, County of Marin fees, computer hardware and software, etc.

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

NOVATO FIRE PROTECTION DISTRICT STATISTICS

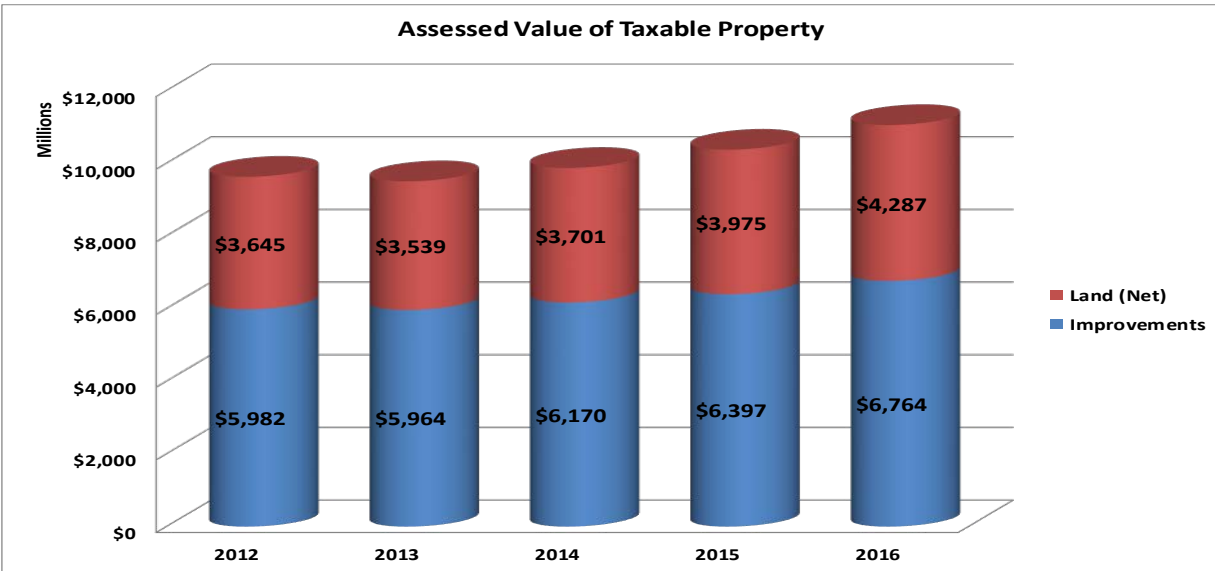


During 2015-16, the District responded to 5,479 incidents. 3,676 of the incidents were for Emergency Medical Services or 67% of the total. 119 incidents or 2% were due to fires. Please refer to the CAFR for more detailed information.

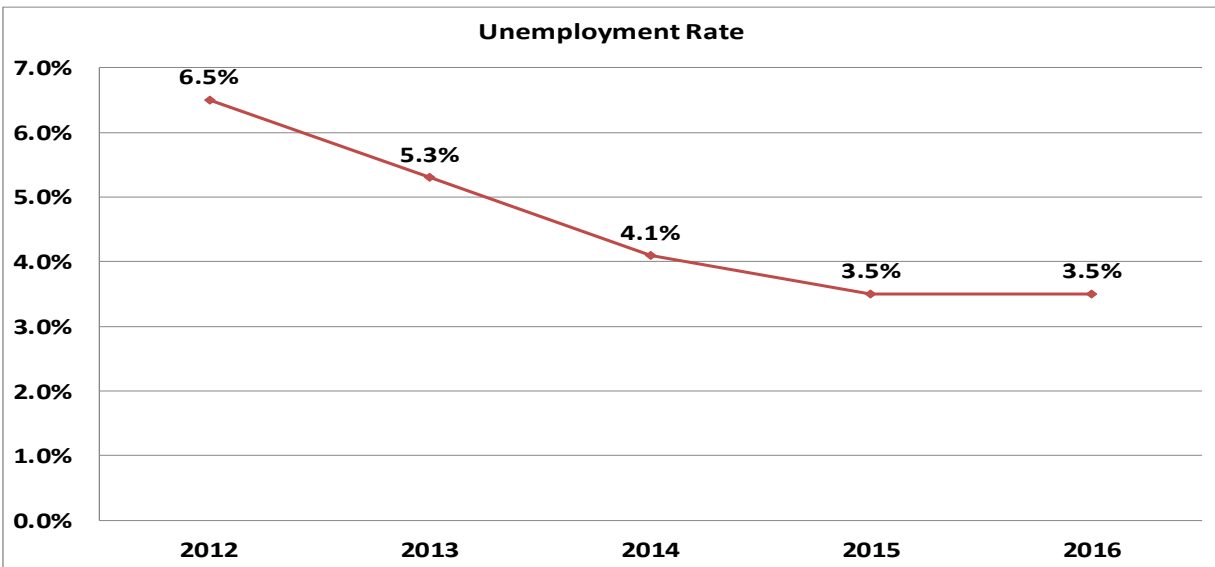


This illustrates average response time by incident type during 2015-16. The District goal is to respond to 90% of all emergency calls within nine minutes.

NOVATO FIRE PROTECTION DISTRICT STATISTICS



This illustrates the recovery in assessed valuation of real estate began in 2013 along with four years of growth. Projections are for modest to low growth in assessed valuations in 2017 and 2018. The District receives 85% 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 five years along with the economy. There are positive signs of sustained economic recovery. Real estate valuations have been on the rise for four consecutive years. Please refer to the CAFR for more detailed information.