



FRESNO COUNTY FIRE

PROTECTION DISTRICT

Honor, Integrity, Cooperation & Professionalism

MEMORANDUM

Date: January 24, 2025

To: Board Directors

Attn: John Arabian
President

From: Fire District Staff

Subject: Auditor's Report for FY 23/24

BOARD OF DIRECTOR'S BRIEFING PAPER

ISSUE:

Staff is asking the Board of Directors to review and approve the annual Auditor's Report for Fiscal Year 2023/2024 prepared by Cuttone & Mastro.

BACKGROUND:

Each year the District's auditor prepares the annual Auditor's Report based on testing and review of the District's financial statements as prepared by staff.

DISCUSSION:

The Auditor's Report for fiscal year ending June 30, 2024 includes a report from management regarding the condition of the District's financial health. The Management's Discussion and Analysis is prepared by staff and provided to the reader for a quick synopsis of the results of the audit. The financial statements, covering FY 23/24, immediately follow the Management's Discussion and Analysis.

ALTERNATIVES:

There are no recommended alternatives.

IMPACTS *(Consider potential consequences related to each of the following areas of concern for proposed alternatives):*

- Fiscal – No known impacts
- Operational – No known impacts
- Legal – No known impacts
- Labor - No known impacts
- Sociopolitical - No known impacts
- Policy - No known impacts
- Health and safety - No known impacts
- Environmental - No known impacts
- Interagency - No known impacts

RECOMMENDATION:

It is recommended by Staff that the District Board of Director's approves the Auditor's Report as presented. It is also recommended that any Board Member makes a motion to approve the Auditor's Report for Fiscal Year 2023/2024.

APPROVED:

Josh I. Chrisman

Josh I. Chrisman, Administration Officer

January 24, 2025

Date



January 23, 2025

To the Board of Directors of
Fresno County Fire Protection District
210 South Academy
Sanger, California 93657

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fresno County Fire Protection District for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 13, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Fresno County Fire Protection District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ending June, 30, 2024. We noted no transactions entered into by Fresno County Fire Protection District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the useful lives of fixed assets which is based on the State Controller's office suggestion useful lives. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate that no allowance for doubtful accounts was need on past due accounts. The estimate is based on management's evaluation of the circumstances. We evaluated the key factors and assumptions used to develop the need for an allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

The following misstatements detected as a result of audit procedures and corrected by management were considered material, either individually or in the aggregate, to the financial statements taken as a whole:

1. Reclassification of cash between funds and between restricted and unrestricted.
2. Additional accounts payable needed to be recorded.
3. Reclassification of CFD Zone 1 A/B and Zone 2 A/B assessments.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 23, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to management's discussion and analysis and the Statement of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combining Balance Sheet - Nonmajor Funds, the Combining Statement of Revenue, expenditures and Changes in Fund Balance - Nonmajor Funds, and Schedule of Expenditures of Federal Awards which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

Very truly yours,

Cuttone & Mastro CPA's

FRESNO COUNTY FIRE PROTECTION DISTRICT

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

YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fresno County Fire Protection District
Sanger, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fresno County Fire Protection District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Fresno County Fire Protection 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, each major fund, and the aggregate remaining fund information of the Fresno County Fire Protection District, as of June 30, 2024, 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. 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 Fresno County Fire Protection 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 Fresno County Fire Protection 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 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.

In performing an audit in accordance with generally accepted 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.

Supplementary 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 accompanying 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The 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.

Cuttone & Mastro

Fresno, California
January 23, 2025

**FRESNO COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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, 2024. 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 \$36,533,351. Of this amount, \$13,217,771 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 \$14,790,338 which is a decrease of \$49,511 from June 30, 2023. The District's General Fund ended the year with a fund balance of \$13,409,101, a decrease of \$243,412 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.

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 9 through 14 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.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

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 15 through 27 of this report.

Government-wide Financial Analysis

Statement of Net Position	<u>2024</u>	<u>2023</u>	<u>2022</u>
Assets			
Current & Other Assets	\$ 28,098,094	\$ 21,637,226	\$ 25,117,005
Capital Assets (net of depreciation)	<u>21,743,013</u>	<u>20,719,566</u>	<u>19,918,438</u>
Total Assets	\$ 49,841,107	\$ 42,356,792	\$ 45,035,443
Liabilities			
Current	\$ 13,291,256	\$ 6,756,341	\$ 12,549,890
Noncurrent – Due within one year	13,000	361,372	349,118
Noncurrent – Due in more than one year	<u>-</u>	<u>13,000</u>	<u>374,372</u>
Total Liabilities	\$ 13,304,256	\$ 7,130,713	\$ 13,273,380
Deferred Inflows of Resources			
Deferred inflows from lease proceeds	\$ <u>3,500</u>	\$ <u>17,729</u>	\$ <u>30,773</u>
Total Deferred Inflows of Resources	\$ 3,500	\$ 17,729	\$ 30,773
Net Position			
Invested in Capital Assets, net of related debt	\$ 21,743,013	\$ 20,373,794	\$ 19,239,148
Restricted	1,572,567	1,365,539	1,210,435
Unrestricted	<u>13,217,771</u>	<u>13,469,017</u>	<u>11,281,707</u>
Total Net Position	\$ 36,533,351	\$ 35,208,350	\$ 31,731,290

As of June 30, 2024, the District's government-wide total assets exceeded liabilities (net position) by \$36,533,351. 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 noncurrent liabilities are 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 24 in the notes to the financial statements.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Investment in Capital assets amount to \$21,743,013 or approximately 60% of the total net position.

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

Governmental Activities

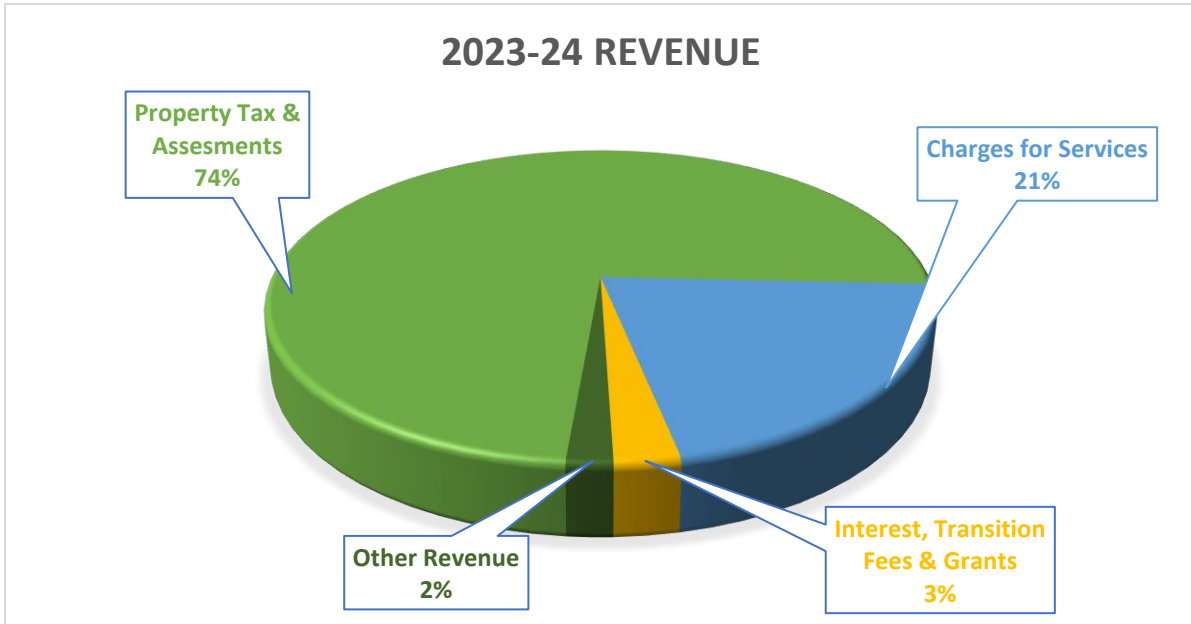
Governmental activities account for \$36,533,351 or 100% of the total government-wide net position. This is an increase of \$1,325,001 or 4% over June 30, 2023.

The following lists key components of this increase and the 3-year trend:

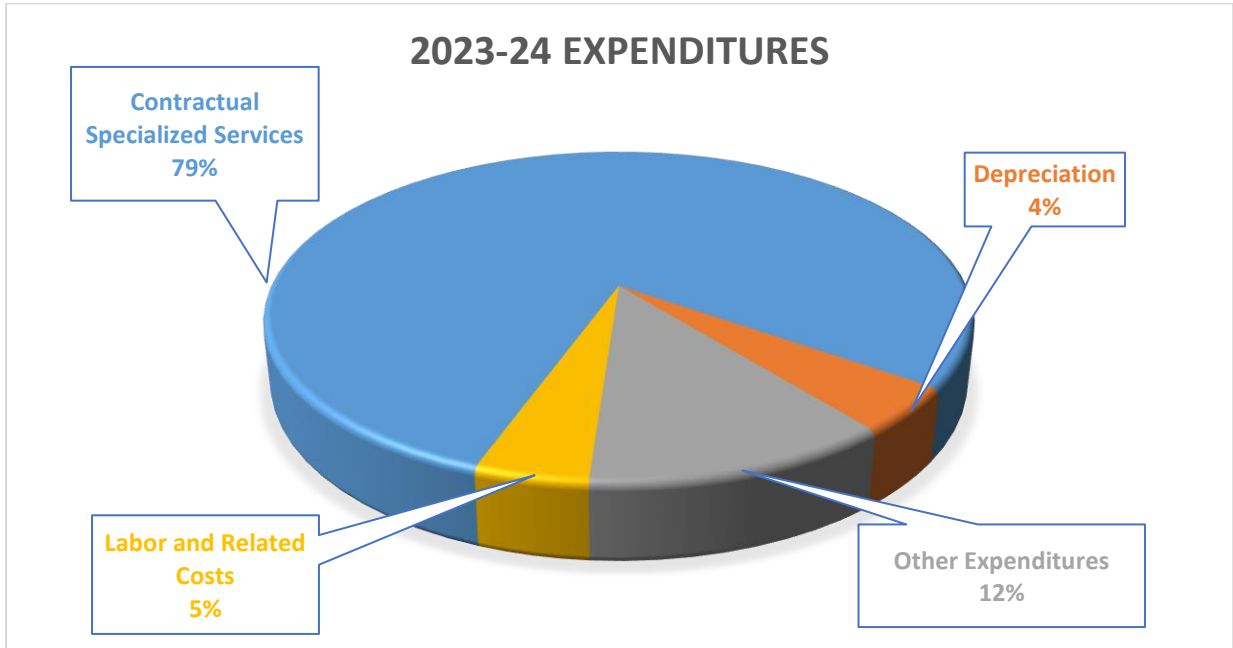
Statement of Activities	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenue			
Property Tax and Assessments	\$ 24,993,055	\$ 23,740,858	\$ 21,739,541
Charges for Services	7,084,915	7,171,912	6,087,818
Interest, Transition Fees, Grants, Rent	910,546	1,094,524	3,528,510
Other Financing Revenue	919	2,765,990	1,497,147
Other General Revenue	<u>640,868</u>	<u>36,993</u>	<u>36,125</u>
Total Revenue	\$ 33,630,303	\$ 34,810,277	\$ 32,889,141
Expenditures			
Contractual Specialized Services	\$ 25,585,164	\$ 24,850,460	\$ 21,590,090
Labor and Related Costs	1,430,901	1,109,282	1,052,392
Depreciation	1,430,497	1,305,298	1,211,301
Other Expenditures	<u>3,858,740</u>	<u>4,068,177</u>	<u>4,039,735</u>
Total Expenditures	\$ 32,305,302	\$ 31,333,217	\$ 27,894,418
Increase (Decrease) in Net Position	\$ 1,325,001	\$ 3,477,060	\$ 4,994,723
Net Position - Beginning	<u>35,208,350</u>	<u>31,731,290</u>	<u>26,736,567</u>
Net Position - Ending	\$ 36,533,351	\$ 35,208,350	\$ 31,731,290

Total governmental revenues for the year were \$33,630,303 with property tax and assessment revenue accounting for \$24,993,055 or 74% of the District's governmental activities revenue. Charges for Services revenue accounts for \$7,084,915 or 21% of the total governmental activities' revenue. Interest, Transition Fees, and Grants revenue account for \$910,546 or 3% of the District's governmental activities revenue. Finally, other financing and general revenue accounts for \$641,787 or 2% of the District's governmental activities revenue.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024**



Total governmental expenditures for the year were \$32,305,302. Contractual Specialized Services account for \$25,585,164 or 79% of the total governmental expenses. Labor and Related Costs account for \$1,430,901 or 5%. Other expenditures account for \$3,858,740 or 12% of the total governmental expenditures. Depreciation accounted for \$1,430,497 or 4% 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 \$14,790,338, which is a decrease of \$49,511 or 0.3% when compared to the prior year.

The general fund is the chief operating fund of the District. As of June 30, 2024, the total fund balance of the general fund was \$13,409,101. The general fund total balance decreased \$243,412 or 1.8% over the previous year.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

General Fund – Budgetary Highlights

The statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual on page 28 outlines the difference between the budget and actual numbers.

District revenues were over budget projections by \$1,103,488, and expenditures were under budget projections by \$1,483,566. The District revenues were \$2,587,054 over expenditures.

Capital Assets

The District's capital assets include land, structures and improvements, equipment and apparatus and vehicles. The District's statement of capital asset changes is on page 24.

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. The loan is over a five (5) year period, with the first payment due and payable on January 31, 2020 and the final payment on January 31, 2024.

Economic Factors and Next Year's Budget

For Fiscal Year 2024/2025, 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 as well as continuing construction on a new fire station. The District is also planning for an increase in labor costs because of a revised fire protection agreement with CalFire involving a reduced work week schedule.

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 the Administration Officer, Fresno County Fire Protection District, 210 S. Academy Avenue, Sanger, California, 93657.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Governmental <u>Activities</u>
Assets	
Cash and cash equivalents	\$ 23,745,378
Cash and cash equivalents – restricted	1,572,567
Accounts receivable	2,457,819
Interest receivable	168,349
Taxes receivable	120,838
Lease receivable	3,500
Prepaid expenses	16,643
Right-to-use lease, net of accumulated amortization	13,000
Capital assets, net of accumulated depreciation	<u>21,743,013</u>
Total Assets	<u>49,841,107</u>
Liabilities	
Accounts payable and accrued expenses	13,291,256
Lease payable	<u>13,000</u>
Total Liabilities	<u>13,304,256</u>
Deferred Inflows of Resources	
Deferred inflows from lease proceeds	<u>3,500</u>
Total Deferred Inflows of Resources	<u>3,500</u>
Net Position	
Invested in capital assets, net of related debt	21,743,013
Restricted	1,572,567
Unrestricted	<u>13,217,771</u>
Total Net Position	\$ <u>36,533,351</u>

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

**FRESNO COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Position	
Governmental Activities:	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net Position</u>
Public Safety	\$ <u>32,305,302</u>	\$ <u>7,084,915</u>	\$ _____ -	\$ <u>189,533</u>	\$ <u>(25,030,854)</u>
Total	\$ <u>32,305,302</u>	\$ <u>7,084,915</u>	\$ _____ -	\$ <u>189,533</u>	<u>(25,030,854)</u>
General Revenue:					
					24,705,549
					287,506
					547,060
					159,723
					14,230
					<u>640,868</u>
				Total general revenues	<u>26,354,936</u>
Other financing revenue					
					<u>919</u>
				Total other financing revenue	<u>919</u>
				Change in net position	1,325,001
				Net position – beginning	<u>35,208,350</u>
				Net position – ending	\$ <u>36,533,351</u>

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

**FRESNO COUNTY FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024**

	General <u>Fund</u>	Zone <u>Ten</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assets				
Cash and cash equivalents	\$ 23,754,654	\$ -	\$ -	\$ 23,754,654
Cash and cash equivalents - restricted	261,367	-	1,301,924	1,563,291
Accounts receivable	2,457,819	-	-	2,457,819
Interest receivable	119,190	36,908	12,251	168,349
Taxes receivable	90,684	28,471	1,683	120,838
Prepaid expenses	16,643	-	-	16,643
Lease receivable	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>3,500</u>
Total Assets	\$ <u>26,703,857</u>	\$ <u>65,379</u>	\$ <u>1,315,858</u>	\$ <u>28,085,094</u>
Liabilities				
Accounts payable and accrued expense	\$ <u>13,291,256</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>13,291,256</u>
Total Liabilities	<u>13,291,256</u>	<u>-</u>	<u>-</u>	<u>13,291,256</u>
Deferred Inflows of Resources				
Deferred inflows from lease proceeds	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>3,500</u>
Total Deferred Inflows of Resources	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>3,500</u>
Fund Balance				
Nonspendable	16,643	-	-	16,643
Restricted	261,367	-	1,311,200	1,572,567
Committed	4,341,696	-	-	4,341,696
Assigned	2,709	65,379	4,658	72,746
Unassigned	<u>8,786,686</u>	<u>-</u>	<u>-</u>	<u>8,786,686</u>
Total Fund Balance	<u>13,409,101</u>	<u>65,379</u>	<u>1,315,858</u>	<u>14,790,338</u>
Total Liabilities and Fund Balance	\$ <u>26,703,857</u>	\$ <u>65,379</u>	\$ <u>1,315,858</u>	\$ <u>28,085,094</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, 2024**

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

Total fund balance -- total governmental funds	\$ 14,790,338
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	21,743,013
Right-to-use asset has not been included as financial resources In governmental fund activity	13,000
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(13,000)</u>
Net position of governmental activities	\$ <u>36,533,351</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, 2024**

	<u>General Fund</u>	<u>Zone Ten</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Property taxes	\$ 18,541,224	\$ 5,816,084	\$ 348,241	\$ 24,705,549
Service fees	7,084,915	-	-	7,084,915
Grants	189,533	-	-	189,533
Transition fees	159,723	-	-	159,723
Rental income	14,230	-	-	14,230
Other	643,254	-	-	643,254
Interest	422,193	85,425	39,442	547,060
Assessments	<u>-</u>	<u>-</u>	<u>287,506</u>	<u>287,506</u>
Total Revenue	<u>27,055,072</u>	<u>5,901,509</u>	<u>675,189</u>	<u>33,631,770</u>
Expenditures				
Contractual specialized services	19,202,367	5,907,602	475,195	25,585,164
Repairs and maintenance	883,580	-	-	883,580
Labor and related costs	1,430,901	-	-	1,430,901
Travel and transportation	508,865	-	-	508,865
Clothing and personal supplies	296,401	-	-	296,401
Legal and professional	136,452	-	-	136,452
Utilities	274,851	-	-	274,851
Insurance	460,488	-	-	460,488
Communications	178,885	-	-	178,885
Household supplies and food	100,084	-	-	100,084
Special district costs	1,182	-	-	1,182
Office supplies and postage	40,515	-	-	40,515
Other	259,897	-	-	259,897
Medical supplies	13,729	-	-	13,729
Training	59,247	-	-	59,247
Small tools and supplies	10,327	-	-	10,327
Volunteer company support	108,549	-	-	108,549
Capital outlay	2,974,608	-	-	2,974,608
Debt service	<u>358,475</u>	<u>-</u>	<u>-</u>	<u>358,475</u>
Total Expenditures	<u>27,299,403</u>	<u>5,907,602</u>	<u>475,195</u>	<u>33,682,200</u>
Revenue over/(under) expenditures	<u>(244,331)</u>	<u>(6,093)</u>	<u>199,994</u>	<u>(50,430)</u>
Other Financing Sources				
Sale of capital assets	<u>919</u>	<u>-</u>	<u>-</u>	<u>919</u>
Total Other Financing Sources	<u>919</u>	<u>-</u>	<u>-</u>	<u>919</u>
Net change in fund balance	(243,412)	(6,093)	199,994	(49,511)
Fund balance, beginning of year	<u>13,652,513</u>	<u>71,472</u>	<u>1,115,864</u>	<u>14,839,849</u>
Fund balance, end of year	<u>\$ 13,409,101</u>	<u>\$ 65,379</u>	<u>\$ 1,315,858</u>	<u>\$ 14,790,338</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, 2024**

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

Net change in fund balance – total governmental funds	\$ (49,511)
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.	1,023,447
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal repaid	351,065
Governmental funds report the Lease Right-to-Use Asset as an expenditure. However, in the Statement of Activities, the cost of this asset is allocated over the lease term as amortization expense of Right-to-Use Asset.	
Amortization of right-to-use asset	(15,600)
The issuance of Lease Liability provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds.	
Lease payment made	<u>15,600</u>
Change in net position of governmental activities	\$ <u>1,325,001</u>

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

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

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.

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 that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Note 1 – Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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.

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 pronouncements.

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.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Note 1 – Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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.

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 page 28.

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.

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. 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

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Note 1 – Summary of Significant Accounting Policies (continued)

G. 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.

H. 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.

I. Equity Classifications

Government-wide Statements

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

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 bond's mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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.

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.

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.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Note 1 – Summary of Significant Accounting Policies (continued)

I. Equity Classifications (continued)

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, 2023, Fund Balances were composed of the following classifications:

Nonspendable for:	
Prepays	\$ <u>16,643</u>
 Restricted for:	
CFD - Zone 1	840,183
CFD - Zone 2	471,017
Zone A - CSA 44	<u>261,367</u>
	<u>1,572,567</u>
 Committed to:	
Capital equipment	<u>4,341,696</u>
 Assigned to:	
Hydrant Maintenance	2,709
Special Revenue Funds	<u>70,037</u>
	<u>72,746</u>
Unassigned	<u>8,786,686</u>
Total Fund Balance	\$ <u>14,790,338</u>

Restricted

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.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Note 1 – Summary of Significant Accounting Policies (continued)

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.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District does not report any deferred outflows.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the District reports future lease proceeds as a deferred inflow.

K. 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 taxes 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.

L. 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.

M. Economic Dependency

The District receives a substantial amount of its support from property tax revenue. During the year ended June 30, 2024, property tax revenues for General Fund and Special Revenue Fund represent 73% of total revenue.

N. Leases

Lessee: The District is a lessee for a lease of office space. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024**

Note 1 – Summary of Significant Accounting Policies (continued)

N. Leases (continued)

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor: the District is a lessor for a lease of a fire station. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financials statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Note 2 – Cash and Cash Equivalent and Investments

The carrying amount of cash and investments at June 30, 2024 are as follows:

Checking	\$ 2,746,396
Fresno County Treasury Investment Pool	<u>22,571,549</u>
	25,317,945
Cash and cash equivalents – restricted	<u>(1,572,567)</u>
Cash and cash equivalents	<u>\$ 23,745,378</u>

FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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

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 balance available for withdrawal is based on the accounting records maintained by the Treasury Investment Pool, which are recorded on an amortized cost basis. The District may withdraw monies upon one-day-notice. 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).

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, 2024, the weighted average maturity of the investments contained in the Fresno County Treasury Investment Pool is 2.14 years. 14.2% of the Treasury Investment Pool portfolio at cost matures within 30 days, 13.6% matures between 1 and 12 months, 39.3% between 1 and 3 years, and 32.9% 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, 2024, had an average dollar weighted quality rating of "AA+" as rated by Moody's. Approximately 74.3% 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, 2024.

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 89% as of June 30, 2024, 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.

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 deposit 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).

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

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

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 event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to 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, 2024, the carrying amount of the District's accounts were \$2,746,396 and the bank balances were \$2,922,555. As of June 30, 2024, the bank balances exceeded the FDIC insurance amount by \$2,668,843. 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.

Investments Authorized by the California Government Code

The table below 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 YEAR ENDED JUNE 30, 2024**

Note 3 – Capital Assets

Capital assets activity for the year ended June 30, 2024, was as follows:

	<u>Balance</u> <u>6/30/2023</u>	<u>Acquisitions</u>	<u>Dispositions</u>	<u>Balance</u> <u>6/30/2023</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 1,638,831	\$ -	\$ -	\$ 1,638,831
Construction in Progress	<u>1,650,072</u>	<u>302,803</u>	<u>(1,627,992)</u>	<u>324,883</u>
Totals	<u>3,288,903</u>	<u>302,803</u>	<u>(1,627,992)</u>	<u>1,963,714</u>
Capital assets, being depreciated:				
Land Improvements	3,204,431	227,429	-	3,431,860
Buildings	12,516,318	-	-	12,516,318
Building Improvements	1,633,328	2,425,458	-	4,058,786
Equipment	<u>19,886,617</u>	<u>1,128,632</u>	<u>(3,500)</u>	<u>21,011,749</u>
Totals	37,240,694	3,781,519	(3,500)	41,018,713
Less accumulated depreciation:	<u>(19,810,031)</u>	<u>(1,430,497)</u>	<u>1,114</u>	<u>(21,239,414)</u>
Total capital assets being depreciated, net	<u>17,430,663</u>	<u>2,351,022</u>	<u>(2,386)</u>	<u>19,779,299</u>
Capital assets, net	\$ <u>20,719,566</u>	\$ <u>2,653,825</u>	\$ <u>(1,630,378)</u>	\$ <u>21,743,013</u>

Note 4 – Leases

Lease Receivable

In September 2021, the District entered into a lease agreement with the City of Coalinga (Lessee) to lease the Huron Fire Station (Station 93) for ambulance services in and around the City of Huron. The lease started on October 1, 2021, for a term of three years. The District will receive payments of \$1,186 per month, or an annual advance of \$14,300. The lease provides access to on apparatus stall and living facilities and office space for two personnel employed by the Lessee. The Lessee may terminate the lease if certain provisions in the lease are not met by the District or with a 60-day written notice thereof to the District.

As of June 30, 2024, the District's receivable for lease payments was \$3,500. Also, the District has deferred inflow of resources associated with this lease that will be recognized as rental revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources for lease proceeds was \$3,500.

Lease Payable

In April 2021, the District entered into a two-year lease agreement, as the lessee, for office property in Sanger, California which commenced on May 1, 2021. The office lease is for \$1,300 per month, and the leased premises consist of a commercial office property of which, the District may occupy 35% of the total square footage and 4 parking spaces. Rent is payable in advance on the first day of each calendar month. As part of the lease agreement, the District has the option to extend the lease twice by one year. The District exercised its option to extend the lease. The lease was extended to June 30, 2025. Interest under the agreement was minimal and not reflected in the payments.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Note 4 – Leases (continued)

	Beginning Balance <u>7/1/23</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>6/30/24</u>
Right-to-use lease (asset)	\$ 44,200	\$ -	\$ -	\$ 44,200
Less accumulated amortization	(15,600)	(15,600)	-	(31,200)
Net Right-to-use lease asset	\$ <u>28,600</u>	\$ <u>(15,600)</u>	\$ <u>-</u>	\$ <u>13,000</u>

The future principal lease payments as of June 30, 2024, were as follows:

Fiscal Years <u>Ending June 30,</u>	<u>Principal</u>	<u>Total</u>
2025	\$ <u>13,000</u>	\$ <u>13,000</u>
Total	\$ <u>13,000</u>	\$ <u>13,000</u>

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.

A summary of the District’s long-term liabilities is as follows:

	Beginning Balance <u>7/1/23</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>6/30/24</u>	Current <u>Portion</u>
Lease Liability	\$ 28,600	\$ -	\$ 15,600	\$ 13,000	\$ 13,000
Capital Lease – Community First National Bank	<u>345,772</u>	-	<u>345,772</u>	-	-
Total	\$ <u>374,372</u>	\$ <u>-</u>	\$ <u>361,372</u>	\$ <u>13,000</u>	\$ <u>13,000</u>

Note 5 – Joint Ventures

The District participates in two joint ventures under joint powers agreements (JPA’s); the Fire Risk Management Services (previously know as Fire Agency Self Insurance System or FASIS) 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 Risk Management Services (FRMS) arranges for workmen’s compensation insurance, employers’ liability, and employee benefits coverage for its members, all of which are fire districts located within California. FRMS is governed by a board of directors consisting of representatives from member districts. The board controls the operations of FRMS, 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 FRMS.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Note 5 – Joint Ventures (continued)

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.

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

	Audited June 30, 2024 <u>FRMS</u>	Audited June 30, 2023 <u>FAIRA</u>
Total assets	\$ 84,572,848	\$ 4,932,856
Total liabilities	<u>60,082,379</u>	<u>2,867,697</u>
Net position	\$ <u>24,490,469</u>	\$ <u>2,065,159</u>
Total revenue	\$ 50,595,091	\$ 9,270,720
Total expenses	<u>46,607,084</u>	<u>9,206,983</u>
Net change in net position	\$ <u>3,988,007</u>	\$ <u>63,737</u>

The District's share of assets, liabilities and net position as of June 30, 2024 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 – Retirement Plan

On November 18, 2020 the District adopted the CalPers 457 Plan. Employees have an option to participate in the Fresno County Fire Protection District 457 Plan (the Plan) defined contribution pension plan established by the Board of Directors of the District. The plan covers all full-time employees who have completed at least 1,000 hours of continuous service and provides for immediate 100% vesting for the participants. Plan provisions and contribution requirements are established and may be amended by the Board of Directors of the District. The District matches employee contributions up to 4% of their compensation. The District made contributions to the plans amounting to \$26,121 for the year ended June 30, 2024. Funds and fees for the plan would be derived from the employee's compensation up to the maximum provided for under Section 401(a) of the IRS Code.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Note 8 – Board of Directors

Members of the Board of Directors as of June 30, 2024 are as follows:

John Arabian	President
Brad Richter	Vice President
Darryl Mendes	Secretary
Francisco Chavez	Director
Stanley Bulla	Director
Dan Mather	Director
John Diener	Director

The Fire Chief of the District is Dustin Hail.

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, 2024**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	Original	Final		Final Budget- Positive (Negative)
Revenues				
Property taxes	\$ 23,915,446	\$ 23,915,446	\$ 24,705,549	\$ 790,103
Service fees	7,010,489	7,076,144	7,084,915	8,771
Grants	204,732	207,882	189,533	(18,349)
Transition fees	160,292	160,292	159,723	(569)
Rental income	14,229	14,229	14,230	1
Other	477,000	634,130	643,254	9,124
Interest	252,000	252,000	547,060	295,060
Assessments	<u>245,823</u>	<u>268,159</u>	<u>287,506</u>	<u>19,347</u>
Total Revenue	<u>32,280,011</u>	<u>32,528,282</u>	<u>33,631,770</u>	<u>1,103,488</u>
Expenditures				
Contractual specialized services	25,203,233	25,236,854	25,585,164	(348,310)
Repairs and maintenance	870,500	915,500	883,580	31,920
Labor and related costs	1,449,000	1,546,729	1,430,901	115,828
Travel and transportation	493,500	570,600	508,865	61,735
Clothing and personal supplies	260,000	308,500	296,401	12,099
Legal and professional	146,000	166,000	136,452	29,548
Utilities	284,000	338,000	274,851	63,149
Insurance	481,739	501,739	460,488	41,251
Communications	175,500	190,500	178,885	11,615
Household supplies and food	89,700	101,200	100,084	1,116
Special district costs	55,500	55,500	1,182	54,318
Office supplies and postage	61,000	61,000	40,515	20,485
Other	290,333	289,333	259,897	29,436
Medical supplies	18,500	18,500	13,729	4,771
Training	70,000	72,500	59,247	13,253
Small tools and supplies	7,500	10,500	10,327	173
Volunteer company support	70,000	120,000	108,549	11,451
Capital outlay	4,439,335	4,304,335	2,974,608	1,329,727
Debt service	<u>358,476</u>	<u>358,476</u>	<u>358,475</u>	<u>1</u>
Total Expenditures	<u>34,823,816</u>	<u>35,165,766</u>	<u>33,682,200</u>	<u>1,483,566</u>
Revenue over/(under) expenditures	<u>(2,543,805)</u>	<u>(2,637,484)</u>	<u>(50,430)</u>	<u>2,587,054</u>
Other financing sources				
Gain on sale of capital assets	-	-	919	919
Total other financing sources	-	-	919	919
Net change in fund balance	\$ (2,543,805)	\$ (2,637,484)	\$ (49,511)	\$ 2,587,973

See accompanying notes to financial statements.

**FRESNO COUNTY FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

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 28.

SUPPLEMENTARY INFORMATION

**FRESNO COUNTY FIRE PROTECTION DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR FUNDS
 JUNE 30, 2024**

	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 and cash equivalent - restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 336,054	\$ 498,197	\$ 299,273	\$ 168,400	\$ 1,301,924
Interest receivable	317	22	7	678	28	390	162	606	765	2,418	3,514	2,143	1,201	12,251
Taxes receivable	<u>235</u>	<u>16</u>	<u>4</u>	<u>509</u>	<u>22</u>	<u>303</u>	<u>125</u>	<u>469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,683</u>
Total Assets	\$ <u>552</u>	\$ <u>38</u>	\$ <u>11</u>	\$ <u>1,187</u>	\$ <u>50</u>	\$ <u>693</u>	\$ <u>287</u>	\$ <u>1,075</u>	\$ <u>765</u>	\$ <u>338,472</u>	\$ <u>501,711</u>	\$ <u>301,416</u>	\$ <u>169,601</u>	\$ <u>1,315,858</u>
Liabilities														
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance														
Restricted	-	-	-	-	-	-	-	-	-	338,472	501,711	301,416	169,601	1,311,200
Assigned	<u>552</u>	<u>38</u>	<u>11</u>	<u>1,187</u>	<u>50</u>	<u>693</u>	<u>287</u>	<u>1,075</u>	<u>765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,658</u>
Total Liabilities and Fund Balance	\$ <u>552</u>	\$ <u>38</u>	\$ <u>11</u>	\$ <u>1,187</u>	\$ <u>50</u>	\$ <u>693</u>	\$ <u>287</u>	\$ <u>1,075</u>	\$ <u>765</u>	\$ <u>338,472</u>	\$ <u>501,711</u>	\$ <u>301,416</u>	\$ <u>169,601</u>	\$ <u>1,315,858</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, 2024**

	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	\$ 50,000	\$ 3,431	\$ 1,133	\$ 106,890	\$ 4,352	\$ 61,447	\$ 25,527	\$ 95,461	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 348,241
Interest	723	50	13	1,560	64	898	374	1,404	1,988	8,484	12,044	7,544	4,296	39,442
Assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,706</u>	<u>38,515</u>	<u>80,445</u>	<u>32,627</u>	<u>16,213</u>	<u>287,506</u>
Total Revenues	<u>50,723</u>	<u>3,481</u>	<u>1,146</u>	<u>108,450</u>	<u>4,416</u>	<u>62,345</u>	<u>25,901</u>	<u>96,865</u>	<u>121,694</u>	<u>46,999</u>	<u>92,489</u>	<u>40,171</u>	<u>20,509</u>	<u>675,189</u>
Expenditures														
Contractual specialized services	50,748	3,483	1,136	108,530	4,420	62,391	25,925	96,967	121,595	-	-	-	-	475,195
Special district costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>50,748</u>	<u>3,483</u>	<u>1,136</u>	<u>108,530</u>	<u>4,420</u>	<u>62,391</u>	<u>25,925</u>	<u>96,967</u>	<u>121,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,195</u>
Revenue over/(under) expenditures	(25)	(2)	10	(80)	(4)	(46)	(24)	(102)	99	46,999	92,489	40,171	20,509	199,994
Fund balance, beginning of year	<u>577</u>	<u>40</u>	<u>1</u>	<u>1,267</u>	<u>54</u>	<u>739</u>	<u>311</u>	<u>1,177</u>	<u>666</u>	<u>291,473</u>	<u>409,222</u>	<u>261,245</u>	<u>149,092</u>	<u>1,115,864</u>
Fund balance, end of year	<u>\$ 552</u>	<u>\$ 38</u>	<u>\$ 11</u>	<u>\$ 1,187</u>	<u>\$ 50</u>	<u>\$ 693</u>	<u>\$ 287</u>	<u>\$ 1,075</u>	<u>\$ 765</u>	<u>\$ 338,472</u>	<u>\$ 501,711</u>	<u>\$ 301,416</u>	<u>\$ 169,601</u>	<u>\$ 1,315,858</u>

See accompanying notes to financial statements.