

RIPON CONSOLIDATED FIRE DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2019

RIPON CONSOLIDATED FIRE DISTRICT
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Charles E. Strand

Certified Public Accountant

222 S. Thor St. Turlock, CA 95380

Phone (209) 667-4477

P.O. Box 1940 Turlock CA 95381

Fax (209) 667-5913

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, 2019, 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, 2019, 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
July 1, 2020

RIPON CONSOLIDATED FIRE DISTRICT
STATEMENT OF NET POSITION
June 30, 2019

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business Type</u>	
<u>ASSETS</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Cash and Equivalents	2,396,846	\$ -	\$ 2,396,846
Prepaid Insurance	11,032	-	11,032
Capital Assets (net of Accumulated Depreciation)	5,465,128	-	5,465,128
Total Assets	<u>\$ 7,873,006</u>	<u>\$ -</u>	<u>\$ 7,873,006</u>
<u>LIABILITIES</u>			
Accounts Payable	73,382	\$ -	73,382
Compensated Absences	134,345	-	134,345
Short Term Portion Capital Lease PNC Water Tender	95,174	-	95,174
Memorial Fund Loan Current Portion	42,538	-	42,538
Current Portion Pierce Truck	70,067	-	70,067
Capital Lease Pierce Truck Long Term	76,240	-	76,240
Long Term Portion Capital Lease PNC Water Tender	99,457	-	99,457
Compensated Absences Long Term	403,035	-	403,035
Memorial Fund Loan Long Term	229,023	-	229,023
Total Liabilities	<u>1,223,261</u>	<u>-</u>	<u>1,223,261</u>
<u>NET ASSETS</u>			
Un Designated	1,797,116	-	1,797,116
Invested in Capital Assets Net of Debt	4,852,629	-	4,852,629
Total Net Position	<u>\$ 6,649,745</u>	<u>\$ -</u>	<u>\$ 6,649,745</u>

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

RIPON CONSOLIDATED FIRE DISTRICT

STATEMENT OF ACTIVITIES

June 30, 2019

FUNCTIONS	Expenses	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
Governmental Activities							
Fire and Ambulance Service	\$ 2,203,781	\$ 688,712	\$ 9,658	\$ -	\$ (1,505,411)	\$ -	\$ (1,505,411)
Facilities	15,889			348,739	332,850	-	332,850
Capital Assets Not Capitalized	13,698	-	-	-	(13,698)	-	(13,698)
Administrative and indirect Expenses	730,624				(730,624)		(730,624)
Depreciation	361,107	-	-	-	(361,107)	-	(361,107)
Business type activities							
Total business-type activities	-	-	-	-	-	-	-
Total expenses	\$ 3,325,099	\$ 688,712	\$ 9,658	\$ 348,739	# \$ (2,277,990)	\$ -	\$ (2,277,990)
GENERAL REVENUES							
Taxes and subventions							
Taxes levied for general purposes					2,114,224	-	2,114,224
Interest and investment earnings					4,957	-	4,957
Miscellaneous					50,256	-	50,256
Total general revenues special and extraordinary items and transfers					2,169,417	-	2,169,417
Change in net assets					(108,573)	-	(108,573)
Net Position beginning					6,758,318	-	6,758,318
Net Position ending					\$ 6,649,745	\$ -	\$ 6,649,745

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

RIPON CONSOLIDATED FIRE DISTRICT

GOVERNMENTAL FUNDS

June 30, 2019

	<u>Major Funds</u>			Total
	<u>General</u>	<u>Capital</u>	<u>Debt Service</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Project</u>	<u>Fund</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash and Equivalents	\$ 2,396,846	\$ -	\$ -	\$ 2,396,846
Prepaid Insurance	11,032	-	-	11,032
Total Assets	<u>\$ 2,407,878</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,407,878</u>
<u>LIABILITIES</u>				
Accounts Payable	22,126	-	-	22,126
Compensated Absences	134,345	-	-	134,345
Wages Payable	51,256	-	-	51,256
Total Liability	<u>207,727</u>	<u>-</u>	<u>-</u>	<u>207,727</u>
<u>Fund Balance</u>				
Unassigned Fund Balance	1,373,253	-	-	1,373,253
Nonspendable -Prepaid	11,032	-	-	11,032
Restricted	-	-	-	-
Assigned for future Lesase Payments	815,866	-	-	815,866
Total Equity	<u>2,200,151</u>	<u>-</u>	<u>-</u>	<u>2,200,151</u>
Total	<u>\$ 2,407,878</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	5,465,128
Long Term Debt is not reported in the Funds Statements	
Memorial Fund Loan Long Term	(229,023)
Memorial Fund Loan Current Portion	(42,538)
Capital Lease Pierce Truck Long Term	(76,240)
Current Portion Pierce Truck	(70,067)
Long Term Portion Capital Lease PNC Water Tender	(99,457)
Short Term Portion Capital Lease PNC Water Tender	(95,174)
Liabilities for compensated absences over 90 days are not due and Payable in the Current Period and therefore not reported in the funds	(403,035)
Net assets of governmental activities	<u>\$ 6,649,745</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, 2019

Major Funds

	General Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<u>REVENUES</u>				
Property Taxes	\$ 1,393,235	\$ -	\$ -	\$ 1,393,235
Homeowners Tax Relief	9,658	-	-	9,658
Property Assessment	720,989	-	-	720,989
Investment Income	4,967	(10)	-	4,957
Other Revenue	184,217	-	-	184,217
Facility Fees	337,113	11,626	-	348,739
Ambulance Fees	546,144	-	-	546,144
Miscellaneous	3,607	-	-	3,607
Total Revenue	3,199,930	11,616	-	3,211,546
<u>EXPENDITURES</u>				
Salaries	1,648,779	-	-	1,648,779
Salaries Mutual Aide	4,710	-	-	4,710
Payroll Taxes	121,542	-	-	121,542
Retirement	223,509	-	-	223,509
Insurance	476,267	-	-	476,267
Office Equipment and Supplies	49,269	-	-	49,269
Maintenance and Repairs	91,246	-	-	91,246
Fuel	24,931	-	-	24,931
Professional Services	18,582	-	-	18,582
Dispatching	33,587	-	-	33,587
Meetings and Seminars	20,138	-	-	20,138
Directors Fees	-	-	-	-
Volunteers	3,375	-	-	3,375
Uniforms	18,845	-	-	18,845
Miscellaneous	56,589	-	-	56,589
Household Clothing	-	-	-	-
Supplies	25,643	-	-	25,643
Maintenance and Structures	-	-	-	-
Equipment	304,028	-	-	304,028
Structures and Improvements	-	-	-	-
Utilities	41,242	-	-	41,242
Principal Payment	203,841	-	-	203,841
Interest	18,381	-	-	18,381
Total	3,384,504	-	-	3,384,504
Revenue Over (Under) Expenditures	(184,574)	11,616	-	(172,958)
<u>OTHER SOURCES AND USES</u>				
Transfer In	-	-	-	-
Transfer Out	9,262	(9,282)	-	-
Other Transfers	-	-	-	-
Proceeds from Capital Leases	194,631	-	-	194,631
Redevelopment Receipt	-	-	-	-
Sale of Assets	2,000	-	-	2,000
Total Other Sources and Uses	205,893	(9,282)	-	196,631
Revenue and Other Sources				
over (under)				
Expenditures and Other (Uses)	21,319	2,334	-	23,653
Fund balance, July 1, 2018	2,178,832	(2,334)	-	2,176,498
Fund balance, June 30, 2019	\$ 2,200,151	\$ -	\$ -	\$ 2,200,151

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, 2019

Total net change in fund balances-governmental funds	\$ 23,653
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	298,583
Proceeds from capital leases are recorded as income in the fund statements	
However in the statement of activities, they increase debt	(194,631.00)
Donations of Capital Assets are not recorded in the funds statements	(361,107)
Increase in Long Term Payroll Liabilities are not recorded in the	
funds Statement	(78,912)
Other adjustments	-
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	203,841
Other Variances	-
Addition Interest Accrued on the Statement of Activities	-
Changes in Net Position of Governmental Activities	<u>\$ (108,573)</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, 2019

	Original <u>Budget</u>	Final <u>Budget</u>	General Fund <u>Actual</u>	<u>Variance</u>
<u>REVENUES</u>				
Property Taxes	\$ 1,393,235	\$ 1,393,235	\$ 1,393,235	\$ -
Homeowners Tax Relief	9,658	9,658	9,658	-
Property Assessment	720,989	720,989	720,989	-
Investment Income	4,967	4,967	4,967	-
Other Revenue	184,217	184,217	184,217	-
Facility Fees	337,113	337,113	337,113	-
Ambulance Fees	546,144	546,144	546,144	-
Miscellaneous	3,607	3,607	3,607	-
Total Revenue	<u>3,199,930</u>	<u>3,199,930</u>	<u>3,199,930</u>	<u>-</u>
<u>EXPENDITURES</u>				
Salaries	1,488,279	1,488,279	1,648,779	(160,500)
Salaries Mutual Aide	20,000	20,000	4,710	15,290
Payroll Taxes	108,263	108,263	121,542	(13,279)
Retirement	212,281	212,281	223,509	(11,228)
Insurance	489,870	489,870	476,267	13,603
Office Equipment and Supplies	78,500	78,500	49,269	29,231
Maintenance and Repairs	71,500	71,500	91,246	(19,746)
Fuel	50,000	50,000	24,931	25,069
Professional Services	17,000	17,000	18,582	(1,582)
Dispatching	40,000	40,000	33,587	6,413
Meetings and Seminars	5,500	5,500	20,138	(14,638)
Directors Fees	-	-	-	-
Volunteers	3,375	3,375	3,375	-
Uniforms	19,000	19,000	18,845	155
Miscellaneous	76,000	76,000	56,589	19,411
Household Clothing	-	-	-	-
Supplies	30,000	30,000	25,643	4,357
Maintenance and Structures	-	-	-	-
Equipment	220,000	220,000	304,028	(84,028)
Structures and Improvements	80,000	80,000	-	80,000
Utilities	48,000	48,000	41,242	6,758
Principal Payment	-	-	203,841	(203,841)
Interest	-	-	18,381	(18,381)
Total	<u>3,057,568</u>	<u>3,057,568</u>	<u>3,384,504</u>	<u>(326,936)</u>
Revenue Over (Under) Expenditures	<u>142,362</u>	<u>142,362</u>	<u>(184,574)</u>	<u>(326,936)</u>

The notes to the financial statement are an integral 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>General Fund Actual</u>	<u>Variance</u>
<u>OTHER SOURCES AND USES</u>				
Transfer Out	-	-	9,262	9,262
Total Other Sources and Uses	-	-	205,893	205,893
Revenue and Other Sources over (under)				
Expenditures and Other (Uses)	142,362	142,362	21,319	(121,043)
Fund balance, July 1, 2018	<u>2,178,832</u>	<u>2,178,832</u>	<u>2,178,832</u>	
Fund balance, June 30, 2019	<u>\$ 2,321,194</u>	<u>\$ 2,321,194</u>	<u>\$ 2,200,151</u>	<u>\$ (121,043)</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Total Revenue	\$ 3,199,930	\$ 3,199,930	\$ 3,211,546	\$ (11,616)
Total Revenue	<u>3,199,930</u>	<u>3,199,930</u>	<u>3,211,546</u>	<u>(11,616)</u>
Salaries	1,488,279	1,488,279	1,648,779	(160,500)
Salaries Mutual Aide	20,000	20,000	4,710	15,290
Payroll Taxes	108,263	108,263	121,542	(13,279)
Retirement	212,281	212,281	223,509	(11,228)
Insurance	489,870	489,870	476,267	13,603
Office Equipment and Supplies	78,500	78,500	49,269	29,231
Maintenance and Repairs	71,500	71,500	91,246	(19,746)
Fuel	50,000	50,000	24,931	25,069
Professional Services	17,000	17,000	18,582	(1,582)
Dispatching	40,000	40,000	33,587	6,413
Meetings and Seminars	5,500	5,500	20,138	(14,638)
Volunteers	3,375	3,375	3,375	-
Uniforms	19,000	19,000	18,845	155
Miscellaneous	76,000	76,000	56,589	19,411
Supplies	30,000	30,000	25,643	4,357
Equipment	220,000	220,000	304,028	(84,028)
Structures and Improvements	80,000	80,000	-	80,000
Utilities	48,000	48,000	41,242	6,758
Principal Payment	-	-	203,841	(203,841)
Interest	-	-	18,381	(18,381)
Total	<u>3,057,568</u>	<u>3,057,568</u>	<u>3,384,504</u>	<u>(326,936)</u>
Revenue Over (Under) Expendit	<u>142,362</u>	<u>142,362</u>	<u>(172,958)</u>	<u>(315,320)</u>
Other Sources and Uses				
Transfer In	-	-	9,262	9,262
Transfer Out	-	-	(9,282)	(9,282)

REVENUES AND OTHER SOURCES
OVER (UNDER)

Expenditures and Other (Uses)	\$ <u>142,362</u>	\$ <u>142,362</u>	23,653	\$ <u>(118,709)</u>
Fund balance, July 1, 2018			2,176,498	
Fund balance, June 30, 2019			<u>\$ 2,200,151</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, 2019

	Memorial Fund	Training Fund	Scout Fund	Total Fiduciary Funds
<u>ASSETS</u>				
Cash and Equivalents	\$ 720,336	\$ 28,248	\$ 3,246	\$ 751,830
Loan to Fire District	271,561	-	-	271,561
Total Assets	<u>\$ 991,897</u>	<u>\$ 28,248</u>	<u>\$ 3,246</u>	<u>\$ 1,023,391</u>

LIABILITIES

NET ASSETS

Reserved Memorial Purposes	991,897			991,897
Reserved For Training Fund		28,248		28,248
Held for Explorer Scouts	-	-	3,246	3,246
Total Net Assets	<u>\$ 991,897</u>	<u>\$ 28,248</u>	<u>\$ 3,246</u>	<u>\$ 1,023,391</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, 2019

	Memorial <u>Fund</u>	Trainig Fund <u>Fund</u>	Scout <u>Fund</u>	Total Fiduciary <u>Funds</u>
<u>ADDITIONS</u>				
Contributions	\$ 9,155	\$ -	\$ 1	\$ 9,156
Investment Income	16,154	-	-	16,154
Other	494	-	-	494
Fees	-	829	-	829
Total Additions	<u>25,803</u>	<u>829</u>	<u>1</u>	<u>26,633</u>
<u>DEDUCTIONS</u>				
Payments to benefit Explorers	-	-	4,391	4,391
Training Costs	-	856	-	856
Payments to benefit District	<u>11,004</u>	<u>-</u>	<u>-</u>	<u>11,004</u>
Total Deductions	<u>11,004</u>	<u>856</u>	<u>4,391</u>	<u>16,251</u>
Changes in Net Assets	14,799	(27)	(4,390)	10,382
Net Assets Beginning	<u>977,098</u>	<u>28,275</u>	<u>7,636</u>	<u>2,036,400</u>
Net Assets Ending	<u>\$ 991,897</u>	<u>\$ 28,248</u>	<u>\$ 3,246</u>	<u>\$ 1,023,391</u>

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

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 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, 2019

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, 2019

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 FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019

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, 2019

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 7-1-18	Increases	Reductions	Balance 6-30-19
Capital Lease Ladder Truck	\$90,097	-0-	90,097	\$-
Capital Lease Pierce Engine	218,469	-0-	72,162	146,307
Loan Volunteers	313,143		41,582	271,561
Compensated Absences	<u>306,946</u>	<u>96,089</u>	-0-	<u>403,035</u>
Total	<u>\$928,655</u>	<u>\$96,089</u>	<u>\$203,841</u>	<u>\$820,903</u>

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 – FIXED ASSETS

The district capitalized an additional 298,583 in capital assets in the current year. A summary of fixed asset balances as of the year end follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Cost</u>
Land	547,192			547,192
Vehicles	3,331,605	298,583		3,630,188
Tools and Equipment	431,792			431,792
Building	5,554,408	-		5,554,408
Design and Fees	217,837			217,837
Improvements	237,689	-		237,689
Furniture	364,851			364,851
Clothing Turnouts	-			-
Hose	-			-
Hydrants	48,288			48,288
Radio	16,690			16,690
Office	16,516			16,516
Landscape	4,010			4,010
Total Assets	<u>10,770,875</u>	<u>298,583</u>		<u>11,069,461</u>
Less Accumulated Depreciation	<u>(5,243,227)</u>	<u>(361,107)</u>		<u>(5,604,333)</u>
Net Book Value	<u>\$5,527,648</u>	<u>(62,524)</u>		<u>5,465,243</u>
Current year depreciation				<u>\$361,107</u>

NOTE 5 – RETIREMENT

Effective July 1, 1985, the District entered 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, 2019 were \$223,509

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, 2019 was \$403,035

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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)	17,232
Rural Fire Facility Fees	102,770
	1,072,48
General Fund	2
City Fire Facility Fees	56,007
	1,054,34
Developer Agreement Fees	4
General Fund Savings	92,977
Station Three Account	0
S J Capital Fund	941
S. J. County General Fund	-

Fiduciary and Trust Funds

Training Funds	28,248
Explorer Funds	3,246
Memorial Cash and Certificates	720,336

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	\$941	\$941
Capital Projects	-	-

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019 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, 2019

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, 2019

NOTE 12 – LEASE PURCHASE AGREEMENTS

The district entered into a lease purchase agreement for a Pierce Tanker The lease finances \$298,583 for the purchase of a Tanker Truck which was delivered in 2019. Payment in 6-30-2019 was \$103,952 Future payments are expected to be as follows:

<u>Payment Date</u>	<u>Amount</u>	<u>Interest Portion</u>	<u>Principal</u>
November 27, 2019	<u>\$103,952</u>	<u>8,777</u>	<u>95,174</u>
November 27, 2020	<u>103,952</u>	<u>4,495</u>	<u>99,457</u>
<u>Total</u>	<u>207,904</u>	<u>13,272</u>	<u>194,631</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, 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>\$123,084</u>	<u>\$6,572</u>	<u>\$146,482</u>

RIPON CONSOLIDATED FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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>Pierce Tanker Truck</u>	<u>Pierce Truck</u>	<u>Totals</u>
June 30, 2020	103,952	76,542	180,494
June 30, 2021	103,952	76,512	180,464
Total Above	<u>\$207,904</u>	<u>\$153,054</u>	<u>\$360,958</u>
Less Interest	<u>(13,273)</u>	<u>(6,747)</u>	<u>(20,020)</u>
Balance	<u>\$194,631</u>	<u>\$146,307</u>	<u>\$340,938</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, 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>\$296,448</u>
Less Interest	<u>(24,887)</u>
Balance	<u>\$271,561</u>

RIPON CONSOLIDATED FIRE DISTRICT
SCHEDULE OF DIRECTORS
JUNE 30, 2019

<u>Name</u>	<u>Office</u>
Bryce Perkins	Chairman
Don Wever	Director
Matt Cultrera	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, 2019

	<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