

FRESNO COUNTY FIRE PROTECTION DISTRICT

**INDEPENDENT AUDITOR'S REPORTS,
FINANCIAL STATEMENTS, AND
SUPPLEMENTAL INFORMATION**

YEARS ENDED JUNE 30, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fresno County Fire Protection District
Sanger, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fresno County Fire Protection District (the District) as of and for the years ended June 30, 2019 and 2018, 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 audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fresno County Fire Protection District, as of June 30, 2019 and 2018, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 3 - 9 and 35 - 37 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fresno County Fire Protection District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2020, on our consideration of the Fresno County Fire Protection 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 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 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 Fresno County Fire Protection District's internal control over financial reporting and compliance.



Fresno, California
February 13, 2020

**FRESNO COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

This discussion and analysis of the Fresno County Fire Protection District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the accompanying financial statements and notes to those financial statements.

Financial Highlights

The District's total assets exceeded liabilities (net position) at the close of the fiscal year by \$21,410,316. Of this amount \$6,040,673 is unrestricted net position, which is available to meet the District's ongoing commitments to residents and creditors.

The District's governmental funds ended the year with a combined fund balance of \$6,911,062 which is an increase of \$407,498 over June 30, 2018. The District's General Fund ended the year with a fund balance of \$6,257,112, an increase of \$238,514 from the previous year.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements include all activities of the Fresno County Fire Protection District using the integral approach as prescribed by GASB Statement No. 34. The Statement of Net Assets and Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances. These statements include all assets and liabilities of the District using the accrual basis of accounting which is similar to the accounting method used by most private sector companies.

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

The *statement of activities* presents information showing how the District's net position changed in the most recent fiscal year. All changes of net position are reported as soon as the underlying event giving rise to the event occurs. Thus, revenues and expenses are reported on this statement for some items that will result in cash flows in the future fiscal periods.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

The *government-wide* financial statements of the District are divided as follows:

Governmental Activities: The District's base service of fire suppression is included here. This service is primarily financed by property taxes.

The government-wide financial statements can be found on pages 10 and 11 of this report.

Fund financial statements. The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. A fund is grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Management establishes other funds to control and manage money for particular purposes. All District funds are governmental funds.

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 balances of spendable resources available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation between governmental funds and governmental activities. This reconciliation explains the relationship (or difference) between the fund statements and the government-wide statements.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison statement is provided to demonstrate compliance to this budget.

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 statements. The notes to the financial statements can be found on pages 18 thru 34 of this report.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Government-wide Financial Analysis

Statement of Net Position	<u>2019</u>	<u>2018</u>	<u>2017</u>
Assets			
Current & Other Assets	\$ 16,662,298	\$ 11,099,883	\$ 15,015,232
Capital Assets (net of depreciation)	<u>16,110,174</u>	<u>15,065,639</u>	<u>15,327,583</u>
Total Assets	<u>32,772,472</u>	<u>26,165,522</u>	<u>30,342,815</u>
Liabilities			
Current	9,793,266	4,605,211	8,757,241
Capital Lease – Due within one year	257,603	357,138	705,598
Capital Lease – Due in more than one year	<u>1,311,287</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>11,362,156</u>	<u>4,962,349</u>	<u>9,462,839</u>
Net Position			
Invested in Capital Assets, net of related debt	14,541,284	14,708,501	14,621,985
Restricted	828,359	689,402	555,997
Unrestricted	<u>6,040,673</u>	<u>5,805,270</u>	<u>5,701,994</u>
Total Net Position	<u>\$ 21,410,316</u>	<u>\$ 21,203,173</u>	<u>\$ 20,879,976</u>

As of June 30, 2019, the District's government-wide total assets exceeded liabilities (net position) by \$21,410,316. Governmental activities finished the year with a positive net position balance. Net position as noted earlier may serve over time as a useful indicator of the District's financial position.

The District's capital leases under liabilities are now broken down into two categories: due within one year and due in more than one year. Additional information on the District's annual debt service can be found on page 32 in the notes to the financial statements.

Investment in Capital assets amount to \$14,541,284 or 68% of the total net position.

Unrestricted net position may be used to meet the District's ongoing commitments to residents and creditors.

Governmental Activities

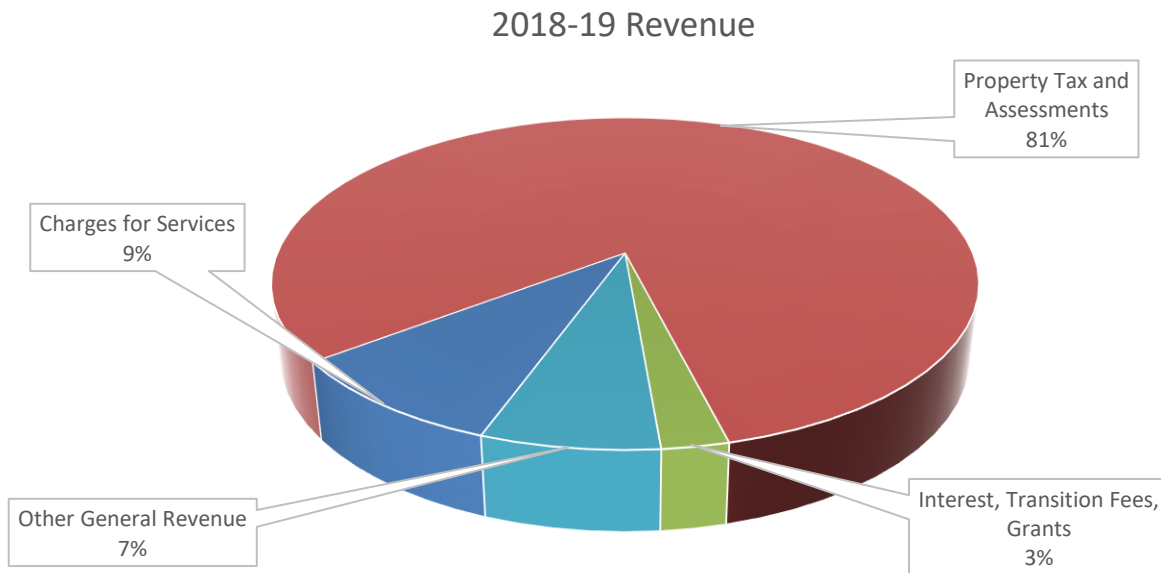
Governmental activities account for \$21,410,316 or 100% of the total government-wide net position. This is an increase of \$207,143 or 0.98% over June 30, 2018.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

The following lists key components of this increase:

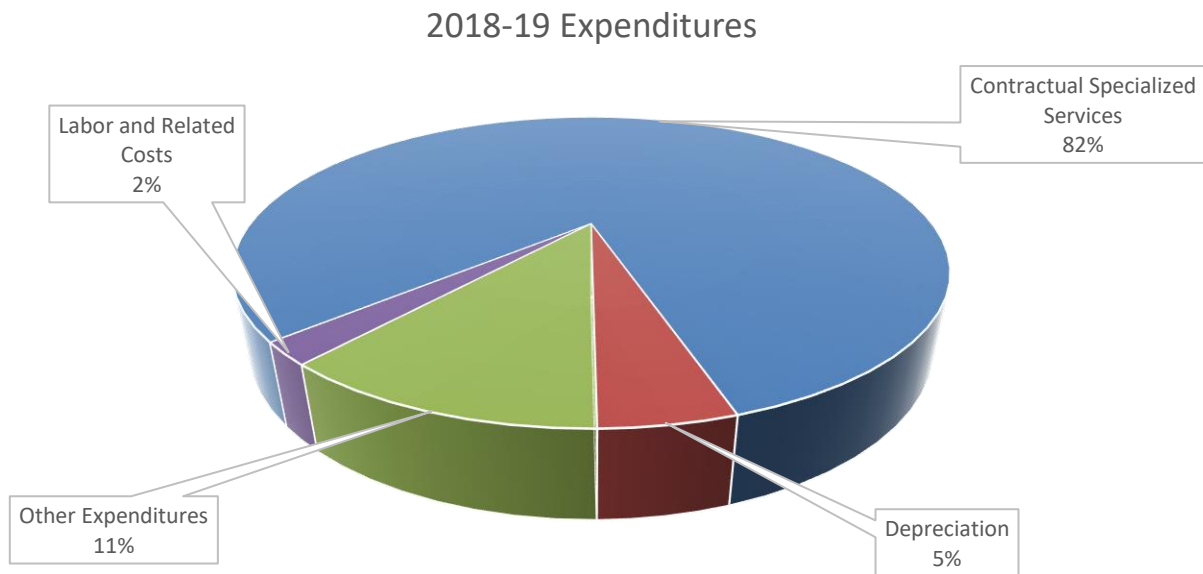
Statement of Activities	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenue			
Charges for Services	\$ 2,182,901	\$ 1,130,680	\$ 1,164,549
Property Tax and Assessments	19,488,150	18,773,929	17,890,043
Interest, Transition Fees, Grants	621,907	568,775	514,585
Litigation Settlement	-	-	665,000
Other General Revenue	<u>1,654,005</u>	<u>2,149,831</u>	<u>1,233,702</u>
Total Revenue	<u>23,946,963</u>	<u>22,623,215</u>	<u>21,467,879</u>
Expenditures			
Contractual Specialized Services	19,421,572	18,094,202	16,111,086
Labor and Related Costs	519,949	653,170	500,975
Depreciation	1,107,190	1,037,066	994,271
Other Expenditures	<u>2,691,109</u>	<u>2,515,580</u>	<u>2,174,233</u>
Total Expenditures	<u>23,739,820</u>	<u>22,300,018</u>	<u>19,780,565</u>
Increase (Decrease) in Net Position	207,143	323,197	1,687,314
Net Position - Beginning	<u>21,203,173</u>	<u>20,879,976</u>	<u>19,192,662</u>
Net Position - Ending	<u>\$ 21,410,316</u>	<u>\$ 21,203,173</u>	<u>\$ 20,879,976</u>

Total governmental revenues for the year were \$23,946,963 with property tax and assessment revenue accounting for \$19,488,150 or 81% of the District's governmental activities revenue. Service fees revenue accounts for \$2,182,901 or 9.1% of the total governmental activities' revenue. Grants, Interest, and Transition Fees revenue account for \$621,907 or 2.6% of the District's governmental activities revenue. Finally, other revenue accounts for \$1,654,005 or 6.9% of the District's governmental activities revenue.



**FRESNO COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Total governmental expenditures for the year were \$23,739,820. Contractual Specialized Services account for \$19,421,572 or 82% of the total governmental expenses. Labor and Related Costs account for \$519,949 or 2%. Other expenditures account for \$2,691,109 or 11% of the total governmental expenditures. Depreciation accounted for \$1,107,190 or 5% of the total governmental expenditures.



Financial Analysis of Governmental Funds

The District's governmental funds ended the year with positive fund balances. The ending fund balance for all funds is \$6,911,062, which is an increase of \$407,498 or 6.3% when compared to the prior year.

The general fund is the chief operating fund of the District. As of June 30, 2019, the total fund balance of the general fund was \$6,257,112. The general fund total balance increased \$238,514 or 4% over the previous year.

General Fund – Budgetary Highlights

The statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual on page 35 outlines the difference between the budget and actual numbers.

District revenues were under budget projections by \$45,246, and expenditures were under budget projections by \$1,349,939.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Capital Assets

The District's capital assets include land, structures and improvements, equipment and apparatus and vehicles.

FRESNO COUNTY FIRE PROTECTION DISTRICT STATEMENT OF CAPITAL ASSET CHANGES				
	Beg Bal 7/1/2018	Additions	Deletions	Ending Bal 6/30/2019
Capital Assets, not being depreciated:				
Land	\$ 1,332,979	\$ -	\$ -	\$ 1,332,979
Construction in Progress	<u>465,772</u>	<u>-</u>	<u>(465,772)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>1,798,751</u>	<u>-</u>	<u>(465,772)</u>	<u>1,332,979</u>
Capital Assets, being depreciated:				
Land Improvements	2,083,331	49,962	-	2,133,293
Buildings	11,298,261	475,428	-	11,773,689
Building Improvements	908,371	143,579	-	1,051,950
Equipment	<u>14,896,490</u>	<u>1,970,075</u>	<u>(659,391)</u>	<u>16,207,174</u>
Total capital assets being depreciated	29,186,453	2,639,044	(659,391)	31,166,106
Less accumulated depreciation:	<u>(15,919,565)</u>	<u>(1,107,190)</u>	<u>637,844</u>	<u>(16,388,911)</u>
Total capital assets being depreciated, net	<u>13,266,888</u>	<u>1,531,854</u>	<u>(21,547)</u>	<u>14,777,195</u>
Capital Assets, net	\$ <u>15,065,639</u>	\$ <u>1,531,854</u>	\$ <u>(487,319)</u>	\$ <u>16,110,174</u>

Long Term Debt

On April 18, 2018, the District entered into a capital lease purchase agreement with Community First National Bank to purchase a ladder truck, fire engine and two extrication kits for a total of \$1,792,375 which includes \$223,485 of interest. The loan is over a five (5) year period, with the first payment due and payable on January 31, 2020.

On July 1, 2018, the District made the final payment on the previous five (5) year lease on four (4) fire engines.

Economic Factors and Next Year's Budget

For Fiscal Year 2019/2020, the District is expecting to see a modest increase in property taxes and assessments. The District is also planning to continue to work on equipment replacement and capital improvements while planning for increases in labor costs due to planned minimum wage increases and planned increases in labor contracts within contractual specialized services.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Requests for Information

This financial report is designed to provide our residents, taxpayers, and customers with a general overview of Fresno County Fire Protection District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Josh Chrisman, Assistant Chief, Fresno County Fire Protection District, 210 S. Academy Avenue, Sanger, California, 93657.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 14,809,384	\$ 9,323,733
Cash and cash equivalents – restricted	825,196	687,355
Interest receivable	78,966	52,783
Taxes receivable	157,293	79,733
Accounts receivable	774,086	939,203
Prepaid expenses	17,373	17,076
Capital assets, net of accumulated depreciation	<u>16,110,174</u>	<u>15,065,639</u>
Total Assets	\$ <u>32,772,472</u>	\$ <u>26,165,522</u>
Liabilities		
Accounts payable and accrued expenses	\$ 9,793,266	\$ 4,605,211
Non-current liabilities:		
Capital lease – Due within one year	257,603	357,138
Capital lease – Due in more than one year	<u>1,311,287</u>	<u>-</u>
Total Liabilities	<u>11,362,156</u>	<u>4,962,349</u>
Net Position		
Invested in capital assets, net of related debt	14,541,284	14,708,501
Restricted	828,359	689,402
Unrestricted	<u>6,040,673</u>	<u>5,805,270</u>
Total Net Position	\$ <u>21,410,316</u>	\$ <u>21,203,173</u>

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

**FRESNO COUNTY FIRE PROTECTION DISTRICT
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Expenditures		
Contractual specialized services	\$ 19,421,572	\$ 18,094,202
Repairs and maintenance	705,108	611,268
Labor and related costs	519,949	653,170
Travel and transportation	304,800	299,735
Clothing and personal supplies	74,552	73,275
Legal and professional	131,393	310,285
Utilities	227,482	212,407
Insurance	141,792	119,573
Communications	159,189	132,435
Household supplies and food	75,372	59,935
Special district costs	46,079	43,909
Office supplies and postage	54,257	56,203
Other	154,831	34,938
Medical supplies	16,212	18,130
Training	64,572	59,372
Volunteer company support	27,319	-
Equipment and supplies	466,121	475,222
Interest	42,030	8,893
Depreciation	<u>1,107,190</u>	<u>1,037,066</u>
Total Expenditures	<u>23,739,820</u>	<u>22,300,018</u>
 Program Revenues		
Charges for services	<u>2,182,901</u>	<u>1,130,680</u>
Total Program Revenues	<u>2,182,901</u>	<u>1,130,680</u>
 Net Program Revenues	<u>(21,556,919)</u>	<u>(21,169,338)</u>
 General Revenues (Expenditures)		
Property tax and assessments	19,488,150	18,773,929
Interest	267,004	189,049
Transition fees	228,749	52,533
Grants	126,154	327,193
Other general revenues	<u>1,654,005</u>	<u>2,149,831</u>
Total General Revenues	<u>21,764,062</u>	<u>21,492,535</u>
 Change in Net Position	207,143	323,197
 Net Position		
Beginning of year	<u>21,203,173</u>	<u>20,879,976</u>
End of year	\$ <u>21,410,316</u>	\$ <u>21,203,173</u>

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

**FRESNO COUNTY FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019**

	General Fund	Zone Ten	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 14,809,384	\$ -	\$ -	\$ 14,809,384
Cash and cash equivalents - restricted	237,999	-	587,197	825,196
Interest receivable	52,144	21,960	4,862	78,966
Taxes receivable	117,362	37,813	2,118	157,293
Accounts receivable	774,086	-	-	774,086
Prepaid expenses	<u>17,373</u>	<u>-</u>	<u>-</u>	<u>17,373</u>
Total Assets	\$ <u>16,008,348</u>	\$ <u>59,773</u>	\$ <u>594,177</u>	\$ <u>16,662,298</u>
Liabilities				
Accounts payable and accrued expense	\$ <u>9,751,236</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>9,751,236</u>
Total Liabilities	<u>9,751,236</u>	<u>-</u>	<u>-</u>	<u>9,751,236</u>
Fund Balance				
Nonspendable	17,373	-	-	17,373
Restricted	237,999	-	590,360	828,359
Committed	3,940,785	-	-	3,940,785
Assigned	2,459	59,773	3,817	66,049
Unassigned	<u>2,058,496</u>	<u>-</u>	<u>-</u>	<u>2,058,496</u>
Total Fund Balance	<u>6,257,112</u>	<u>59,773</u>	<u>594,177</u>	<u>6,911,062</u>
Total Liabilities and Fund Balance	\$ <u>16,008,348</u>	\$ <u>59,773</u>	\$ <u>594,177</u>	\$ <u>16,662,298</u>

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

**FRESNO COUNTY FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018**

	General Fund	Zone Ten	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 9,323,733	\$ -	\$ -	\$ 9,323,733
Cash and cash equivalents - restricted	235,925	-	451,430	687,355
Interest receivable	39,921	10,017	2,845	52,783
Taxes receivable	59,059	19,639	1,035	79,733
Accounts receivable	939,203	-	-	939,203
Prepaid expenses	<u>17,076</u>	<u>-</u>	<u>-</u>	<u>17,076</u>
Total Assets	\$ <u>10,614,917</u>	\$ <u>29,656</u>	\$ <u>455,310</u>	\$ <u>11,099,883</u>
Liabilities				
Accounts payable and accrued expense	\$ <u>4,596,319</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,596,319</u>
Total Liabilities	<u>4,596,319</u>	<u>-</u>	<u>-</u>	<u>4,596,319</u>
Fund Balance				
Nonspendable	17,076	-	-	17,076
Restricted	235,925	-	453,477	689,402
Committed	3,862,936	-	-	3,862,936
Assigned	2,437	29,656	1,833	33,926
Unassigned	<u>1,900,224</u>	<u>-</u>	<u>-</u>	<u>1,900,224</u>
Total Fund Balance	<u>6,018,598</u>	<u>29,656</u>	<u>455,310</u>	<u>6,503,564</u>
Total Liabilities and Fund Balance	\$ <u>10,614,151</u>	\$ <u>29,656</u>	\$ <u>455,310</u>	\$ <u>11,099,883</u>

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

**FRESNO COUNTY FIRE PROTECTION DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE
SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2019 and 2018**

Amounts reported for governmental activities in the Statements of Net Position are different because:

	<u>2019</u>	<u>2018</u>
Total fund balance -- total governmental funds	\$ 6,911,062	\$ 6,503,564
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	16,110,174	15,065,639
Accrued interest on long term lease payable	(42,030)	(8,892)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(1,568,890)</u>	<u>(357,138)</u>
Net position of governmental activities	\$ <u>21,410,316</u>	\$ <u>21,203,173</u>

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

**FRESNO COUNTY FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Zone Ten</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Property taxes	\$ 14,427,593	\$ 4,581,722	\$ 262,519	\$ 19,271,834
Service fees	2,182,901	-	-	2,182,901
Grants	126,154	-	-	126,154
Transition fees	228,749	-	-	228,749
Other	1,648,878	-	-	1,648,878
Interest	196,374	55,824	14,806	267,004
Assessments	<u>-</u>	<u>-</u>	<u>216,316</u>	<u>216,316</u>
 Total Revenue	 <u>18,810,649</u>	 <u>4,637,546</u>	 <u>493,641</u>	 <u>23,941,836</u>
Expenditures				
Contractual specialized services	14,471,314	4,596,294	353,964	19,421,572
Repairs and maintenance	705,108	-	-	705,108
Labor and related costs	519,949	-	-	519,949
Travel and transportation	304,800	-	-	304,800
Clothing and personal supplies	74,552	-	-	74,552
Legal and professional	131,393	-	-	131,393
Utilities	227,482	-	-	227,482
Insurance	141,792	-	-	141,792
Communications	159,189	-	-	159,189
Household supplies and food	75,372	-	-	75,372
Special district costs	34,134	11,135	810	46,079
Office supplies and postage	54,257	-	-	54,257
Other	154,831	-	-	154,831
Medical supplies	16,212	-	-	16,212
Training	64,572	-	-	64,572
Small tools and supplies	2,121	-	-	2,121
Volunteer company support	27,319	-	-	27,319
Capital outlay	2,637,272	-	-	2,637,272
Debt service	<u>366,029</u>	<u>-</u>	<u>-</u>	<u>366,029</u>
 Total Expenditures	 <u>20,167,698</u>	 <u>4,607,429</u>	 <u>354,774</u>	 <u>25,129,901</u>
 Revenue over/(under) expenditures	 <u>(1,357,049)</u>	 <u>30,117</u>	 <u>138,867</u>	 <u>(1,188,065)</u>
Other Financing Sources				
Sale of capital assets	26,673	-	-	26,673
Capital related debt issued	<u>1,568,890</u>	<u>-</u>	<u>-</u>	<u>1,568,890</u>
 Total Other Financing Sources	 <u>1,595,563</u>	 <u>-</u>	 <u>-</u>	 <u>1,595,563</u>
 Net change in fund balance	 238,514	 30,117	 138,867	 407,498
 Fund balance, beginning of year	 <u>6,018,598</u>	 <u>29,656</u>	 <u>455,310</u>	 <u>6,503,564</u>
 Fund balance, end of year	 \$ <u>6,257,112</u>	 \$ <u>59,773</u>	 \$ <u>594,177</u>	 \$ <u>6,911,062</u>

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

**FRESNO COUNTY FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>	<u>Zone Ten</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Property taxes	\$ 13,790,037	\$ 4,531,643	\$ 242,509	\$ 18,564,189
Service fees	1,130,680	-	-	1,130,680
Grants	327,193	-	-	327,193
Transition fees	52,533	-	-	52,533
Other	2,149,831	-	-	2,149,831
Interest	146,993	33,273	8,783	189,049
Assessments	<u>-</u>	<u>-</u>	<u>209,740</u>	<u>209,740</u>
 Total Revenue	 <u>17,597,267</u>	 <u>4,564,916</u>	 <u>461,032</u>	 <u>22,623,215</u>
Expenditures				
Contractual specialized services	13,184,161	4,579,035	331,006	18,094,202
Repairs and maintenance	611,268	-	-	611,268
Labor and related costs	653,170	-	-	653,170
Travel and transportation	299,735	-	-	299,735
Clothing and personal supplies	73,275	-	-	73,275
Legal and professional	310,285	-	-	310,285
Utilities	212,407	-	-	212,407
Insurance	119,573	-	-	119,573
Communications	132,435	-	-	132,435
Household supplies and food	59,935	-	-	59,935
Special district costs	32,525	10,617	767	43,909
Office supplies and postage	56,203	-	-	56,203
Other	34,938	-	-	34,938
Medical supplies	18,130	-	-	18,130
Training	59,372	-	-	59,372
Small tools and supplies	7,397	-	-	7,397
Capital outlay	1,242,947	-	-	1,242,947
Debt service	<u>366,030</u>	<u>-</u>	<u>-</u>	<u>366,030</u>
 Total Expenditures	 <u>17,473,786</u>	 <u>4,589,652</u>	 <u>331,773</u>	 <u>22,395,211</u>
 Revenue over/(under) expenditures	 <u>123,481</u>	 <u>(24,736)</u>	 <u>129,259</u>	 <u>228,004</u>
Net change in fund balance	123,481	(24,736)	129,259	228,004
Fund balance, beginning of year	<u>5,895,117</u>	<u>54,392</u>	<u>326,051</u>	<u>6,275,560</u>
Fund balance, end of year	\$ <u>6,018,598</u>	\$ <u>29,656</u>	\$ <u>455,310</u>	\$ <u>6,503,564</u>

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

**FRESNO COUNTY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2019 and 2018**

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

	<u>2019</u>	<u>2018</u>
Net change in fund balance -- total governmental funds	\$ 407,498	\$ 228,004
Governmental funds report capital outlays 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 depreciation (exceeded) capital outlays capitalized or capital outlays capitalized exceeded depreciation in the period.	1,044,536	(261,944)
Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.	323,999	357,137
Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	<u>(1,568,890)</u>	<u>-</u>
Change in net position of governmental activities	\$ <u>207,143</u>	\$ <u>323,197</u>

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

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 and 2018**

Note 1 – Summary of Significant Accounting Policies:

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

The more significant accounting policies of the District are described below:

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 the District’s reporting entity because of the significance of their operational or financial relationships with the District. The District has no component units.

B. Basis of Presentation

Government-Wide Financial Statements:

The government-wide financial statements, which are the statement of the net position and the statement of activities, report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and services, are reported separately from business-type activities, which rely on a significant extent of fees and charges for support. The District currently 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 revenues. District expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers that directly benefit from goods, services, or privileges provided by a given function or activity and 2) grants and assessments that are restricted to meeting the operational or capital requirements of a particular function or activity.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 and 2018**

Note 1 – Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The funds have been established for the purpose of accounting for specific activities or attaining certain objectives in accordance with applicable regulations, restrictions, or limitations. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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 other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for a specified purpose. The Zone Ten Fund (major fund) and Other Governmental Funds are special revenue funds.

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

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 and 2018**

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting

The financial statements of the District are prepared in accordance with generally accepted accounting principles. The District’s reporting entity applies all relevant Governmental Accounting Standards Board.

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The government-wide Statement of Net Position and the Statement of Activities are using the “economic resources” measurement focus.

The fund financial statements use the “current financial resources” measurement focus. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources at the end of the period

Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities for governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, 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 revenues when all eligibility requirements imposed by the provider have been met. Revenues, expenses, gains, losses, assets, and liabilities resulting from the exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are both “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 90 days of the end of the current period. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 and 2018**

Note 1 – Summary of Significant Accounting Policies (continued)

C. Budgets and Budgetary Accounting

An annual budget is adopted for the General Fund and other funds in total and on a modified accrual basis consistent with Generally Accepted Accounting Principles (GAAP). The Budgetary Comparison Schedule for the General Fund is included in the required supplementary information on pages 35-36.

D. Cash and Investments

The District has defined cash and cash equivalents to include cash on hand, in banks, demand deposits, and cash with fiscal agent. Additionally, each fund's equity in the District's investment pool is treated as a cash equivalent because the District can deposit or effectively withdraw cash at any time without prior notice or penalty.

The District invests its excess cash principally with the Fresno County Treasury. The County pools these funds with those of other entities in the county and invests the cash in accordance with California Government Codes. Generally, investments with the County are available for withdrawal on demand.

Investments are stated at fair value, (quoted market price or the best available estimate). Investments made from pooled cash consist primarily of short-term investments.

E. Receivables

Receivables consist primarily of property taxes, contract services and interest on funds deposited with Fresno County. All receivables are reported at their gross value and where appropriate are reduced by the estimated portion that is expected to be uncollectible.

F. Capital Assets

Capital assets, which include property, plant and equipment are reported 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 1 year. 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 value to the asset or materially extend lives are not capitalized.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2019 and 2018**

Note 1 – Summary of Significant Accounting Policies (continued)

F. Capital Assets (continued)

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
Land improvements	20
Equipment	2 - 20

G. Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. **Invested in capital assets, net of related debt**—Consists of capital assets including restricted 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 improvement of those assets.
- b. **Restricted net position**—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted net position**—All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 and 2018**

Note 1 – Summary of Significant Accounting Policies (continued)

G. Equity Classifications (continued)

Committed – amounts that can be used only for specific purposes determined by a formal action of the Fresno County Fire Protection District Board (Board). The Board is the highest level of decision-making authority for the Fresno County Fire Protection District. Commitments may be established, modified, or rescinded only through resolutions or motions approved by the Board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board has the authority to assign amounts for specific purposes.

Unassigned – all other spendable amounts.

The District does not have a policy where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications. In those circumstances, the order in which the District has been applying funds is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

As of June 30, 2019 and 2018, Fund Balances were composed of the following classifications:

	<u>2019</u>	<u>2018</u>
Nonspendable for:		
Prepays	\$ <u>17,373</u>	\$ <u>17,076</u>
Restricted for:		
Early detection program	\$ 766	\$ 766
CFD - Zone 1	335,633	253,455
CFD - Zone 2	254,727	200,022
Zone A - CSA 44	<u>237,233</u>	<u>235,159</u>
	\$ <u>828,359</u>	\$ <u>689,402</u>
Committed to:		
Capital equipment	\$ <u>3,940,785</u>	\$ <u>3,862,936</u>
Assigned to:		
Hydrant Maintenance	\$ 2,459	\$ 2,437
Special Revenue Funds	<u>63,590</u>	<u>31,489</u>
	\$ <u>66,049</u>	\$ <u>33,926</u>
Unassigned	\$ <u>2,058,496</u>	\$ <u>1,900,224</u>
Total Fund Balance	\$ <u>6,911,062</u>	\$ <u>6,503,564</u>

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 and 2018**

Note 1 – Summary of Significant Accounting Policies (continued)

G. Equity Classifications (continued)

Restricted:

Early detection program: this amount is from donations restricting the use to be used only for this program.

CFD Zone 1 and 2: the Communities Facility Districts (CFD) were established in 2011. The first revenue was generated in fiscal year 2013. There are two zones (1 and 2) with the two separate types of taxes (A and B) that are levied in the CFD. CFD's Zone 1A and Zone 2A are special taxes that are collected annually and are to be used only on the building of facilities and/or the purchasing of equipment. Tax A, for both Zone 1 and 2, has a sunset clause of 15 years once the tax has started. CFD's Zone 1B and Zone 2B are special taxes that are collected annually and are to be used only for services and operations of the facilities. Amounts from special tax B can be used to reimburse the District for the expenses the District incurred while setting up the CFD's.

Zone A – CSA 44: this amount is restricted for the purchase of land and the construction of a new station as part of the Millerton New Town Fire Association Benefit Assessment.

Committed:

Capital equipment: this amount is committed to future capital equipment purchases and/or new station construction.

Assigned:

Hydrant maintenance: the purpose of the amount is to pay for the maintenance of the hydrant systems located at various lots of land where the District had hydrants/pumps for use in the event of a fire.

Special revenue funds: Assigned fund balance are reported for positive fund balances remaining after nonspendable, restricted, and committed have been identified for reporting in special revenue funds.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimated and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 and 2018**

Note 1 – Summary of Significant Accounting Policies (continued)

I. Income Tax

The District qualifies for tax exempt status as an internal part of the State of California or a political subdivision in accordance with the Internal Revenue Code (IRC) Section 115. As a result, no tax provisions apply to the District's income.

J. Property Taxes

Fresno County is responsible for the assessment, collection, and apportionment of property taxes for all tax jurisdictions. Property taxes are levied in equal installments on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. The lien date is March 1 of each year. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The District considers property taxes as available if they are collected within 90 days after year end. Property tax on the unsecured roll are due on March 1 lien date and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year end accrual.

K. Property Tax Allocation Agreements

The District has Property Tax Allocation Agreements (Transition Agreements) with the various Cities within Fresno County. The complexity of property tax laws in California, State Board of Equalization boundary change rules, procedures used by the County of Fresno Special Accounting Department, different interpretations by each City, and the lack of basic accounting calculation methodology in the Agreements with the Cities regarding payment dates, late fees, interest charges, quality calculation examples and State Board of Equalization Boundary change rules, make it difficult to record the revenue generated from these Agreements on an accrual basis. The District records revenue related to these Agreements on a cash basis.

L. Economic Dependency

The District receives a substantial amount of its support from property tax revenue. During the years ended June 30, 2019 and 2018, property tax revenues for General Fund and Special Revenue Fund represent 81% and 82% of total revenue, respectively.

M. Adoption of new GASB pronouncements

During the fiscal year ended June 30, 2019, the District implemented the following GASB Pronouncements:

GASB Statement No. 83, Certain Asset Retirement Obligations. Issued November 2016, this statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). The District has no plans to retire tangible capital assets that fall under the framework of this statement, and therefore is not subject to the reporting requirements of GASB Statement No. 83.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 and 2018**

M. Adoption of new GASB pronouncements, continued

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Debt Borrowings and Direct Placements. This Statement was issued April 2018 to improve the information that is disclosed in notes to governmental financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB Statement No. 88 was implemented by the District for the fiscal year ended June 30, 2019.

N. Future adoption of GASB pronouncements

The following GASB pronouncements have been issued, but are not effective as of June 30, 2019:

GASB Statement No. 84, Fiduciary Activities. This statement was issued January 2017 to establish criteria for identifying fiduciary activities of all state and local governments. GASB 84 will be effective for the District, fiscal year ending June 30, 2020.

GASB Statement No. 87, Leases. This Statement was Issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 will be effective for the District for fiscal year ending June 30, 2021.

GASB Statement No. 89, Accounting for Interest Costs Incurred Before the End of a Construction Period. This statement was issued June 2018 to establish accounting requirements for interest cost incurred before the end of a construction period. The objectives of the Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 will be effective for the District for fiscal year ending June 30, 2021.

GASB Statement No. 90, Majority Equity Interests. Issued August 2018, the primary objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization; and to improve the relevance of financial statement information for certain component units. GASB Statement No. 90 will be effective for the District for fiscal year ending June 30, 2020.

The District will implement new GASB pronouncements no later than the required effective date. The District is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the District's financial statements.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED June 30, 2019 and 2018**

Note 2 – Cash and Cash Equivalent and Investments:

The carrying amount of cash and investments at June 30, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Checking	\$ 1,389,259	\$ 998,826
Cash on hand	85	3,408
External Investment Pool –		
Fresno County Treasury Investment Pool	\$ <u>14,245,236</u>	\$ <u>9,008,854</u>
	\$ 15,634,580	\$ 10,011,088
Cash and cash equivalents – restricted	<u>(825,196)</u>	<u>(687,355)</u>
Cash and cash equivalents	\$ <u>14,809,384</u>	\$ <u>9,323,733</u>

Investment in Fresno County Treasury Investment Pool

The District is a voluntary participant in the Fresno County Treasury Investment Pool that is regulated by the California Government code under the oversight of the Fresno County Board of Supervisors, and administered by the Fresno County Treasurer. The fair value of the District's investment in this 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 Treasury Investment Pool for the entire Treasury Investment Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Treasury Investment Pool, which are recorded on an amortized cost basis.

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2: Inputs to valuation methodology include inputs — other than quoted prices included within Level 1 — that are observable for an asset or liability, either directly or indirectly.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED June 30, 2019 and 2018**

Note 2 – Cash and Cash Equivalent and Investments (continued)

County of Fresno Pool (COF) are valued based on the District's pro-rata share of the fair value provided COF Pool for the entire COF Pool portfolio (Level 2 input).

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in the market interest rates. As of the year ended June 30, 2019, the weighted average maturity of the investments contained in the Fresno County Treasury Investment Pool is 1.97 years. 21.7% of the Treasury Investment Pool portfolio at cost matures within 30 days, 14.5% matures between 1 and 12 months, 32.7% between 1 and 3 years, and 31.1% matures between 3 and 5 years.

As of the year ended June 30, 2018, the weighted average maturity of the investments contained in the Fresno County Treasury Investment Pool is 2.2 years. 19.0% of the Treasury Investment Pool portfolio at cost matures within 30 days, 13.3% matures between 1 and 12 months, 32.3% between 1 and 3 years, and 35.4% matures between 3 and 5 years.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The Fresno County Treasury Pool does not have a rating provided by a nationally recognized statistical rating organization. However, the assets of the portfolio held by the pool as of June 30, 2019, had an average dollar weighted quality rating of "AA+" as rated by Moody's. Approximately 79% of the assets in the County's portfolio are invested in U.S. Treasury, U.S. Agencies, Government-backed Corporates, Collateral-backed Money Markets, and Cash at June, 30, 2019.

Concentration of Credit Risk

Concentration of credit risk is the loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The District's deposit portfolio with governmental agencies, Fresno County is 90% as of June 30, 2019, of the District's total depository and investment portfolio. The District does not have an investment policy that contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED June 30, 2019 and 2018**

Note 2 – Cash and Cash Equivalent and Investments (continued)

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: 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 Authority deposits by pledging first trust deed mortgage noted having a value of 150% of the secure public deposits. The District's deposits with Wells Fargo Bank have been properly collateralized.

The custodial credit risk for investments is the risk that, in the events 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 local government's indirect investment in securities through the use of mutual funds or government investment pools (such as Fresno County).

Cash and investment balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2019, the carrying amount of the District's accounts was \$1,389,259 and the bank balance was \$1,530,948. At June 30, 2018, the carrying amount of the District's accounts was \$998,826 and the bank balance was \$657,924. The carrying value and the bank balance differ due to deposits in transit and outstanding checks. As of June 30, 2019, and 2018 the bank balance exceeded the FDIC insurance amount by \$1,275,180 and \$403,179 respectively. However, the balance was collateralized by securities held by the pledging financial institution's trust department or agent but not in the District's name.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED June 30, 2019 and 2018**

Note 2 – Cash and Cash Equivalent and Investments (continued)

Investments Authorized by the California Government Code

The table on the next page identifies the investment types that are authorized for the District by the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposits	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
JPA Pools (other investment pools)	N/A	None	None

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED June 30, 2019 and 2018**

Note 3 – Capital Assets:

Capital assets activity for the year ended June 30, 2019, was as follows:

	<u>Balance</u> <u>6/30/2018</u>	<u>Acquisitions</u>	<u>Dispositions</u>	<u>Balance</u> <u>6/30/2019</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 1,332,979	\$ -	\$ -	\$ 1,332,979
Construction in Progress	<u>465,772</u>	<u>-</u>	<u>(465,772)</u>	<u>-</u>
Totals	<u>1,798,751</u>	<u>-</u>	<u>(465,772)</u>	<u>1,332,979</u>
Capital assets, being depreciated:				
Land Improvements	2,083,331	49,962	-	2,133,293
Buildings	11,298,261	475,428	-	11,773,689
Building Improvements	908,371	143,579	-	1,051,950
Equipment	<u>14,896,490</u>	<u>1,970,075</u>	<u>(659,391)</u>	<u>16,207,174</u>
Totals	29,186,453	2,639,044	(659,391)	31,166,106
Less accumulated depreciation:	(15,919,565)	(1,107,190)	<u>637,844</u>	(16,388,911)
Total capital assets being depreciated, net	<u>13,266,888</u>	<u>1,531,854</u>	<u>(21,547)</u>	<u>14,777,195</u>
Capital assets, net	\$ <u>15,065,639</u>	\$ <u>1,531,854</u>	\$ <u>(487,319)</u>	\$ <u>16,110,174</u>

Capital assets activity for the year ended June 30, 2018, was as follows:

	<u>Balance</u> <u>6/30/2017</u>	<u>Acquisitions</u>	<u>Dispositions</u>	<u>Balance</u> <u>6/30/2018</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 1,332,979	\$ -	\$ -	\$ 1,332,979
Construction in Progress	<u>393,795</u>	<u>71,977</u>	<u>-</u>	<u>465,772</u>
Totals	<u>1,726,774</u>	<u>71,977</u>	<u>-</u>	<u>1,798,751</u>
Capital assets, being depreciated:				
Land Improvements	1,965,655	117,676	-	2,083,331
Buildings	11,298,261	-	-	11,298,261
Building Improvements	813,254	95,117	-	908,371
Equipment	<u>14,432,485</u>	<u>490,352</u>	<u>(26,347)</u>	<u>14,896,490</u>
Totals	28,509,655	703,145	(26,347)	29,186,453
Less accumulated depreciation:	(14,908,846)	(1,037,066)	<u>-</u>	(15,919,565)
Total capital assets being depreciated, net	<u>13,600,809</u>	<u>(333,291)</u>	<u>-</u>	<u>13,266,888</u>
Capital assets, net	\$ <u>15,327,583</u>	\$ <u>(261,944)</u>	\$ <u>-</u>	\$ <u>15,065,639</u>

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED June 30, 2019 and 2018**

Note 4 – Capital Lease

On April 18, 2018, the District entered into a capital lease purchase agreement with Community First National Bank to purchase a ladder and pumper truck (fire engines) for use by the District. Payments are due in annual installments of \$358,475, including interest of 3.67% percent per annum, maturing January 31, 2024. The lease is secured by the fire engines purchased with the lease. The fire engines were received in March 2019 and are being depreciated.

The following schedule presents future minimum lease payments as of June 30, 2019:

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
\$358,475	\$358,475	\$358,475	\$358,475	\$358,475	\$ 1,792,375
Less: Interest					<u>223,485</u>
Present Value of Minimum Lease Payment					<u>\$ 1,568,890</u>

Capital lease payable to Community First National Bank represents a liability incurred on April 12, 2013 to purchase four pumpers (fire engines) for use by the District. Payments are due in annual installments of \$366,030, including interest of 2.49 percent per annum, maturing July 1, 2018. The lease is secured by the pumpers purchased with the lease. The pumpers are being depreciated.

	June 30, 2018			June 30, 2019
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
Capital Lease – Community First National Bank	\$ 357,138	\$ 1,568,890	\$ 357,138	\$ 1,568,890

Note 5 – 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 Agency Self Insurance System (FASIS) arranges for workmen's compensation insurance for its members, all of which are fire districts located within California. FASIS is governed by a board of directors consisting of representatives from member districts. The board controls the operations of 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 shared surpluses and deficits proportionately to their participation in 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 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.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED June 30, 2019 and 2018**

Note 5 – Joint Ventures (continued)

The most current condensed financial information available of the JPA's is as follows:

	June 30, 2019 <u>FASIS</u>	June 30, 2019 <u>FAIRA</u>
Total assets	\$ 57,957,092	\$ 3,261,106
Total liabilities	<u>43,342,522</u>	<u>699,881</u>
Net position	\$ <u>14,614,570</u>	\$ <u>2,561,225</u>
Total revenue	\$ 16,254,870	\$ 3,129,160
Total expenses	<u>16,183,837</u>	<u>3,663,220</u>
Net change in net position	\$ <u>71,033</u>	\$ <u>(534,060)</u>

Condensed financial information of the JPA's for the year ended June 30, 2018 is as follows:

	<u>FASIS</u>	<u>FAIRA</u>
Total assets	\$ 53,650,885	\$ 3,112,062
Total liabilities	<u>39,107,348</u>	<u>16,777</u>
Net position	\$ <u>14,543,537</u>	\$ <u>3,095,285</u>
Total revenue	\$ 15,671,950	\$ 2,684,285
Total expenses	<u>17,514,225</u>	<u>2,739,332</u>
Net change in net position	\$ <u>(1,842,275)</u>	\$ <u>(55,047)</u>

The District's share of assets, liabilities and net position as of June 30, 2019 and 2018 has not been calculated by either JPA.

Note 6 – Risk management

The District is exposed to various risks of loss to torts; theft of, damage of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries all its coverage of these risk and also workers' compensation through its membership in FASIS and FAIRA.

Note 7 – On-going Litigation Claim

The District is a defendant in two litigation matters brought forth by the same individual against the District and the President of the District's Board of Directors. Special Counsel has been retained through the District's insurance coverage, the District has had demurrers sustained with respect to the complaints file. The ultimate disposition of the matters is unknown however the District believes they are adequately covered by insurance.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED June 30, 2019 and 2018**

Note 8 – Board of Directors

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

Michael Del Puppo	President
Dan Guice	Vice President
Frank Del Testa	Secretary
John Arabian	Director
Francisco Chavez	Director
Brad Richter	Director
Vacant	Director

The Fire Chief of the District is Mark Johnson.

REQUIRED SUPPLEMENTARY INFORMATION

**FRESNO COUNTY FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS TOTAL
STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 19,326,785	\$ 19,399,578	\$ 19,271,834	\$ (127,744)
Service fees	2,158,458	2,197,360	2,182,901	(14,459)
Grants	-	130,827	126,154	(4,673)
Transition fees	75,000	75,000	228,749	153,749
Other	1,540,000	1,790,000	1,648,878	(141,122)
Interest	175,000	210,000	267,004	57,004
Assessments	<u>184,317</u>	<u>184,317</u>	<u>216,316</u>	<u>31,999</u>
 Total Revenue	 <u>23,459,560</u>	 <u>23,987,082</u>	 <u>23,941,836</u>	 <u>(45,246)</u>
Expenditures				
Contractual specialized services	18,998,471	19,213,616	19,421,572	(207,956)
Repairs and maintenance	568,500	730,500	705,108	25,392
Labor and related costs	635,000	601,500	519,949	81,551
Travel and transportation	285,000	290,000	304,800	(14,800)
Clothing and personal supplies	85,000	90,000	74,552	15,448
Legal and professional	200,000	220,000	131,393	88,607
Utilities	249,000	249,000	227,482	21,518
Insurance	155,000	155,000	141,792	13,208
Communications	138,900	148,500	159,189	(10,689)
Household supplies and food	72,500	82,500	75,372	7,128
Special district costs	43,500	43,500	46,079	(2,579)
Office supplies and postage	59,000	59,000	54,257	4,743
Other	204,160	204,160	154,831	49,329
Medical supplies	20,000	20,000	16,212	3,788
Training	50,000	55,000	64,572	(9,572)
Small tools and supplies	7,500	7,500	2,121	5,379
Volunteer company support	50,000	60,000	27,319	32,681
Capital outlay	736,500	1,184,156	2,637,272	(1,453,116)
Debt service	<u>366,030</u>	<u>366,030</u>	<u>366,029</u>	<u>1</u>
 Total Expenditures	 <u>22,924,061</u>	 <u>23,779,962</u>	 <u>25,129,901</u>	 <u>(1,349,939)</u>
Revenue over/(under) expenditures	<u>535,499</u>	<u>207,120</u>	<u>(1,188,065)</u>	<u>(1,395,185)</u>
Other Financing Sources				
Gain on sale of capital assets	-	-	26,673	26,673
Capital-related debt issued	<u>-</u>	<u>-</u>	<u>1,568,890</u>	<u>1,568,890</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>1,595,563</u>	<u>1,595,563</u>
 Net change in fund balance	 <u>535,499</u>	 <u>207,120</u>	 <u>407,498</u>	 <u>200,378</u>
Addition to reserves	<u>(535,499)</u>	<u>(207,120)</u>	<u>(407,498)</u>	<u>200,378</u>
 Net total	 \$ <u>-</u>	 \$ <u>-</u>	 \$ <u>-</u>	 \$ <u>-</u>

See accompanying notes to financial statements.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS TOTAL
STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 18,109,041	\$ 18,560,118	\$ 18,564,189	\$ 4,071
Service fees	1,250,561	1,131,098	1,130,680	(418)
Grants	360,738	360,738	327,193	(33,545)
Transition fees	230,000	230,000	52,533	(177,467)
Other	1,040,000	2,370,000	2,149,831	(220,169)
Interest	135,000	175,000	189,049	14,049
Assessments	<u>213,014</u>	<u>213,014</u>	<u>209,740</u>	<u>(3,274)</u>
 Total Revenue	 <u>21,338,354</u>	 <u>23,039,968</u>	 <u>22,623,215</u>	 <u>(416,753)</u>
Expenditures				
Contractual specialized services	17,239,325	17,868,959	18,094,202	(225,243)
Repairs and maintenance	464,500	583,500	611,268	(27,768)
Labor and related costs	607,000	711,000	653,170	57,830
Travel and transportation	274,500	299,500	299,735	(235)
Clothing and personal supplies	85,000	85,000	73,275	11,725
Legal and professional	200,000	305,000	310,285	(5,285)
Utilities	225,000	250,000	212,407	37,593
Insurance	160,000	160,000	119,573	40,427
Communications	138,900	138,900	132,435	6,465
Household supplies and food	99,000	65,000	59,935	5,065
Special district costs	43,500	43,500	43,909	(409)
Office supplies and postage	47,000	59,000	56,203	2,797
Other	44,160	51,160	34,938	16,222
Medical supplies	20,000	20,000	18,130	1,870
Training	50,000	50,000	59,372	(9,372)
Small tools and supplies	5,000	7,500	7,397	103
Capital outlay	921,238	1,547,238	1,242,947	304,291
Debt service	<u>366,030</u>	<u>366,030</u>	<u>366,030</u>	<u>-</u>
 Total Expenditures	 <u>20,950,153</u>	 <u>22,611,287</u>	 <u>22,395,211</u>	 <u>216,076</u>
 Revenue over/(under) expenditures	 <u>388,201</u>	 <u>428,681</u>	 <u>228,004</u>	 <u>(200,677)</u>
 Net change in fund balance	 <u>388,201</u>	 <u>428,681</u>	 <u>228,004</u>	 <u>(200,677)</u>
Addition to reserves	<u>(388,201)</u>	<u>(428,681)</u>	<u>(228,004)</u>	<u>(200,677)</u>
Net total	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>

See accompanying notes to financial statements.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

Budgets and Budgetary Accounting

An annual budget is adopted for the General Fund and other funds in total and on a modified accrual basis consistent with Generally Accepted Accounting Principles (GAAP). The Budgetary Comparison Schedule for the General Fund is included in the required supplementary information on pages 34-35.

SUPPLEMENTARY INFORMATION

**FRESNO COUNTY FIRE PROTECTION DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR FUNDS
 JUNE 30, 2019**

	Zone Two	Zone Three	Zone Four	Zone Five	Zone Six	Zone Seven	Zone Eight	Zone Nine	Millerton New Town	CFD Zone One A	CFD Zone One B	CFD Zone Two A	CFD Zone Two B	Total Non-major Funds
Assets														
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,684	\$ 170,154	\$ 153,667	\$ 99,692	\$ 587,197
Interest receivable	220	9	4	355	19	208	95	349	440	887	908	826	542	4,862
Taxes receivable	<u>366</u>	<u>14</u>	<u>5</u>	<u>583</u>	<u>34</u>	<u>357</u>	<u>163</u>	<u>596</u>	-	-	-	-	-	<u>2,118</u>
Total Assets	<u>\$ 586</u>	<u>\$ 23</u>	<u>\$ 9</u>	<u>\$ 938</u>	<u>\$ 53</u>	<u>\$ 565</u>	<u>\$ 258</u>	<u>\$ 945</u>	<u>\$ 440</u>	<u>\$ 164,571</u>	<u>\$ 171,062</u>	<u>\$ 154,493</u>	<u>\$ 100,234</u>	<u>\$ 594,177</u>
Liabilities														
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance														
Restricted	-	-	-	-	-	-	-	-	-	164,571	171,062	154,493	100,234	590,360
Assigned	<u>586</u>	<u>23</u>	<u>9</u>	<u>938</u>	<u>53</u>	<u>565</u>	<u>258</u>	<u>945</u>	<u>440</u>	-	-	-	-	<u>3,817</u>
Total Liabilities and Fund Balance	<u>\$ 586</u>	<u>\$ 23</u>	<u>\$ 9</u>	<u>\$ 938</u>	<u>\$ 53</u>	<u>\$ 565</u>	<u>\$ 258</u>	<u>\$ 945</u>	<u>\$ 440</u>	<u>\$ 164,571</u>	<u>\$ 171,062</u>	<u>\$ 154,493</u>	<u>\$ 100,234</u>	<u>\$ 594,177</u>

See accompanying notes to financial statement

**FRESNO COUNTY FIRE PROTECTION DISTRICT
COMBINING BALANCE SHEET
NONMAJOR FUNDS
JUNE 30, 2018**

	Zone Two	Zone Three	Zone Four	Zone Five	Zone Six	Zone Seven	Zone Eight	Zone Nine	Millerton New Town	CFD Zone One A	CFD Zone One B	CFD Zone Two A	CFD Zone Two B	Total Non-major Funds
Assets														
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,340	\$ 119,026	\$ 115,378	\$ 83,686	\$ 451,430
Interest receivable	97	9	-	170	8	97	45	167	205	608	481	575	383	2,845
Taxes receivable	<u>169</u>	<u>7</u>	<u>-</u>	<u>290</u>	<u>17</u>	<u>175</u>	<u>81</u>	<u>296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,035</u>
Total Assets	<u>\$ 266</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 460</u>	<u>\$ 25</u>	<u>\$ 272</u>	<u>\$ 126</u>	<u>\$ 463</u>	<u>\$ 205</u>	<u>\$ 133,948</u>	<u>\$ 119,507</u>	<u>\$ 115,953</u>	<u>\$ 84,069</u>	<u>\$ 455,310</u>
Liabilities														
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance														
Restricted	-	-	-	-	-	-	-	-	-	133,948	119,507	115,953	84,069	453,477
Assigned	<u>266</u>	<u>16</u>	<u>-</u>	<u>460</u>	<u>25</u>	<u>272</u>	<u>126</u>	<u>463</u>	<u>205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,833</u>
Total Liabilities and Fund Balance	<u>\$ 266</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 460</u>	<u>\$ 25</u>	<u>\$ 272</u>	<u>\$ 126</u>	<u>\$ 463</u>	<u>\$ 205</u>	<u>\$ 133,948</u>	<u>\$ 119,507</u>	<u>\$ 115,953</u>	<u>\$ 84,069</u>	<u>\$ 455,310</u>

See accompanying notes to financial statement

**FRESNO COUNTY FIRE PROTECTION DISTRICT
COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Zone Two	Zone Three	Zone Four	Zone Five	Zone Six	Zone Seven	Zone Eight	Zone Nine	Millerton New Town	CFD Zone One A	CFD Zone One B	CFD Zone Two A	CFD Zone Two B	Total Non-major Funds
Revenues														
Property taxes	\$ 45,864	\$ 1,783	\$ 817	\$ 73,961	\$ 4,053	\$ 43,297	\$ 19,896	\$ 72,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 262,519
Interest	534	21	7	880	49	517	238	872	967	3,072	2,972	2,773	1,904	14,806
Assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,154</u>	<u>27,551</u>	<u>48,583</u>	<u>35,767</u>	<u>14,261</u>	<u>216,316</u>
Total Revenues	<u>46,398</u>	<u>1,804</u>	<u>824</u>	<u>74,841</u>	<u>4,102</u>	<u>43,814</u>	<u>20,134</u>	<u>73,720</u>	<u>91,121</u>	<u>30,623</u>	<u>51,555</u>	<u>38,540</u>	<u>16,165</u>	<u>493,641</u>
Expenditures														
Contractual specialized services	45,980	1,793	815	74,192	4,064	43,423	19,956	73,069	90,672	-	-	-	-	353,964
Special district costs	<u>98</u>	<u>4</u>	<u>-</u>	<u>171</u>	<u>10</u>	<u>98</u>	<u>46</u>	<u>169</u>	<u>214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>810</u>
Total Expenditures	<u>46,078</u>	<u>1,797</u>	<u>815</u>	<u>74,363</u>	<u>4,074</u>	<u>43,521</u>	<u>20,002</u>	<u>73,238</u>	<u>90,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>354,774</u>
Revenue over/(under) expenditures	320	7	9	478	28	293	132	482	235	30,623	51,555	38,540	16,165	138,867
Fund balance, beginning of year	<u>266</u>	<u>16</u>	<u>-</u>	<u>460</u>	<u>25</u>	<u>272</u>	<u>126</u>	<u>463</u>	<u>205</u>	<u>133,948</u>	<u>119,507</u>	<u>115,953</u>	<u>84,069</u>	<u>455,310</u>
Fund balance, end of year	\$ <u>586</u>	\$ <u>23</u>	\$ <u>9</u>	\$ <u>938</u>	\$ <u>53</u>	\$ <u>565</u>	\$ <u>258</u>	\$ <u>945</u>	\$ <u>440</u>	\$ <u>164,571</u>	\$ <u>171,062</u>	\$ <u>154,493</u>	\$ <u>100,234</u>	\$ <u>594,177</u>

See accompanying notes to financial statements.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Zone Two	Zone Three	Zone Four	Zone Five	Zone Six	Zone Seven	Zone Eight	Zone Nine	Millerton New Town	CFD Zone One A	CFD Zone One B	CFD Zone Two A	CFD Zone Two B	Total Non-major Funds
Revenues														
Property taxes	\$ 39,798	\$ 1,682	\$ 74	\$ 67,780	\$ 3,816	\$ 40,042	\$ 18,740	\$ 68,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,509
Interest	294	17	1	512	28	294	137	503	627	1,999	1,412	1,703	1,256	8,783
Assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,430</u>	<u>27,433</u>	<u>47,619</u>	<u>35,299</u>	<u>13,959</u>	<u>209,740</u>
Total Revenues	<u>40,092</u>	<u>1,699</u>	<u>75</u>	<u>70,292</u>	<u>3,844</u>	<u>40,336</u>	<u>18,877</u>	<u>69,080</u>	<u>86,057</u>	<u>29,432</u>	<u>49,031</u>	<u>37,002</u>	<u>15,215</u>	<u>461,032</u>
Expenditures														
Contractual specialized services	40,213	1,698	75	70,485	3,856	40,453	18,930	69,278	86,018	-	-	-	-	331,006
Special district costs	<u>96</u>	<u>4</u>	<u>-</u>	<u>164</u>	<u>9</u>	<u>93</u>	<u>43</u>	<u>159</u>	<u>199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>767</u>
Total Expenditures	<u>40,309</u>	<u>1,702</u>	<u>75</u>	<u>70,649</u>	<u>3,865</u>	<u>40,546</u>	<u>18,973</u>	<u>69,437</u>	<u>86,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>331,773</u>
Revenue over/(under) expenditures	(217)	(3)	-	(357)	(21)	(210)	(96)	(357)	(160)	29,432	49,031	37,002	15,215	129,259
Fund balance, beginning of year	<u>483</u>	<u>19</u>	<u>-</u>	<u>817</u>	<u>46</u>	<u>482</u>	<u>222</u>	<u>820</u>	<u>326</u>	<u>104,516</u>	<u>70,476</u>	<u>78,951</u>	<u>68,854</u>	<u>326,051</u>
Fund balance, end of year	\$ <u>266</u>	\$ <u>16</u>	\$ <u>-</u>	\$ <u>460</u>	\$ <u>25</u>	\$ <u>272</u>	\$ <u>126</u>	\$ <u>463</u>	\$ <u>205</u>	\$ <u>133,948</u>	\$ <u>119,507</u>	\$ <u>115,953</u>	\$ <u>84,069</u>	\$ <u>455,310</u>

See accompanying notes to financial statements.



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
Fresno County Fire Protection District

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, the business-type activities, each major fund, and the aggregate remaining fund information of Fresno County Fire Protection District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Fresno County Fire Protection District basic financial statements, and have issued our report thereon dated February 13, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fresno County Fire Protection 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 Fresno County Fire Protection District's internal control. Accordingly, we do not express an opinion on the effectiveness of Fresno County Fire Protection 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. 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 Fresno County Fire Protection 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*.

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.

Cuttone & Mastro

Fresno, California
February 13, 2020