

**CROPPER ROWE, LLP**

**CERTIFIED PUBLIC ACCOUNTANTS**

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**FAIRVIEW FIRE PROTECTION DISTRICT**

**BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2021**

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# FAIRVIEW FIRE PROTECTION DISTRICT

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Fairview Fire Protection District  
Hayward, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fairview Fire Protection District (the District), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Managements' 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *State Controller's Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free of 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 auditors' 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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2021, and the respective changes in financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and State regulation governing special districts.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-5) and budgetary comparison information (page 8) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, 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.



CROPPER ROWE, LLP  
Walnut Creek, California  
January 11, 2022

# FAIRVIEW FIRE PROTECTION DISTRICT

## Management's Discussion and Analysis

As management of the Fairview Fire Protection District (District), we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021.

### Financial Highlights and Analysis

At the close of Fiscal Year (FY) 2020-2021, the District remains in a strong position. The District has no debt, a fully funded capital replacement program, and fully funded operational and emergency reserves equaling 10% and 85% of its operating budget. In addition, the District continues to experience an annual operating surplus, where revenues slightly exceed expenditures. In FY 2020-2021, non-depreciation expenses increased 1.15%, due primarily to the CPI increase in the contract with Hayward. During the same time period, revenues increased by 2.70% due to increased property tax.

Due to these factors, the District increased its net position by \$406,177 in FY 2020-2021, or 6.17%. Thus far, the economic downturn has not impacted property taxes, but it is possible that the District will see a decline in revenue in FY2021-2022.

### Overview of Basic Financial Statements

This annual report consists of a series of financial statements and notes. The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, which has a single fund.

The following is the District's condensed Statement of Net Position for fiscal year ended June 30, 2021 as compared to fiscal year ended June 30, 2020. As stated above, the District increased its Net Position by 6.17% over the prior year.

Statement of Net Position	FY 2020-21	FY 2019-20	Change \$	% Change
<b>ASSETS</b>				
Cash and Investments	\$ 5,817,643	\$ 5,422,920	\$ 394,723	7.28%
Prepaid Expenses	18,540	8,658	9,882	114.14%
Capital Assets, net accumulated depreciation	1,176,842	1,187,311	(10,469)	-0.88%
<b>Total Assets</b>	<b>7,013,025</b>	<b>6,618,889</b>	<b>394,136</b>	<b>5.95%</b>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	24,261	36,302	(12,041)	-33.17%
<b>Total Liabilities</b>	<b>24,261</b>	<b>36,302</b>	<b>(12,041)</b>	<b>-33.17%</b>
<b>NET POSITION</b>				
Investment in capital assets, net of related debt	1,176,842	1,187,311	(10,469)	-0.88%
Unrestricted Fund Balance	5,811,922	5,395,276	416,646	7.72%
<b>Total Net Position</b>	<b>\$ 6,988,764</b>	<b>\$ 6,582,587</b>	<b>\$ 406,177</b>	<b>6.17%</b>

**FAIRVIEW FIRE PROTECTION DISTRICT**  
**Management's Discussion and Analysis**

The following is the District's condensed statement of revenues, expenses and changes in net position for the fiscal year ended June 30, 2021 as compared to fiscal year ended June 30, 2020. As mentioned above, revenues increased 2.70%, while expenses increased 1.15%, not accounting for depreciation. With depreciation, the dollar increase in expenses was 1.47%. Because the district continues to have surplus revenue, the net position increased by 6.17%.

<b>Statement of Activities</b>	<b>FY 2020-21</b>	<b>FY 2019-20</b>	<b>\$ Change</b>	<b>% Change</b>
<b>REVENUES</b>				
Property tax and assessments	\$ 3,966,129	\$ 3,810,445	\$ 155,684	4.09%
Emergency medical services	27,275	27,131	144	0.53%
Interest of investment	74,279	123,031	(48,752)	-39.63%
Other Revenues	166	409	(243)	-59.41%
<b>Total Revenues</b>	<b>4,067,849</b>	<b>3,961,016</b>	<b>106,833</b>	<b>2.70%</b>
<b>EXPENSES</b>				
Fire protection and EMS services	3,206,992	3,172,099	34,893	1.10%
General and administration	223,864	219,874	3,990	1.81%
<b>Total Expenses without Depreciation</b>	<b>3,430,856</b>	<b>3,391,973</b>	<b>38,883</b>	<b>1.15%</b>
Depreciation of Assets	230,816	216,575	14,241	6.58%
<b>Total Expenses + Depreciation</b>	<b>3,661,672</b>	<b>3,608,548</b>	<b>53,124</b>	<b>1.47%</b>
<b>Excess of Revenue over Expenses</b>	<b>406,177</b>	<b>352,468</b>	<b>53,709</b>	<b>15.24%</b>
<b>Beginning Net Position</b>	<b>6,582,587</b>	<b>6,230,119</b>	<b>352,468</b>	<b>5.66%</b>
<b>Ending Net Position</b>	<b>\$ 6,988,764</b>	<b>\$ 6,582,587</b>	<b>\$ 406,177</b>	<b>6.17%</b>

**Capital Assets**

The District's investment in capital assets, net of accumulated depreciation, was \$1,176,842 as of June 30, 2021. The District's largest investments are in its improved structures and four vehicles, in addition to a range of field and office equipment.

**Committed Funds: Capital Replacement Program**

The District has one fund. Within this fund, the District has formally committed money towards the future replacement of its capital assets. The committed balances by category for FY 2019-2020 and FY 2020-2021 are listed on the next page.

**FAIRVIEW FIRE PROTECTION DISTRICT**  
Management's Discussion and Analysis

<b>Committed Funds</b>	<b>Apparatus</b>	<b>Equipment</b>	<b>Facilities</b>	<b>Total</b>
<b>FY 2019-2020</b>				
Starting Balance	\$ 1,362,131	\$ 181,930	\$ 148,912	\$ 1,692,973
Expenses	358,841	-	153,355	512,196
Capital Contribution	151,839	24,489	107,197	283,525
<b>Ending Balance</b>	<b>\$ 1,155,129</b>	<b>\$ 206,419</b>	<b>\$ 102,754</b>	<b>\$ 1,464,302</b>
<b>FY 2020-2021</b>				
Starting Balance	\$ 1,155,129	\$ 206,419	\$ 102,754	\$ 1,464,302
Expenses	220,347	-	-	220,347
Capital Contribution	156,394	25,223	70,503	252,120
<b>Ending Balance</b>	<b>\$ 1,091,176</b>	<b>\$ 231,642</b>	<b>\$ 173,257</b>	<b>\$ 1,496,075</b>

**Assigned Funds: Operating and Emergency Reserves**

The District has adopted a policy of assigning funds into an operating reserve equaling 10% of its operating budget and an emergency reserve equaling 85% of its operating budget. Both reserves are currently fully funded.

**Debt Administration**

The District has no debt.

**Request for Information**

Questions about this report and requests for additional information can be sent to:

**Mike Preston, General Manager, FFPD**

C/O Hayward Fire Department, 777 B St, Hayward, CA 94541

Ph# 510-583-4940

[www.fairviewfiredistrict.org/contact/](http://www.fairviewfiredistrict.org/contact/)

**FAIRVIEW FIRE PROTECTION DISTRICT**  
**COMBINED GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**  
**STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET**  
**June 30, 2021**

	<u>General Fund</u>	<u>Adjustments (Note 4)</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 5,817,643	\$ -	\$ 5,817,643
Prepaid expenses	18,540	-	18,540
Capital Assets, net of accumulated depreciation	<u>-</u>	<u>1,176,842</u>	<u>1,176,842</u>
Total Assets	<u>\$ 5,836,183</u>	<u>1,176,842</u>	<u>7,013,025</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Current Liabilities:			
Accounts payable and accrued expenses	<u>\$ 24,261</u>	<u>-</u>	<u>24,261</u>
Total Liabilities	<u>24,261</u>	<u>-</u>	<u>24,261</u>
<b>FUND BALANCE</b>			
Nonspendable	18,540	(18,540)	-
Restricted	-	-	-
Committed	1,496,075	(1,496,075)	-
Assigned	3,774,389	(3,774,389)	-
Unassigned	<u>522,918</u>	<u>(522,918)</u>	<u>-</u>
Total Fund Balance	<u>5,811,922</u>	<u>(5,811,922)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 5,836,183</u>		
<b>NET POSITION</b>			
Investment in capital assets, net of related debt		1,176,842	1,176,842
Unrestricted		<u>5,811,922</u>	<u>5,811,922</u>
Total Net Position		<u>\$ 6,988,764</u>	<u>\$ 6,988,764</u>

The accompanying notes are an integral part of the financial statements



**FAIRVIEW FIRE PROTECTION DISTRICT**  
**COMBINED GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT**  
**OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Year Ended June 30, 2021**

	General Fund	Adjustments (Note 5)	Statement of Activities
<b>GENERAL REVENUES</b>			
Property tax and assessments	\$ 3,966,129	\$ -	\$ 3,966,129
Emergency medical services	27,275	-	27,275
Interest of investments	74,279	-	74,279
Other revenues	<u>166</u>	<u>-</u>	<u>166</u>
 Total Revenues	 <u>4,067,849</u>	 <u>-</u>	 <u>4,067,849</u>
<b>EXPENDITURES</b>			
Fire protection services	3,206,992	-	3,206,992
Management	42,737	-	42,737
County administrative and collection fees	34,298	-	34,298
Insurance	10,607	-	10,607
Legal and accounting	56,572	-	56,572
Meeting and Conventions	841	-	841
Chipping program	4,226	-	4,226
General Election	33,627	-	33,627
Bookkeeping and clerical	8,340	-	8,340
Utilities	10,254	-	10,254
Director fees and training	5,000	-	5,000
Landscape and janitorial services	3,900	-	3,900
Website related	1,571	-	1,571
Repairs and maintenance	2,474	-	2,474
Depreciation	-	230,816	230,816
Permit fees	834	-	834
Notices and mailers	7,782	-	7,782
Capital outlay - replacement/improvement	220,347	(220,347)	-
Miscellaneous administrative costs	<u>801</u>	<u>-</u>	<u>801</u>
 Total Expenditures	 <u>3,651,203</u>	 <u>10,469</u>	 <u>3,661,672</u>
 Excess of revenues over (under) Expenditure	 416,646	 (10,469)	 406,177
 Fund Balance July 1, 2020	 <u>5,395,276</u>	 <u>1,187,311</u>	 <u>6,582,587</u>
Fund Balance June 30, 2021	<u>\$ 5,811,922</u>	<u>\$ 1,176,842</u>	<u>\$ 6,988,764</u>

The accompanying notes are an integral part of the financial statements

**FAIRVIEW FIRE PROTECTION DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2021**

REVENUES	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Taxes	\$ 3,721,797	\$ 3,721,797	\$ 3,966,129	\$ 244,332
Emergency medical services	27,379	27,379	27,275	(104)
Interest income	71,406	71,406	74,279	2,873
Other revenues	-	-	166	166
Total Revenues	<u>3,820,582</u>	<u>3,820,582</u>	<u>4,067,849</u>	<u>247,267</u>
<b>EXPENDITURES</b>				
Fire protection services	3,206,992	3,206,992	3,206,992	-
Management	42,500	42,500	42,737	(237)
Call dispatch services - 911	-	-	-	-
County administrative and collection fees	35,500	35,500	34,298	1,202
Insurance	12,000	12,000	10,607	1,393
Weed abatement	5,000	5,000	-	5,000
Chipping program	15,000	15,000	4,226	10,774
Legal assistance	30,000	30,000	46,372	(16,372)
Audit services	15,000	15,000	10,200	4,800
Utilities	12,200	12,200	10,254	1,946
Bookkeeping services	7,000	7,000	8,340	(1,340)
Landscape services	4,200	4,200	3,900	300
Fire protection staff (event staffing)	10,000	10,000	-	10,000
Director fees and mileage	8,500	8,500	5,000	3,500
Website	2,500	2,500	1,571	929
Alarm system	2,750	2,750	2,474	276
Director training	5,000	5,000	-	5,000
Janitorial services	500	500	-	500
Old Fire Station 8 upkeep	5,000	5,000	-	5,000
Meeting and Conventions	-	-	841	(841)
Notices and mailers	5,500	5,500	7,782	(2,282)
Permits, fees and dues	-	-	834	(834)
Election costs	32,000	32,000	33,627	(1,627)
Disaster preparedness program	10,000	10,000	-	10,000
Firewise/Residential Assistance	10,000	10,000	-	10,000
Miscellaneous / other	2,483	2,483	801	1,682
Capital outlay - replacement/improvements	252,120	252,120	220,347	31,773
Total Expenditures	<u>3,731,745</u>	<u>3,731,745</u>	<u>3,651,203</u>	<u>80,542</u>
Excess of revenues over (under) Expenditures	<u>\$ 88,837</u>	<u>\$ 88,837</u>	<u>\$ 416,646</u>	<u>\$ 327,809</u>
Fund Balance July 1, 2020			5,395,276	
Fund Balance June 30, 2021			<u>\$ 5,811,922</u>	

The accompanying notes are an integral part of the financial statements

**FAIRVIEW FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Description of the Reporting Entity*

The Fairview Fire Protection District (District) was established to provide fire protection services within the District's boundaries. Under the terms of a contract between the City of Hayward (COH) and the District on February 1, 1993, the City of Hayward Fire Department took responsibility of providing fire protection services within the district. On February 1, 1993, all District employees became employees of the City of Hayward. The District pays the City of Hayward annually for the cost of these services. The District owns the equipment which is made available to the City of Hayward Fire Department at no cost. The City of Hayward Fire Department is responsible for the maintenance and replacement of the District equipment not included in the Capital replacement schedule. The purchase of fire engines and trucks are registered as property of the District.

*Basis of Presentation*

**Government-wide Statements:** The Statement of Net Position and the Statement of Activities include the financial activities of the overall District government. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operation or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements:** The fund financial statements provide information about the District's funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. The General Fund is the District's only fund.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of *current financial resources measurement focus*. 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 Balances for these funds present increases, (i.e. revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**FAIRVIEW FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Major Funds*

GASB Statement No. 34 defines major funds and requires that the District's major governmental type funds be identified and presented separately in the fund financial statements. Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures equal to ten percent of their fund-type total and five percent of the grand total.

The District reported the following major governmental fund in the accompanying financial statements:

- General Fund – The General Fund is the main operating fund of the District. This fund is used to account for financial resources not accounted for in other funds.

*Basis of Accounting*

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 when the related cash flows take place.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when *measurable and available*. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt and claims and judgments, which are recognized as expenditures to the extent that have matured. Capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as *other financing sources*.

*Non-exchange transactions*, in which the District gives or receives value without directly receiving or giving equal value in exchange, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Budgets and Budgetary Accounting*

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Formal budgetary integration is employed as a management control device.

**FAIRVIEW FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Property Taxes*

The District receives property taxes from the County of Alameda (County), which has been assigned the responsibility for assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are levied on January 1 for the following fiscal year and on which date it becomes a lien on real property. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

The District participated in the County's "Teeter Plan" method of property tax distribution and thus receives 100% of the District's apportionment each fiscal year, eliminating the need for an allowance for uncollectible. The County, in return, receives all penalties and interest on the related delinquent taxes. Under the Teeter Plan, the County remits property taxes to the District based on assessments, not on collections, according to the following schedule: 55 percent in December, 40 percent in April, and 5 percent at the end of the fiscal year. Property tax is recognized when it is available and measurable. The District considers property tax as available if it is received within 60 days after fiscal year end.

*Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimated and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Capital Assets*

Purchased capital assets are stated at historical cost or estimated historical cost when original cost is not available. Donated capital assets are recorded at their estimated fair value at the date on donation. The District's policy is to capitalize all capital assets. Depreciation is recorded using the straight-line method over the estimated useful lives of the capital assets.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the governmental column in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the Statement of Net Position. The estimated useful lives are as follows:

Equipment	5 to 20 years
Software	7 years
Vehicles	10 years
Structures	30 years

**FAIRVIEW FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Net Position and Fund Balances*

*Fund Balance Reporting*

Under GASB Statement No. 54, Fund Balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Board of Directors, as the highest level of decision-making authority of the District, commits fund balances through resolutions. The Board has designated certain members of management staff to assign fund balances. These captions apply only to Fund Balance classifications:

- *Nonspendable fund balances* are those amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
- *Restricted fund balances* are those amounts that should be reported as restricted when constraints placed on the use of resources are either
  - Externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or
  - Imposed by law through constitutional provisions or enabling legislation
- *Committed fund balances* are those amounts that cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- *Assigned fund balances* are those amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, except for stabilization arrangements.
- *Unassigned fund balances* are those residual funds that have not been assigned to other funds, restricted, committed, or assigned to specific purposes. The general fund should be the only fund that reports a positive unassigned fund balance amount.

It is the policy of the district to spend funds in order from restricted to unassigned, as listed above.

*Net Position*

Net Position is the excess of all the District's assets over all its liabilities, regardless of fund. Net Position is divided into three captions under GASB Statement No. 34. These captions apply only to Net Position, which is determined only at the government-wide level, and are described below:

- *Investment in Capital, net of related debt* describes the portion of Net Position that is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

**FAIRVIEW FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Net Position and Fund Balances (continued)*

- *Restricted* describes the portion of Net Position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulation, laws, or other restrictions which the District cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes.
- *Unrestricted* describes the portion of Net Position that does not meet the definition of “restricted” or “investment in capital, net of related debt.”

*Implemented GASB Pronouncements*

- GASB Statement No. 84, Fiduciary Activities
- GASB Statement No. 90, Major Equity Interest – an amendment of GASB Statements No. 14 and No. 61

*Upcoming New GASB Pronouncements*

- GASB Statement No. 87, Leases
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- GASB Statement No. 91, *Conduit Debt Obligations*
- GASB Statement No. 92, *Omnibus 2020*
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

**2. CASH AND INVESTMENTS**

Cash and investments as of June 30, 2021 consist of the following:

Cash with County	\$ 5,817,643
Petty Cash	-
Total Cash and investments	<u>\$ 5,817,643</u>

**FAIRVIEW FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**2. CASH AND INVESTMENTS (CONTINUED)**

*Investment Authorized by the California Government Code and the District's Investment Policy*

The table below identifies the **investment types** that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address **interest rate risk**, **credit risk** and **concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California government Code or the District's investment policy.

*Investment Authorized by the California Government Code and the District's Investment Policy*  
*(continued)*

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
County of Alameda investment pool	N/A	None	None

*Disclosures Relating to Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining Maturity (in Months)</u>					
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-36 Months</u>	<u>37-48 Months</u>	<u>49-60 Months</u>	<u>More than 60 Months</u>
<i>Deposits with</i>							
County of Alameda	\$5,817,643	\$5,817,643	\$ -	\$ -	\$ -	\$ -	\$ -
Total	<u>\$5,817,643</u>	<u>\$5,817,643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Disclosures Relating to Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.



**FAIRVIEW FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

**2. CASH AND INVESTMENTS (CONTINUED)**

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
Deposits with County of Alameda	\$5,817,643	N/A	\$ -	\$ -	\$ -	\$ -	\$5,817,643
Total	<u>\$5,817,643</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,817,643</u>

There are no investments in any one issuer other than deposits with the County of Alameda that represent 5% or more of total District investments.

**3. CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets, not being depreciated				
Land	\$ 28,000	\$ -	\$ -	\$ 28,000
Capital assets, being depreciated				
Structures and improvements	552,370	-	-	552,370
Software	88,534	-	-	88,534
Vehicles and equipment	1,879,642	220,347	-	2,099,989
Total capital assets, being depreciated	2,520,546	220,347	-	2,740,893
Less accumulated depreciation	(1,361,235)	(230,816)	-	(1,592,051)
Total capital assets, being depreciated, net	1,159,311	(10,469)	-	1,148,842
Total capital assets, net	<u>\$ 1,187,311</u>	<u>\$ (10,469)</u>	<u>\$ -</u>	<u>\$ 1,176,842</u>

Land is comprised of one lot. The original lot was acquired July 1962 and is valued at historical cost. Structures and improvements consist of the Old Fairview Fire Protection District Station. The value has not changed since June 1992. The station is currently used to store equipment. Depreciation expense was charged to function/program of the District's Governmental Activities.

In fiscal year 2020-2021, Fairview Fire Protection District purchased a Type VI Fire Apparatus.

**FAIRVIEW FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2021**

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**4. RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET WITH THE STATEMENT OF NET POSITION**

Reconciling adjustments are as follows:

Total Fund Balance – Governmental General Fund (page 6)	\$ 5,811,922
Capital assets, net of depreciation	<u>\$ 1,176,842</u>
	<u>1,176,842</u>
Total net position – Government-wide	<u>\$ 6,988,764</u>

**5. RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES**

Reconciling adjustments are as follows:

Excess of Revenues over/(under) Expenditures (page 7)	\$ 416,646
Less depreciation expense and add back capital outlay not reported on Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>(10,469)</u>
Change in Net Position of Governmental Activities	<u>\$ 406,177</u>

**6. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the audit report date, the date from which the financial statements were available to be issued and has determined that there are no material events that require disclosure.