

RIVER DELTA FIRE DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2020

RIVER DELTA FIRE DISTRICT

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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 the governmental activities and fund information which comprise the basic financial statements of River Delta Fire District as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

Auditors' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes 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 District'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 District'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 financial statement presentation.

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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and fund information of the River Delta Fire District as of June 30, 2020, and the changes in financial position, of those activities and funds for the fiscal year then ended in conformity with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

The River Delta Fire District has not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements. Our opinion is not modified with respect to this matter.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 15 and 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basis financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Larry Bain, CPA
An Accounting Corporation

September 27, 2021

RIVER DELTA FIRE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
Assets	
Cash and investments	\$ 7,139
Capital assets:	
Land	100,000
Building and improvements	419,944
Equipment	552,749
Less: accumulated depreciation	(546,820)
Capital assets-net	525,873
Total assets	533,012
Liabilities	
Current liabilities:	
Claims payable	73,178
Due to other governments	13,208
Due within one year	24,082
Non-current liabilities:	
Due in more than one year	89,873
Total liabilities	200,341
Net Position	
Net investment in capital assets	411,918
Unrestricted	(79,247)
Total net position	\$ 332,671

Notes to the financial statements are an integral part of this statement

RIVER DELTA FIRE DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions/programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities
Governmental Activities					
Public safety-fire	\$ 339,388	\$ -	\$ 40,000	\$ 93,797	\$ (205,591)
Interest on long-term debt	10,792				(10,792)
Total governmental activities	\$ 350,180	\$ -	\$ 40,000	\$ 93,797	(216,383)
General Revenues:					
Taxes:					
					163,198
					163,198
					(53,185)
					385,856
					\$ 332,671

Notes to the financial statements are an integral part of this statement

RIVER DELTA FIRE DISTRICT

**GOVERNMENTAL FUNDS
BALANCE SHEET
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	General Fund	Special Tax Fund	Total Governmental Funds
Assets			
Cash and investments	\$ 122	\$ 7,017	\$ 7,139
Total assets	<u>\$ 122</u>	<u>\$ 7,017</u>	<u>\$ 7,139</u>
Liabilities			
Claims payable	\$ 29,757	\$ 43,421	\$ 73,178
Due to other government	13,208		13,208
Total liabilities	<u>42,965</u>	<u>43,421</u>	<u>86,386</u>
Fund Balances			
Unassigned	<u>(42,843)</u>	<u>(36,404)</u>	<u>(79,247)</u>
Total fund balances	<u>(42,843)</u>	<u>(36,404)</u>	<u>(79,247)</u>
Total liabilities and fund balances	<u>\$ 122</u>	<u>\$ 7,017</u>	<u>\$ 7,139</u>

Notes to the financial statements are an integral part of this statement

RIVER DELTA FIRE DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Fund balances of governmental funds	\$ (79,247)
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds.	525,873
Some liabilities, including long-term debt, accrued interest and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	<u>(113,955)</u>
Net position of governmental activities	<u>\$ 332,671</u>

RIVER DELTA FIRE DISTRICT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	General Fund	Special Tax Fund	Total Governmental Funds
Revenues			
Property taxes	\$ 161,797	\$ -	\$ 161,797
Special assessment		93,797	93,797
Intergovernmental revenues	1,401		1,401
Total revenues	163,198	93,797	256,995
Expenditures			
Salaries and benefits	55,203	768	55,971
Services and supplies	101,105	131,333	232,438
Capital outlay	-		-
Debt service			
Principal	26,957		26,957
Interest	10,792		10,792
Total expenditures	194,057	132,101	326,158
Net change in fund balances	(30,859)	(38,304)	(69,163)
Fund balances, beginning of fiscal year	(11,984)	1,900	(10,084)
Fund balances, end of fiscal year	\$ (42,843)	\$ (36,404)	\$ (79,247)

Notes to the financial statements are an integral part of this statement

RIVER DELTA FIRE DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ (69,163)

Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of revenues, expenditures and changes in fund balances because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Cost of assets capitalized	-
Depreciation expense	(50,978)
Donated capital assets	40,000

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

26,956

Change in net position of governmental activities \$ (53,185)

RIVER DELTA FIRE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies

The River Delta Fire District was formed in 1947 for the purpose of providing fire protection to property within the District. The District acts and operates under, and is governed by, the statutory authority known as the Health and safety code, State of California, Division 12, Part 2.7, Fire Protection District Law of 1961.

The District's revenue is generated by levying taxes upon all taxable property within its boundaries for general purposes. The assessed valuation of the District is determined by the assessor of the County of Sacramento and the assessments are collected by the tax collector of the County. The District also collects a benefit assessment from properties within its boundaries.

The following is a summary of the more significant accounting policies:

A. Reporting Entity

The District has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America, which provide guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit, or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the component unit has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

Based on the aforementioned oversight criteria, there are no component units in accordance with Governmental Accounting Standards Board.

B. Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or as a reservation of fund balance. The District considers property taxes available if they are collected within sixty-days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as compensated absences and claims and judgments are recorded only when payment is due. General capital acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

RIVER DELTA FIRE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

C. Non-Current Governmental Assets/Liabilities

GASB Statement 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide statement of net position.

D. Basis of Presentation

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The District's resources are accounted for in these individual funds based on the purposes for which they are to be spent and the means by which spending activity is controlled. For financial reporting, these funds have been grouped into the fund type discussed below.

Governmental Fund Types

Governmental funds are used to account for the District's expendable financial resources and related liabilities (except those accounted for in proprietary and similar trust funds). The measurement focus is based upon determination of changes in financial position. The following are the District's major governmental funds:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government type activities.

Special Revenue Fund - This fund accounts for the financial activities of the special tax. The special tax, also known as Measure S, is used to provide fire protection and emergency services within the District.

E. 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/expenses during the reporting period. Actual results could differ from those estimates.

F. Restricted Assets

Restricted assets are financial resources generated for a specific purpose such as construction of improvements and financing of debt obligations. These amounts are restricted, as their use is limited by applicable bond covenants or other external requirements.

G. Fund Balance

GASB 54 establishes fund balance classifications that comprise a hierarchy based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. While the classifications of fund balance in the District's various governmental funds were revised, the implementation of this standard had no effect on total fund balance.

RIVER DELTA FIRE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

H. Property Taxes

The District receives property taxes from the County of Sacramento, which has been assigned the responsibility for assessment, collections, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are levied on January 1 for the following fiscal year and on which date it becomes a lien on real property. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively, for the secured roll. Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District, eliminating the need for an allowance for uncollectible. The County, in return, receives all penalties and interest. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

I. Capital Assets

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

Note 2: Cash and Investments

The District maintains a cash holding account with the County of Sacramento Treasurer's office. The County maintains the cash of the District in a "pooled" cash fund for special districts. At June 30, 2020, the carrying amount of the District's cash held by the County as part of the external investment pool was \$5,150. California Government Code authorizes the Treasurer of the County to invest excess funds in the following list of eligible securities:

- a) Obligations of the U.S. Treasury, agencies and instrumentalities.
- b) Bankers acceptances eligible for purchase by the Federal Reserve System.
- c) Commercial paper with A-1 rating by Moody's Investors Service or a P-1 rating by Standard and Poor's Corporation.
- d) Repurchase agreements or reverse repurchase agreements.
- e) Medium-term notes with a five-year maximum maturity from corporations operating within the United States and rated in the top three rating categories by Moody's Investment Service and Standard and Poor's Corporation.
- f) Shares of beneficial interest issued by the diversified management companies (money market funds) investing in securities and obligations as outlined in a) through f) above. Certain security rankings and/or organizational requirements apply to this investment.

The Sacramento County Treasurer investment pool funds are managed in accordance with the investment policy of the County Treasurer. On a quarterly basis the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information regarding the categorization of investments and investment risk can be found in the County's financial statements. The Sacramento County's financial statements may be obtained online at the following link: finance.saccounty.net/AuditorController/Pages/.

RIVER DELTA FIRE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 3: Property Plant and Equipment

Activity for general fixed assets capitalized by the District is summarized below:

	Balance July 1, 2019	Additions Adjustments	Retirements/ Adjustments	Balance June 30, 2020
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Capital assets, being depreciated:				
Buildings and improvements	419,944			419,944
Equipment	512,749	40,000		552,749
Total capital assets, being depreciated	932,693	40,000	-	972,693
Less accumulated depreciation	(495,842)	(50,978)		(546,820)
Total capital assets, being depreciated, net	436,851	(10,978)	-	425,873
Governmental activities capital assets, net	\$ 536,851	\$ (10,978)	\$ -	\$ 525,873

Note 4: Long-Term Liabilities

The following is a summary of changes in the governmental activities long-term liabilities for the fiscal year ended June 30, 2020:

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Due Within One Year
Bank Loan A	\$ 52,838	\$ -	\$ (7,890)	\$ 44,948	\$ 5,376
Bank Loan B	48,073		(12,943)	35,130	9,082
Capital lease	40,000		(6,123)	33,877	9,624
Total	\$ 140,911	\$ -	\$ (26,956)	\$ 113,955	\$ 24,082

Governmental activities long-term debt obligations consisted of the following:

Bank Loan A:

In December 2012, the District entered into a loan with a commercial bank for \$84,000 to finance a property acquisition. The initial interest rate on the loan was 3.65% fixed for 5 years and then the loan was repriced at Prime Rate plus ½ percent adjusted periodically. After sixty months the loan had a minimum interest rate of 3.75% and a maximum interest rate of 12% through the term of the loan. The future minimum loan payments as of June 30, 2020, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 5,376	\$ 2,504	\$ 7,880
2022	5,648	2,232	7,880
2023	5,934	1,946	7,880
2024	6,231	1,649	7,880
2025	6,550	1,330	7,880
2026-2027	15,209	551	15,760
Total	\$ 44,948	\$ 10,212	\$ 55,160

RIVER DELTA FIRE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

Note 4: Long-Term Liabilities (Continued)

Bank Loan B:

In December 2016, the District entered into a loan with a commercial bank for \$63,475 to refinance a property acquisition and equipment loan originating in December 2012. The interest rate on the loan is 5.5% with the final payment due January 31, 2024. The future minimum loan payments as of June 30, 2020, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 9,082	\$ 2,054	\$ 11,136
2022	9,595	1,541	11,136
2023	10,129	1,007	11,136
2024	6,324	4,812	11,136
Total	<u>\$ 35,130</u>	<u>\$ 9,414</u>	<u>\$ 44,544</u>

Promissory Note:

On May 22, 2019, the District entered into a loan with the Bank of Stockton for \$40,000 to purchase the fire apparatus previously on loan from Cal Fire. The interest rate on the loan is 5.5% with the final payment due June 5, 2023. The future minimum loan payments as of June 30, 2020, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2021	\$ 9,624	\$ 1,581	\$ 11,205
2022	10,167	1,039	11,205
2023	10,740	465	11,205
2024	3,346	23	2,613
Total	<u>\$ 33,877</u>	<u>\$ 3,108</u>	<u>\$ 36,229</u>

Note 5: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. General liability, auto liability, property, and workers compensation are purchased under certain commercial insurance policies to cover these risks..

Note 6: Parcel Tax-Measure S

River Delta Fire District determined a parcel tax was needed in order to sustain fire protection and emergency services within the District. On August 29, 2017, voters approved a parcel tax known as Measure S. Starting in the 2018/19 fiscal year, the District started the levy. During the 2019/20 fiscal year the District received \$93,797 in parcel tax revenue. The activity is recorded in these financial statements as a special revenue fund.

RIVER DELTA FIRE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020

Note 7: Revenue Limitations Imposed by California Proposition 218

Proposition 218 was approved by the voters in November 1996, regulates the District's ability to impose, increase, and extend taxes and assessments. Any new increase or extended taxes and assessments subject to the provisions of Proposition 218, requires voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative and may be rescinded in the future years by the voters.

Note 8: Stewardship and Accountability

A. Excess of Expenditures Over Appropriations

The final amended general fund budget had excess expenditures over the budget of \$2,914 in salaries and benefits, and \$4,007 in services and supplies. The final amended special revenue fund-special tax, had excess expenditures over the budget of \$41,103 in services and supplies.

Note 9: Deficit Fund Balance and Deficit Unrestricted Net Position

As of June 30, 2020 there was a deficit fund balance in the general fund of \$42,843, a deficit fund balance in the special tax fund of \$36,404 and a deficit unrestricted net position in the government-wide financial statements of \$79,247. The deficit fund balances and deficit unrestricted net position are expected to be eliminated with future revenue sources and decreased expenditures.

Note 10: Commitments and Contingencies

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the district expects such amounts, if any, to be immaterial.

COVID 19

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of River Delta Fire Protection District could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. The District has not included any contingencies in the financial statements specific to this issue.

RIVER DELTA FIRE DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 190,473	\$ 190,473	\$ 161,797	\$ (28,676)
Intergovernmental revenues	1,444	1,444	1,401	(43)
Use of money and property	187	187		(187)
Other revenues	11,885	11,885		(11,885)
Total revenues	<u>203,989</u>	<u>203,989</u>	<u>163,198</u>	<u>(40,791)</u>
Expenditures				
Salaries and benefits	52,289	52,289	55,203	(2,914)
Services and supplies	97,098	97,098	101,105	(4,007)
Debt service	53,700	53,700	37,749	15,951
Capital outlay			-	-
Total expenditures	<u>203,087</u>	<u>203,087</u>	<u>194,057</u>	<u>9,030</u>
Net change in fund balance	<u>\$ 902</u>	<u>\$ 902</u>	<u>(30,859)</u>	<u>\$ (31,761)</u>
Fund balances, beginning of fiscal year			<u>(11,984)</u>	
Fund balances, end of fiscal year			<u>\$ (42,843)</u>	

RIVER DELTA FIRE DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Special assessment	\$ 95,230	\$ 95,230	\$ 93,797	\$ (1,433)
Total revenues	95,230	95,230	93,797	(1,433)
Expenditures				
Salaries and benefits	5,000	5,000	768	4,232
Services and supplies	90,230	90,230	131,333	(41,103)
Total expenditures	95,230	95,230	132,101	(36,871)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(38,304)</u>	<u>\$ (38,304)</u>
Fund balances, beginning of fiscal year			<u>1,900</u>	
Fund balances, end of fiscal year			<u>\$ (36,404)</u>	

RIVER DELTA FIRE DISTRICT

**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

Note 1: Budgets and Budgetary Accounting

As required by State law the District prepares and legally adopts a final operating budget. Public hearings were conducted on the proposed and final budget to review all appropriations and the sources of financing.

The budgets for the general fund and the special revenue fund are adopted on the modified accrual basis of accounting. The budgets for the general fund and special revenue fund are the only legally adopted budgets.

At the object level, actual expenditures cannot exceed budgeted appropriations. Management can transfer budgeted amounts between expenditure accounts within an object without the approval of the Board of Directors. Significant amendments and appropriation transfers between objects or funds must be approved by the Board of Directors. Appropriations lapse at fiscal year-end.

The budgetary data presented in the accompanying financial statements includes all revisions approved by the Board of Directors.