

Ben Lomond Fire Protection District

Financial Statements and
Supplementary Information

For the Years Ended June 30, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ben Lomond Fire Protection District
Ben Lomond, California

We have audited the accompanying financial statements of the governmental activities, and each major fund of Ben Lomond Fire Protection District as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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, 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 opinions.

Opinions

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 Ben Lomond Fire Protection District as of June 30, 2015 and 2014, and the respective changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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 as listed in the table of contents 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 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.



Armanino^{LLP}
Santa Cruz, California

June 24, 2016

BEN LOMOND FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
June 30, 2015 and 2014

The Ben Lomond Fire Protection District was organized June 15, 1923, in conformity with the Deering Act 2593, Statutes of 1881, since codified into the State of California Health and Safety Code, Sections 14001 et seq. The District was reorganized in September 1966 in conformity with the Health and Safety Code, Sections 13801 et seq. The District provides fire protection for the town of Ben Lomond and the surrounding area.

Description of the Basic Financial Statements

The financial statements consist of the following parts: Management's discussion and analysis; the basic financial statements government-wide; fund financial statements (governmental); notes to the financial statements; and required supplementary information (budgetary comparison table).

The basic government-wide and governmental fund financial statements present the financial results on different methods of accounting. Included in the financial statements are reconciliations that explain the difference between the two methods.

Government-wide financial statements are prepared on the accrual basis of accounting and economic resources focus. The required financial statements are: Statement of Net Position and Statement of Activities. The Statement of Net Position reports all assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the long term financial position of the District is improving or deteriorating. The Statement of Activities presents information on how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is paid or received.

Governmental funds financial statements are prepared on the modified accrual basis of accounting and current financial resources focus. The required financial statements are: Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. The Balance Sheet shows only assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.

The government-wide and governmental funds financial statements show the results of the following funds:

General Fund - The District's basic services are accounted for in this fund.

BEN LOMOND FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
June 30, 2015 and 2014

Condensed Government-Wide Financial Data

	<u>2015</u>	<u>2014</u>
Current assets	\$ 1,635,605	\$ 1,459,788
Station and equipment, net of accumulated depreciation	1,499,549	959,213
Total assets	<u>\$ 3,135,154</u>	<u>\$ 2,419,001</u>
Current liabilities	\$ 261,278	\$ 146,286
Long term liabilities	835,296	509,887
Total liabilities	<u>1,096,574</u>	<u>656,173</u>
Net position		
Net investment in capital assets	724,533	638,448
Unrestricted	<u>1,314,047</u>	<u>1,124,380</u>
Total liabilities and net position	<u>\$ 3,135,154</u>	<u>\$ 2,419,001</u>
	<u>2015</u>	<u>2014</u>
Expenditures governmental activities, net of program revenues	\$ 482,801	\$ 931,378
General revenues		
Property taxes	684,999	626,466
Use of money and property (interest income and rents)	6,640	5,061
Rents and concessions	37,875	31,845
Aid from other government agencies	5,094	4,915
Other revenue	<u>23,945</u>	<u>20,409</u>
Change in net position	<u>\$ 275,752</u>	<u>\$ (242,682)</u>

Financial analysis of the District as a whole

The District's net position increased by \$275,752 and decreased by \$242,682 for the fiscal years ended June 30, 2015 and 2014, or approximately 15.6 and 12.1 percent, respectively. Of the \$2,038,580 in net position at June 30, 2015, \$724,533 are invested in capital assets (net of accumulated depreciation and related debt).

Financial analysis of the District's funds

Governmental fund balances increased by \$194,635 and decreased by \$3,894 for the fiscal years ended June 30, 2015 and 2014, or approximately 13.9 and .3 percent, respectively. The main reason for the difference between the increase/decrease in District's net position and the increase/decrease in fund balances is the difference in accounting for capital assets, depreciation, and CalPERS termination.

Budgetary highlights

The budget includes multi-year forecasts. Contact the District's office manager to obtain copies.

District expenditures were under budget for both fiscal years. Detailed line item presentation is presented on pages 32 through 34.

BEN LOMOND FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
June 30, 2015 and 2014

Capital Assets

As of June 30, 2015 and 2014, the District had invested \$3,137,935 and \$2,525,768, respectively, in a broad range of capital assets including land, structures and improvements, and equipment.

Major capital asset additions included:

	2015
Fire engine	\$ 612,167
None	2014
	\$ -

Long-Term Liabilities

As of June 30, 2015 and 2014, the District had \$835,296 and \$509,887 in long-term debt, respectively. Long-term liabilities consisted of the following:

Long-term debt - note payable; mortgage debt on District property. Transactions for the fiscal years ended June 30, 2015 and 2014 consisted of required schedule payments.

Long-term capital lease payable - fire engine; during the year ended June 30, 2015 the District borrowed \$612,167 (inception of capital lease) for the purchase of a fire engine. During the year ended June 30, 2015 the District made a required \$100,000 payment on this debt.

Long- term liability - CalPERS termination liability; during the year ended June 30, 2014 the District terminated its retirement contract with CalPERS. Termination required the calculation and payment of the remaining retirement contribution. The Termination liability was \$395,136,. During the year ended June 30, 2014 the District made payments of \$147,692. The District did not make a payment on the CalPERS termination liability during the year ended June 30, 2015, the next required payment is July 2015.

Economic Factors and Next Year's Budget

The Ben Lomond Fire Department will continue to seek ways to upgrade the now 70 year old station. In 2013 the District completed the apparatus bay door remodel with some ADA upgrades.

The economic downturn has slowed and a slight increase in tax revenue has been seen. Staffing has been reduced to one full time and two part time employees.

Contacting the District's Financial Management

This financial statement is designed to provide a general overview of the District's finances. If you have questions about this financial statement or need additional financial information, contact the District's office at 9430 Highway 9, P.O. Box 27, Ben Lomond, California 95005 (831) 336-5495.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BEN LOMOND FIRE PROTECTION DISTRICT

Statements of Net Position

June 30, 2015 and 2014

<u>ASSETS</u>	2015	2014
Current assets		
Cash in County Treasury	\$ 1,635,605	\$ 1,454,443
Accounts receivable - rent	-	5,345
Total current assets	1,635,605	1,459,788
Station and equipment - net of accumulated depreciation		
Land	521,432	521,432
Structures and improvements	571,194	571,194
Equipment	2,045,309	1,433,142
	3,137,935	2,525,768
Less: accumulated depreciation	(1,638,386)	(1,566,555)
Total station and equipment - net of accumulated depreciation	1,499,549	959,213
Total assets	\$ 3,135,154	\$ 2,419,001
<u>LIABILITIES AND NET POSITION</u>		
Current liabilities		
Accounts payable	\$ 5,276	\$ 21,204
Salaries and benefits payable	35,764	38,654
Compensated absences	10,887	17,367
Security deposit	2,500	2,500
Accrued interest on long-term liabilities	19,687	8,239
Current portion - note payable, Henfling Building	61,245	58,322
Current portion - capital lease payable - fire engine	67,125	-
Current portion - CalPERS termination liability	58,794	-
Total current liabilities	261,278	146,286
Noncurrent liabilities		
Long term debt - note payable, Henfling Building	201,604	262,443
Long term capital lease payable - fire engine	445,042	-
Long term liability - CalPERS termination liability	188,650	247,444
Total noncurrent liabilities	835,296	509,887
Net position		
Net investment in capital assets	724,533	638,448
Unrestricted net position		
General fund	1,314,047	1,124,380
Total net position	2,038,580	1,762,828
Total liabilities and net position	\$ 3,135,154	\$ 2,419,001

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

BEN LOMOND FIRE PROTECTION DISTRICT

Statements of Activities

For the Year Ended June 30, 2015

	<u>Program Revenues</u>				<u>2015 Total</u>
	<u>Expenditures</u>	<u>Charges for services</u>	<u>Strike Team reimburse- ments</u>	<u>Operating grants and contributions</u>	
Expenditures					
Fire protection					
Salaries and employee benefits	\$ 249,458	\$ -	\$ 29,807	\$ -	\$ 219,651
Services and supplies	177,365	1,763	11,265	-	164,337
Interest on long-term liabilities	26,982	-	-	-	26,982
Depreciation	<u>71,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,831</u>
Total governmental activities	<u>\$ 525,636</u>	<u>\$ 1,763</u>	<u>\$ 41,072</u>	<u>\$ -</u>	<u>482,801</u>
General revenues					
Property tax					684,999
Use of money and property					
Use of money (interest)					6,640
Rents and concessions					37,875
Aid from other government agencies					
State homeowners property tax relief					5,094
Other revenue					
Training funds					<u>23,945</u>
Total general revenues					<u>758,553</u>
Changes in net position					275,752
Net position					
Beginning of the year					<u>1,762,828</u>
End of the year					<u>\$ 2,038,580</u>

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

BEN LOMOND FIRE PROTECTION DISTRICT

Statements of Activities

For the Year Ended June 30, 2014

	<u>Program Revenues</u>				<u>2014 Total</u>
	<u>Expenditures</u>	<u>Charges for Services</u>	<u>Strike Team Reimburse- ments</u>	<u>Operating Grants and Contributions</u>	
Expenditures					
Fire protection					
Salaries and employee benefits	\$ 614,897	\$ -	\$ -	\$ -	\$ 614,897
Services and supplies	226,586	-	-	-	226,586
Interest expense	16,236	-	-	-	16,236
Depreciation	<u>73,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,659</u>
Total governmental activities	<u>\$ 931,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>931,378</u>
General revenues					
Property tax					626,466
Use of money and property					
Use of money (interest)					5,061
Rents and concessions					31,845
Aid from other government agencies					
State homeowners property tax relief					4,915
Other revenue					
Miscellaneous					<u>20,409</u>
Total general revenues					<u>688,696</u>
Changes in net position					(242,682)
Net position					
Beginning of the year					<u>2,005,510</u>
End of the year					<u>\$ 1,762,828</u>

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

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

BEN LOMOND FIRE PROTECTION FUNDS
Balance Sheets - Governmental Funds
June 30, 2015 and 2014

ASSETS

	<u>2015</u>	<u>2014</u>
	<u>Governmental General Fund</u>	<u>Governmental General Fund</u>
Assets		
Cash in County Treasury	\$ 1,635,605	\$ 1,454,443
Accounts receivable - rent	<u>-</u>	<u>5,345</u>
Total assets	<u>\$ 1,635,605</u>	<u>\$ 1,459,788</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$ 5,276	\$ 21,204
Salaries and benefits payable	<u>35,764</u>	<u>38,654</u>
Total liabilities	<u>41,040</u>	<u>59,858</u>
Fund balance		
Committed fund balance		
Mobile equipment replacement	400,000	400,000
Building improvements/retrofit	168,000	168,000
Workers compensation	300,000	300,000
CalPERS	69,239	69,239
Contingencies	69,239	69,239
Unassigned fund balance		
Reserved for imprest cash	100	100
Unassigned	<u>587,987</u>	<u>393,352</u>
Total fund balance	<u>1,594,565</u>	<u>1,399,930</u>
Total liabilities and fund balance	<u>\$ 1,635,605</u>	<u>\$ 1,459,788</u>

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

BEN LOMOND FIRE PROTECTION DISTRICT
Reconciliation of the Government Fund Balance Sheets
to the Government-Wide Statements of Net Position
June 30, 2015 and 2014

	2015	2014
Total fund balances - governmental funds	\$ 1,594,565	\$ 1,399,930
<p>Capital assets used in governmental funds are not financial resources and therefore are not reported as assets in the governmental funds.</p>		
Total historical cost of capital assets	3,137,935	2,525,768
Less: accumulated depreciation	(1,638,386)	(1,566,555)
<p>Compensated absences are reported in the government-wide statement of net position, but they do not require the use of current financial resources. Therefore, the liability is not reported in the governmental funds.</p>		
	(10,887)	(17,367)
<p>CalPERS termination expense is reported in the government-wide statement of net assets, but does not require the use of current financial resources. Therefore, the liability is not reported in the governmental funds.</p>		
	(247,444)	(247,444)
<p>Security deposits are recognized as revenue in the governmental funds, but are recorded as a liability in the government wide</p>		
	(2,500)	(2,500)
<p>Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in governmental funds.</p>		
	(19,687)	(8,239)
<p>Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at June 30 consist of:</p>		
Long-term debt - note payable	(262,849)	(320,765)
Capital leases payable - fire engine	(512,167)	-
Net position	\$ 2,038,580	\$ 1,762,828

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

BEN LOMOND FIRE PROTECTION DISTRICT
 Statements of Revenues, Expenditures and
 Changes in Fund Balances - Governmental Funds
 For the Years Ended June 30, 2015 and 2014

	Governmental Funds	
	2015 General	2014 General
Revenues		
Property taxes	\$ 684,999	\$ 626,466
Use of money and property	44,515	36,906
Intergovernmental revenue	46,166	4,915
Charges for services	1,763	-
Miscellaneous revenues	23,945	20,409
Total revenues	801,388	688,696
Expenditures		
Salaries and employee benefits	255,938	392,554
Services and supplies	177,365	226,586
Fixed assets	612,167	-
Other charges	173,450	73,450
Appropriations for contingencies	-	-
Total expenditures	1,218,920	692,590
Excess (deficiency) of revenues over expenditures	(417,532)	(3,894)
Other financing sources		
Inception of capital lease	612,167	-
Excess (deficit) of revenues and other financing sources over expenditures	194,635	(3,894)
Beginning fund balance	1,399,930	1,403,824
Ending fund balance	\$ 1,594,565	\$ 1,399,930

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

BEN LOMOND FIRE PROTECTION DISTRICT
Reconciliation of the Statements of Revenues, Expenditures
and Changes in Fund Balances in Governmental Funds
to the Statements of Activities
June 30, 2015 and 2014

	2015	2014
Net change in fund balances - total governmental funds	\$ 194,635	\$ (3,894)
Amounts reported for governmental activities in the Statement of Activities are different as follows:		
Government funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which capital overlays exceeded depreciation expense during the year.		
Current year capital outlays	612,167	-
Less: current year depreciation expense	(71,831)	(73,659)
Governmental funds report inceptions of capital leases as revenue; for government-wide financial statements revenue is not reported for inception of capital leases.	(612,167)	-
Compensated absences are reported in the government-wide statement of net position, but they do not require the use of financial resources. Therefore, the liability is not reported in governmental funds. The change in compensated absences for the fiscal year was:	6,480	(5,828)
CalPERS termination liability expense is reported in the government-wide statement of net position, but does not require the use of financial resources. Therefore, the expense is not recorded in the government fund statement of revenues, expenditures and changes in fund balance until paid.	-	(216,515)
Governmental funds report interest expense as paid, government-wide financial statements record interest as accrued. This is the net change in accrued interest for the period.	(11,448)	1,627
Repayment of principal on long-term liabilities is an expenditure for Governmental Funds, but the repayment reduces long-term liabilities on the Government-Wide Statement of Net Position. Principal payments made on long-term liabilities consist of the following:		
Long term debt - note payable, Henfling building	57,916	55,587
Long term capital lease payable - fire engine	100,000	-
Change in net position of governmental activities	\$ 275,752	\$ (242,682)

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

BEN LOMOND FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015 and 2014

1. General Information

Organization

The Ben Lomond Fire Protection District was organized June 15, 1923, in conformity with the Deering Act 2593, Statutes of 1881, since codified into the State of California Health and Safety Code, Sections 14001 et seq.

The District was reorganized in September 1966 in conformity with the Health and Safety Code, Sections 13801 et seq. The District provides fire protection for the town of Ben Lomond and the surrounding area. The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether it exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters). The District has determined that no outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight responsibility that would result in the District being considered a component unit of that entity.

District officials

The District is governed by a board of five directors. The following were in office at June 30, 2015:

	Term expires <u>November</u>
Dave Bingham, Chair	2018
Mike Ayers	2016
William Beltz	2016
Lisa Hill	2016
Tom Maxson	2018

Stacie Brownlee was the Fire Chief and board secretary at June 30, 2015.

Accounting records

The official accounting records of the District are maintained in the District office.

Minutes

Minutes were recorded for meetings and contained approvals for disbursements.

BEN LOMOND FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015 and 2014

1. General Information (continued)

Budgetary procedure

The District prepares a fiscal year budget in accordance with applicable laws and regulations.

Appropriations limit

In accordance with the California Constitution, the District has adopted an appropriations limit for the fiscal years 2014-2015 and 2013-2014.

2. Summary of Significant Accounting Policies

Introduction

The District's financial statements are prepared in conformance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

Basis of accounting and measurement focus

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenses or expenditures.

Financial statement presentation

Governmental-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental activities for the District.

The basic Government-Wide Financial Statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, deferred inflows/outflows of resources, including capital assets, and long-term liabilities are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period the liability is incurred.

BEN LOMOND FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015 and 2014

2. Summary of Significant Accounting Policies (continued)

The District's governmental-wide net position is classified in the following categories:

Net investment in capital assets – Includes amount of the net position that is invested in capital assets net of accumulated depreciation and any related debt.

Restricted – Includes amounts that can be spent only for the specific purposes stipulated by a formal action of the government's highest level of decision-making authority, external resource providers, constitutionally, or through enabling legislation.

Unrestricted – Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

Governmental Funds Financial Statements

The District's Government Funds financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds. An accompanying schedule is presented to reconcile and explain the differences in Net Position as presented in these Statements of Net Position presented in the Government-Wide financial statements.

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 Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents 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. Expenditures are recorded in the accounting period in which the related fund liability is incurred. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the different measurement focus and basis of accounting.

BEN LOMOND FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015 and 2014

2. Summary of Significant Accounting Policies (continued)

The District's governmental fund balance is classified in the following categories:

Nonspendable – Includes amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation.

Committed – Includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned – Includes amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned – Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

Total columns on combined statements - overview - Total Columns on the combined statement are captioned "memorandum only" to indicate that they are presented only to facilitate analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Property tax

The County of Santa Cruz assesses properties, bills, and collects property taxes for the District. Assessed values are determined annually by the County Assessor as of March 1, and become a lien on real property as of that date. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. The County bills and collects property taxes and remits them to the District under the state authorized method of apportioning taxes whereby all local agencies, including special districts, receive from the County their respective shares of the amount of ad valorem taxes collected.

Cash in county treasury

The Districts cash is held in County Treasury Pools and are considered cash. See Note 3 to the financial statements for information regarding the Pools investments, interest rate risk, concentration of credit risk and custodial credit risk for the largest County.

BEN LOMOND FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015 and 2014

2. Summary of Significant Accounting Policies (continued)

Accounts receivable

All accounts receivable, if any, are shown net of any allowance for uncollectible accounts. All receivables which have been remitted within 60 days subsequent to fiscal year end are considered measurable and available and recognized as income in the government-fund financial statements.

Inventory, materials and supplies

The inventory on hand at any time is small. Accordingly, purchases are charged directly to fixed assets or to maintenance costs, as applicable.

Prepaid items

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both the government-wide and government fund financial statements, as applicable.

Capital assets

Capital assets, which include land, buildings, improvements, and equipment are reported in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. The District has set capitalization thresholds for reporting capital assets at the following:

Structures	\$3,000
Equipment	300

Depreciation is recorded on the straight-line method (with no depreciation applied to the first year of acquisition) over the useful lives of the assets as follows:

Buildings	40 years
Equipment	10 - 20 years

BEN LOMOND FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015 and 2014

2. Summary of Significant Accounting Policies (continued)

District special expense

Because fire hose couplings and nozzles are peculiar to fire districts, the manual of the State Controller provides that purchases of such items be charged to the expense account, "District Special Expense".

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenses during the reporting period. Actual results could differ from those estimates.

Unrealized gains and losses

Governmental Accounting Standards Board (GASB) requires public agencies to report the financial effect of all unrealized gains and losses on invested funds. As of June 30, 2015 and 2014, the unrealized gains for Ben Lomond Fire Protection District were not considered to be material to the financial statements taken as a whole, and accordingly, have not been reflected in the financial statements.

New accounting standard

GASB Statement 68, *Accounting and Financial Reporting for Pensions*, establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pension benefits provided through defined benefit pension plans (for example CalPERS). For the District, GASB 68 is applicable as of June 30, 2015.

The adoption of GASB Statement 68 had no effect on the financial statements of the District. The District terminated its contract with CalPERS as of June 30, 2014 and recorded a termination liability as of June 30, 2014.

The District does not currently provide retirement benefits through a defined benefit pension plan.

As of June 30, 2015 the District provides retirement benefits through a Defined Contribution Plan managed by the Public Agency Retirement Services (PARS).

BEN LOMOND FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015 and 2014

3. Pooled Cash and Investments

The District's funds are held in the County of Santa Cruz pooled cash and investment pool. The following is information from the most recently available (June 30, 2015) audited financial statements of the County of Santa Cruz.

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds monthly using a formula based on the average daily cash balance of each fund. Interest earned through June 30, 2015 was distributed on the thirtieth business day during June 2015, and is shown as part of receivables on the financial statements.

The following is a summary of cash and investments at June 30, 2015:

	Government-Wide Statement of Net Position			
	Primary Governments			Component Unit
	Governmental Activities	Business-Type Activities	Total	Santa Cruz County Sanitation District
Cash and investments	\$ 206,499,726	\$ 5,868,928	\$ 212,368,654	\$ 19,821,327
Restricted cash and investments	14,047,087	6,076,310	20,123,397	969,937
Total cash and investments	\$ 220,546,813	\$ 11,945,238	\$ 232,492,051	\$ 20,791,264
	Fiduciary Funds			
	Agency Funds	Investment Trust Fund	Private Purpose Trust Fund	County Total
Cash and investments	\$ 40,590,783	\$ 371,829,794	\$ 13,308,970	\$ 657,919,528
Restricted cash and investments	-	-	9,093,441	30,186,775
Total cash and investments	\$ 40,590,783	\$ 371,829,794	\$ 22,402,411	\$ 688,106,303

BEN LOMOND FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2015 and 2014

3. Pooled Cash and Investments (continued)

	<u>Cash and Investments</u>	<u>Restricted Cash & Investments</u>	<u>Total</u>
Primary government and fiduciary funds			
Cash on hand or imprest cash	\$ 3,021,442	\$ -	\$ 3,021,442
Cash deposits in Treasury Pool	19,648,141	-	19,648,141
Investments in Treasury Pool	615,428,618	-	615,428,618
Restricted investments in other pools	-	23,157,037	23,157,037
Restricted cash deposits in Treasury Pool	-	-	-
Davenport Sanitation District	-	-	-
County Disposal Sites CSA 9C	-	6,059,801	6,059,801
Total	<u>638,098,201</u>	<u>29,216,838</u>	<u>667,315,039</u>
Component unit			
Investments in Treasury Pool	19,821,327	-	19,821,327
Restricted investments in other banks	-	969,937	969,937
Total	<u>19,821,327</u>	<u>969,937</u>	<u>20,791,264</u>
Total cash and investments	<u>\$ 657,919,528</u>	<u>\$ 30,186,775</u>	<u>\$ 688,106,303</u>

At June 30, 2015, the County's cash on hand, deposits, and investments consisted of:

	<u>Treasury Pool</u>	<u>Other Banks/ Investment Pools</u>	<u>Total</u>
Primary government and fiduciary funds			
Cash on hand or imprest cash	\$ 163,310	\$ 2,858,132	\$ 3,021,442
Deposits	19,648,141	-	19,648,141
Investments	<u>620,322,066</u>	<u>24,323,390</u>	<u>644,645,456</u>
Total primary government and fiduciary funds	<u>640,133,517</u>	<u>27,181,522</u>	<u>667,315,039</u>
Component unit			
Investments	<u>19,821,327</u>	<u>969,937</u>	<u>20,791,264</u>
Total component unit	<u>19,821,327</u>	<u>969,937</u>	<u>20,791,264</u>
Total reporting entity	<u>\$ 659,954,844</u>	<u>\$ 28,151,459</u>	<u>\$ 688,106,303</u>

BEN LOMOND FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2015 and 2014

3. Pooled Cash and Investments (continued)

The carrying amounts of the County's cash deposits were \$19,648,141 at June 30, 2015, of which the bank balances were fully insured or collateralized with securities held by the pledging financial institutions in the County's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the County's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the County's name.

The market value of pledged securities must equal at least 110% of the County's cash deposits. California law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County's total cash deposits. The County may waive collateral requirements for cash deposits, which are fully insured up to \$250,000, by the Federal Deposit Insurance Corporation. The County, however, has not waived the collateralization requirements.

Investments

The table below identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, where more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local agency bonds	5 Years	10%	None
U.S. Treasury obligations	5 Years	100%	None
U.S. Government Agency obligations	5 Years	100%	25%
Bankers' acceptances	180 days	40%	10%
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 Years	30%	10%
Bank deposit	5 Years	10%	10%
Repurchase agreements	1 Year	100%	10%
Medium term notes	5 Years	30%	10%
Mutual funds/money market mutual funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	\$50 Million	None
Joint Powers Authority investment funds	N/A	25%	None
Supranationals	5 years	30%	None

BEN LOMOND FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015 and 2014

3. Pooled Cash and Investments (continued)

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at cost, as the fair market value adjustment at the year-end was immaterial.

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code of the County's investment policy.

Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy.

At June 30, 2015, the County had the following investment maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>				
		<u>Less Than 1</u>	<u>1 to 2</u>	<u>2 to 3</u>	<u>3 to 4</u>	<u>More than 4</u>
U.S. treasury securities	\$ 226,511,293	\$ 61,041,740	\$ 107,514,950	\$ 57,954,603	\$ -	\$ -
Federal agency securities	283,626,245	50,046,900	134,634,010	98,945,335	-	-
Medium term notes - other	73,469,107	61,387,500	12,081,607	-	-	-
Money market mutual funds	500,173	500,173	-	-	-	-
Local Agency Investment						
Fund (LAIF)	26,023,858	26,023,858	-	-	-	-
Certificates of deposit	55,499,791	55,499,791	-	-	-	-
Investment agreements	9,000,000	9,000,000	-	-	-	-
Total investments	<u>\$ 674,630,467</u>	<u>\$ 263,499,962</u>	<u>\$ 254,230,567</u>	<u>\$ 156,899,938</u>	<u>\$ -</u>	<u>\$ -</u>

BEN LOMOND FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2015 and 2014

3. Pooled Cash and Investments (continued)

Concentration of Credit Risk

At June 30, 2015, in accordance with State law and the County's Investment Policy, the County did not have 5% or more of its net investment in commercial paper, corporate bonds, or medium-term notes of a single organization, nor did it have 10% or more of its investment in any one money market mutual fund. Investments in obligations of the U.S. government, U.S. government agencies, or government sponsored enterprises are exempt

The following schedule is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2015.

<u>Investment Type</u>	<u>Standard & Poor's</u>	<u>Moody's</u>	<u>% of Portfolio</u>
U.S. Treasury Securities	AA+	Aaa	33.51%
Federal Agency Securities	AA+	Aaa	42.08%
Medium Term Notes	AA/AAA	Aaa/Aa1-Aa3	10.90%
Money Market Mutual Funds	Unrated	Unrated	0.07%
Local Agency Investment Fund (LAIF)	Unrated	Unrated	3.86%
Certificates of Deposit	A1+	P1	5.94%
Checking Account	Unrated	Unrated	2.30%
Investment Agreements	Unrated	Unrated	1.34%
Total			<u>100.00%</u>

Custodial Credit Risk

For investments and deposits held with fiscal agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year end, the County's investment pool and cash with fiscal agents had no securities exposed to custodial credit risk.

BEN LOMOND FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2015 and 2014

3. Pooled Cash and Investments (continued)

Local Agency Investment Fund

The County is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The County's investments with LAIF at June 30, 2015, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes : debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities : generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

At June 30, 2015, the County had \$26,023,858 invested in LAIF, which had invested 0.13% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 0.21% in the previous year. LAIF provided a fair value factor of 1.000375979 to calculate the fair value of the investments in LAIF. However, an adjustment was not made to reflect the fair market value of LAIF, as the fair market value adjustment was considered immaterial.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

BEN LOMOND FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2015 and 2014

4. Changes in Fixed Assets

As of June 30, 2015 and 2014, fixed assets consisted of the following:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Land	\$ 521,432	\$ -	\$ -	\$ 521,432
Structures and improvements	571,194	-	-	571,194
Equipment	1,433,142	612,167	-	2,045,309
Total	\$ 2,525,768	\$ 612,167	\$ -	\$ 3,137,935
 Accumulated depreciation	\$ (1,566,555)	\$ (71,831)	\$ -	\$ (1,638,386)
	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Land	\$ 521,432	\$ -	\$ -	\$ 521,432
Structures and improvements	571,194	-	-	571,194
Equipment	1,433,142	-	-	1,433,142
Total	\$ 2,525,768	\$ -	\$ -	\$ 2,525,768
 Accumulated depreciation	\$ (1,492,896)	\$ (73,659)	\$ -	\$ (1,566,555)

5. Noncurrent Liabilities

A summary of noncurrent liability transactions of Ben Lomond Fire Protection District for the years ended June 30, 2014 and 2015 follows:

	Balance June 30, 2014	Additions	Payments	Balance June 30, 2015
Note payable, Henfling Building	\$ 320,765	\$ -	\$ (57,916)	\$ 262,849
Capital lease payable - fire engine	-	612,167	(100,000)	512,167
CalPERS termination liability	247,444	-	-	247,444
	Balance June 30, 2013	Additions	Payments	Balance June 30, 2014
Note payable, Henfling Building	\$ 376,352	\$ -	\$ (55,587)	\$ 320,765
CalPERS termination liability	-	395,136	(147,692)	247,444

BEN LOMOND FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015 and 2014

5. Noncurrent Liabilities (continued)

Noncurrent liabilities consist of the following items:

	<u>2015</u>	<u>2014</u>
Note payable, Henfling building; Santa Cruz County Bank dated January 26, 2009, due in 19 semi-annual payments of \$36,725, including interest at 4.950% per annum. Final payment due January 1, 2019. Secured by real property	\$ 262,849	\$ 320,765
CalPERS amortized termination liability, due in 4 annual payments of \$67,207, including interest at 3.400% per annum. First payment due July 1, 2015, final payment due July 1, 2018. Unsecured.	247,444	247,444
Capital lease agreement for fire engine; dated January 30, 2015 from Oshkosh Capital. Due in 7 annual payments of \$81,773, including interest at 2.860.0% per annum. Initial payment due February 25, 2016, final payment due February 25, 2022. Secured by the fire engine.	<u>512,167</u>	<u>-</u>
Total	1,022,460	568,209
Less current portion	<u>(187,164)</u>	<u>(58,322)</u>
	<u>\$ 835,296</u>	<u>\$ 509,887</u>

Maturities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 187,164	\$ 35,266	\$ 222,430
2017	194,152	28,278	222,430
2018	201,416	21,014	222,430
2019	207,800	14,630	222,430
2020	75,140	6,633	81,773
2021-2022	<u>156,788</u>	<u>6,758</u>	<u>163,546</u>
	<u>\$ 1,022,460</u>	<u>\$ 112,579</u>	<u>\$ 1,135,039</u>

6. Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

BEN LOMOND FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015 and 2014

6. Risk Management (continued)

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

General liability

The District has joined the Fire Agencies Insurance Risk Authority, a joint powers authority (JPA) with other California special districts as members. The relationship between the District and the JPA is such that the JPA is not a component unit of the District for reporting purposes. The Authority, as administrator, maintains general liability insurance for its members. The purpose of the joint protection program is to reduce the amount and frequency of their losses, pool their self-insured losses, and jointly purchase general liability insurance. For the fiscal year ended June 30, 2015 and 2014, FAIRA maintained a fully-insured program.

Workers' compensation coverage

For the fiscal years ended June 30, 2015 and 2014, the District carried workers' compensation insurance through the Santa Cruz County Fire Agencies Insurance Group (the "Group"). At a board meeting on June 19, 2002, the Group approved the return of its self-insurance certificates to the State and to accept a proposal from California Public Entity Insurance Authority (CPEIA), a joint powers authority, for both primary and excess workers compensation coverage.

CPEIA is a component unit of the CSAC Excess Insurance Authority. The relationship between the Group and CPEIA ("the JPA") is such that CPEIA is not a component unit of the Group for reporting purposes.

CPEIA is a joint powers agency (JPA) formed in 2001 pursuant to section 6500 et seq. of the California Government Code. Members are assessed a contribution for each program in which they participate. Members may be subject to additional supplemental assessments if it is determined that the contributions are insufficient. Members may withdraw from the CPEIA only at the end of a policy period, and only if a sixty day written advance notice is given. However, members joining the program, and transferring all outstanding liabilities through a "portfolio transfer" make a five-year commitment to the program. CPEIA may cancel a membership at any time upon a two-thirds vote of the Board of Directors and with sixty days written notice. Upon withdrawal or cancellation, a member shall remain liable for additional assessments for the program periods they have participated. CPEIA is governed by a board of directors. The board controls the operations of CPEIA including adopting an annual budget.

Primary Workers' Compensation

The Primary Workers' Compensation program is a full service program including claims administration. Members joining the program, and transferring all outstanding liabilities through a "portfolio transfer" make five-year commitment to the program. The program blends pooling of workers' compensation claims with a purchased stop loss insurance policy.

BEN LOMOND FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015 and 2014

6. Risk Management (continued)

Excess Workers' Compensation

CPEIA retains responsibility for payment of claims in excess of \$125,000 for each member who also participates in the primary workers' compensation program. Claim liabilities are recognized based on the actuarial estimate of expected ultimate claim cost discounted at 6%.

Insurance coverage as of June 30, 2015 is as follows:

	<u>Limits</u>	<u>Deductible</u>
General liability		
Each occurrence	\$ 1,000,000	\$ -0-
Annual aggregate	15,000,000	
Firehouse and other property		
Firehouse	\$ 700,000	\$ 5,000
Firehouse contents	100,000	5,000
Generator room	10,000	5,000
Generator room contents	25,000	5,000
Property/floater	100,000	5,000
Arden property	100,000	5,000
Henfling building	600,000	5,000
Automobile		
Emergency response vehicle	Agreed Value	\$ 3,000
Most private passenger, service, some trailers, and some non-emergency vehicles	Actual Cash	1,000
Insurable values	\$ 998,352	1,000
Vehicle physical damage	Insured	
<u>Comprehensive and collision</u>	<u>Amount</u>	<u>Deductible</u>
1987 Ford fire engine	Actual Cash	\$ 1,000
1993 KME fire truck	Actual Cash	1,000
1993 Ford F350	Actual Cash	1,000
1926 Reo fire engine	Actual Cash	1,000
1996 International fire engine	Actual Cash	1,000
2000 KME fire engine	Actual Cash	1,000
2001 Ford expedition	Actual Cash	1,000
2005 Ford expedition	Actual Cash	1,000
2006 Ford F250 pick up	Actual Cash	1,000

BEN LOMOND FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015 and 2014

7. Employees' Retirement Systems

Prior retirement plan

During the fiscal year ended June 30, 2014, Ben Lomond Fire terminated its contract with the Public Employees' Retirement System (CalPERS). Termination of the contract, which was effective October 16, 2013, resulted in a termination liability.

Current retirement plan

Plan description

The following description provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Effective May 13, 2015, Ben Lomond Fire Protection District adopted a Defined Contribution Plan through Public Agency Retirement Services; PARS Participant-Directed 401(a)Trust. The Plan meets the requirements of a pension trust under California Government Code sections 53215-53224, or their successor sections.

Eligibility

An eligible employee shall participate in this plan if he or she is the Fire Chief of the Employer on or after May 13, 2015.

Termination of participation

A participant shall cease to be a participant on the date of his or her termination of employment as determined by the employer.

Effect of transfer to ineligible employment

If a participant is no longer an eligible employee and becomes an ineligible employee, such employee will participate immediately upon returning to the eligible class of employees. Such participation shall commence as of the first day of such eligible employment.

BEN LOMOND FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015 and 2014

7. Employees' Retirement System (continued)

Vesting

Employee contributions are fully vested upon contribution.

Employer contributions shall be 100% vested upon completion of five years of service with the employer or upon attainment of normal retirement age. If the vesting requirements are not met upon termination of employment with the employer, the percent vested in the employer contribution account shall be determined by the following schedule, calculated as of the last day of employment with the employer.

Year(s) of service	Vesting percentage For Employer Contributions
Less than 1 year	0%
1	20%
2	40%
3	60%
4	80%
5	100%

Funding policy

Employer contributions

For each day that an employee remains a participant under the plan, the employer contribution shall be equal to 21.533% of compensation. The amount shall be made before the close of the plan year and credited to the employer contribution account.

Employee contributions

For each day that an employee remains a participant under the plan, the employee will make a mandatory contribution to the plan equal to 7.0% of compensation. The amount shall be made before the close of the plan year and credited to the employer contribution account.

Annual pension cost

For fiscal year 2013/2014 the District's annual pension cost was \$176,175 and consisted of the following; CalPERS \$162,040 including coverage until termination as of October 16, 2013 and a partial payment on termination liability; and \$14,135 bridge payment for eligible employee from termination of CalPers to end of fiscal year June 30, 2014.

For fiscal year 2014/2015 the District's annual pension cost was a \$15,335 contribution to the new PARS Defined Contribution Plan.

BEN LOMOND FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015 and 2014

7. Employees' Retirement Systems (continued)

Three-year trend information for Ben Lomond Fire Protection District:

Fiscal year <u>ending</u>	Annual pension <u>cost (APC)</u>	Percentage of APC <u>contributed</u>	Net pension <u>obligation</u>
6/30/13	\$ 21,203	100%	N/A
6/30/14	\$ 176,175	100%	N/A
6/30/15	\$ 15,335	100%	N/A

Required supplementary information

Funded status of the plan

The current plan is a defined contribution plan and is therefore 100% funded.

8. Fund Balance – Designated/Reserved

In anticipation of future expenditures the District has set up the following Designated/Reserved Funds

- Building improvements and retrofit fund
- Mobile equipment fund
- Workers' compensation fund
- Cal PERS fund
- Contingencies fund

9. Subsequent Events

The District's management has evaluated events and transactions subsequent to June 30, 2015 for potential recognition or disclosure in the financial statements. The District did not have subsequent events that required recognition or disclosure in the financial statements for the year ended June 30, 2015. Subsequent events have been evaluated through June 24, 2016, the date the financial statements became available to be issued. The District has not evaluated subsequent events after June 24, 2016.

REQUIRED
SUPPLEMENTARY INFORMATION

BEN LOMOND FIRE PROTECTION DISTRICT
 Budgetary Comparison Schedules of Revenues - Budget and Actual - General Fund
 For the Years Ended June 30, 2015 and 2014

	2015			Variance favorable (unfavorable)	2014			Variance favorable (unfavorable)
	Final budget	Amended final budget	Actual		Final budget	Amended Final budget	Actual	
Revenues								
Property taxes								
Current secured	\$ 622,620	\$ 622,620	\$ 662,868	\$ 40,248	\$ 594,289	\$ 594,289	\$ 609,069	\$ 14,780
Current unsecured	13,508	13,508	13,574	66	13,419	13,419	12,411	(1,008)
Current supplemental	-	-	6,366	6,366	-	-	4,444	4,444
Prior year	-	-	2,191	2,191	-	-	542	542
Total property taxes	<u>636,128</u>	<u>636,128</u>	<u>684,999</u>	<u>48,871</u>	<u>607,708</u>	<u>607,708</u>	<u>626,466</u>	<u>18,758</u>
Use of money and property								
Interest	-	-	6,640	6,640	-	-	5,061	5,061
Rents and concessions	31,500	31,500	37,875	6,375	31,500	31,500	31,845	345
Total use of money and property	<u>31,500</u>	<u>31,500</u>	<u>44,515</u>	<u>13,015</u>	<u>31,500</u>	<u>31,500</u>	<u>36,906</u>	<u>5,406</u>
Intergovernmental revenue								
ST - homeowners' property tax relief	4,967	4,967	5,094	127	5,036	5,036	4,915	(121)
State - other	-	-	41,072	41,072	-	-	-	-
Federal - other	-	-	-	-	-	-	-	-
Total intergovernmental revenue	<u>4,967</u>	<u>4,967</u>	<u>46,166</u>	<u>41,199</u>	<u>5,036</u>	<u>5,036</u>	<u>4,915</u>	<u>(121)</u>
Charges for services								
Inspection fees	-	-	1,763	1,763	-	-	-	-
Copy charges	-	-	-	-	-	-	-	-
Total charges for services	<u>-</u>	<u>-</u>	<u>1,763</u>	<u>1,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous revenue								
Other revenue	-	-	23,945	23,945	-	-	20,409	20,409
Total miscellaneous revenue	<u>-</u>	<u>-</u>	<u>23,945</u>	<u>23,945</u>	<u>-</u>	<u>-</u>	<u>20,409</u>	<u>20,409</u>
Other financing sources and uses								
Inception of capital lease	-	612,167	612,167	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>612,167</u>	<u>612,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>\$ 672,595</u>	<u>\$ 1,284,762</u>	<u>\$ 1,413,555</u>	<u>\$ 128,793</u>	<u>\$ 644,244</u>	<u>\$ 644,244</u>	<u>\$ 688,696</u>	<u>\$ 44,452</u>

BEN LOMOND FIRE PROTECTION DISTRICT
 Budgetary Comparison Schedules of Expenditures and Changes in Fund Balances - Budget and Actual - General Fund
 For the Years Ended June 30, 2015 and 2014

	2015			Variance favorable (unfavorable)	2014			Variance favorable (unfavorable)
	Final budget	Amended final budget	Actual		Final budget	Amended final budget	Actual	
Expenditures								
Salaries and employee benefits								
Salaries	\$ 223,500	\$ 223,500	\$ 227,479	\$ (3,979)	\$ 238,000	\$ 238,000	\$ 201,433	\$ 36,567
Retirement - social security and PERS/PARS	19,350	19,350	18,951	399	34,500	194,500	179,813	14,687
Employee insurance and benefits	3,000	3,000	(179)	3,179	3,000	3,000	2,204	796
Unemployment insurance	5,200	5,200	4,150	1,050	5,200	5,200	4,124	1,076
Workers' compensation insurance	5,500	5,500	5,537	(37)	5,000	5,000	4,980	20
Sick leave reserve	-	-	-	-	-	-	-	-
Total salaries and employee benefits	<u>256,550</u>	<u>256,550</u>	<u>255,938</u>	<u>612</u>	<u>285,700</u>	<u>445,700</u>	<u>392,554</u>	<u>53,146</u>
Services and supplies								
Clothing and personal supplies	29,023	29,023	2,806	26,217	12,000	12,000	9,680	2,320
Radio	16,800	16,800	14,328	2,472	20,000	20,000	12,860	7,140
Telephone and telegraph	5,500	5,500	4,819	681	7,000	7,000	5,853	1,147
Food	8,000	8,000	4,039	3,961	8,000	8,000	5,047	2,953
Other household expense	4,500	4,500	2,337	2,163	4,500	4,500	3,110	1,390
Liability insurance	10,000	10,000	9,901	99	13,400	13,400	10,473	2,927
Maintenance - mobile equipment	42,850	42,850	32,869	9,981	64,500	64,500	47,645	16,855
Maintenance - office equipment	500	500	337	163	1,500	1,500	200	1,300
Maintenance - other equipment	13,500	13,500	7,044	6,456	6,500	6,500	12,746	(6,246)
Maintenance - structure and grounds	14,095	14,095	12,545	1,550	7,645	7,645	7,774	(129)
Road repairs and services	1,000	1,000	-	1,000	1,000	1,000	7	993
Medical, dental and lab supplies	3,500	3,500	624	2,876	5,000	5,000	858	4,142
Memberships	4,300	4,300	2,827	1,473	4,614	4,614	844	3,770
Computer software	1,000	1,000	675	325	1,000	1,000	625	375
Postage	400	400	206	194	400	400	199	201
Supplies	1,000	1,000	512	488	1,000	1,000	477	523
Accounting and auditing	5,600	5,600	3,389	2,211	8,500	8,500	12,835	(4,335)
Directors fees	5,500	5,500	3,890	1,610	5,500	5,500	3,945	1,555
Laundry services	500	500	-	500	550	550	10	540
Medical services - other	5,600	5,600	5,908	(308)	5,600	5,600	3,951	1,649

BEN LOMOND FIRE PROTECTION DISTRICT
 Budgetary Comparison Schedules of Expenditures and Changes in Fund Balances - Budget and Actual - General Fund
 For the Years Ended June 30, 2015 and 2014

Expenditures (continued)	2015			Variance favorable (unfavorable)	2014			Variance favorable (unfavorable)
	Final budget	Amended final budget	Actual		Final budget	Amended final budget	Actual	
Services and supplies								
Professional services	\$ 20,130	\$ 20,130	\$ 10,834	\$ 9,296	\$ 19,200	\$ 19,200	\$ 25,132	\$ (5,932)
Publications and legal notices	400	400	129	271	400	400	270	130
Rents and leases - equipment	3,600	3,600	3,353	247	3,600	3,600	3,285	315
Small tools and instruments	5,500	5,500	3,180	2,320	20,000	20,000	4,460	15,540
Special district expense - training	9,000	9,000	9,403	(403)	10,000	10,000	9,163	837
Special district expense - services	33,747	33,747	19,580	14,167	22,635	22,635	21,692	943
Gas, oil, and fuel	12,000	12,000	9,506	2,494	6,500	6,500	5,524	976
Travel expense	5,000	5,000	-	5,000	5,000	5,000	4,540	460
Utilities	13,500	13,500	12,324	1,176	13,500	13,500	13,381	119
Total services and supplies	<u>276,045</u>	<u>276,045</u>	<u>177,365</u>	<u>98,680</u>	<u>279,044</u>	<u>279,044</u>	<u>226,586</u>	<u>52,458</u>
Other charges								
Principal	56,000	157,920	157,916	4	56,000	55,637	55,587	50
Interest	18,000	16,080	15,534	546	17,500	17,863	17,863	-
Total other charges	<u>74,000</u>	<u>174,000</u>	<u>173,450</u>	<u>550</u>	<u>73,500</u>	<u>73,500</u>	<u>73,450</u>	<u>50</u>
Fixed assets								
Buildings and improvements	5,000	5,000	-	5,000	5,000	5,000	-	5,000
Equipment	1,000	1,000	-	1,000	1,000	1,000	-	1,000
Mobile equipment	60,000	612,167	612,167	-	-	-	-	-
Total fixed assets	<u>66,000</u>	<u>618,167</u>	<u>612,167</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Appropriations for contingencies	-	-	-	-	-	-	-	-
Total expenditures	<u>\$ 672,595</u>	<u>\$ 1,324,762</u>	<u>\$ 1,218,920</u>	<u>\$ 105,842</u>	<u>\$ 644,244</u>	<u>\$ 804,244</u>	<u>\$ 692,590</u>	<u>\$ 111,654</u>