

AMORTIZATION SCHEDULE

Property

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$84,000.00	12-11-2012	06-30-2027	27073002	03 / 2000	203917	040	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: RIVER DELTA FIRE DISTRICT
P.O. BOX 541
ISLETON, CA 95641

Lender: BANK OF RIO VISTA
P.O. BOX 157
101 Main Street
RIO VISTA, CA 94571

Disbursement Date: December 11, 2012

Repayment Schedule: Irregular
Calculation Method: 365/365 U.S. Rule

Payment Number	Payment Date	Interest Rate	Payment Amount	Interest Paid	Principal Paid	Balance
1	01-31-2013	3.650	3,615.32	428.40	3,186.92	80,813.08
2	06-30-2013	3.650	3,615.32	1,212.20	2,403.12	78,409.96
2013 TOTALS:			7,230.64	1,640.60	5,590.04	
3	01-31-2014	3.650	3,615.32	1,685.81	1,929.51	76,480.45 ✓
4	06-30-2014	3.650	3,615.32	1,147.21	2,468.11	74,012.34 ✓
2014 TOTALS:			7,230.64	2,833.02	4,397.62	
5	01-31-2015	3.650	3,615.32	1,591.27	2,024.05	71,988.29
6	06-30-2015	3.650	3,615.32	1,079.82	2,535.50	69,452.79
2015 TOTALS:			7,230.64	2,671.09	4,559.55	
7	01-31-2016	3.650	3,615.32	1,493.24	2,122.08	67,330.71
8	06-30-2016	3.650	3,615.32	1,016.69	2,598.63	64,732.08
2016 TOTALS:			7,230.64	2,509.93	4,720.71	
9	01-31-2017	3.650	3,615.32	1,391.74	2,223.58	62,508.50
10	06-30-2017	3.650	3,615.32	937.63	2,677.69	59,830.81
2017 TOTALS:			7,230.64	2,329.37	4,901.27	
11	01-31-2018	3.750	3,632.93	1,321.61	2,311.32	57,519.49
12	06-30-2018	3.750	3,632.93	886.43	2,746.50	54,772.99
2018 TOTALS:			7,265.86	2,208.04	5,057.82	
13	01-31-2019	3.750	3,632.93	1,209.88	2,423.05	52,349.94
14	06-30-2019	3.750	3,632.93	806.76	2,826.17	49,523.77
2019 TOTALS:			7,265.86	2,016.64	5,249.22	
15	01-31-2020	3.750	3,632.93	1,093.93	2,539.00	46,984.77
16	06-30-2020	3.750	3,632.93	728.91	2,904.02	44,080.75
2020 TOTALS:			7,265.86	1,822.84	5,443.02	
17	01-31-2021	3.750	3,632.93	973.70	2,659.23	41,421.52
18	06-30-2021	3.750	3,632.93	638.35	2,994.58	38,426.94
2021 TOTALS:			7,265.86	1,612.05	5,653.81	
19	01-31-2022	3.750	3,632.93	848.81	2,784.12	35,642.82
20	06-30-2022	3.750	3,632.93	549.29	3,083.64	32,559.18
2022 TOTALS:			7,265.86	1,398.10	5,867.76	
21	01-31-2023	3.750	3,632.93	719.20	2,913.73	29,645.45
22	06-30-2023	3.750	3,632.93	456.86	3,176.07	26,469.38
2023 TOTALS:			7,265.86	1,176.06	6,089.80	
23	01-31-2024	3.750	3,632.93	584.68	3,048.25	23,421.13
24	06-30-2024	3.750	3,632.93	363.35	3,269.58	20,151.55
2024 TOTALS:			7,265.86	948.03	6,317.83	
25	01-31-2025	3.750	3,632.93	445.13	3,187.80	16,963.75
26	06-30-2025	3.750	3,632.93	261.43	3,371.50	13,592.25
2025 TOTALS:			7,265.86	706.56	6,559.30	
27	01-31-2026	3.750	3,632.93	300.24	3,332.69	10,259.56
28	06-30-2026	3.750	3,632.93	158.11	3,474.82	6,784.74

RIVER DELTA FIRE DISTRICT

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
for the year ended June 30, 2013**

ROBERT W. JOHNSON
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
River Delta Fire District
Isleton, California

We have audited the accompanying financial statements of River Delta Fire District, as of and for the year ended June 30, 2013, as listed in the table of contents, and the related notes to the financial statements.

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 an opinion 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 and the State Controller's Minimum Audit Requirements for California Special Districts. 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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of River Delta Fire District as of June 30, 2013, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

Other Matters

Required Supplementary Information

The Management's Discussion and Analysis is not a required part of the financial statements but is supplemental information required by the Government Auditing Standards Board. Management has elected to omit the Management's Discussion and Analysis.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Robert W. Ghiso, CPA Accounting Captain

Citrus Heights, California

January 2, 2014

RIVER DELTA FIRE DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
June 30, 2013

ASSETS	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash in bank	\$ 1,274	\$ -	\$ 1,274
Cash in Treasury	8,319	-	8,319
Accounts receivable	1,200	-	1,200
Capital assets (Note 3 and Note 5)	-	1,038,307	1,038,307
Less, accumulated depreciation	<u>-</u>	<u>(423,851)</u>	<u>(423,851)</u>
Total assets	<u>\$ 10,793</u>	<u>\$ 614,456</u>	<u>\$ 625,249</u>
LIABILITIES			
Accounts payable	\$ 11,951	\$ -	\$ 11,951
Deferred grant revenue	-	-	-
Long-term debt (Note 5)	<u>-</u>	<u>294,036</u>	<u>294,036</u>
Total liabilities	<u>11,951</u>	<u>294,036</u>	<u>305,987</u>
FUND BALANCES/NET POSITION			
Fund balances (Note 7):			
Restricted	-	-	-
Committed	98	(98)	-
Unassigned	<u>(1,256)</u>	<u>1,256</u>	<u>-</u>
Total fund balances	<u>(1,158)</u>	<u>1,158</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 10,793</u>		
Net position (Note 7):			
Net investment in capital assets		320,420	320,420
Restricted		-	-
Unrestricted		<u>(1,158)</u>	<u>(1,158)</u>
Total net position		<u>\$ 319,262</u>	<u>\$ 319,262</u>

See notes to financial statements

RIVER DELTA FIRE DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
for the year ended June 30, 2013

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
Public protection	\$ 125,071	\$ -	\$ 125,071
Support services	5,571	-	5,571
Capital outlay	-	-	-
Debt service			
- Principal	389,932	(389,932)	-
- Interest	17,339	-	17,339
Loss on disposal of asset	-	900	900
Depreciation	<u>-</u>	<u>50,972</u>	<u>50,972</u>
Total program expenditures/expenses	<u>537,913</u>	<u>(338,060)</u>	<u>199,853</u>
Program revenues:			
Charges for services	<u>635</u>	<u>-</u>	<u>635</u>
Total program revenues	<u>635</u>	<u>-</u>	<u>635</u>
General revenues:			
Taxes	162,166	-	162,166
Intergovernmental	-	-	-
Interest	(38)	-	(38)
Rental	6,340	-	6,340
FEMA grant	18,000	-	18,000
Donations	200	-	200
Sale of vehicles	5,000	-	5,000
Proceeds from long-term debt	337,000	(337,000)	-
Other	<u>30</u>	<u>-</u>	<u>30</u>
Total general revenues	<u>528,698</u>	<u>(337,000)</u>	<u>191,698</u>
Excess of revenues over expenditures/ change in net position	(8,580)	1,060	(7,520)
Beginning fund balances/ net position	<u>7,422</u>	<u>319,360</u>	<u>326,782</u>
Ending fund balances/net position	<u>\$(1,158)</u>	<u>\$ 320,420</u>	<u>\$ 319,262</u>

See notes to financial statements

RIVER DELTA FIRE DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
COMPARED TO BUDGET
for the year ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variable</u>
Revenues:			
Taxes	\$ 157,550	\$ 162,166	\$ 4,616
Intergovernmental	-	-	-
Charges for services	-	-	-
Interest income	100	(38)	(138)
Proceeds from long-term debt	-	337,000	337,000
FEMA grant	-	18,000	18,000
Donations	-	200	200
Sale of equipment	-	5,000	5,000
Other	<u>49,695</u>	<u>7,005</u>	<u>(42,690)</u>
Total revenues	<u>207,345</u>	<u>529,333</u>	<u>321,988</u>
Expenditures:			
Salaries and benefits	17,050	15,103	1,947
Service and supplies	114,695	115,539	(844)
Debt service – principal	62,600	389,932	(327,332)
– interest	10,500	17,339	(6,839)
Capital outlay	2,500	-	2,500
Contingencies	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>207,345</u>	<u>537,913</u>	<u>(330,568)</u>
Excess revenues over (expenditures)	<u>\$ -</u>	<u>\$ (8,580)</u>	<u>\$ (8,580)</u>

See notes to financial statements

RIVER DELTA FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. Organization:

River Delta Fire District (the “District”) was established in 1947 pursuant to Section 13801 of the Health and Safety Code. The District is governed by a three member Board of Directors who are elected to four year terms. The District serves 5,000 residents in an area of approximately twenty-seven square miles.

2. Summary of Significant Accounting Policies:

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local government organizations. The District’s significant accounting policies are described below.

Measurement Focus and Basis of Accounting

The District reports a *General Fund* that is used to account for all financial resources except those required or designated by the Board of Directors to be accounted for in another fund.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers revenues to be available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues that are accrued include property taxes, interest income, and charges for current services. Revenues that are not accrued include permits and fines, forfeitures, and penalties, if applicable. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital assets are reported as expenditures in governmental funds. Proceeds of general long-term and capital assets are reported as other financing sources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

RIVER DELTA FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies (continued):

Capital Assets

Capital assets are recorded at historical cost if purchased or constructed. Amortization of assets acquired under capital lease is included in depreciation. Structures and equipment are depreciated using the straight-line method over their estimated useful lives.

Budgets

In accordance with the provisions of Sections 13901 through 13906 of the California Health & Safety Code and other statutory provisions, commonly known as the Budget Act, the District prepares and legally adopts a final budget for each fiscal year.

Cash

The District maintains cash balances with the Treasurer of Sacramento County in an interest-bearing pooled investment account. The District also maintains an imprest bank account of \$1,000. All deposits with the bank are covered by federal depository insurance.

Property Taxes

The District receives property taxes from Sacramento County. Property taxes become a lien on the first day of the year they are levied. Secured property tax is levied on July 1 and due in two installments, on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are levied on July 1, and become delinquent on August 31. The District elected to receive the property taxes from the County under the Teeter Bill Program. Under this Program, the District receives 100% of the levied property taxes in periodic payments, with the County assuming responsibility for delinquencies.

RIVER DELTA FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies (continued):

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 expenditures during the reporting period. Actual results may differ from those estimates.

3. Capital Assets:

Changes in capital assets for the year ended June 30, 2013 are as follows:

	<u>Balance</u> <u>6-30-12</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6-30-13</u>
Land	\$ 102,000	\$ -	\$ -	\$ 102,000
Structures and improvements	421,444	-	-	421,444
Equipment	<u>532,363</u>	<u>-</u>	<u>17,500</u>	<u>514,863</u>
	<u>\$1,055,807</u>	<u>\$ -</u>	<u>\$ 17,500</u>	<u>\$1,038,307</u>

4. Risk of Loss:

River Delta Fire District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During the 2013 fiscal year, the District purchased certain commercial insurance coverages to provide for these risks.

RIVER DELTA FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

5. Long-Term Debt:

The following is a summary of the long-term debt activities for the year ended June 30, 2013:

	<u>2012</u>	<u>New Debt Issued</u>	<u>Debt Retired</u>	<u>2013</u>	<u>Current Portion</u>
Bank	\$ 46,968	\$ -	\$ 46,968	\$ -	\$ -
County of Sacramento	300,000	-	300,000	-	-
Bank – property loan	-	84,000	5,925	78,075	4,398
Bank – property and equipment loan	<u>-</u>	<u>253,000</u>	<u>37,039</u>	<u>215,961</u>	<u>32,796</u>
	<u>\$ 346,968</u>	<u>\$ 337,000</u>	<u>\$ 389,932</u>	<u>\$ 294,036</u>	<u>\$ 37,194</u>

In July 2006, the District entered into a loan with a bank for \$99,000 to purchase fire equipment. Payments of \$18,230 at an interest rate of 9.5% are due annually, payable through July 2014. The loan of \$46,969 was fully paid December 11, 2012.

In June 2008, the District entered into a loan with the County of Sacramento for \$500,000 to purchase property. Payments of \$25,000 are due semi-annually at an interest rate of the Constant Maturity U.S. Treasury Note plus a premium of .75%, payable through July 2013. A principal payment of \$250,000 plus any accrued interest is due five years after date of agreement, if the District and County do not mutually agree to renew the agreement. The loan of \$300,000 was fully paid December 11, 2012.

In December 2012, the District entered into a loan with a bank for \$84,000 to refinance property. Payments of \$3,615 at an interest rate of 3.65% are due semi-annually, payable through June 2027.

In December 2012, the District entered into a loan with a bank for \$253,000 to refinance property and equipment. Payments of \$20,611 at an interest rate of 4.00% are due semi-annually, payable through June 2019.

RIVER DELTA FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued

5. Long-Term Debt, continued:

The future annual maturities of all long-term borrowings as of June 30, 2013 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 37,194	\$ 11,260	\$ 48,454
2015	38,680	9,773	48,453
2016	40,205	8,249	48,454
2017	41,833	6,620	48,453
2018	43,481	4,972	48,453
2019-2023	66,509	10,170	76,679
2024-2027	<u>26,134</u>	<u>2,788</u>	<u>28,922</u>
	<u>\$ 294,036</u>	<u>\$ 53,832</u>	<u>\$ 347,868</u>

6. Subsequent Events:

Management has evaluated subsequent events through January 2, 2013, the date these June 30, 2013 financial statements were available to be issued.

RIVER DELTA FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued

7. Equity:

General fund:

Total fund balances consist of:

Restricted for		\$ -
Committed for:		
General reserve		98
Unassigned		<u>(1,256)</u>
		<u>\$ (1,158)</u>

Statement of net position:

Total net position consist of:

Net investment in capital assets		\$ 320,420
Restricted		-
Unrestricted:		
Board designated:		
General reserve	\$ 98	
Undesignated (deficit)	<u>(1,256)</u>	
		<u>(1,158)</u>
		<u>\$ 319,262</u>

SUPPLEMENTAL INFORMATION

RIVER DELTA FIRE DISTRICT
PRINCIPAL OFFICIALS

Board of Directors:

Kirk West	Chairperson
LaMonte Evert	Director
Lee Laughlin	Director

Operations:

Stan Simi	Fire Chief
Larry Gardiner	Assistant Fire Chief
Jessie Rosewall	Assistant Fire Chief
Suzan Riddell	Secretary

RIVER DELTA FIRE DISTRICT
STATEMENT OF CASH FLOWS
for the year ended June 30, 2013

Cash flows from operating activities:

Change in net position (net loss)		\$(7,520)
Adjustments to reconcile change in net position to net cash provided by operating activities		
Depreciation		50,972
Loss on disposal of asset		900
(Increase) decrease in:		
Accounts receivable	\$(<u>625</u>)	(625)
(Decrease) increase in:		
Accounts payable and accrued liabilities	8,063	
Deferred revenue	<u>(18,000)</u>	<u>(9,937)</u>
Net cash provided by operating activities		33,790
Cash flows from investing activities:		
Purchase of equipment	<u>-</u>	
Net cash used by investing activities		-
Cash flows from financing activities:		
Reduction of long-term debt, net	(389,932)	
Proceeds from long-term debt	<u>337,000</u>	
Net cash used by financing activities		<u>(52,932)</u>
Net decrease in cash		(19,142)
Cash at beginning of year		<u>28,735</u>
Cash at end of year		<u>\$ 9,593</u>