

**FIG GARDEN POLICE PROTECTION DISTRICT**

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**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of  
Fig Garden Police Protection District

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and major fund of the Fig Garden Police Protection District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-8 and 23, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

HENDERSON CPAs, Inc.

A handwritten signature in black ink that reads "Henderson CPAs". The letters are cursive and somewhat stylized, with the "H" and "C" being particularly prominent.

Fresno, California  
June 26, 2024

**FIG GARDEN POLICE PROTECTION DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

As management of the Fig Garden Police Protection District (the District) we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with information that is included within the financial statements.

**INTRODUCTION**

Fig Garden Police Protection District (the District) is a political subdivision of the State of California generally referred to as a “special district.” The District was formed on May 16, 1950, under the provision of the Health and Safety Code Section 20000, et. Seq. The District contracts with the Fresno County Sheriff’s Department to provide policing services to the residents within the corporate limit of the District. The District is governed by a Board of Commissioners elected by the voters of the District to four-year terms and until the election and qualifications of the successors. The District is not subject to federal or state income taxes.

**FINANCIAL HIGHLIGHTS**

- The District’s assets exceed liabilities by \$594,108 as of June 30, 2023. Of this amount, unrestricted net position of \$594,108 may be used to meet the District’s ongoing obligations to customers and creditors. As of June 30, 2022, the District’s assets exceeded liabilities by \$655,584.
- Total net position decreased by \$71,476 for the year ended June 30, 2023. For the year ended June 30, 2022, the total net position increased by \$9,642.
- For the year ended June 30, 2023 the District’s governmental fund reported an ending fund balance of \$594,108, a decrease of \$71,476 from the beginning fund balance. The total amount is unassigned and available for spending. For the year ended June 30, 2022, the District’s governmental fund reported an ending fund balance of \$665,584, all of which is unassigned and available for spending.
- For the year ended June 30, 2023 and 2022, the District’s net fixed assets is \$0. Depreciation expense for the year ended June 30, 2023 and 2022 equaled \$0.
- Total liabilities decreased by a net of \$2,321 during the year ended June 30, 2023. This decrease is attributable to a decrease in due to other governments.

**OVERVIEW OF FINANCIAL STATEMENTS**

The Management’s Discussion and Analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements are comprised of three components: the government-wide financial statements, the fund financial statements, and the notes to the basic financial statements.

**FIG GARDEN POLICE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
JUNE 30, 2023**

**OVERVIEW OF FINANCIAL STATEMENTS (continued)**

The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- **Government-wide financial statements**, as presented in the first two statements, provide both short-term and long-term information about the District's overall financial position. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.
- **Fund financial statements** focus on reporting the individual parts of the District's operations in more detail. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds. The District has no proprietary funds and one governmental fund, the General Fund.

**Government-Wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The government-wide statements report the District's net position and how they have changed. Net position - the difference between the assets and liabilities - are one way to measure the District's financial health or position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The government-wide financial statements of the District include governmental activities only.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to track specific sources of funding and spending for particular programs. State law and bond covenants may require the establishment of some funds. The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues. The District has only one kind of fund - the governmental fund.

**FIG GARDEN POLICE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
JUNE 30, 2023**

**Fund Financial Statements (continued)**

All of the District's basic services are included in a governmental fund, which generally focuses on: (1) how cash and other financial assets can readily be converted to cash flow in and out; and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information after the governmental fund statements that explain the relationship (or differences) between them.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between the governmental fund financial statements and the government-wide financial statements.

**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE**

**Net Position**

The District's net position is \$594,108 as of June 30, 2023 (compared to the net position of \$665,584 as of June 30, 2022). See Table 1 below for further analysis.

**TABLE 1  
NET POSITION**

	June 30, 2023	June 30, 2022	Change
<b>ASSETS</b>			
Current assets	\$ 696,492	\$ 765,647	\$ (69,155)
Capital assets	-	-	-
Total Assets	696,492	765,647	(69,155)
<b>LIABILITIES</b>			
Current and other liabilities	102,384	100,063	2,321
Total Liabilities	102,384	100,063	2,321
<b>NET POSITION</b>			
Unrestricted	594,108	665,584	(71,476)
Total Net Position	\$ 594,108	\$ 665,584	\$ (71,476)

**FIG GARDEN POLICE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
JUNE 30, 2023**

**Changes in Net Position**

The District's total revenues for the year ended June 30, 2023 were \$599,970 (compared to \$556,338 for the year ended June 30, 2022).

Total expenses increased from \$556,696 for year ended June 30, 2022 to \$671,446 for the year ended June 30, 2023.

As of June 30, 2023, the District's unrestricted net position is \$594,108. See Table 2 below for further analysis.

**TABLE 2  
CHANGES IN NET POSITION**

	June 30, 2023	June 30, 2022	Change
Revenues			
Program revenues	\$ 336,029	\$ 319,652	\$ 16,377
General revenues	263,941	246,686	17,255
Total Revenues	599,970	566,338	33,632
Expenses	671,446	556,696	114,750
Change in Net Position	(71,476)	9,642	(81,118)
Net Position, Beginning of Year	665,584	655,942	9,642
Net Position, End of Year	\$ 594,108	\$ 665,584	\$ (71,476)

**CAPITAL ASSETS**

The District's capital assets for its governmental activities as of June 30, 2023 and 2022 were \$0, net of accumulated depreciation. This investment includes equipment. Additional information on the District's capital assets can be found in Note 3 of the Notes to Financial Statements. See Table 3 below for further analysis.

**TABLE 3  
CAPITAL ASSETS NET OF ACCUMULATED DEPRECIATION**

	June 30, 2023	June 30, 2022
Equipment	\$ 8,274	\$ 8,274
Accumulated depreciation	(8,274)	(8,274)
Total	\$ -	\$ -

**FIG GARDEN POLICE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
JUNE 30, 2023**

**General Fund Budgetary Highlights**

For the year ended June 30, 2023 actual revenue amounts exceeded budgeted revenues by \$17,470 and actual expenditures were under budgeted amounts by \$15,446.

**Economic Factors and Next Year's Budgets and Rates**

The budget for the year ending June 30, 2024 projects expenditures to exceed revenues by \$85,849. Budgeted revenues are anticipated to higher than actual revenues for the year ended June 30, 2024 by \$12,181. Budgeted expenditures are anticipated to exceed actual expenditures for the year ended June 30, 2024 by \$33,086.

**Requests for Information**

This financial report is designed to provide a general overview of Fig Garden Police Protection District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Director of the Fig Garden Police Protection District, P.O. BOX 5932, Fresno, California 93755.

**FIG GARDEN POLICE PROTECTION DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 691,903
Interest receivable	4,589
Capital assets, net	-
	696,492
<b>LIABILITIES</b>	
Accounts payable	6,532
Due to other governments	95,852
	102,384
<b>NET POSITION</b>	
Net investment in capital assets	-
Unrestricted	594,108
	594,108
Total Net Position	\$ 594,108

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

**FIG GARDEN POLICE PROTECTION DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

		Program Revenues	Net (Expense) and Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Governmental Activities
Primary Government:			
Governmental Activities:			
Public protection	\$ 671,446	\$ 336,029	\$ (335,417)
Total Primary Government	<u>\$ 671,446</u>	<u>\$ 336,029</u>	<u>(335,417)</u>
General Revenues:			
			248,871
			13,549
			<u>1,521</u>
			<u>263,941</u>
			(71,476)
			<u>665,584</u>
			<u>\$ 594,108</u>

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

**FIG GARDEN POLICE PROTECTION DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2023**

**ASSETS**

Cash and investments	\$	691,903
Interest receivable		4,589
		696,492
Total Assets	\$	696,492

**LIABILITIES AND FUND BALANCE**

Liabilities		
Accounts payable	\$	6,532
Due to other governments		95,852
		102,384
Total Liabilities		102,384
Fund Balance		
Unassigned		594,108
		594,108
Total Fund Balance		594,108
Total Liabilities and Fund Balance	\$	696,492

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

**FIG GARDEN POLICE PROTECTION DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUND BALANCE  
SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

Reconciliation of the Balance Sheet of the Governmental Fund  
to the Statement of Net Position

Total fund balance - Governmental Fund	\$	594,108
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Governmental Fund (net of accumulated depreciation of \$8,274).		<u>-</u>
Total Net Position - Governmental Activities	\$	<u>594,108</u>

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

**FIG GARDEN POLICE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

**REVENUES**

Property taxes	\$	248,871
Charges for services		336,029
Interest income		13,549
Other revenues		1,521
		1,521
Total revenues		599,970

**EXPENDITURES**

Police protection services		651,125
Legal and professional services		9,193
Insurance		6,532
Miscellaneous		4,596
		4,596
Total expenditures		671,446

Net Change in Fund Balance		(71,476)
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Fund Balance, Beginning of Year		665,584
		665,584

Fund Balance, End of Year	\$	594,108
		594,108

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

**FIG GARDEN POLICE PROTECTION DISTRICT  
RECONCILIATION OF THE CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balance of the Governmental Fund to the Statement of Activities:

Net change in fund balance - total Governmental Fund	\$ (71,476)
No adjustments noted	<u>-</u>
Change in Net Position - Governmental Activities	<u>\$ (71,476)</u>

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

**FIG GARDEN POLICE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity: Fig Garden Police Protection District (the District) is a political subdivision of the State of California generally referred to as a “special district.” The District was formed on May 16, 1950, under the provision of the Health and Safety Code Section 20000, et. Seq. The District contracts with the Fresno County Sheriff’s Department to provide policing services to the residents within the corporate limit of the District. The District is governed by a Board of Commissioners elected by the voters of the District to four-year terms and until the election and qualifications of the successors. The District is not subject to federal or state income taxes.

Measurement Focus, Basis of Accounting and Financial Statement Presentation: The financial statements of the District are prepared on the basis of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – Management Discussion and Analysis – for State and Local Governments*, and related standards. GASB Statement No. 34 established standards for external financial reporting for all state and local government entities which includes a management’s discussion and analysis section, a statement of net position, a statement of activities, and, if applicable, a statement of cash flows. The financial statements consist of the following:

- Government-Wide Financial Statements -

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The Statement of Net Position presents the financial condition of the governmental activities of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District’s governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

- Fund Financial Statements -

The District’s governmental fund is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting.

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the fund financial statements for the governmental fund.

**FIG GARDEN POLICE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (continued)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued):

The District reports the following major governmental fund:

The **General Fund** is the general operating fund of the District and accounts for all revenues and expenditures of the District.

Account and Records: The general accounting records of the District are maintained by the District and the County of Fresno Auditor-Controller/Treasurer-Tax Collector through the use of the PeopleSoft financial system and based on supporting financial documentation. Copies of these records are on file with the County of Fresno Auditor-Controller/Treasurer-Tax Collector.

Revenues – Property Tax: The District receives property tax revenues, which are levied on property situated within the District’s service area. The District also receives monies for service type property assessments, which are levied on the properties within the area. Assessments for fees and services are based on the benefit derived by each parcel within the District.

The County of Fresno Auditor-Controller/Treasurer-Tax Collector is responsible for the collection and apportionment of property taxes for jurisdictions including the special districts within the county.

Secured property taxes are levied as of September 1st on property values certified by the Assessor’s office on July 1st and are generally due in two equal installments. The first installment is due on November 1st each year and, if unpaid, is delinquent December 10th at 5:00 p.m.; thereafter, a delinquent penalty of 10 percent attaches to them. The second installment is due on February 1st each year and, if unpaid, is delinquent April 10th at 5:00 p.m.; thereafter, a delinquent penalty of 10 percent plus ten dollars attaches to them.

If December 10th or April 10th falls on Saturday, Sunday or a legal holiday, the time of delinquency is 5:00 p.m. on the next business day. Secured property taxes become a lien on the property on January 1st.

Generally, unsecured property taxes on the unsecured roll as of July 31st, if unpaid, are delinquent August 31st at 5:00 p.m.; thereafter, a delinquent penalty of 10 percent attaches to them.

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the State Government Code and Revenue and Taxation Code. Pursuant to Article XIII A (known as Proposition 13) of the State of California Constitution, the County is permitted to levy a maximum tax of \$1.00 per \$100 of full cash value.

Conversion to the Teeter Plan: In 1949, an alternative method for the distribution of secured property taxes and assessments known as the “Teeter Plan” was enacted under California Law. Upon adoption and implementation by the County Board of Supervisors, local agencies for which the County acts as a “bank” would receive the full amount of their share of property taxes and assessments on the secured rolls regardless of the amount of delinquencies experienced by the County in collecting such taxes and assessments.

Collections of secured taxes and assessments for the County of Fresno are normally 97% to 98% of the levy; the remaining 2% to 3% of taxes and assessments not paid timely then become delinquent. Conversion to the Teeter Plan requires agencies to forego their distribution of penalties and interest, currently 1½% per month, on delinquent taxes and assessments subsequently collected. They would, however, receive 100% of their secured tax levy and assessments each year. The County then bears the risk of loss from collection and in turn receives the interest and delinquent penalties.

**FIG GARDEN POLICE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (continued)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Conversion to the Teeter Plan (continued): Thus, the Teeter Plan provides local agencies stable property tax and assessment receipts eliminates collection risk and provides the County with potential increased revenues from the delinquent penalties and interest.

The County of Fresno Board of Supervisors adopted the Teeter Plan on October 12, 1993. In January, 1994, the County bought out the existing delinquent taxes, assessments, penalties, and interest owed to each taxing agency that opted into the plan and began making apportionment in compliance with the Teeter Plan provisions as set forth in Section 4701-4717 of the California Revenue and Taxation code.

Expenses/Expenditures: On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term obligations, which have not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide statements.

Budget and Budgetary Process: The District adopts an annual budget, which can be amended by the District throughout the year, on a basis consistent with accounting principles generally accepted in the United States of America. The annual budget, which establishes the total spending authority for the District, should be adopted prior to the District's fiscal year.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates 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 revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Cash and Investments: The District utilizes the County of Fresno (the County) Treasury as its depository for revenue transactions in separate and distinct funds, as well as for expenditure disbursement. The County maintains a cash and investment pool that is available for use by all funds.

Capital Assets: Capital assets, which includes equipment, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are reported at historical cost or estimated historical cost if purchased or constructed.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major improvements which significantly increase values, change capacities or extend useful lives are capitalized.

Depreciation on all assets is provided on the straight-line basis over the assets estimated useful lives. Equipment is depreciated over 5 years.

Fund Balance: The District's financial statements comply with the fund balance reporting requirements detailed in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clear fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

**FIG GARDEN POLICE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (continued)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Fund Balance (continued): This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

As of June 30, 2023, fund balances of the governmental fund are classified as follows:

- *Non-spendable*: Amounts that cannot be spent either because they are in non-spendable 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 constitutional provisions or 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 governing board is the highest level of decision-making authority for the District, the Board of Commissioners. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the governing 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. Under the District's adopted policy, only the governing board or director may assign amounts for specific purposes.
- *Unassigned*: All other spendable amounts.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Net Position: In the government-wide financial statements net position is categorized as follows:

- *Net Investment in Capital Assets*: This category groups all capital assets into one component of the net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance.
- *Restricted*: This category presents restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted*: All other net position is unrestricted.

Governmental Accounting Standards Update: During the year ending June 30, 2023, the District implemented the following Governmental Accounting Standards Board (GASB) standards with no financial impact:

GASB Statement No. 91 – *Conduit Debt Obligations*. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting periods beginning after December 15, 2021.

GASB Statement No. 93 – *Replacement of Interbank Offered Rates*. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Subsequent to issuance, GASB Statement No. 95 postponed the certain requirements of this statement to reporting periods beginning after June 15, 2022.

**FIG GARDEN POLICE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (continued)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Governmental Accounting Standards Update (continued): Released GASB Statements to be implemented in future financial statements are as follows:

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 99 – *Omnibus 2022*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

Released GASB Statements to be implemented in future financial statements are as follows:

GASB Statement No. 100 – *Accounting Changes and Error Corrections*. The requirements of this statement are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 101 – *Compensated Absences*. The requirements of this statement are effective for reporting periods beginning after December 15, 2023.

Subsequent Events: In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in these financial statements. Management has determined that no events required disclosure in accordance with accounting standards. These subsequent events have been evaluated through June 26, 2024, which is the date the financial statements were available to be issued.

**NOTE 2 – CASH AND INVESTMENTS**

Cash and investments consist of the following as of June 30, 2023:

External Investment Pool - Fresno County	
Treasury investment pool	\$ 691,903
Total Cash and Investments	<u>\$ 691,903</u>

**FIG GARDEN POLICE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (continued)**

**NOTE 2 – CASH AND INVESTMENTS (continued)**

Investments Authorized by the California Government Code: The District does not have an investment policy independent of what is allowed under the California Government Code.

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the Code that addresses 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 acceptance	180 days	40%	30%
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	None
Non-negotiable certificates of deposit	5 years	None	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%	None
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

The Fresno County Treasury Investment Pool Statement of Investment Policy is more stringent than the California Government Code. As of June 30, 2023, the Investment Pool portfolio complied with its Statement of Investment Policy.

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 market interest rates. As of year end, the weighted average maturity of the investments contained in the Fresno County Treasury Investment Pool is 2.32 years. 30.2% matures within 12 months, 26.3% between 1 and 3 years, and 43.5% matures between 3 and 5 years.

Credit Risk: Generally, credit risk is the risk that the 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 Investment 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, 2023, had an average dollar weighted quality rating of "AA+."

**FIG GARDEN POLICE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (continued)**

**NOTE 2 – CASH AND INVESTMENTS (continued)**

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The 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. Local financial institutions, under California state law, are required to collateralize local government agency deposits in excess of FDIC insured amounts up to \$250,000. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Fresno County Treasury Investment Pool).

Concentration of Credit Risk: There are no investments in any one issuer that represents 5% or more of total District investments.

Investment in County Pool: The District is a voluntary participant of the Fresno County Treasury Investment Pool that is regulated by the California Government Code under the oversight of the Auditor-Controller/Treasurer-Tax Collector of Fresno County. The fair value of the District's investments 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 amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Treasury Investment Pool, which are recorded on an amortized cost basis.

**NOTE 3 – CAPITAL ASSETS**

Changes in capital assets during the year ended June 30, 2023 were as follows:

	6/30/2022	Additions	Deletions & Adjustments	6/30/2023
<b>Governmental activities</b>				
Equipment	\$ 8,274	\$ -	\$ -	\$ 8,274
Total capital assets being depreciated	8,274	-	-	8,274
Less accumulated depreciation	(8,274)	-	-	(8,274)
Total capital assets being depreciated, net	-	-	-	-
Total capital assets, net	\$ -	\$ -	\$ -	\$ -

Depreciation expense for the year ended June 30, 2023 was \$0.

**NOTE 4 – DUE TO OTHER GOVERNMENTS**

The District has entered into an agreement with the County of Fresno for the procurement of general law enforcement and special events services. The outstanding liability to the County at June 30, 2023 was \$95,852.

**FIG GARDEN POLICE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (continued)**

**NOTE 5 – RISK MANAGEMENT**

The District is a member of the Special District Risk Management Authority (SDRMA), a public entity risk pool, for property and liability insurance. SDRMA assumes the risk of loss from claims incurred by the pool, up to the policy limits, through a combination of self-insurance and the purchase of commercial insurance. Although the pooling agreement does not permit the pool to make additional assessments or distribute retrospective refunds to its members, future annual premiums are adjusted for any surplus or deficit experienced by the pool.

During the 2022/2023 year, there were no reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**NOTE 6 – DEFICIENCY OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2023, expenditures exceeded appropriations as follows:

Expenditures	Amount
Police protection services	\$ 121,125
Insurance	\$ 1,532

**FIG GARDEN POLICE PROTECTION DISTRICT**

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**REQUIRED SUPPLEMENTARY INFORMATION**

**FIG GARDEN POLICE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE- BUDGET TO ACTUAL (GAAP)  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 233,000	\$ 233,000	\$ 248,871	\$ 15,871
Charges for services	336,000	336,000	336,029	29
Interest income	12,000	12,000	13,549	1,549
Other revenues	1,500	1,500	1,521	21
<b>Total revenues</b>	<u>582,500</u>	<u>582,500</u>	<u>599,970</u>	<u>17,470</u>
<b>EXPENDITURES</b>				
Police protection services	530,000	530,000	651,125	(121,125)
Legal and professional services	115,000	115,000	9,193	105,807
Insurance	5,000	5,000	6,532	(1,532)
Miscellaneous	6,000	6,000	4,596	1,404
<b>Total expenditures</b>	<u>656,000</u>	<u>656,000</u>	<u>671,446</u>	<u>(15,446)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(73,500)</u>	<u>(73,500)</u>	<u>(71,476)</u>	<u>2,024</u>
Net Change in Fund Balance	<u>\$ (73,500)</u>	<u>\$ (73,500)</u>	<u>(71,476)</u>	<u>\$ 2,024</u>
Fund Balance, Beginning of Year			<u>665,584</u>	
Fund Balance, End of Year			<u>\$ 594,108</u>	

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners of  
Fig Garden Police Protection District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Fig Garden Police Protection District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 26, 2024.

**Reporting on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HENDERSON CPAs, Inc.

A handwritten signature in black ink that reads "Henderson CPAs". The letters are cursive and somewhat stylized, with the "H" and "C" being particularly prominent.

Fresno, California  
June 26, 2024