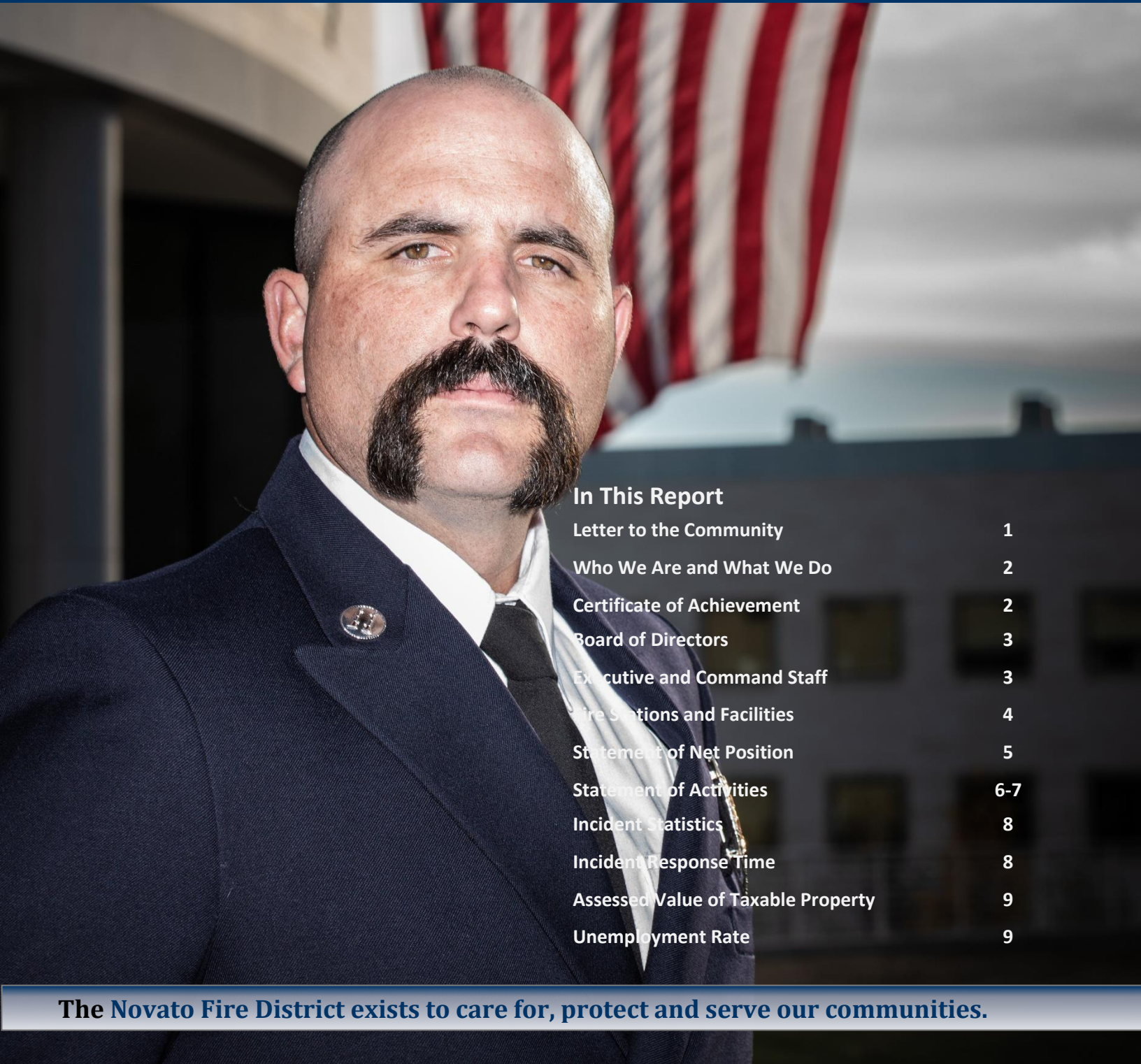


# NOVATO FIRE PROTECTION DISTRICT

NOVATO, CALIFORNIA

Popular Annual Financial Report

Fiscal Year Ended June 30, 2018



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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](http://www.novatofire.org)

December 20, 2018

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, 2018. 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, 2018. Both reports are available for viewing at all District fire stations and administration office as well as from our website at [www.novatofire.org](http://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](http://www.novatofire.org).

Respectfully submitted,

Bill Tyler, 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, 2017

*Christopher P. Morill*  
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, 2017. 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, 2018 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

2018 Board of Directors



President  
Bill Davis



Vice President  
James Galli



Secretary/Treasurer  
Lj Silverman



Director  
Worth "Skip"  
Fenner, Jr



Director  
Steve Metcho

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

Bill Tyler, CFO

Jeffrey Veliquette

Lori Jessell, CFO

Kyle Dague

Gerald McCarthy

Dmitri Menzel

Jeffrey Whittet

Robert LaCroix

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.

|                                  | <b>2018</b>         | <b>2017</b>         | <b>Increase<br/>(Decrease)</b> |
|----------------------------------|---------------------|---------------------|--------------------------------|
| Current Assets                   | \$ 18,921,799       | \$ 18,679,445       | \$ 242,354                     |
| Net Capital Assets               | 18,213,900          | 17,632,228          | 581,672                        |
| Total Assets                     | <u>37,135,699</u>   | <u>36,311,673</u>   | <u>824,026</u>                 |
| Deferred Outflows                | <u>10,597,982</u>   | <u>9,932,249</u>    | <u>665,733</u>                 |
| Current Liabilities              | 3,917,967           | 3,880,774           | 37,193                         |
| Non-Current Liabilities          | <u>34,252,825</u>   | <u>29,652,092</u>   | <u>4,600,733</u>               |
| Total Liabilities                | <u>38,170,792</u>   | <u>33,532,866</u>   | <u>4,637,926</u>               |
| Deferred Inflows                 | <u>3,617,086</u>    | <u>716,000</u>      | <u>2,901,086</u>               |
| Net Position:                    |                     |                     |                                |
| Net Investment in Capital Assets | 14,899,023          | 13,645,238          | 1,253,785                      |
| Unrestricted                     | <u>(8,953,220)</u>  | <u>(10,046,458)</u> | <u>1,093,238</u>               |
| Total Net Position               | <u>\$ 5,945,803</u> | <u>\$ 3,598,780</u> | <u>\$ 2,347,023</u>            |

A significant component of District net position, \$14.9 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 \$(9.0) million for total net position of \$5.9 million. The \$1.1 million increase in unrestricted net position was due primarily to a prior period adjustment resulting from the implementation of GASB 75. Due to the implementation of GASB Statement 75 during the fiscal year ended June 30, 2018, financial data shown for previous years have not been restated and may not be comparable.

**NOVATO FIRE PROTECTION DISTRICT**  
**STATEMENT OF ACTIVITIES**

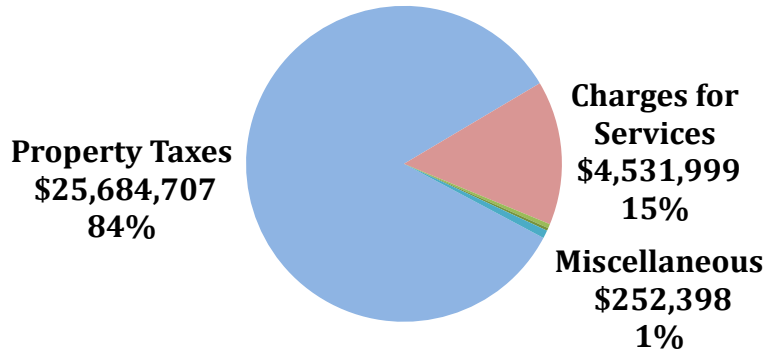
The Statement of Activities presents District revenues, expenses and change in net position for the fiscal years were as follows. Please refer to the CAFR for complete details.

|  | <u>2018</u>         | <u>2017</u>         | <u>Increase<br/>(Decrease)</u> |
|--|---------------------|---------------------|--------------------------------|
| <b>REVENUES</b>                            |                     |                     |                                |
| <b>General Revenues:</b>                   |                     |                     |                                |
| Property Taxes                             | \$ 25,684,707       | \$ 25,009,489       | \$ 675,218                     |
| Investment Earnings                        | 133,664             | 55,464              | 78,200                         |
| Grants Not Restricted to Specific Programs | 84,756              | 84,983              | (227)                          |
| Miscellaneous                              | <u>252,398</u>      | <u>164,000</u>      | <u>88,398</u>                  |
| <b>Total General Revenues</b>              | <u>26,155,525</u>   | <u>25,313,936</u>   | <u>841,589</u>                 |
| <b>Program Revenues:</b>                   |                     |                     |                                |
| Charges for Services                       | 4,531,999           | 3,780,142           | 751,857                        |
| Capital Grants & Contributions             | <u>-</u>            | <u>70,722</u>       | <u>(70,722)</u>                |
| <b>Total Program Revenues</b>              | <u>4,531,999</u>    | <u>3,850,864</u>    | <u>681,135</u>                 |
| <b>Total Revenues</b>                      | <u>30,687,524</u>   | <u>29,164,800</u>   | <u>1,522,724</u>               |
| <b>EXPENSES</b>                            |                     |                     |                                |
| Personnel                                  | 22,990,911          | 22,140,885          | 850,026                        |
| Material and Services                      | 3,883,965           | 3,777,604           | 106,361                        |
| Depreciation                               | 1,386,291           | 1,458,984           | (72,693)                       |
| Interest on Debt                           | <u>79,334</u>       | <u>97,736</u>       | <u>(18,402)</u>                |
| <b>Total Expenses</b>                      | <u>28,340,501</u>   | <u>27,475,209</u>   | <u>865,292</u>                 |
| <b>Change in Net Position</b>              | 2,347,023           | 1,689,591           | 657,432                        |
| <b>Net Position - Beginning of Year</b>    | <u>3,598,780</u>    | <u>1,909,189</u>    | <u>1,689,591</u>               |
| <b>Net Position - End of Year</b>          | <u>\$ 5,945,803</u> | <u>\$ 3,598,780</u> | <u>\$ 2,347,023</u>            |

Property taxes increased 3% from last year primarily due to recovery of real estate valuations. Charges for services increased due to an increase in reimbursements for out of County incidents. Personnel expenses increased due primarily to an increase in retiree health care resulting from the implementation of GASB Statement 75. Due to the implementation of GASB Statement 75 during the fiscal year ended June 30, 2018, financial data shown for previous years have not been restated and may not be comparable.

NOVATO FIRE PROTECTION DISTRICT  
STATEMENT OF ACTIVITIES

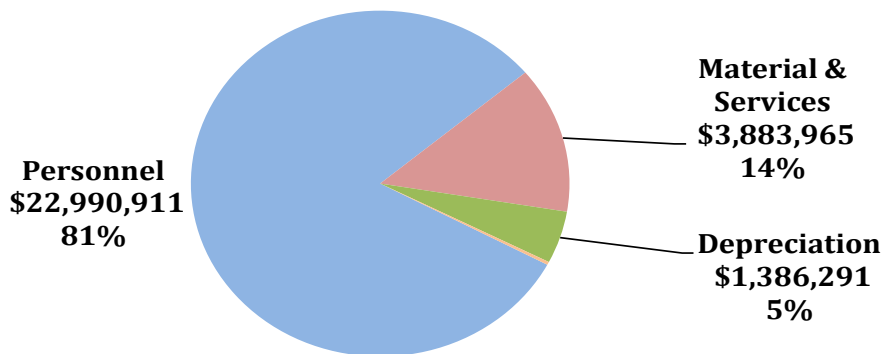
**Where the Money Comes From**



**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.

**Where the Money Goes**



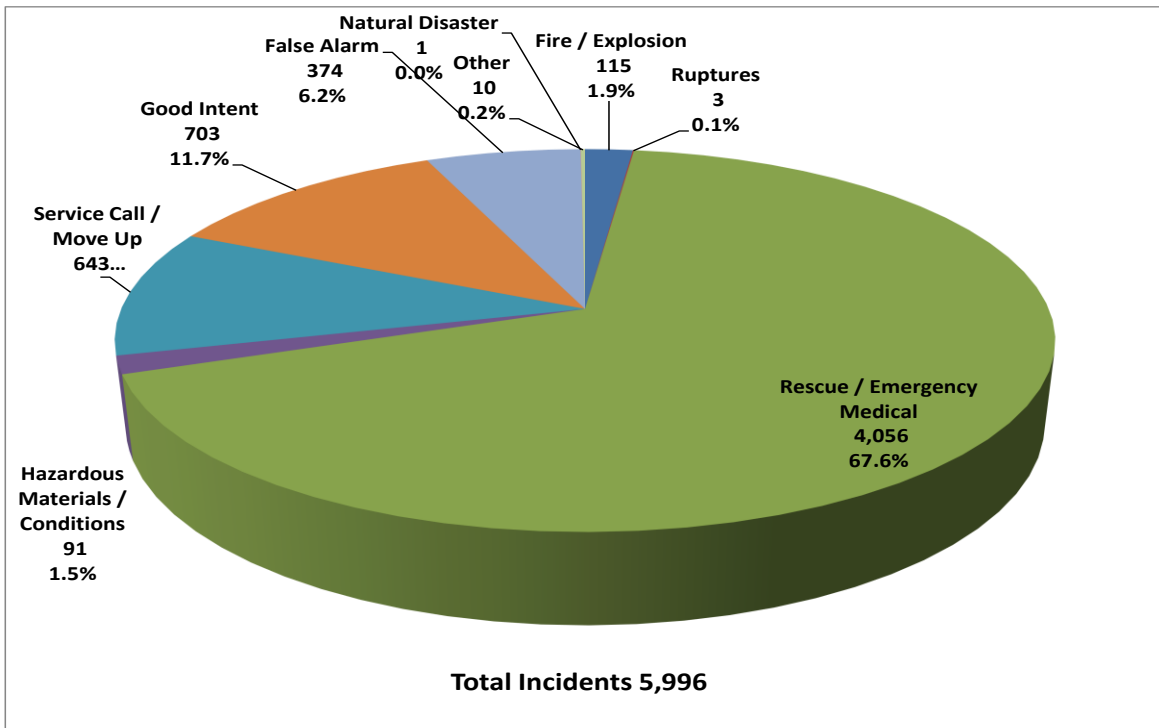
**Personnel** – The majority of District expenses is in personnel costs. This includes salaries, overtime, health insurance, retirement and Workers Compensation.

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

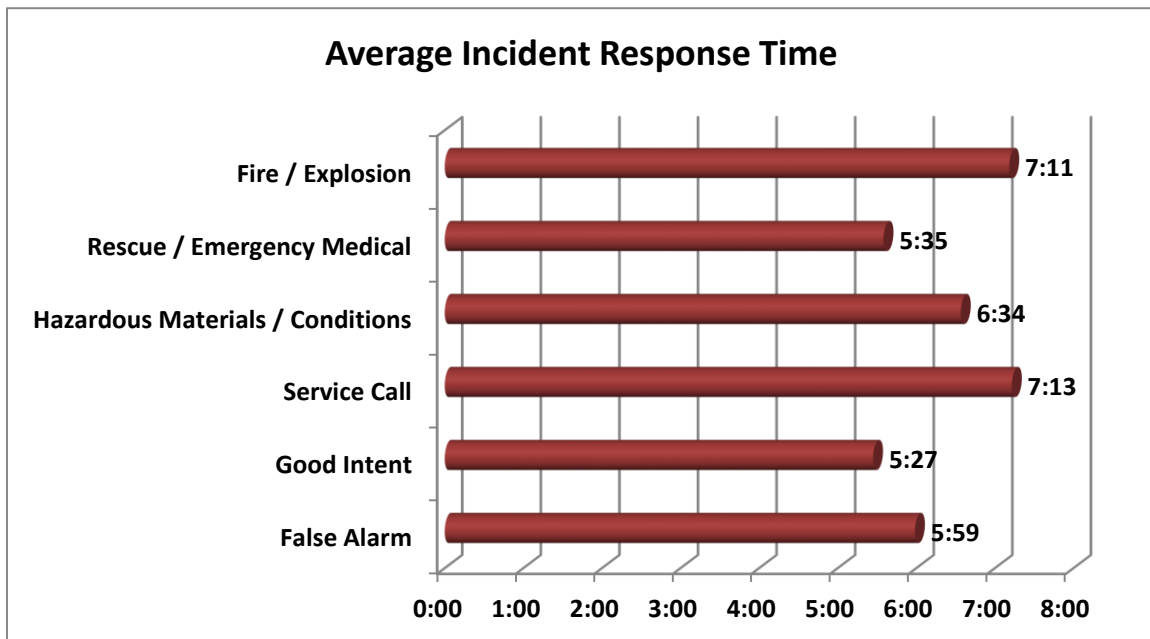
**Depreciation** – This is a periodic expense related to long life assets, such as building facilities, fire apparatus and equipment.



# NOVATO FIRE PROTECTION DISTRICT STATISTICS

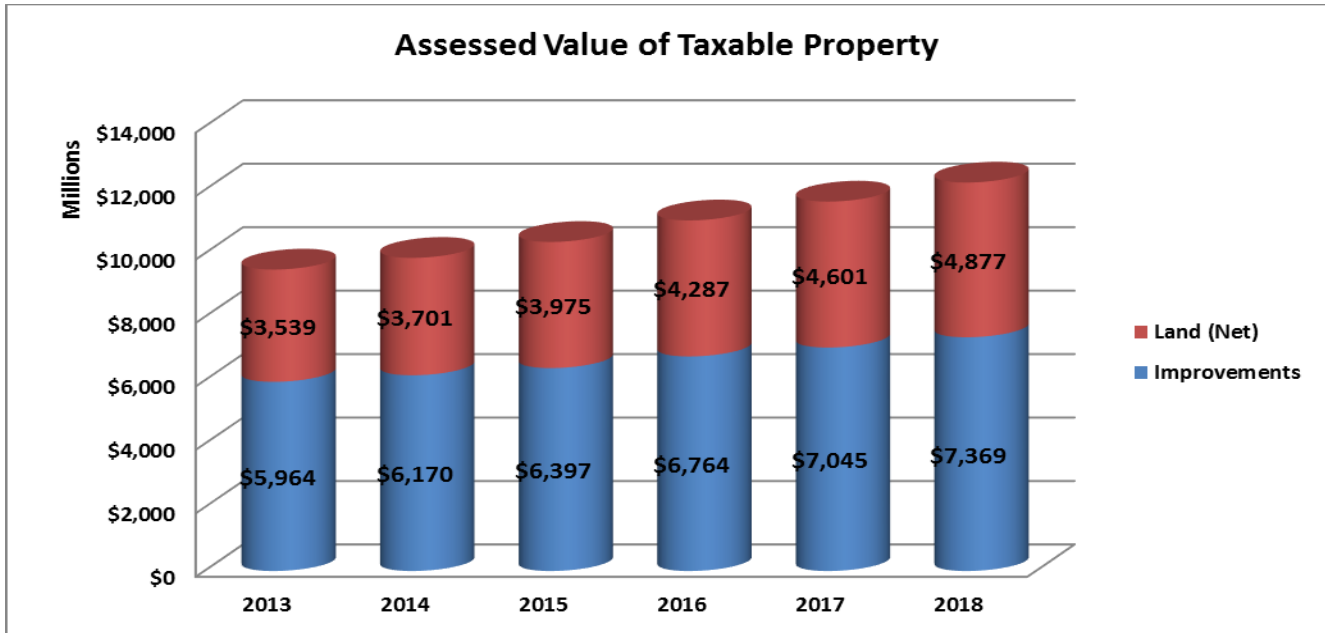


During 2017-18, the District responded to 5,996 incidents. 4,056 of the incidents were for Emergency Medical Services or 68% of the total. 115 incidents or 2% were due to fires. Please refer to the CAFR for more detailed information.

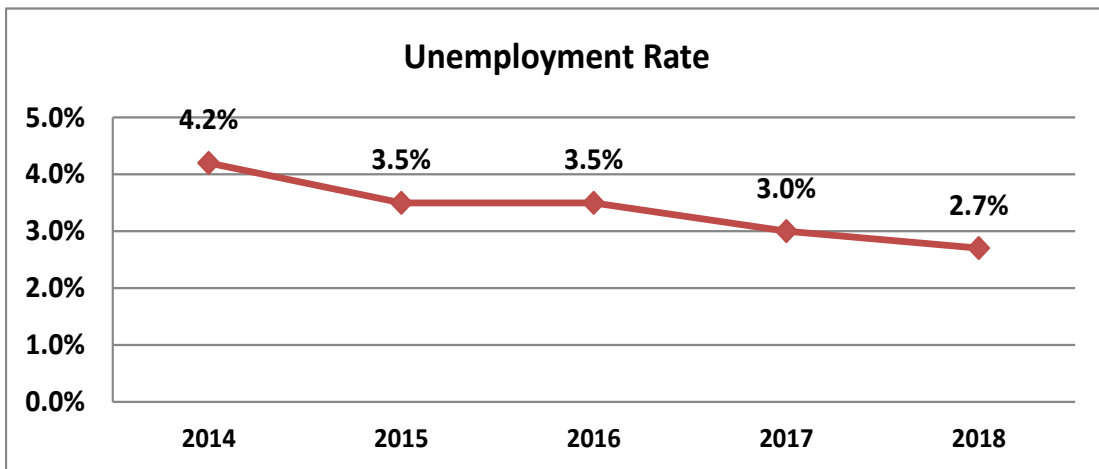


This illustrates average response time by incident type during 2017-18. The District goal is to respond to 90% of all emergency calls within nine minutes.

# NOVATO FIRE PROTECTION DISTRICT STATISTICS



This illustrates the recovery in assessed valuation of real estate began in 2013 along with five years of growth. Projections are for modest to low growth in assessed valuations in 2019 and 2020. The District receives 84% 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 five consecutive years. Please refer to the CAFR for more detailed information.