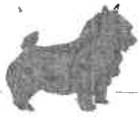


**RESCUE
FIRE PROTECTION DISTRICT**

**REPORT ON ACCOUNTING CONTROLS
AND PROCEDURES**

June 30, 2017

ROBERT W. JOHNSON
Certified Public Accountant



Robert W. Johnson
an accountancy corporation

6234 Birdcage Street, Citrus Heights, California 95610 | robertwjohnsoncpagroup@gmail.com | 916.723.2555
www.bob-johnson-cpa.com

October 9, 2017

To the Board of Directors
Rescue Fire Protection District
Rescue, California

We have audited the financial statements of Rescue Fire Protection District as of and for the year ended June 30, 2017. 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.

In planning and performing our audit of the financial statements of Rescue Fire Protection District as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered Rescue Fire Protection District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures but not for the purpose of expressing our opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we have enclosed other recommendations for your consideration.

This communication is intended solely for the information and use of management and Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Robert W. Johnson, An Accountancy Corporation

Robert W. Johnson, An Accountancy Corporation

1. Operational Comparison:

	<u>2016/17</u>	<u>2015/16</u>	Favorable (Unfavorable) <u>Variance</u>
Revenues	\$1,688,363	\$1,491,011	\$ 197,352
Expenses	<u>1,948,634</u>	<u>1,511,895</u>	(<u>436,739</u>)
Net income (loss)	<u>\$ (260,271)</u>	<u>\$ (20,884)</u>	<u>\$ (239,387)</u>
Cash	<u>\$1,265,962</u>	<u>\$1,272,845</u>	<u>\$ (6,883)</u>

Financial Overview:

- Increase in expenses due to increase in accrual of pension liability and OPEB payable:
 - Net pension liability at 6/30/17 - \$1,629,933;
 - Other Post-Employment Benefits payable (OPEB) at 6/30/17 – \$939,012.