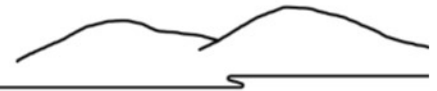


Redwood Coast Fire Protection District

FINANCIAL STATEMENTS

AUDIT REPORT

June 30, 2019



March 31, 2020

Redwood Coast Fire Protection District

Point Arena, CA 95468

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Redwood Coast Fire Protection District as of and for the year-ended June 30, 2019, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

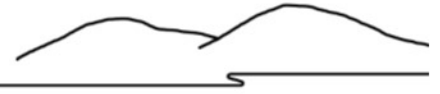
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of 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 applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States. 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 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 our 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 Redwood Coast Fire Protection District as of June 30, 2019, and the respective changes in financial position, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

The District has not presented Management’s Discussion and Analysis or budgetary comparison information that accounting principles generally accepted in the United States of America require 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 financial statements in an appropriate operational, economic, or historical context.

Zach Pehling, CPA

Redwood Coast Fire Protection District

**Audit Report
June 30, 2019**

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Redwood Coast Fire Protection District

**Management's Discussion and Analysis
For the year ended June 30, 2019**

The intent of the management's discussion and analysis is to provide highlights of the Redwood Coast Fire Protection District's financial activities for the fiscal year ended June 30, 2019.

The District's Operations – an Overview

FINANCIAL HIGHLIGHTS

Revenues

Combined revenues for the fiscal year totaled \$549,963.

Expenses

Combined expenses for the fiscal year totaled \$524,274.

Expenditures

Combined expenditures for the fiscal year totaled \$ 515,610.

Interest Earnings

Interest earnings for the year totaled \$154. Any interest income received by the District is acquired through investments made by the County Treasurer and then apportioned to the District by the County Auditor-Controller.

General and Administrative

The District did not have any changes in its general and administrative expenses.

BASIS OF ACCOUNTING

The District's financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

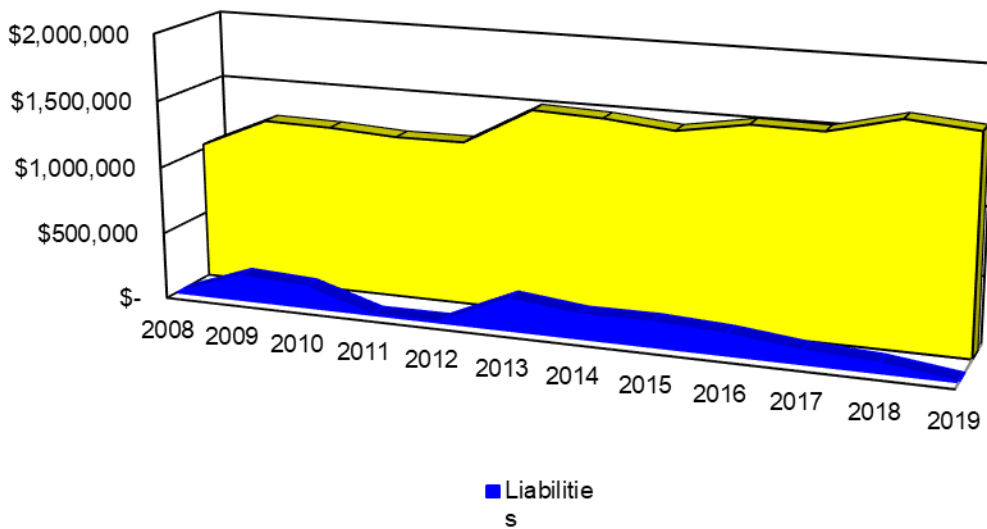
Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

Redwood Coast Fire Protection District

**Management's Discussion and Analysis
For the year ended June 30, 2019**

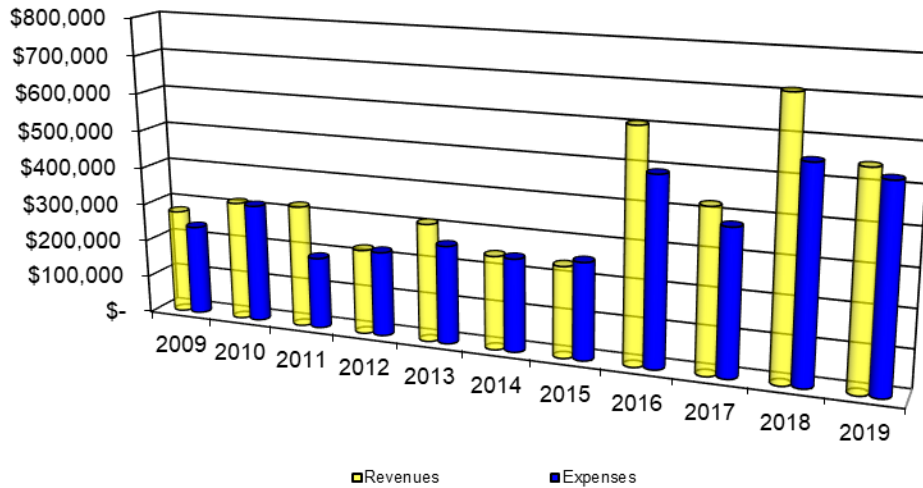
The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.



Redwood Coast Fire Protection District

**Management's Discussion and Analysis
For the year ended June 30, 2019**

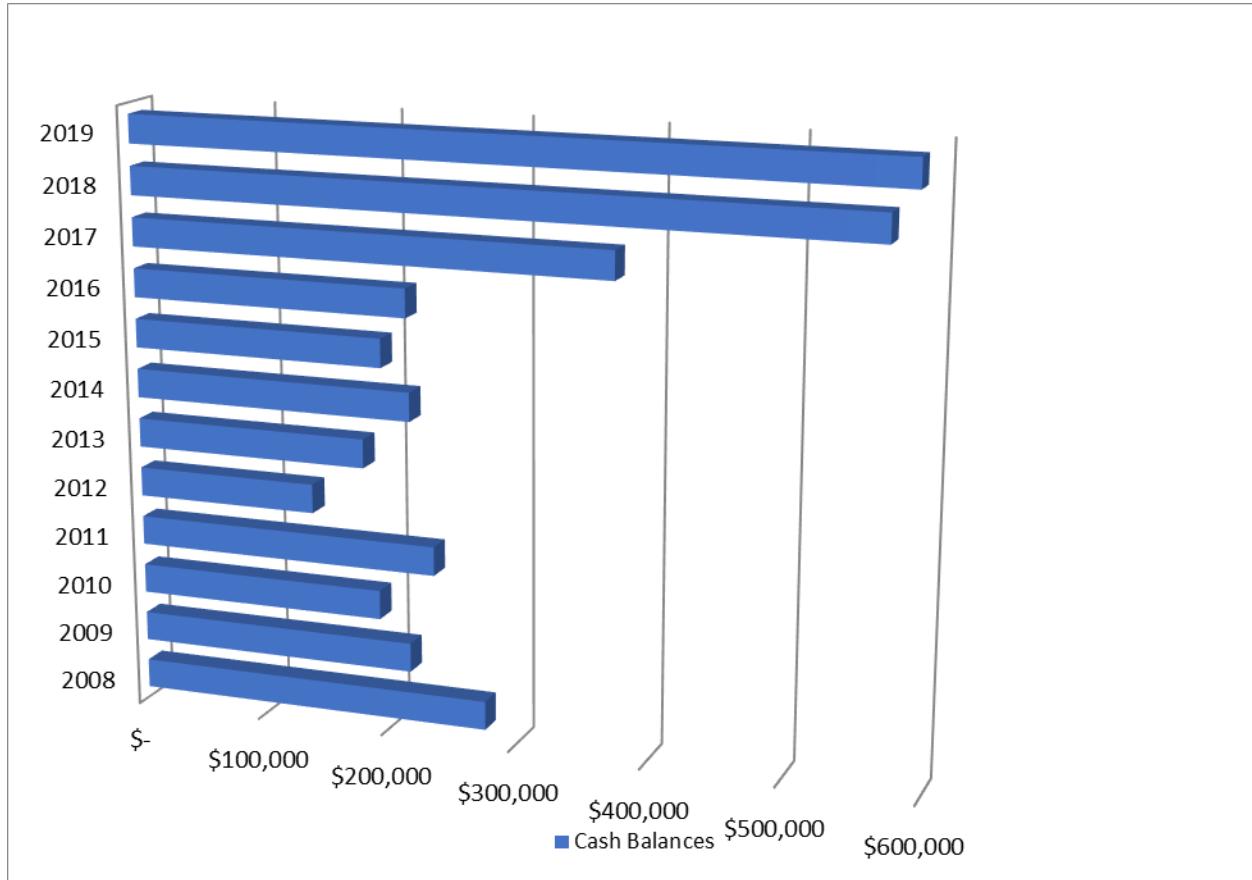
The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).



Redwood Coast Fire Protection District

**Management’s Discussion and Analysis
For the year ended June 30, 2019**

The *Statement of Cash Flows* presents information showing how the District’s cash changed during the most recent fiscal year. Observing the cash balances at the District’s year-end shows the funds available to meet current operating needs, pay current liabilities, and meet the amount of capital improvements required to carry on the Districts activities and objectives.



The government-wide financial statements report on the function of the District that is principally supported by intergovernmental revenues, and charges for services.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District maintains one governmental fund (general fund). Information in the fund financial statements is presented separately for the general fund. The governmental funds statement provides a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spend in the near future to finance the District’s programs.

Redwood Coast Fire Protection District

**Management's Discussion and Analysis
For the year ended June 30, 2019**

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

The District has capital assets (e.g. land, structures, and equipment). Any investment in capital assets would restrict the use of assets for future spending. The unrestricted net assets of the District are available for future use to provide program services.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the District's budget for the 2019 fiscal year:

- Property tax rates
- Actual expenditures for 2018

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all citizens, taxpayers, customers, investors, and creditors. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Redwood Coast Fire Protection District, PO Box 245, Point Arena, California 95468.

Redwood Coast Fire Protection District

**Balance Sheet
June 30, 2019**

	<u>General Fund</u>
<u>ASSETS</u>	
Cash	\$ 586,190
Accounts Receivable	73,264
Taxes Receivable	-
Prepays	-
	<hr/>
TOTAL ASSETS	659,454
	<hr/>
<u>LIABILITIES & FUND BALANCES</u>	
<u>Liabilities:</u>	
Accounts Payable	1,679
Total Current Liabilities	<hr/> 1,679
	<hr/>
Total Liabilities	1,679
	<hr/>
<u>Fund Balances:</u>	
Unrestricted	657,775
	<hr/>
Total Fund Balance	657,775
	<hr/>
<u>TOTAL LIABILITIES & FUND BALANCE</u>	<u>\$ 659,454</u>
	<hr/>
Total Fund Balances - Governmental Funds	<u>\$ 657,775</u>
	<hr/>
<p>Capital Assets used in Governmental Funds are not financial resources and therefore are not reported as assets in the Governmental Funds.</p>	
	<hr/>
Total Historical Cost of Capital Assets	2,195,141
Less: Accumulated Depreciation	(1,248,081)
	<hr/>
<p>Long-term liabilities are not due in the current period and therefore, are not reported as liabilities in the governmental funds.</p>	
	<hr/>
Net Position	<u>\$ 1,604,835</u>
	<hr/>

The accompanying notes are an integral part of these financial statements

Redwood Coast Fire Protection District

Statement of Revenues, Expenditures and Changes in Fund Balances For the Year-Ended June 30, 2019

<u>REVENUES</u>	<u>General Fund</u>
Taxes	192,918
Interest Income	1,787
Contributions and Donations	9,545
Other Income	39,091
Charges for Services	306,622
TOTAL REVENUES	549,963
<u>EXPENDITURES</u>	
Salaries and Employee Benefits	333,925
Services and Supplies	37,428
Insurance	14,050
Professional Fees	11,962
Capital Lease Expense	66,045
Interest Expense	1,766
Utilities	11,299
Repairs	34,643
Bad Debt Expense	-
Fixed Assets	4,492
TOTAL EXPENDITURES	515,610
Excess (Deficit) of Revenues Over Expenditures	34,353
<u>NET CHANGE IN FUND BALANCE</u>	34,353
<u>FUND BALANCE, BEGINNING OF YEAR</u>	623,422
<u>FUND BALANCE, END OF YEAR</u>	\$ 657,775
Net Change in Fund Balances - Total Governmental Funds	\$ 34,353
<p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense during the year</p>	
Current Year Capital Outlays	4,313
Less: Current Year Depreciation Expense	(79,022)
Repayment of principle on long-term liabilities is an expenditure for Governmental funds, but the repayment reduces long-term liabilities on the Government-Wide Statement of Net Position. Principle payments made on long-term liabilities during the year consist of:	66,045
Change in Net Position of Governmental Activities	\$ 25,689

The accompanying notes are an integral part of these financial statements

Redwood Coast Fire Protection District

Statement of Net Position June 30, 2019

	General
<u>ASSETS</u>	
<u>Current Assets:</u>	
Cash	\$ 586,190
Accounts Receivable	73,264
Taxes Receivable	-
Prepays	-
	659,454
Total Current Assets	
<u>Fixed Assets:</u>	
Land	114,996
Buidlings & Improvements	587,348
Equipment	1,492,797
Less: Accumulated Depreciation	(1,248,081)
	947,060
Total Fixed Assets	
TOTAL ASSETS	1,606,514
<u>LIABILITIES</u>	
<u>Current Liabilities:</u>	
Current Portion of Notes Payable	-
Accounts Payable	1,679
	1,679
Total Current Liabilities	
<u>Long-Term Liabilities:</u>	
Notes Payable	-
	-
Total Long-Term Liabilities	
TOTAL LIABILITIES	1,679
<u>NET POSITION</u>	
Net Investment in Capital Assets	947,060
Unrestricted	657,775
	1,604,835
TOTAL NET POSITION	\$ 1,604,835

The accompanying notes are an integral part of these financial statements.

Redwood Coast Fire Protection District

**Statement of Activities
For the Year Ended
June 30, 2019**

EXPENSES

Program Expenses:

Salaries and Employee Benefits	\$ 333,925
Services and Supplies	37,416
Insurance	14,050
Professional Fees	11,962
Depreciation	79,022
Utilities	11,299
Repairs	34,643
Equipment	191
Bad Debt Expense	-
Interest Expense	1,766
Total Program Expenses	<u>524,274</u>

TOTAL EXPENSES 524,274

REVENUE

Program Revenue:

Donations	9,545.00
Charges for Services	306,622
Other Income	39,091
Total Program Revenue	<u>355,258</u>

General Revenues:

Interest	1,787
Taxes and Intergovernmental	192,918
Total General Revenues	<u>194,705</u>

TOTAL REVENUE 549,963

NET CHANGE IN NET POSITION 25,689

NET POSITION, BEGINNING OF YEAR 1,579,146

NET POSITION, END OF YEAR \$ 1,604,835

The accompanying notes are an integral part of these financial statements.

Redwood Coast Fire Protection District

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF GENERAL AND SIGNIFICANT ACCOUNTING POLICIES

A. General

The District was formed on June 3, 1997 under the provisions of Division 12, Part 3 of the Health and Safety Code of the State of California. Redwood Coast Fire Protection District is a special district of the County of Mendocino, California, providing Fire Protection to residents within its boundaries. The boundaries of the District encompasses the areas of Point Arena and Manchester”.

The District is a governed entity administered by a Board of Directors (the Board) that acts as the authoritative and legislative body of the entity.

The Board appoints the Chair (person) of the Board from existing board members. The Chair’s responsibilities are to preside at all meetings of the Board; perform all duties commonly incident to the position of presiding officer of a board.

The accompanying general-purpose financial statements comply with the provisions of GASB Statement No. 14, *“The Financial Reporting Entity,”* in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization’s governing body and either (1) the District’s ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units.

B. Basis of Accounting/Measurement Focus

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

C. Government-Wide Financial Statements

The District Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as

Redwood Coast Fire Protection District

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

D. Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities demonstrating the degree to which the direct expenses of a given project are offset by project revenues. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function or segment. Program revenues include (1) charges paid by the recipients of services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes are presented instead as general revenues.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental assets and liabilities is reported as net assets. The District reports using the major governmental fund of General Fund. The District reports the following major governmental funds:

Redwood Coast Fire Protection District

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

General Fund – The General Fund is used to account for all financial resources of the District. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of California and the bylaws of the District.

Exchange and Non-Exchange Transactions of Revenues – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non-exchange transactions, in which the District receives value without directly giving value in return, include taxes and donations. Revenues are recognized when susceptible to accrual, when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. The assessor of the County of Mendocino determines the assessed valuations of such property and the tax collector of the County collects the taxes. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

Expenses/Expenditures- On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

E. Budgets and Budgetary Accounting

The District operates under the general laws of the State of California and annually adopts a budget to be effective July 1 for the ensuing fiscal year. Formal budgetary integration is employed as a management control device during the year for the General Fund. The level of control (level at which expenditures may not exceed budget) is the fund. Unused appropriations for all the above annually budgeted funds lapse at the end of the fiscal year. Budgeted amounts are the final authorized amount as revised during the year. Actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items to the General Fund.

F. Cash

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, To maximize investment opportunities, the District participate in a pooling of cash and investment income with other local agencies. Each fund may liquidate its equity in the pool on demand. Investments are recorded at fair value,. Fair value is based on quoted market prices.

Redwood Coast Fire Protection District

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

As of June 30, 2019, the primary government had the following investments:

	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Agency</u>
Pooled investment in Laif	\$51,183	Unrated	NA
Cash in County Treasury	3,936	Unrated	NA
Cash in Local Bank	524,668	FDIC ins.	NA
Cash on Hand	<u>0</u>	Unrated	NA
Total Cash	\$586,190		

Interest rate risk. - The District does not currently have a policy regarding interest rate risk.

Credit risk. - The District does not have a formal policy regarding credit risk

Custodial credit risk. -The District's investment in the State and County Treasurer's investment pools represents a proportionate interest in the pool's portfolio; however, the District's portion is not identified with specific investments and is not subject to custodial credit risk. Cash in local bank is covered by federal depository insurance.

Concentration of credit risk. - The District does not have a policy for concentration of credit risk.

F. Accounts Receivable & Taxes Receivable

On an accrual basis, revenues from charges and property taxes are recognized in the fiscal year in which the services are rendered. Receivables are resources provided to the District on a reimbursement basis. As of June 30, 2019 the total allowance for doubtful accounts was (28,414)and total AR was \$101,678

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

H. Capital Assets

Capital assets, which include property, plant, and equipment, infrastructure assets and intangible are reported in the applicable governmental -type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of one year. Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost... Donated or contributed capital assets are recorded at their estimated fair value on the date received.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Redwood Coast Fire Protection District

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

I. Accounts Payable

On an accrual basis, expenditures are recognized in the fiscal year in which the services are received. Liabilities are comprised of payroll withholdings and wages that were earned in the current fiscal year and paid in the next.

L. Notes Payable

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from the governmental resources are reported as liabilities in the government-wide statements. The long-term liabilities consist of mortgages, equipment leases and unfunded workmen's compensation liability.

Long-term liabilities for governmental funds are not reported as a liability in the fund financial statements. The liability proceeds are reported as other financing sources and payments of principal and interest as expenditures.

I. Net Position

The District's net position represents the difference between its assets and liabilities in the statement of net position. Net position is reported as restricted with there are legal limitations imposed on their use by their source. Portions of the unreserved net assets or fund balance may be designated to indicate tentative plans for financial resources utilization in a future period, such as for general contingencies, purchase of capital assets, or debt service. Such plans or intent are subject to change and may never be legally authorized or result in expenditures

J. Property Tax Revenue

The District assesses tax through the Mendocino County tax rolls. Property taxes attach as an enforceable lien on property as of March 1. Taxes are levied on July 1 and payable in two installments on December 10 and April 10, for the secured roll. The unsecured roll is due August 31. All taxes become delinquent if not paid on the due dates.

K. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2: USE OF RESTRICTED/UNRESTRICTED NET POSITION

When an expense is incurred for purposes for which both restricted and unrestricted net assets are

Redwood Coast Fire Protection District

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

available, the District's policy is to apply restricted net assets first.

NOTE 3: COMPARATIVE DATA AND RECLASSIFICATIONS

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with current year's presentation.

NOTE 4 - JOINT POWERS AGREEMENT

The District participates in a joint venture under a joint agreement (JPA) with the Golden State Risk Management Authority (GSRMA). The relationship between the District and the JPA is such that is not a component unit of the District and the JPA is not a component unit of the District for financial reporting purposes.

The JPA'S purpose is to jointly fund and develop programs to provide comprehensive and economical funding of property, workers compensation and employers liability coverage's for bodily injury by accident or by disease, including resulting from death, arising out of and in the course of an employee's employment with the District. This program is provided through collective self-insurance; the purchase of insurance coverage's; or a combination thereof. Copies of GSRMA annual financial reports may be obtained from their executive office at 247 West Sycamore Street, P.O. Box 706, Willows, CA 95988.

The District and the City of Point Arena entered into a JPA to provide fire suppression, fire prevention, and emergency services within the territorial limits of Point Arena. The District will provide such services and has full authority over equipment and personnel.

For these services the District is able to include non-city owned property parcels located within the city under its fire taxing authority, and received the city's fire suppression equipment, vehicles, and other property rights. Certain insurances and hold harmless agreements are required under the JPA, and upon termination the District would have to remit a proportionate share of the District's assets to the city.

NOTE 5: LEASE COMMITMENTS

Mendocino Transit Authority entered into a lease dated May 1, 2003, amended July 15, 2008. The term of the lease is 6 years, paid in quarterly annual installments of \$ 600, plus \$25 for utilities, which will increase by 2% every 12 months. The lease may be renewed upon mutual agreement of both parties every six years.

Redwood Coast Fire Protection District

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 6: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2019, the District contracted with GSRMA for liability, property, crime damage, and employee and director insurances.

NOTE 7: CONTIGENCIES

As of June 30, 2019, the District did not have any pending litigation or potential nondisclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 8: SUBSEQUENT EVENTS

The District's management has evaluated events and transactions subsequent to June 30, 2019 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through **March 31, 2020**, the date the financial statements became available to be issued. The entity has not evaluated subsequent events after **March 31, 2020**.