



June 28, 2022

To the Board of Directors
Fig Garden Fire Protection District
Fresno, California

We have audited the financial statements of the governmental activities and the General Fund of the Fig Garden Fire Protection District (the District) for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 14, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the fiscal year ended June 30, 2019. We noted no transactions entered into by the district during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the District's financial statements was:

Management's estimate of the depreciation expense is based on the estimated useful lives of the assets. We evaluated the key factors and assumptions used to develop the depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no corrected or uncorrected misstatements noted during our audit for the year ended June 30, 2019.

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Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 28, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and the Budgetary Comparison Schedule – General Fund, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of Board of Directors and management of Fig Garden Fire Protection District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Price Pange & Company

**FIG GARDEN FIRE PROTECTION DISTRICT
FRESNO, CALIFORNIA**

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
JUNE 30, 2019**

**FIG GARDEN FIRE PROTECTION DISTRICT
FRESNO, CALIFORNIA
JUNE 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Fig Garden Fire Protection District
Fresno, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Fig Garden Fire Protection District (the District) as of and for the year ended June 30, 2019, 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 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 opinions 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 standards applicable to financial audits contained in *Government 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 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 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 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of Fig Garden Fire Protection District as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-6 and the budgetary comparison information on pages 22-23 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 basic 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
June 28, 2022

**FIG GARDEN FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

As management of Fig Garden Fire Protection District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with information that is included within the financial statements.

FINANCIAL HIGHLIGHTS

- ❖ Assets of the District exceeded its liabilities as of June 30, 2019 by \$1,437,963. Of this amount, unrestricted net position of \$381,456 may be used to meet the District's ongoing obligations to customers and creditors. As of June 30, 2018, assets exceeded liabilities by \$1,364,920 with unrestricted net position equaling \$323,066.
- ❖ Total net position increased by \$73,043. For the year ended June 30, 2018, total net position increased by \$64,614.
- ❖ As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$386,469, an increase of \$58,390 in comparison with the prior year. Of this amount, \$386,469 is committed or unassigned and available for spending. For the year ended June 30, 2018, the District's governmental funds had a combined ending fund balance of \$328,079, with \$328,079 being assigned or committed and available for spending. There was an increase of \$58,390 in the combined ending fund balance compared to the prior year.
- ❖ During the current year, the District's fixed assets increased by a net of \$14,653. The increase was entirely attributable to building improvements. There was no depreciation expense during the current year or prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Fig Garden Fire Protection District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements.

Government-Wide 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.

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

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 related cash flows. Thus, revenue and expense are reported in this statement for some items that will only result in cash flow in future fiscal periods.

**FIG GARDEN FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Government-Wide Statements (Continued)

Both of the government-wide financial statements distinguish functions of the District that are principally non business in nature (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include fire abatement activities, primarily for the residents of the Fig Garden area of Fresno County. The District has no business-type activities.

The government-wide financial statements include only the District itself. The District has no component units.

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. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds. The District has no proprietary funds and only two governmental funds, the General Fund and the Capital Equipment Fund.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenue, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between the two.

Notes to the financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2019, the District's assets exceeded liabilities by \$1,437,963. A significant portion of the District's net position (73 percent) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to customers and they are not available for future spending.

**FIG GARDEN FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

The following represent summaries of the District's net position and changes in net position for the current and prior years:

Fig Garden Fire Protection District's Net Position

	Governmental Activities	
	2019	2018
Current assets	\$ 497,479	\$ 407,078
Other assets	<u>1,056,507</u>	<u>1,041,854</u>
 Total assets	 <u>1,553,986</u>	 <u>1,448,932</u>
 Current liabilities	 111,010	 78,999
Noncurrent liabilities	<u>5,013</u>	<u>5,013</u>
 Total liabilities	 <u>116,023</u>	 <u>84,012</u>
 Net position		
Invested in capital assets, net of related debt	1,056,507	1,041,854
Unrestricted	<u>381,456</u>	<u>323,066</u>
 Total net position	 <u>\$ 1,437,963</u>	 <u>\$ 1,364,920</u>

Fig Garden Fire Protection District's Changes in Net Position

	Governmental Activities	
	2019	2018
Program revenue		
Assessments and charges for services	<u>\$ 587,635</u>	<u>\$ 569,429</u>
 Total program revenue	 <u>587,635</u>	 <u>569,429</u>
 Expense		
Fire abatement	<u>1,240,320</u>	<u>1,194,799</u>
 Total expense	 <u>1,240,320</u>	 <u>1,194,799</u>
 Increase/(decrease) in net position before general revenue	 (652,685)	 (625,370)
 General revenue	 725,728	 689,984
 Increase/(decrease) in net position	 73,043	 64,614
 Net position, beginning	 <u>1,364,920</u>	 <u>1,300,306</u>
 Net position, ending	 <u>\$ 1,437,963</u>	 <u>\$ 1,364,920</u>

Governmental activities

Governmental activities increased the District's net position by \$73,043, accounting for 100 percent of the total growth in net position.

**FIG GARDEN FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The purpose of the District's governmental fund financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2019, the District's governmental funds reported combined ending fund balances of \$386,469, an increase of \$58,390 in comparison to the prior year. The entire combined ending fund balance is assigned or unassigned and available for spending at the District's discretion.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

The District's investment in capital assets for its governmental activities as of June 30, 2019 amounted to \$1,056,507 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements and equipment.

Additional information on the District's capital assets can be found in note four.

Debt administration

The District's only long-term debt is a state subvention shortfall loan. It is doubtful that this loan will be repaid.

Economic Factors and Next Year's Budgets and Rates

The general fund budget for the year ending June 30, 2020 projects a surplus of \$43,200. Revenue and other financing sources are anticipated to increase by \$29,099 while expenditures and other financing uses are expected to increase by \$41,427. Benefit assessment revenue is expected to increase by \$32,765, interest and other income is expected to increase by \$4,527 and property tax and intergovernmental revenue is expected to decrease by \$8,193. No transfers to or from the capital equipment fund are expected. Professional and specialized services are expected to increase by \$37,950, other expenditures are expected to increase by \$18,130 and capital outlay is expected to decrease by \$14,653.

Requests for Information

This financial report is designed to provide a general overview of Fig Garden Fire Protection District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Administration Division Chief, Fig Garden Fire Protection District, 911 H Street, Fresno, California 93721.

BASIC FINANCIAL STATEMENTS

**FIG GARDEN FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019**

ASSETS

Current assets:

Cash and investments	\$ 491,194
Interest receivable	<u>6,285</u>

Total current assets	<u>497,479</u>
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Other assets:

Capital assets (net of allowance for depreciation)	<u>1,056,507</u>
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Total assets	<u>1,553,986</u>
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LIABILITIES

Current liabilities:

Accounts payable and accrued expense	111,010
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Noncurrent liabilities:

State subvention shortfall loan payable	<u>5,013</u>
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Total liabilities	<u>116,023</u>
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NET POSITION

Net investment in capital assets	1,056,507
Unrestricted	<u>381,456</u>

Total net position	<u>\$ 1,437,963</u>
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The notes to the basic financial statements are an integral part of this statement.

**FIG GARDEN FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Revenue	Net (Expenses) Revenue and Changes in Net Position
Expenses	Operating Grants and Contributions	Governmental Activities
Governmental activities:		
Fire abatement	\$ 1,240,320	\$ 587,635
Total governmental activities	\$ 1,240,320	\$ (652,685)
General revenues:		
Property taxes		700,767
Interest		19,035
Intergovernmental		5,926
Total general revenues		725,728
Change in net position		73,043
Net position - beginning		1,364,920
Net position - ending		\$ 1,437,963

The notes to the basic financial statements are an integral part of this statement.

**FIG GARDEN FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019**

	General Fund	Capital Equipment Fund	Total Governmental Funds
ASSETS			
Cash and investments	\$ 354,230	\$ 136,964	\$ 491,194
Interest receivable	5,527	758	6,285
Due from other funds	<u>8,660</u>	<u>-</u>	<u>8,660</u>
 Total assets	 <u>\$ 368,417</u>	 <u>\$ 137,722</u>	 <u>\$ 506,139</u>
LIABILITIES			
Accounts payable and accrued expense	\$ 111,010	\$ -	\$ 111,010
Due to other funds	<u>-</u>	<u>8,660</u>	<u>8,660</u>
 Total liabilities	 <u>111,010</u>	 <u>8,660</u>	 <u>119,670</u>
FUND BALANCES			
Committed	-	129,062	129,062
Unassigned (deficit)	<u>257,407</u>	<u>-</u>	<u>257,407</u>
 Total fund balances	 <u>257,407</u>	 <u>129,062</u>	 <u>386,469</u>
 Total liabilities and fund balances	 <u>\$ 368,417</u>	 <u>\$ 137,722</u>	 <u>\$ 506,139</u>

The notes to the basic financial statements are an integral part of this statement.

**FIG GARDEN FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$ 386,469
Capital assets of \$1,661,580, net of accumulated depreciation of \$605,073, used in governmental activities are not current financial resources; therefore, they are not reported in the governmental funds.	1,056,507
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(5,013)</u>
Net position of governmental activities	<u>\$ 1,437,963</u>

The notes to the basic financial statements are an integral part of this statement.

**FIG GARDEN FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Capital Equipment Fund	Total Governmental Funds
REVENUES			
Program revenues:			
Benefit assessment	\$ 587,009	\$ -	\$ 587,009
General revenues:			
Property taxes	700,767	-	700,767
Interest	16,173	2,862	19,035
Intergovernmental	5,926	-	5,926
Other	626	-	626
	<u>1,310,501</u>	<u>2,862</u>	<u>1,313,363</u>
Total revenues			
EXPENDITURES			
Current:			
Professional and specialized services	1,227,750	-	1,227,750
Legal and professional	5,159	-	5,159
Special district costs	3,599	-	3,599
Insurance	2,377	-	2,377
Publications and legal notices	1,435	-	1,435
Capital outlay	14,653	-	14,653
	<u>1,254,973</u>	<u>-</u>	<u>1,254,973</u>
Total expenditures			
Net changes in fund balance	55,528	2,862	58,390
Fund balance - beginning	<u>201,879</u>	<u>126,200</u>	<u>328,079</u>
Fund balance - ending	<u>\$ 257,407</u>	<u>\$ 129,062</u>	<u>\$ 386,469</u>

The notes to the basic financial statements are an integral part of this statement.

**FIG GARDEN FIRE PROTECTION DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance – total governmental funds	\$	58,390
The governmental funds reports capital outlay as expenditures; however, in the statement of activities, the cost of those assets is capitalized. This is the amount of capital asset additions recorded in the current year.		14,653
Depreciation expense on capital assets is reported in the government-wide statement of activities, but it does not require the use of current financial resources; therefore, depreciation expense is not reported as an expenditure in the governmental funds.		-
Change in net position – total governmental funds	<u>\$</u>	<u>73,043</u>

The notes to the basic financial statements are an integral part of this statement.

**FIG GARDEN FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – DESCRIPTION OF ORGANIZATION

Fig Garden Fire Protection District (the “District”) was organized in 1960 upon the approval of the Board of Supervisors of Fresno County. The District was organized to serve the Fig Garden area of Fresno County. As the District is a governmental unit, it is exempt from federal and California taxes on income.

The accounting and reporting policies of the District conform to generally accepted accounting principles applicable to the state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Government Accounting Standards Boards (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*, and by the Financial Accounting Standards Board (when applicable).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

As required by generally accepted accounting principles, these general-purpose financial statements present the District in conformance with GASB Statement No. 14, “The Financial Reporting Entity.” Under Statement No. 14, component units are organizations that are included in District’s reporting entity because of the significance of their operational or financial relationships with the District. The District has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include charges to customers and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flow. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met.

The financial statements of the District are presented using the full accrual method of accounting and conform to accounting principles generally accepted in the United States of America and with the policies and procedures of the office of the State Controller, State of California. The District’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements, as well as applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued after November 30, 1989.

**FIG GARDEN FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, District revenues are available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when liabilities are incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

The General Fund is the district's major operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Equipment Fund accounts for major equipment purchase of the District.

Amounts reported as program revenue include charges to customers for goods and services, operating grants and contributions and capital grants and contributions.

D. Assets, Liabilities and Net Position or Equity

Cash and Investments

Investments are reported at fair value. Cash represents cash on hand and in banks. Investments made from pooled cash consist primarily of short-term investments.

Property, Plant and Equipment

Capital assets, which include property, plant and equipment are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$7,500 and an estimated useful life in excess of five years. All material fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. When an asset is disposed of, cost and related accumulated depreciation is removed and any gain or loss arising from its disposal is credited or charged to operations.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is recorded by using the straight-line method. The book value of each asset is reduced by equal amounts over its estimated useful life as follows:

	<u>Estimated Useful Life in Years</u>
Buildings	50
Equipment	7-20

**FIG GARDEN FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity

In the fund financial statements, governmental funds report fund balance amounts in the following classifications: Nonspendable, restricted, committed, assigned and unassigned. Nonspendable amounts represent inventories, prepaid items, and long-term receivables. Restricted amounts have been restricted by external bodies. Committed amounts have been restricted by the District's governing board. Assigned amounts represent tentative designations by the district. Unassigned amounts are spendable and are not restricted, committed, or assigned.

Net Position and Fund Balance

Net Position Classification

Net position comprises the various net earnings from operating income, nonoperating revenue and expense and capital contributions. Net position is classified in the following three components:

Net investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset components as the unspent proceeds.

Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net position that do not meet the definition of restricted or invested in capital assets, net of related debt.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**FIG GARDEN FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position and Fund Balance (Continued)

Assigned – This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the Business Manager through the budgetary process.

Unassigned – This classification includes amounts that have not been restricted, committed, or assigned to a specific purpose within the District. This classification includes any negative residual amounts that may exist as a result of expenditures incurred for specific purposes in excess of amounts restricted, committed or assigned to those purposes.

E. Budgets and Budgetary Accounting

The District established a budget for its governmental fund for the year ended June 30, 2019. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

F. 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 3 – CASH AND INVESTMENTS

Statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit, bankers’ acceptances, repurchase agreements, insured money market accounts, commercial paper, county investment pools and the State Treasurer’s Local Agency Investment Fund (LAIF). The District invests all of its cash with the Fresno County Treasurer which is part of the Fresno County Investment Pool. These funds are not subject to credit risk categorization and are carried at cost, which approximates fair value. All pooled funds are regulated by the California Government Code.

Cash and investments at June 30, 2019 consist of the following:

Cash and cash investments at June 30, 2019, were as follows:

Cash in County of Fresno’s investment pool	\$ 491,194
Cash in bank	<u>-</u>
Total	<u>\$ 491,194</u>

A. Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District does not have any investments in any one issuer (other than an external investment pool) that represent 5% or more of total District’s investments.

**FIG GARDEN FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

The carrying amounts of the District's cash deposits totaled \$491,194 at June 30, 2019. Bank balances were \$491,194, the total amount of which was insured and/or collateralized with securities held by the pledging financial institutions in the District's name.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

As of June 30, 2019, there were no investments that were required to be identified by GASB Statement No. 40 in relation to custodial credit risk.

B. Investment in County Treasury

The District is considered to be a voluntary participant in the Fresno County Investment Pool (FCIP), an external investment pool. The fair value of the District's investment in the pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer. Cash in the County Treasury is considered unclassified as to credit risk because it is not evidenced by securities that exist in physical or book entry form. A separate financial report for the Fresno County Investment Pool is prepared by the Fresno County Treasurer. Copies of the report can be obtained at the County of Fresno website.

C. Investment Values

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's only investments, which are allocated at fair value, are in the FCIP. FCIP invests in numerous types of investments ranging all levels in the fair value hierarchy. Accordingly, FCIP is not an investment type that can be categorized in any particular level in the fair value hierarchy.

**FIG GARDEN FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT

The following is an analysis of the District's fixed assets as of June 30, 2019:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Land (not currently depreciated)	\$ 3,930	\$ -	\$ -	\$ 3,930
Building and improvements	595,073	-	-	595,073
Equipment	10,000	-	-	10,000
Construction in progress (not currently depreciated)	<u>1,037,924</u>	<u>14,653</u>	<u>-</u>	<u>1,052,577</u>
Total fixed assets	1,646,927	14,653	-	1,661,580
Depreciation allowance	<u>(605,073)</u>	<u>-</u>	<u>-</u>	<u>(605,073)</u>
Total fixed assets, net	<u>\$ 1,041,854</u>	<u>\$ 14,653</u>	<u>\$ -</u>	<u>\$ 1,056,507</u>

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2019, consisted of the following:

Due to City of Fresno	\$ 111,010
Others	<u>-</u>
Total accounts payable	<u>\$ 111,010</u>

NOTE 6 – STATE SUBVENTION SHORTFALL LOAN PAYABLE

A schedule of changes in state subvention shortfall loan payable for the year ended June 30, 2019, is shown below:

Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<u>\$ 5,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,013</u>

**FIG GARDEN FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 7 – JOINT VENTURES

The District participates in two joint ventures under joint powers agreements (JPA's); the Fire District Association of California-Fire Agency Self Insurance System and the Fire Agencies Insurance Risk Authority. The relationships between the District and the JPA's are such that neither JPA is a component unit of the District for financial reporting purposes.

The Fire District Association of California-Fire Agency Self Insurance System (FDAC-FASIS) arranges for worker's compensation insurance for its members, of all which are fire districts located within California. FDAC-FASIS is governed by a board of directors consisting of representatives from member districts. The board controls the operations of FDAC-FASIS, including selection of management and approval of operating budgets, independent of any influence by member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage required and shares surpluses and deficits proportionately to their participation in FDAC-FASIS.

The Fire Agencies Insurance Risk Authority (FAIRA) arranges for liability and property insurance for its members, all of which are fire districts located within California. FAIRA is governed by a board of directors consisting of representatives from member districts. The board controls the operations of FAIRA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage required and shares surpluses and deficits proportionately to their participation in FAIRA.

NOTE 8 – CITY OF FRESNO SERVICE AGREEMENT

In September 2005, the District entered into a service agreement with the City of Fresno. Under the terms of the agreement, the City is to provide fire protection and emergency services to the District within the District's territorial limits. The term of the agreement is for 30 years, beginning January 1, 2006. The initial annual base fee of approximately \$850,000 is adjusted each year by the lesser of the change in the All Urban Consumers California Consumer Price Index of the previous year or the percentage of the District's tax revenue growth.

The base annual fee can also be adjusted by mutual agreement by the District and the City for changes in service level demands. The annual fee is due in two installments on December 31st and April 30th of each year. Payments under the agreement and subsequent amendments for the year ended June 30, 2019 were \$1,227,750.

NOTE 9 – BOARD OF DIRECTORS

Members of the Board of Directors as of June 30, 2019, were as follows:

Louis Linney	President
Brian Domingo	Director
Larry Fortune	Director

NOTE 10 – UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus, COVID-19, a pandemic. Accordingly, some functions of the District's operations were limited to protect the health and safety of its employees. The financial impact that could occur as a result of the pandemic is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

**FIG GARDEN FIRE PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Original and Final	Actual	Variance with Final Budget
REVENUES			
Program revenues:			
Benefit assessment	\$ 583,500	\$ 587,009	\$ 3,509
General revenues:			
Property taxes	678,200	700,767	22,567
Interest	9,000	16,173	7,173
Intergovernmental	-	5,926	5,926
Other	-	626	626
	<u>1,270,700</u>	<u>1,310,501</u>	<u>39,801</u>
Total revenues			
EXPENDITURES			
Current:			
Professional and specialized services	1,194,100	1,227,750	(33,650)
Legal and professional	15,100	5,159	9,941
Special district costs	3,000	3,599	(599)
Insurance	3,000	2,377	623
Publications and legal notices	3,800	1,435	2,365
Weed abatement	2,500	-	2,500
Office supplies and postage	200	-	200
Capital outlay	-	14,653	(14,653)
	<u>\$ 1,221,700</u>	<u>1,254,973</u>	<u>\$ (33,273)</u>
Total expenditures			
Net changes in fund balance		55,528	
Fund balance - beginning		201,879	
Fund balance - ending		\$ 257,407	

**FIG GARDEN FIRE PROTECTION DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – BUDGETARY INFORMATION

The District follows the following procedures, annually, in establishing the budgetary data reflected in the budgetary comparison schedule:

1. The Business Manager submits to the Board a proposed budget for the fiscal year commencing the following July 1 each year. The budget includes expected revenues by source and expenditures by use.
2. The Board reviews the proposed budget at specially scheduled sessions, which are open to the public. The Board also conduct a public hearing on the proposed budget to obtain comments from interested people.
3. The budget is legally adopted by resolution and documented in the District's minutes.
4. During the fiscal year, any required changes to the adopted budget are presented to the Board for ratification.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Fund incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2019:

Excess of expenditures over appropriations

Professional and specialized services	\$ (33,650)
Special district costs	(599)
Capital outlay	(14,653)

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OTHER INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Fig Garden Fire Protection District
Fresno, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Fig Garden Fire Protection District (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 28, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Page & Company

Clovis, California
June 28, 2022

**FIG GARDEN FIRE PROTECTION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting			
Material weaknesses identified?	_____ Yes	<u> X </u> No	
Significant deficiencies identified -			
not considered to be material weaknesses?	_____ Yes	<u> X </u> None reported	
Noncompliance material to financial statements noted?	_____ Yes	<u> X </u> No	

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

**FIG GARDEN FIRE PROTECTION DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

FINANCIAL STATEMENT FINDINGS

None reported.