

Fig Garden Fire Protection District | Fresno, CA

Financial Statements

For the Year Ended June 30, 2025



PRICE PAIGE & COMPANY
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund, of Fig Garden Fire Protection District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, of the District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–8 and 28–29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 March 13, 2026, 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.

PricePaiget Company

Clovis, California
March 13, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2025. 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, 2025, by \$2,532,879. Of this amount, unrestricted net position of \$1,608,710 may be used to meet the District's ongoing obligations to customers and creditors. As of June 30, 2024, assets exceeded liabilities by \$2,166,389 with unrestricted net position equaling \$1,260,767.
- ❖ Total net position increased by \$366,490. For the year ended June 30, 2024, total net position increased by \$313,602.
- ❖ As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$1,608,710, an increase of \$347,943 in comparison with the prior year. Of this amount, \$1,608,710 is committed or unassigned. For the year ended June 30, 2024, the District's governmental funds had a combined ending fund balance of \$1,260,767, with \$1,260,767 being committed or unassigned and available for spending.
- ❖ During the current year, the District's total fixed assets increased by \$37,938. There was total depreciation of \$19,391 for the current fiscal 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.

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 suppression activities, primarily for the residents of the Fig Garden area of Fresno County. The District has no business-type activities.

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 has 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 concerning the District's budgetary comparison for the General Fund. The required supplementary information can be found on pages 28-29 of this report.

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, 2025, the District's assets exceeded liabilities by \$2,532,879. A significant portion of the District's net position (approximately 36%) reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. Capital assets are used to provide services to customers and are not available for future spending.

FIG GARDEN FIRE PROTECTION DISTRICT | JUNE 30, 2025

Management's Discussion and Analysis

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	
	2025	2024
Assets		
Current assets	\$ 1,733,770	\$ 1,263,151
Other assets	924,169	905,622
Total assets	<u>2,657,939</u>	<u>2,168,773</u>
Liabilities		
Current liabilities	<u>125,060</u>	<u>2,384</u>
Total liabilities	<u>125,060</u>	<u>2,384</u>
Net position		
Net investment in capital assets	924,169	905,622
Unrestricted	<u>1,608,710</u>	<u>1,260,767</u>
Total net position	<u>\$ 2,532,879</u>	<u>\$ 2,166,389</u>

Fig Garden Fire Protection District's Changes in Net Position

	Governmental Activities	
	2025	2024
Program revenue:		
Assessments and charges for services	\$ 721,235	\$ 693,788
Intergovernmental grants and contributions	<u>25,000</u>	<u>-</u>
Total program revenue	<u>746,235</u>	<u>693,788</u>
Expense:		
Fire abatement	<u>1,410,361</u>	<u>1,359,019</u>
Total expense	<u>1,410,361</u>	<u>1,359,019</u>
Increase/(decrease) in net position before general revenue and transfers	(664,126)	(665,231)
General revenues	<u>1,030,616</u>	<u>978,833</u>
Increase/(decrease) in net position	366,490	313,602
Net position - beginning	<u>2,166,389</u>	<u>1,852,787</u>
Net position - ending	<u>\$ 2,532,879</u>	<u>\$ 2,166,389</u>

Governmental Activities

The District's net position increased by \$366,490, rising from \$2,166,389 to \$2,532,879. This growth was primarily driven by a \$52,477 increase in Operating Grants and Contributions and a \$51,783 increase in General Revenues compared to the prior year, partially offset by a \$51,342 increase in expenses.

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, unrestricted 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, 2025, the District's governmental funds reported combined ending fund balances of \$1,608,710, an increase of \$347,943 in comparison to the prior year. The entire combined ending fund balance is committed or unassigned.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2025, amounted to \$924,169 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements and equipment.

Details to net capital assets are as follows:

	2025	2024
Total capital assets	\$ 1,616,502	\$ 1,578,564
Accumulated depreciation	<u>(692,333)</u>	<u>(672,942)</u>
Total capital assets, net	<u>\$ 924,169</u>	<u>\$ 905,622</u>

Additional information on the District's capital assets can be found in Note 5.

Economic Factors and Next Year's Budgets and Rates

The general fund budget for the year ending June 30, 2026, projects a surplus of \$329,577. Revenues and other financing sources are expected to increase by \$78,472. This includes an anticipated increase of \$18,322 in benefit assessment revenue, a decrease of \$21,918 in interest and other income, and an increase of \$82,069 in property tax and intergovernmental revenue. A transfer from the general fund to the capital fund of \$48,151 is also projected.

Expenditures and other financing uses are expected to increase by \$479,807. Professional and specialized services are projected to rise by \$409,955, while other expenditures are expected to increase by \$69,853. Capital outlay is budgeted at \$32,176.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

FIG GARDEN FIRE PROTECTION DISTRICT | JUNE 30, 2025

Statement of Net Position

	Governmental Activities
ASSETS	
Cash and investments	\$ 1,719,713
Interest receivable	14,057
Capital assets not being depreciated	3,930
Capital assets, net of accumulated depreciation	<u>920,239</u>
 Total assets	 <u>2,657,939</u>
 LIABILITIES	
Accounts payable	<u>125,060</u>
 Total liabilities	 <u>125,060</u>
 NET POSITION	
Net investment in capital assets	924,169
Unrestricted	<u>1,608,710</u>
 Total net position	 <u><u>\$ 2,532,879</u></u>

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

FIG GARDEN FIRE PROTECTION DISTRICT | FOR THE YEAR ENDED JUNE 30, 2025
Statement of Activities

	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:				
Fire abatement	\$ 1,410,361	\$ 721,235	\$ 25,000	\$ (664,126)
Total governmental activities	<u>\$ 1,410,361</u>	<u>\$ 721,235</u>	<u>\$ 25,000</u>	<u>(664,126)</u>
General revenues:				
Property taxes				978,689
Interest				45,990
Intergovernmental				5,131
Miscellaneous				<u>806</u>
Total general revenues				<u>1,030,616</u>
Change in net position				366,490
Net position - beginning				<u>2,166,389</u>
Net position - ending				<u>\$ 2,532,879</u>

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

FUND FINANCIAL STATEMENTS

FIG GARDEN FIRE PROTECTION DISTRICT | JUNE 30, 2025

Governmental Funds

Balance Sheet

	General Fund	Capital Equipment Fund	Total Governmental Funds
ASSETS			
Cash and investments	\$ 1,252,590	\$ 467,123	\$ 1,719,713
Interest receivable	10,905	3,152	14,057
Total assets	<u>\$ 1,263,495</u>	<u>\$ 470,275</u>	<u>\$ 1,733,770</u>
LIABILITIES			
Accounts payable	\$ 125,060	\$ -	\$ 125,060
Total liabilities	<u>125,060</u>	<u>-</u>	<u>125,060</u>
FUND BALANCES			
Committed	-	470,275	470,275
Unassigned	<u>1,138,435</u>	<u>-</u>	<u>1,138,435</u>
Total fund balances	<u>1,138,435</u>	<u>470,275</u>	<u>1,608,710</u>
Total liabilities and fund balances	<u>\$ 1,263,495</u>	<u>\$ 470,275</u>	<u>\$ 1,733,770</u>

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

FIG GARDEN FIRE PROTECTION DISTRICT | FOR THE YEAR ENDED JUNE 30, 2025
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position

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

Total fund balances - governmental funds	\$ 1,608,710
Capital assets of \$1,616,502, net of accumulated depreciation of \$692,333, used in governmental activities are not current financial resources; therefore, they are not reported in the governmental funds.	<u>924,169</u>
Net position of governmental activities	<u>\$ 2,532,879</u>

FIG GARDEN FIRE PROTECTION DISTRICT | FOR THE YEAR ENDED JUNE 30, 2025

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

	General Fund	Capital Equipment Fund	Total Governmental Funds
REVENUES			
Program revenues:			
Benefit assessment	\$ 721,235	\$ -	\$ 721,235
Intergovernmental grants and contributions	25,000	-	25,000
General revenues:			
Property taxes	978,689	-	978,689
Interest	33,701	12,289	45,990
Intergovernmental	5,131	-	5,131
Miscellaneous	806	-	806
Total revenues	<u>1,764,562</u>	<u>12,289</u>	<u>1,776,851</u>
EXPENDITURES			
Current:			
Professional and specialized services	1,356,326	-	1,356,326
Legal and professional	20,929	-	20,929
Insurance	8,448	-	8,448
Publications and legal notices	1,080	-	1,080
Miscellaneous	-	266	266
Special district costs	3,921	-	3,921
Capital outlay	<u>37,938</u>	<u>-</u>	<u>37,938</u>
Total expenditures	<u>1,428,642</u>	<u>266</u>	<u>1,428,908</u>
Excess (deficiency) of revenues over (under) expenditures	<u>335,920</u>	<u>12,023</u>	<u>347,943</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	46,800	46,800
Transfers out	<u>(46,800)</u>	<u>-</u>	<u>(46,800)</u>
Total other financing sources (uses)	<u>(46,800)</u>	<u>46,800</u>	<u>-</u>
Net change in fund balances	289,120	58,823	347,943
Fund balances - beginning	<u>849,315</u>	<u>411,452</u>	<u>1,260,767</u>
Fund balances - ending	<u>\$ 1,138,435</u>	<u>\$ 470,275</u>	<u>\$ 1,608,710</u>

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

FIG GARDEN FIRE PROTECTION DISTRICT | FOR THE YEAR ENDED JUNE 30, 2025
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Government-Wide Statement of Activities

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

Net change in fund balances – total governmental funds	\$	347,943
The governmental funds reports capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		<u>18,547</u>
Change in net position of total governmental activities	\$	<u><u>366,490</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF ORGANIZATION

Fig Garden Fire Protection District (the District) was organized in 1942 upon the approval of the Board of Supervisors of Fresno County. The District was organized to provide needed structural fire protection to the Fig Garden area of Fresno County. The District has contracted with the City of Fresno for the delivery of fire protection services (see Note 7 for more details).

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 Board (GASB).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The accompanying financial statements present the activities of the District. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and i) either the District's ability to impose its will on the organization or ii) the potential for the organization to provide a financial benefit to or impose a financial burden on 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. 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 government-wide 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.

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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. 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 purchases 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.

Capital Assets

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 capital assets are valued at historical cost. Donated capital 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:

	Estimated Useful Life in Years
Building and improvements	50
Equipment	7-20

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position and Fund Balance (Continued)

Fund Balance Classification (Continued)

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

E. Budgets and Budgetary Accounting

The District established a budget for its governmental fund for the year ended June 30, 2025. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

F. Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. These taxes are levied from July 1 through June 30. Taxes are payable in two installments on November 1 and February 1, and are collected on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Fresno bills and collects taxes for the District.

G. 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, 2025 consist of the following:

Cash in County investment pool	\$ 1,719,713
Total	<u>\$ 1,719,713</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.

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 does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provisions for deposits: The California Government Code require that financial institutions secure deposits made by the state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under the 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 Laws also allow financial institutions to secure District deposits by pledging the first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2025, none of the District's deposits with financial institutions were held in uncollateralized accounts. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or governmental investment pools (such as the Fresno County Treasury Investment Pool).

C. 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, which are recorded on an amortized cost basis. The District's portion of the June 30, 2025 balance was \$1,719,713.

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.

D. 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.

NOTE 4 – INTERFUND ACTIVITY**A. Interfund Transfers**

Interfund transfers consist of operating transfers from funds receiving revenue through which the resources are to be expended.

Interfund transfers for the year ended June 30, 2025 were as follows:

Major funds:	Transfers In	Transfers Out
General Fund	\$ -	\$ 46,800
Capital Equipment Fund	46,800	-
Total	<u>\$ 46,800</u>	<u>\$ 46,800</u>

NOTE 5 – CAPITAL ASSETS

Capital assets for the year ended June 30, 2025 consisted of the following:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets, not being depreciated:				
Land	\$ 3,930	\$ -	\$ -	\$ 3,930
Total capital assets, not being depreciated	<u>3,930</u>	<u>-</u>	<u>-</u>	<u>3,930</u>
Capital assets, being depreciated:				
Building and improvements	1,564,634	37,938	-	1,602,572
Equipment	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total capital assets being depreciated	1,574,634	37,938	-	1,612,572
Less accumulated depreciation	<u>(672,942)</u>	<u>(19,391)</u>	<u>-</u>	<u>(692,333)</u>
Total capital assets being depreciated, net	<u>901,692</u>	<u>18,547</u>	<u>-</u>	<u>920,239</u>
Total capital assets, net	<u>\$ 905,622</u>	<u>\$ 18,547</u>	<u>\$ -</u>	<u>\$ 924,169</u>

NOTE 6 – JOINT VENTURES

The District participates in two joint ventures under joint powers agreements (JPAs); 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, all of 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. Separate audited financial statements of the FDAC-FASIS are available upon request. Such requests should be addressed to FASIS, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

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. Separate audited financial statements of the FAIRA are available upon request from the FAIRA website.

NOTE 7 – 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, 2025 were \$1,331,326.

NOTE 8 – BOARD OF DIRECTORS

Members of the Board of Directors as of June 30, 2025, were as follows:

Louis Linney	President
Richard Caglia	Director
Larry Fortune	Director
Heather Janz	Director
Erik Peterson	Director

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Subsequent to the fiscal year ended June 30, 2025, the City of Fresno notified the District that an additional amount of approximately \$686,000 is owed to the City based on the current professional services contract. This amount is related to previous services performed during the periods of fiscal year 2021 to 2025.

As of the date these financial statements were available to be issued, the District is evaluating the amount owed and the terms of repayment, and no agreement regarding payment has been finalized. Due to the uncertainty regarding the outcome and collectability, the amount has not been recorded in the accompanying financial statements.

NOTE 10 – GASB 102 CONCENTRATION OF RISKS

The District is subject to certain concentrations of risk related to its revenues and vendors.

A significant portion of the District's revenues is derived from property taxes, which are levied on property located within the District's geographic boundaries. Accordingly, the District's operations and financial position may be affected by changes in property values, tax levies, or economic conditions within the District.

In addition, the District obtains a significant portion of its services from the City of Fresno, which provides services pursuant to contractual agreements. A significant disruption in the City's ability or willingness to provide these services could have a substantial effect on the District's operations.

REQUIRED SUPPLEMENTARY INFORMATION

FIG GARDEN FIRE PROTECTION DISTRICT | FOR THE YEAR ENDED JUNE 30, 2025

Budgetary Comparison Schedule

General Fund

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Program revenues:			
Benefit assessment	\$ 714,866	\$ 721,235	\$ 6,369
Intergovernmental grants and contributions	-	25,000	25,000
General revenues:			
Property taxes	976,468	978,689	2,221
Interest	8,075	33,701	25,626
Intergovernmental	-	5,131	5,131
Miscellaneous	1,182	806	(376)
Total revenues	<u>1,700,591</u>	<u>1,764,562</u>	<u>63,971</u>
EXPENDITURES			
Current:			
Professional and specialized services	1,613,188	1,356,326	256,862
Legal and professional	22,306	20,929	1,377
Insurance	8,448	8,448	-
Publications and legal notices	520	1,080	(560)
Special district costs	2,000	3,921	(1,921)
Capital outlay	<u>47,166</u>	<u>37,938</u>	<u>9,228</u>
Total expenditures	<u>1,693,628</u>	<u>1,428,642</u>	<u>264,986</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,963</u>	<u>335,920</u>	<u>328,957</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(54,129)</u>	<u>(46,800)</u>	<u>7,329</u>
Total other financing sources (uses)	<u>(54,129)</u>	<u>(46,800)</u>	<u>7,329</u>
Net change in fund balance	<u>\$ (47,166)</u>	289,120	<u>\$ 336,286</u>
Fund balance - beginning		<u>849,315</u>	
Fund balance - ending		<u>\$ 1,138,435</u>	

The notes to the budgetary comparison schedule are an integral part of this statement.

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, 2025:

Excess of expenditures over appropriations:	
Publications and legal notices	\$ (560)
Special district costs	(1,921)

OTHER INDEPENDENT AUDITOR'S REPORT



**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 each major fund of Fig Garden Fire Protection District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 13, 2026.

Report on 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) as a basis for designing 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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

Report on 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 financial statements. 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

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Clovis, California
March 13, 2026

FINDINGS AND QUESTIONED COSTS

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

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

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2025-001 – Year - End Accruals (Material Weakness)

Condition:	During our review of subsequent disbursements, we identified two invoices that related to goods and services received prior to year-end; however, these invoices were not accrued as accounts payable at year-end. As a result, expenditures and liabilities were initially misstated as a result of this but have been corrected.
Criteria:	Generally accepted accounting principles require that expenditures and related liabilities be recognized in the period in which goods or services are received, regardless of when payment is made.
Cause:	The District did not have sufficient procedures in place to ensure that all invoices related to year end accrual activity were identified and accrued during the year-end close process.
Effect:	The omission resulted in an understatement of accounts payable and expenditures at fiscal year-end. While not pervasive, this error indicates a weakness in the District’s year-end accrual process.
Recommendation:	We recommend that the District enhance its year-end closing procedures by performing a more comprehensive review of subsequent disbursements and vendor invoices to ensure that all applicable liabilities are properly accrued.
Response:	Management agrees with the finding and will make the necessary corrections moving forward.

FIG GARDEN FIRE PROTECTION DISTRICT | FOR THE YEAR ENDED JUNE 30, 2025
Summary Schedule of Prior Audit Findings

FINANCIAL STATEMENT FINDINGS

None reported.