

RIPON CONSOLIDATED FIRE DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2017

RIPON CONSOLIDATED FIRE DISTRICT
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ripon Consolidated Fire District
Ripon, California

I have audited the financial statements of the governmental activities, business-type activities, major funds, and remaining fund information, which collectively comprise the basic financial statements, of the Ripon Consolidated Fire District, as of and for the year ended June 30, 2017, as listed in the table of contents. These financial statements are the responsibility of Ripon Consolidated Fire District management. My responsibility is to express an opinion on these financial statements based on my audit.

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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and in accordance with guidance provided by the State of California's State Controller. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Ripon Consolidated Fire District as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The budgetary comparison information is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. In addition supplemental information relating to the Board of Directors and the Insurance coverage is included. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

The **Ripon Consolidated Fire District** has not presented a Management's Discussion and Analysis (MD&A) required by the Governmental Accounting Standards Board that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.



Charles E. Strand
Certified Public Accountant
Turlock, California
January 26, 2018

RIPON CONSOLIDATED FIRE DISTRICT
STATEMENT OF NET POSITION
June 30, 2017

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental</u>	<u>Business Type</u>	
<u>ASSETS</u>	<u>Activities</u>	<u>Activities</u>	
Cash and Equivalents	2,029,011	\$ -	\$ 2,029,011
Receivables	571		571
Prepaid Insurance	10,249	-	10,249
Capital Assets (net of Accumulated Depreciation)	<u>5,819,905</u>	-	<u>5,819,905</u>
Total Assets	<u>\$ 7,859,736</u>	<u>\$ -</u>	<u>\$ 7,859,736</u>
<u>LIABILITIES</u>			
Accounts Payable	80,695	\$ -	\$ 80,695
Compensated Absences Short Term	109,690	-	109,690
Current Portion of Long Term Debt	126,227	-	126,227
Current Portion of Capital Leases	68,033		68,033
Noncurrent Liabilities			
Compensated Absences Long Term	329,068	-	329,068
Loans and Leases Due in More than one year	<u>621,606</u>	-	<u>621,606</u>
Total Liabilities	<u>1,335,319</u>	<u>-</u>	<u>1,335,319</u>
<u>NET ASSETS</u>			
Designated Net Assets	1,452,345	-	1,452,345
Invested in Capital Assets Net of Debt	<u>5,072,072</u>	-	<u>5,072,072</u>
Total Net Position	<u>\$ 6,524,417</u>	<u>\$ -</u>	<u>\$ 6,524,417</u>

The notes to the financial statements are an integral part of these statements.

RIPON CONSOLIDATED FIRE DISTRICT
STATEMENT OF ACTIVITIES
June 30, 2017

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<u>FUNCTIONS</u>						
Governmental Activities						
Fire and Ambulance Service	\$ 1,904,909	\$ 3,550	\$ -	\$ (1,368,497)	\$ -	\$ (1,368,497)
Facilities	11,157	-	188,620	177,463	-	177,463
Capital Assets Not Capitalized	55,820	-	-	(55,820)	-	(55,820)
Administrative and indirect Expenses	611,572	-	-	(611,572)	-	(611,572)
Depreciation	373,131	-	-	(373,131)	-	(373,131)
Business type activities						
Total business-type activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total expenses	\$ 2,956,589	\$ 3,550	\$ 188,620	\$ (2,231,557)	\$ -	\$ (2,231,557)
<u>GENERAL REVENUES</u>						
Taxes and subventions						
Taxes levied for general purposes				2,010,896	-	2,010,896
Interest and investment earnings				4,418	-	4,418
Miscellaneous				114,901	-	114,901
Total general revenues special and extraordinary items and transfers				2,112,115	-	2,112,115
Change in net assets				(119,442)	-	(119,442)
Net Position beginning				6,643,859	-	6,643,859
Net Position ending				\$ 6,524,417	\$ -	\$ 6,524,417

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

**RIPON CONSOLIDATED FIRE DISTRICT
GOVERNMENTAL FUNDS**

June 30, 2017

	<u>Major Funds</u>			Total Governmental Funds
	General Fund	Capital Project Fund	Debt Service Fund	
<u>ASSETS</u>				
Cash and Equivalents	\$ 2,029,011	\$ -	\$ -	\$ 2,029,011
Accounts Receivable	571	-	-	571
Prepaid Insurance	10,249	-	-	10,249
Total Assets	<u>\$ 2,039,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,039,831</u>
<u>LIABILITIES</u>				
Accounts Payable	49,526	-	-	49,526
Compensated Absences	109,690	-	-	109,690
Wages Payable	31,169	-	-	31,169
Total Liability	<u>190,385</u>	<u>-</u>	<u>-</u>	<u>190,385</u>
<u>Fund Balance</u>				
Unassigned Fund Balance	1,023,331	-	-	1,023,331
Nonspendable -Prepaid	10,249	-	-	10,249
Restricted	-	-	-	-
Assigned for future Lesase Payments	815,866	-	-	815,866
Total Equity	<u>1,849,446</u>	<u>-</u>	<u>-</u>	<u>1,849,446</u>
Total	<u>\$ 2,039,831</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital Assets used in governmental activities are not financial resources and, therefore not reported in the funds	5,819,905
Long Term Debt is not reported in the Funds Statements	
Memorial Fund Loan Long Term	(313,040)
Memorial Fund Loan Current Portion	(40,568)
Capital Lease Ladder Truck Long Term	(90,097)
Capital Lease Ladder Truck Short Term	(85,659)
Capital Lease Pierce Truck Long Term	(218,469)
Current Portion Pierce Truck	(68,033)
Liabilities for compensated absences over 90 days are not due and Payable in the Current Period and therefore not reported in the funds	(329,068)
Net assets of governmental activities	<u>\$ 6,524,417</u>

The notes to the financial statements are an integral part of these statements.

RIPON CONSOLIDATED FIRE DISTRICT
STATEMENT OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2017

Major Funds

	General Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<u>REVENUES</u>				
Property Taxes	\$ 1,293,840	\$ -	\$ -	\$ 1,293,840
Homeowners Tax Relief	3,550	-	-	3,550
Property Assessment	717,056	-	-	717,056
Investment Income	4,405	13	-	4,418
Other Revenue	104,971	-	-	104,971
Facility Fees	173,165	15,455	-	188,620
Ambulance Fees	486,892	-	-	486,892
Miscellaneous	58,959	-	-	58,959
Total Revenue	<u>2,842,838</u>	<u>15,468</u>	<u>-</u>	<u>2,858,306</u>
<u>EXPENDITURES</u>				
Salaries	1,390,947	-	-	1,390,947
Salaries Mutual Aide	11,870	-	-	11,870
Payroll Taxes	105,484	-	-	105,484
Retirement	189,060	-	-	189,060
Insurance	366,978	-	-	366,978
Office Equipment and Supplies	84,696	-	-	84,696
Maintenance and Repairs	73,094	-	-	73,094
Fuel	22,448	-	-	22,448
Professional Services	29,498	-	-	29,498
Dispatching	38,152	-	-	38,152
Meetings and Seminars	27,105	-	-	27,105
Volunteers	3,375	-	-	3,375
Uniforms	14,768	-	-	14,768
Miscellaneous	81,293	-	-	81,293
Household Clothing	(120)	-	-	(120)
Supplies	25,292	-	-	25,292
Maintenance and Structures	-	-	-	-
Equipment	86,502	-	-	86,502
Structures and Improvements	27,451	-	-	27,451
Utilities	45,267	-	-	45,267
Principal Payment	185,046	-	-	185,046
Interest	35,075	-	-	35,075
Total	<u>2,843,281</u>	<u>-</u>	<u>-</u>	<u>2,843,281</u>
Revenue Over (Under) Expenditures	<u>(443)</u>	<u>15,468</u>	<u>-</u>	<u>15,025</u>
<u>OTHER SOURCES AND USES</u>				
Transfer In	-	-	-	-
Transfer Out	-	(18,100)	-	-
Revenue and Other Sources				
over (under)				
Expenditures and Other (Uses)	(443)	(2,632)	-	(3,075)
Fund balance, July 1, 2016	1,849,889	2,632	-	1,852,521
Fund balance, June 30, 2017	<u>\$ 1,849,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,849,446</u>

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

RIPON CONSOLIDATED FIRE DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2017

Total net change in fund balances-governmental funds	\$	15,025
Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of those assets is allocated over the useful lives as depreciation expense.		
Depreciation expense		-
Addition to capital outlays		(764,198)
Proceeds from capital leases are recorded as income in the fund statements However in the statement of activities, they increase debt		
		-
Donations of Capital Assets are not recorded in the funds statements		
		-
Increase in Long Term Payroll Liabilities are not recorded in the funds Statement		
		(4,945)
Increase in Prepaid Insurance not recorded in the Funds Statement		
		-
Payment of Long Term Principal on the Capital Lease Is recorded as an expense in the funds statement		
		185,046
Other Variances		
		-
Addition Interest Accrued on the Statement of Activities		
		-
Changes in Net Position of Governmental Activities	\$	<u>(569,072)</u>

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

RIPON CONSOLIDATED FIRE DISTRICT
STATEMENT OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCES
ACTUAL COMPARED WITH BUDGET
GOVERNMENTAL FUNDS - GENERAL FUND
For the year ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>General Fund Actual</u>	<u>Variance</u>
<u>REVENUES</u>				
Property Taxes	\$ -	\$ 1,293,840	\$ 1,293,840	\$ -
Homeowners Tax Relief	-	3,550	3,550	-
Property Assessment	-	717,056	717,056	-
Investment Income	-	4,405	4,405	-
Other Revenue	-	104,971	104,971	-
Facility Fees	-	173,165	173,165	-
Ambulance Fees	-	486,892	486,892	-
Miscellaneous	-	58,959	58,959	-
Total Revenue	<u>-</u>	<u>2,842,838</u>	<u>2,842,838</u>	<u>-</u>
<u>EXPENDITURES</u>				
Salaries	1,458,448	1,458,448	1,390,947	67,501
Salaries Mutual Aide	20,000	20,000	11,870	8,130
Payroll Taxes	111,552	111,552	105,484	6,068
Retirement	218,729	218,729	189,060	29,669
Insurance	422,319	422,319	366,978	55,341
Office Equipment and Supplies	73,500	73,500	84,696	(11,196)
Maintenance and Repairs	79,220	79,220	73,094	6,126
Fuel	50,000	50,000	22,448	27,552
Professional Services	14,000	14,000	29,498	(15,498)
Dispatching	35,000	35,000	38,152	(3,152)
Meetings and Seminars	30,500	30,500	27,105	3,395
Directors Fees	-	-	-	-
Volunteers	3,375	3,375	3,375	-
Uniforms	17,500	17,500	14,768	2,732
Miscellaneous	75,500	75,500	81,293	(5,793)
Household Clothing	-	-	(120)	120
Supplies	30,000	30,000	25,292	4,708
Maintenance and Structures	-	-	-	-
Equipment	256,000	256,000	86,502	169,498
Structures and Improvements	130,000	130,000	27,451	102,549
Utilities	58,500	58,500	45,267	13,233
Principal Payment	-	-	185,046	(185,046)
Interest	-	-	35,075	(35,075)
Total	<u>3,084,143</u>	<u>3,084,143</u>	<u>2,843,281</u>	<u>240,862</u>
Revenue Over (Under) Expenditures	<u>(3,084,143)</u>	<u>(241,305)</u>	<u>(443)</u>	<u>240,862</u>

The notes to the financial statement are an intergral part of these statements.

RIPON CONSOLIDATED FIRE DISTRICT
STATEMENT OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCES
ACTUAL COMPARED WITH BUDGET
GOVERNMENTAL FUNDS - GENERAL FUND
For the year ended June 30, 2017

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	General Fund <u>Actual</u>	<u>Variance</u>
<u>OTHER SOURCES AND USES</u>				
Revenue and Other Sources over (under)				
Expenditures and Other (Uses)	(3,084,143)	(241,305)	(443)	240,862
Fund balance, July 1, 2016	<u>1,849,889</u>	<u>1,849,889</u>	<u>1,849,889</u>	
Fund balance, June 30, 2017	<u>\$ (1,234,254)</u>	<u>\$ 1,608,584</u>	<u>\$ 1,849,446</u>	<u>\$ 240,862</u>

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

RIPON CONSOLIDATED FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL FUNDS
For the year ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Total Revenue	\$ 2,842,838	\$ 2,842,838	\$ 2,858,306	\$ (15,468)
Total Revenue	<u>2,842,838</u>	<u>2,842,838</u>	<u>2,858,306</u>	<u>(15,468)</u>
Salaries	1,458,448	1,458,448	1,390,947	67,501
Salaries Mutual Aide	20,000	20,000	11,870	8,130
Payroll Taxes	111,552	111,552	105,484	6,068
Retirement	218,729	218,729	189,060	29,669
Insurance	422,319	422,319	366,978	55,341
Office Equipment and Supplies	73,500	73,500	84,696	(11,196)
Maintenance and Repairs	79,220	79,220	73,094	6,126
Fuel	50,000	50,000	22,448	27,552
Professional Services	14,000	14,000	29,498	(15,498)
Dispatching	35,000	35,000	38,152	(3,152)
Meetings and Seminars	30,500	30,500	27,105	3,395
Directors Fees	-	-	-	-
Volunteers	3,375	3,375	3,375	-
Uniforms	17,500	17,500	14,768	2,732
Miscellaneous	75,500	75,500	81,293	(5,793)
Household and Clothing	-	-	(120)	120
Supplies	30,000	30,000	25,292	4,708
Maintenance and Structures	-	-	-	-
Equipment	256,000	256,000	86,502	169,498
Structures and Improvements	130,000	130,000	27,451	102,549
Utilities	58,500	58,500	45,267	13,233
Principal Payment	-	-	185,046	(185,046)
Interest	-	-	35,075	(35,075)
Total	<u>3,084,143</u>	<u>3,084,143</u>	<u>2,843,281</u>	<u>240,862</u>
Revenue Over (Under) Expendit	<u>(241,305)</u>	<u>(241,305)</u>	<u>15,025</u>	<u>256,330</u>
Other Sources and Uses				
Transfer In	-	-	-	-
Transfer Out	-	-	(18,100)	(18,100)
Proceeds from Capital Leases	-	-	-	-
Sale of Assets	-	-	-	-
Total Other Sources and Use	<u>-</u>	<u>-</u>	<u>(18,100)</u>	<u>(18,100)</u>
 <u>REVENUES AND OTHER SOURCES</u>				
<u>OVER (UNDER)</u>				
Expenditures and Other (Uses)	\$ (241,305)	\$ (241,305)	(3,075)	\$ 238,230
Fund balance, July 1, 2016			<u>1,852,521</u>	
Fund balance, June 30, 2017			<u>\$ 1,849,446</u>	

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

RIPON CONSOLIDATED FIRE DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
 June 30, 2017

	<u>Memorial</u> <u>Fund</u>	<u>Training</u> <u>Fund</u>	<u>Scout</u> <u>Fund</u>	<u>Total</u> <u>Fiduciary</u> <u>Funds</u>
<u>ASSETS</u>				
Cash and Equivalents	\$ 479,190	\$ 9,227	\$ 5,095	\$ 493,512
Cash in Oak Valley Bank	142,353			142,353
Loan to Fire District	353,608			353,608
Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 975,151</u>	<u>\$ 9,227</u>	<u>\$ 5,095</u>	<u>\$ 989,473</u>
<u>LIABILITIES</u>				
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liability	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET ASSETS</u>				
Reserved Memorial Purposes	975,151			975,151
Reserved For Training Fund		27,039		27,039
Held for Explorer Scouts	<u>-</u>	<u>-</u>	<u>5,095</u>	<u>5,095</u>
Total Net Assets	<u>\$ 975,151</u>	<u>\$ 27,039</u>	<u>\$ 5,095</u>	<u>\$ 1,007,285</u>

The notes to the financial statements are an integral part of these statements.

RIPON CONSOLIDATED FIRE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2017

	<u>Memorial</u> <u>Fund</u>	<u>Trainig Fund</u> <u>Fund</u>	<u>Scout</u> <u>Fund</u>	<u>Total</u> <u>Fiduciary</u> <u>Funds</u>
<u>ADDITIONS</u>				
Contributions	\$ (49,408)	\$ -	\$ 3,856	\$ (45,552)
Investment Income	284	-	-	284
Other	61,528	-	-	61,528
Fees	-	17,516	-	17,516
Total Additions	<u>12,404</u>	<u>17,516</u>	<u>3,856</u>	<u>33,776</u>
<u>DEDUCTIONS</u>				
Payments to benefit Explorers	-	-	304	304
Training Costs	-	42,067	-	42,067
Payments to benefit District	24,503	-	-	24,503
Total Deductions	<u>24,503</u>	<u>42,067</u>	<u>304</u>	<u>66,874</u>
Changes in Net Assets	(12,099)	(24,551)	3,552	(33,098)
Net Assets Beginning	<u>977,308</u>	<u>51,590</u>	<u>1,543</u>	<u>2,027,784</u>
Net Assets Ending	<u>\$ 965,209</u>	<u>\$ 27,039</u>	<u>\$ 5,095</u>	<u>\$ 997,343</u>

The notes to the financial statements are an integral part of these statements.

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – ORGANIZATION

Ripon Consolidated Fire District is a California Special District providing fire protection for the community of Ripon, California. All activities of the entity are included in these financial statements based upon manifestations of oversight, scope of public service, and financing relationships. The District was established by order of the County Board of Supervisors. It now operates under the Fire Protection District Laws of 1987 Health and Safety Code 13801-13999.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Ripon Consolidated Fire District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies

Government-Wide Financial Statements

The district's Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-Type Activities for the district accompanied by a total column. Fiduciary activities of the district are included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the district's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The district records all governmental funds as Major.

Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds are aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the Government-Wide financial statements. The district has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the district, are property taxes and government grants. Expenditures are recorded in the accounting period in which the related fund liability is incurred. An exception to this rule is principal and interest on general long-term debt which is recognized when due.

GOVERNMENT FUNDS

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GOVERNMENT FUNDS (continued)

The Capital Projects Fund is established to account for money received by the District and set aside by the board for the purpose of building or buying major capital assets.

Debt Service Fund – is used to account for funds used to pay the debt on long term liabilities.

Fiduciary Funds – are used to account for funds held for the interest for the explorer group and the Memorial Fund..

A budget is adopted annually for the general fund.

The Governing Board of the District consists of five directors.

Capital Assets

Capital assets are those purchased or acquired with an original cost of \$5000 or more and are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred.

RIPON CONSOLIDATED FIRE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GOVERNMENT FUNDS (continued)

Fund Financial Statements

Governmental Funds

The difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balance and classified as non-spendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. These constraints are defined as follows:

Nonspendable. Amounts that cannot be spent because they either are not in spendable form or are legally or contractually required to be maintained intact.

Restricted. Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Committed. Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the District's highest level of decision-making authority.

Assigned. Amounts constrained by the District's intent to be used for specific purposes but that are neither restricted nor committed.

Unassigned. The residual classification of the General Fund for spendable amounts that have not been restricted, committed, or assigned to specific purposes.

It is the District's policy to first use restricted fund balances prior to the use of unrestricted fund balances when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is also District policy to use committed fund balances before assigned fund balances and assigned fund balances before unassigned amounts when an expenditure is incurred for purposes for which amounts in those classifications are available to be used. The District has no formal minimum fund balance policies or any formal stabilization arrangements in place.

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation is recorded under the straight line method as follows.

<u>Equipment:</u>	<u>Years:</u>
Air conditioners	10
Boats-Small	15
Breathing Apparatus	10
Communications equipment	10
Computer equipment (PC's, data processing, etc)	5
Computer software (programs)	5
Furniture — Office furniture	10
Gas engines, pumps (large)	10
Lab/Medical equipment	10
Mechanical files	5
Microfilm camera/equipment	10
Photocopiers	5
Photographic equipment (cameras and projectors)	10
Printing equipment	15
Repair and maintenance equipment	10
Small engines/light motorized equipment	3
Surveying Equipment	10
Trailers	10
Vehicles — Light trucks (<_ 1 ton)	5
Vehicles — Regular vehicles	5
Fire Trucks and apparatus	10
Buildings	
Basic Structure	45
Ventilating and heating systems	20
Air Conditioning (<— 5 tons)	10
Air Conditioning (>— 5 tons)	15
Electrical and lighting systems	20
Plumbing pipes and fixtures	20
Sidewalks, parking and landscaping	20
Improvements other than Buildings:	
All other (transmission lines, storage tanks)	20
Basic Structure	45
Ventilating and heating systems	20

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Implementation of New Accounting Pronouncements

For the year ended June 30, 2004, the district was required to adopt GASB Statement No. 34 (GASB 34), Basic Financial Statements - and Management's Discussion and Analysis -for State and Local Governments. GASB 34 significantly changes the way state and local governments report their financial information to the public. As a result of GASB 34, state and local governments are required to report financial information using both fund-based and government-wide financial statement presentations. Fund based statements continue to use the modified accrual basis of accounting, but the government-wide statement uses full accrual basis of accounting.

In addition to the change in the financial statement presentation, GASB 34 requires the reporting of capital assets and long-term obligations on the government-wide financial statements. The preparation of a Management Discussion and Analysis to clarify the district's financial activities is also required by GASB 34.

NOTE 3 – LONG-TERM DEBT

A schedule of long term debt is as follows

Description	Balance 7-1-15	Increases	Reductions	Balance 6-30-16
Capital Lease Ladder Truck	\$257,195	-0-	81,439	\$175,756
Capital Lease Pierce Engine	350,642	-0-	64,140	286,502
Loan Volunteers	393,075		39,467	353,608
Compensated Absences	<u>329,593</u>	<u>(525)</u>	-0-	<u>329,068</u>
Total	<u>\$1,330,505</u>	<u>\$- 525</u>	<u>\$185,046</u>	<u>\$1,144,934</u>

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 – FIXED ASSETS

The district capitalized an additional (764,198) in capital assets in the current year. A summary of fixed asset balances as of the year end follows:

<u>Description</u>	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Cost</u>
Land	547,192			547,192
Vehicles	3,480,189	68,337	223,149	3,325,386
Tools and Equipment	613,102		181,310	431,792
Building	5,522,643		78	5,522,408
Design and Fees	218,639		802	217,837
Improvements	246,461	13500	38,195	221,489
Furniture	434,416		69,556	364,851
Clothing Turnouts	58,430		58,430	-
Hose	85,886		85,886	-
Hydrants	48,288			48,288
Radio	168,451		151,761	16,690
Office	52,950		36,434	16,516
Landscape	<u>4,010</u>			<u>4,010</u>
Total Assets	<u>11,480,659</u>	<u>81,837</u>	<u>846,865</u>	<u>10,716,459</u>
Less Accumulated Depreciation	<u>(5,364,289)</u>	<u>373,131</u>	<u>840,865</u>	<u>(4,896,554)</u>
Net Book Value	<u>\$6,116,370</u>			<u>\$5,819,905\$-</u>

Current year depreciation \$373,131

NOTE 5 – RETIREMENT

Effective July 1, 1985, the District entered into a defined contribution retirement plan. The retirement plan is a defined contribution plan to which the District will contribute 15% of the full-time employees' monthly salary. Contributions for the year ended June 30, 2017 were \$189,060

NOTE 6 – COMPENSATED ABSENCES – ACCUMULATED VACATION AND SICK LEAVE AND ACCUMULATED COMPENSATED TIME OFF

Accumulated unpaid employee vacation benefits and accumulated sick leave benefits are recognized as current liabilities if taken within 90 days of year end.

The total of the district's long term liability for future compensated absences at June 30, 2017 was \$329,068

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7 – CASH AND INVESTMENTS

The district maintains cash and investments in the San Joaquin County Treasury Pooled Account, Union Safe Bank, and Trustee Funds held by BNY Western Trust Company..

Cash on hand and in banks. Cash balances on hand and in banks are insured up to \$250,000 by the federal depository insurance company. All cash held by financial institutions are fully insured or collateralized.

Cash balances are as follows:

District Funds

Petty Cash	\$51
Oak Valley Bank (Gen Checking)	96,611
Rural Fire Facility Fees	18,100
General Fund	748,246
City Fire Facility Fees	8,973
Developer Agreement Fees	929,293
General Fund Savings	221,201
Station Three Account	0
S J Capital Fund	5,195
S. J. County General Fund	-

Fiduciary and Trust Funds

Training Funds	9,227
Explorer Funds	5,095
Memorial Cash and Certificates	621,542

The funds held on behalf of the district by the county are pooled with funds of other districts in the county and are invested. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. Investments are relatively short term and are held to maturity.

Cash in the County Treasury are as follows:

	<u>Cost</u>	<u>Market</u>
General Fund	\$5,195	\$5,195
Capital Projects	-	-

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – PROPERTY TAX

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 1 and March. Unsecured property taxes are payable in one installment on or before August 31. The County of San Joaquin bills and collects the taxes for the District. The district recognizes tax revenues when received.

NOTE 9 – BUDGET VS ACTUAL

The District's expenditures exceeded the budget by amounts in individual account categories but not in total.

NOTE 10 – PROPOSITIONS #4 APPROPRIATION LIMIT

The Proposition #4 appropriation limit for June 30, 2017 is calculated by the San Joaquin County Auditor's Office.

NOTE 11 – CONSTRUCTION OF FIRE STATION

The District built a new fire station (station number 3) located in the east side of Ripon. The district requested a bid from contractors. The estimated contract cost of construction awarded to C.T. Brayton & Sons is \$1,829,100.

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – SELF-INSURANCE FIRE DISTRICT ASSOCIATION OF CALIFORNIA FIRE AGENCY SELF-INSURANCE SYSTEM A PUBLIC ENTITY RISK POOL

The District is a member of the Fire District Association of California Fire Agency Self-Insurance System. The group was organized July 1, 1984 under a joint exercise of powers agreement to provide worker's compensation coverage to its members. The Fire District Association of California Fire Agency Self-Insurance System retains a self-insured retention of \$275,000 per occurrence. Above the self-insured retention, excess insurance coverage is up to the statutory limit.

No provision has been made in the District's financial statements for any unfunded liability of the system, if any.

The Joint Powers Agency is independently accountable for its own fiscal matters. Member districts share surpluses and deficits proportionately to their participation in the Joint Power Agency.

The relationship between the District and the Fire District Association of California Fire Agency Self-Insurance System is such that the Joint Power Agency is not a component unit of the district for financial reporting purposes.

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – LEASE PURCHASE AGREEMENTS

The district entered into a lease purchase agreement for a Ladder Truck. The lease finances \$707,172 for the purchase of a Ladder Truck which was delivered in 2009. Future payments are expected to be as follows:

<u>Payment Date</u>	<u>Amount</u>	<u>Interest Portion</u>	<u>Principal</u>
March 15, 2018	94,766	9,107	85,659
March 15, 2019	<u>94,766</u>	<u>4,669</u>	<u>90,097</u>
Total Above	<u>\$189,552</u>	<u>\$13,776</u>	<u>\$175,756</u>

The district entered into a lease purchase agreement for Pierce Truck. The lease finances \$427,225 for the purchase of a Pierce Truck which was delivered in 2014. Future payments are expected to be as follows:

<u>Payment Date</u>	<u>Amount</u>	<u>Interest Portion</u>	<u>Principal</u>
Nov 26, 2017	76,542	8,509	68,033
Nov 26, 2018	76,542	6,475	70,067
Nov 26, 2019	76,542	4,350	72,162
Nov 26, 2020	<u>76,542</u>	<u>2,222</u>	<u>74,320</u>
Total Above	<u>\$306,168</u>	<u>\$19,556</u>	<u>\$284,582</u>

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 – MINIMUM LEASE PURCHASE AGREEMENT PAYMENTS

Minimum annual payments under Certificates of Participation and Capital Leases are as follows:

<u>Year End</u>	<u>Ladder Truck</u>	<u>Pierce Truck</u>	<u>Totals</u>
June 30 , 2018	94,766	76,542	171,308
June 30 , 2019	94,766	76,542	171,308
June 30, 2020	0	76,542	76,542
June 30 , 2021	0	76,542	76,542
Total Above	<u>\$189,532</u>	<u>\$306,168</u>	<u>\$495,700</u>
Less Interest	<u>(13,776)</u>	<u>(19,556)</u>	<u>(33,332)</u>
Balance	<u>\$175,756</u>	<u>\$284,582</u>	<u>\$460,338</u>

NOTE 14 – LOAN FROM RIPON VOLUNTEER FIREMAN'S ASSOCIATION

The district borrowed \$431,778 from the Ripon Volunteer Fireman's Association to help pay for Completion of Station Number 3. Annual Payments of \$49,408 are to be made over the next 10 years at 2.5% as follows.

<u>Year End</u>	<u>Station Three</u>
June 30 , 2018	49,408
June 30 , 2019	49,408
June 30 , 2020	49,408
June 30, 2021	49,408
June 30, 2022	49,408
June 30, 2023	49,408
June 30, 2024	49,408
June 30, 2025	49,408
Total Above	<u>\$395,264</u>
Less Interest	<u>(41,656)</u>
Balance	<u>353,608</u>

**RIPON CONSOLIDATED FIRE DISTRICT
SCHEDULE OF DIRECTORS
JUNE 30, 2017**

<u>Name</u>	<u>Office</u>
Bryce Perkins	Chairman
Don Wever	Director
Jeffrey Rankin	Director
Tamra Spade	Director
Harrison Gibbs	Director
<u>Other Officials</u>	
Dennis Bitters	Chief
Kathy Sikma	Administrative Assistant

RIPON CONSOLIDATED FIRE DISTRICT
SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2017

	<u>Coverage</u>
Workers Compensation	Standard to \$500,000
Excess Workers Compensation	\$501,000 to \$2,000,000
Property	Replacement Costs
Property Insurance – Contents Station 1	Limits \$500,000
Excess Coverage Employers Liability	\$501,000 to \$2,000,000
Property Insurance – Contents Station 2	Limits \$40,000
Fidelity Bond	\$250,000
Software	\$250,000
Portable Equipment	Replacement Cost
Vehicles	Agreed upon Values
Auto Liability	\$1,000,000
Management Liability Each Act	\$1,000,000
Management Liability Annual Aggregate	\$3,000,000
Coverage General Liability	
Optional Umbrella Occurrence	\$4,000,000