

NOVATO FIRE PROTECTION DISTRICT

NOVATO, CALIFORNIA

Popular Annual Financial Report

Fiscal Year Ended June 30, 2015

In This Report

Letter to the Community	1
Who We Are and What We Do	2
Certificate of Achievement	2
Board of Directors	3
Executive and Command Staff	3
Fire Stations and Facilities	4
Statement of Net Position	5
Statement of Activities	6-7
Incident Statistics	8
Incident Response Time	8
Assessed Value of Taxable Property	9
Unemployment Rate	9

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 17, 2015

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, 2015. 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, 2015. 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

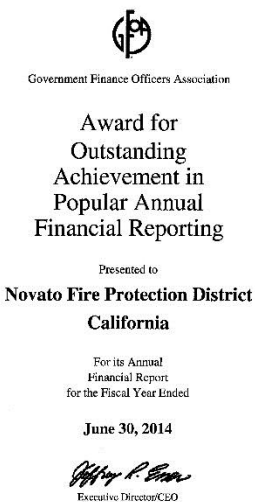
NOVATO FIRE PROTECTION DISTRICT

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 |



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, 2014. 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, 2015 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

2015 Board of Directors



President
Brad Beedle



Vice President
James Galli



Secretary/Treasurer
Lj Silverman



Director
Worth "Skip"
Fenner, Jr



Director
Tomas Kaselionis

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

Mark Heine, CFO

Adam Brolan

Bill Tyler, CFO

Ted Peterson, CMO

Gerald McCarthy

Dmitri Menzel

Jeffrey Veliquette

Jeffrey Whittet

Daniel Hom, CPA

Gretchen Felciano

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, \$13.4 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 \$(9.6) million for total net position of \$3.8 million.

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

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
Current Assets	\$ 18,364,365	\$ 18,042,050	\$ 322,315
Non-Current Assets	-	525,547	(525,547)
Net Capital Assets	<u>18,888,292</u>	<u>15,797,637</u>	<u>3,090,655</u>
Total Assets	<u>37,252,657</u>	<u>34,365,234</u>	<u>2,887,423</u>
Deferred Outflows	<u>5,814,970</u>	<u>-</u>	<u>5,814,970</u>
Current Liabilities	4,794,346	4,129,643	664,703
Non-Current Liabilities	<u>25,580,124</u>	<u>9,907,356</u>	<u>15,672,768</u>
Total Liabilities	<u>30,374,470</u>	<u>14,036,999</u>	<u>16,337,471</u>
Deferred Inflows	<u>8,915,120</u>	<u>-</u>	<u>8,915,120</u>
Net Position:			
Net Investment in Capital Assets	13,362,539	12,546,527	816,012
Unrestricted	<u>(9,584,502)</u>	<u>(12,750,086)</u>	<u>3,165,584</u>
Total Net Position	<u>\$ 3,778,037</u>	<u>\$ (203,559)</u>	<u>\$ 3,981,596</u>

Due to the implementation of Government Accounting Standards Board Statements 68 and 71 during the fiscal year ended June 30, 2015, financial data shown for previous years have not been restated as prior year data is not determinable.

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>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
REVENUES			
General Revenues:			
Property Taxes	\$ 22,103,053	\$ 21,560,994	\$ 542,059
Investment Earnings	28,330	29,114	(784)
Grants Not Restricted to Specific Programs	88,388	90,076	(1,688)
Miscellaneous	<u>150,088</u>	<u>158,529</u>	<u>(8,441)</u>
Total General Revenues	<u>22,369,859</u>	<u>21,838,713</u>	<u>531,146</u>
Program Revenues:			
Charges for Services	2,892,734	3,046,009	(153,275)
Capital Grants & Contributions	<u>32,414</u>	<u>36,800</u>	<u>(4,386)</u>
Total Program Revenues	<u>2,925,148</u>	<u>3,082,809</u>	<u>(157,661)</u>
Total Revenues	<u>25,295,007</u>	<u>24,921,522</u>	<u>373,485</u>
EXPENSES			
Personnel	16,625,451	22,809,822	(6,184,371)
Material and Services	3,272,297	2,973,071	299,226
Depreciation	1,225,925	1,219,849	6,076
Interest on Debt	<u>189,738</u>	<u>91,586</u>	<u>98,152</u>
Total Expenses	<u>21,313,411</u>	<u>27,094,328</u>	<u>(5,780,917)</u>
Change in Net Position	3,981,596	(2,172,806)	6,154,402
Net Position - Beginning of Year	(203,559)	22,501,041	(22,704,600)
Prior Period Adjustment	<u>-</u>	<u>(20,531,794)</u>	<u>20,531,794</u>
Net Position - End of Year	<u>\$ 3,778,037</u>	<u>\$ (203,559)</u>	<u>\$ 3,981,596</u>

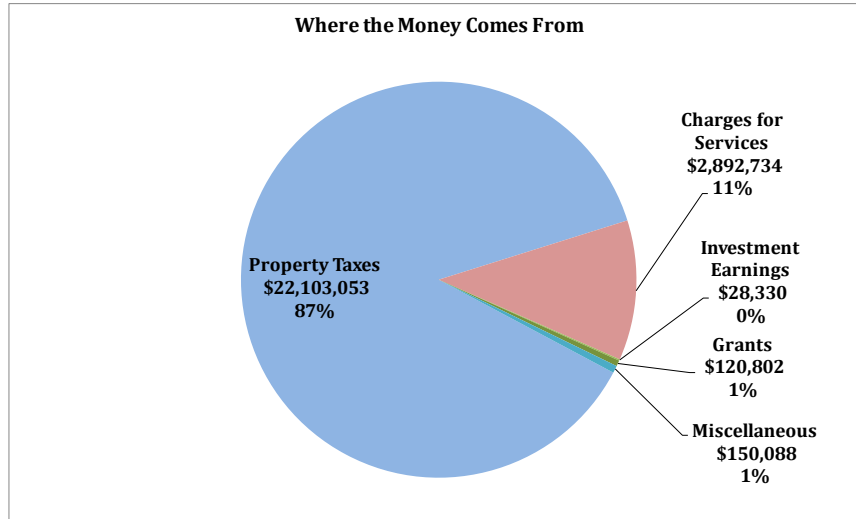
Due to the implementation of Government Accounting Standards Board Statements 68 and 71 during the fiscal year ended June 30, 2015, financial data shown for previous years have not been restated as prior year data is not determinable.

Continued recovery of real estate valuations during 2015 after four consecutive years of declines resulted in property taxes increasing from last year. Charges for services decreased due to Ground Emergency Medical Transport program revenue. Personnel expenses decreased due primarily to a decrease in retirement resulting from the implementation of GASB Statements 68 and 71.

The prior period adjustment is due to the implementation of GASB Statements 68 and 71 during the fiscal year ended June 30, 2015.

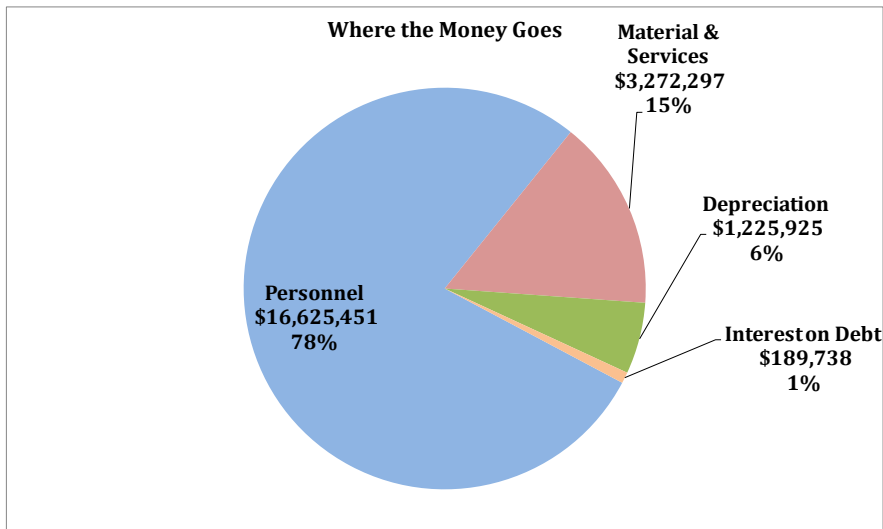
NOVATO FIRE PROTECTION DISTRICT

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.

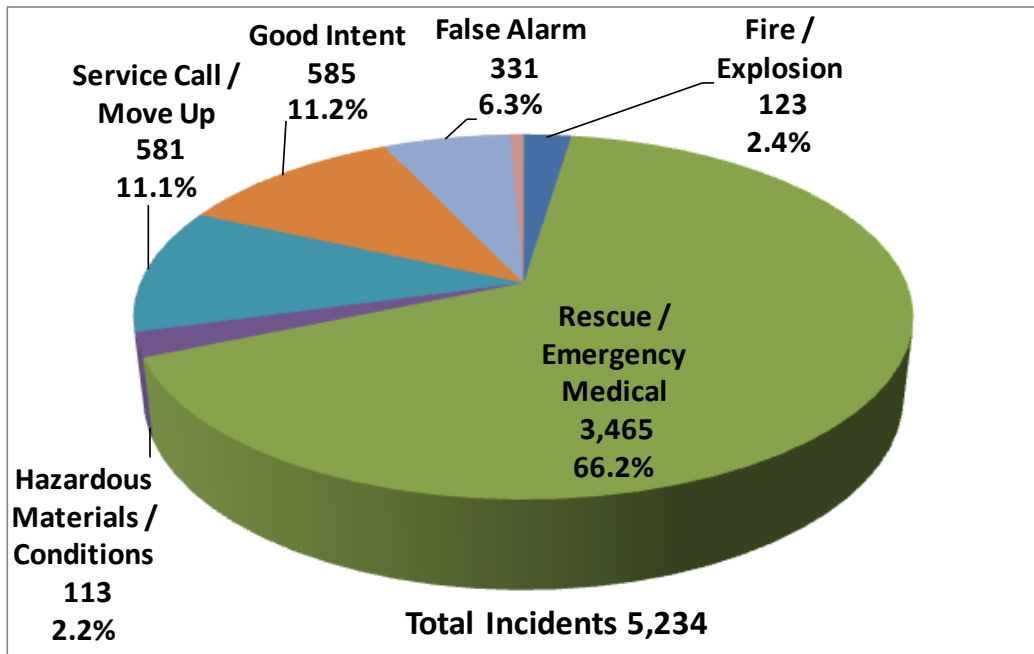


Personnel – The majority of District expenses is in personnel costs. This includes salaries, overtime, health insurance, retirement and Workers Compensation.

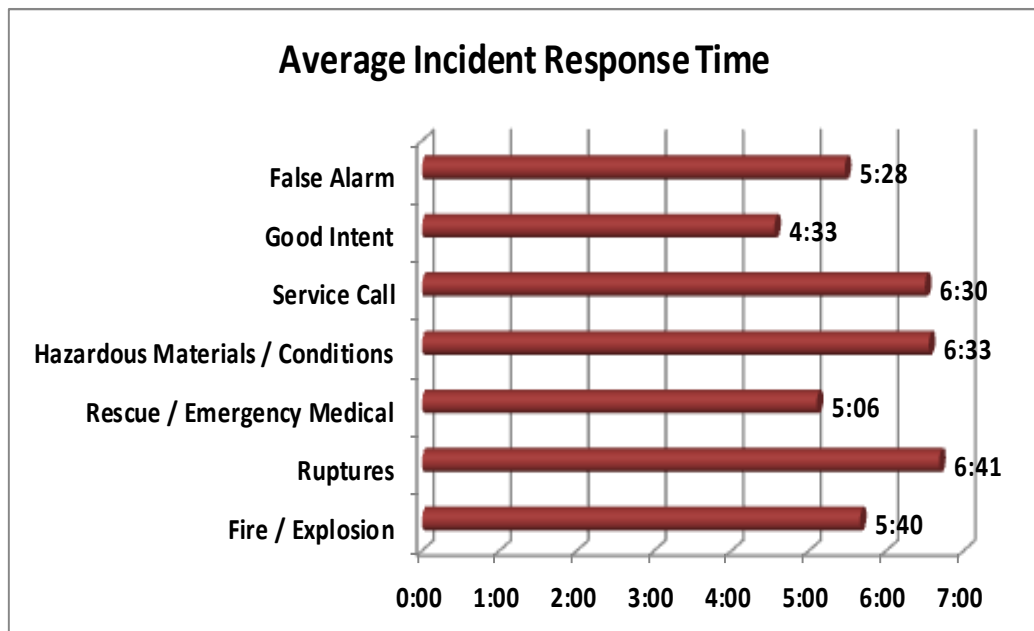
Material & Services – This includes insurance, utilities, fuel, maintenance on facilities and equipment, dispatch services, County of Marin fees, computer hardware and software, etc.

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

NOVATO FIRE PROTECTION DISTRICT STATISTICS

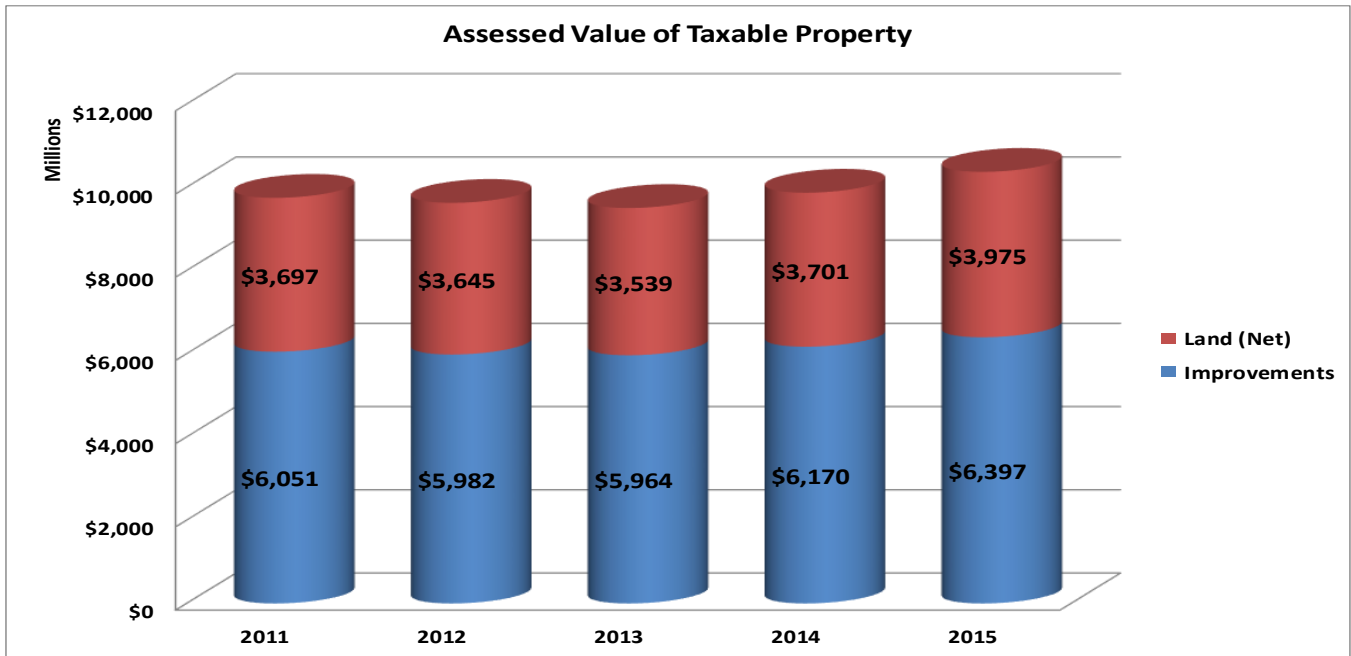


During 2014-15, the District responded to 5,234 incidents. 3,465 of the incidents were for Emergency Medical Services or 66% of the total. 123 incidents or 2% were due to fires. Please refer to the CAFR for more detailed information.

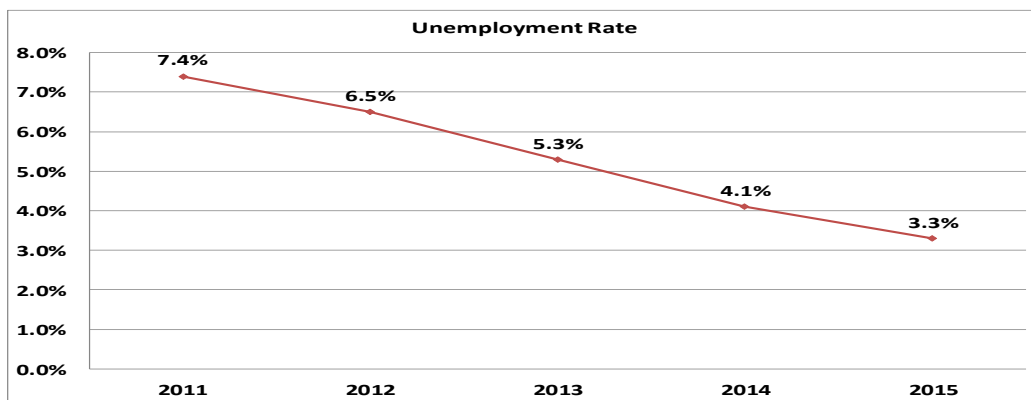


This illustrates average response time by incident type during 2014-15. The District goal is to respond to 90% of all emergency calls within nine minutes.

NOVATO FIRE PROTECTION DISTRICT STATISTICS



This illustrates the decline in assessed valuation of real estate in the District from 2011 to 2013 with a recovery in 2014. Projections are for modest growth in assessed valuations in 2016 and 2017. 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. There are positive signs of sustained economic recovery. Real estate valuations have been on the rise for three consecutive years. Please refer to the CAFR for more detailed information.