

Aptos/La Selva Fire Protection District

Financial Statements and Supplementary
Information

For the Year Ended June 30, 2015

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditors Report	1 - 2
Management's Discussion and Analysis	3 - 6
Government-Wide Financial Statements	
Statement of Net Position	7
Statement of Activities	8
Governmental Funds Financial Statements	
Balance Sheet - Governmental Funds	9
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
GASB 45 Trust Fund Financial Statement	
Statement of Plan Position and Changes in Plan Net Position	13
Notes to Financial Statements	14 - 39
Required Supplementary Information (Unaudited)	
Budgetary Comparison Schedules -	
Revenues - Budget and Actual - General Fund	40
Expenditures - Budget and Actual - General Fund	41 - 42
GASB 68 Pension RSI -	
Schedule of Proportionate Share of Net Pension Liability and Related Ratios	43
Schedule of Contributions	44



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Aptos/La Selva Fire Protection District
Aptos, California

We have audited the accompanying financial statements of the governmental activities, and each major fund of Aptos/La Selva Fire Protection District as of and for the year ended June 30, 2015, 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 audit. We conducted our audit 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 Aptos/La Selva Fire Protection District as of June 30, 2015, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in note 2 to the financial statements, for the year ended June 30, 2015, the District adopted new accounting guidance. Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the additional required supplementary 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.

Report on Summarized Comparative Information

The 2014 financial statements of Aptos/La Selva Fire Protection District, as of and for the year ended June 30, 2014, were audited by Berger Lewis Accountancy Corporation, whose practice became part of Armanino^{LLP} as of January 1, 2015, and whose report dated October 8, 2014 expressed unmodified opinions on those statements.



Armanino^{LLP}
Santa Cruz, California

June 22, 2016

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
June 30, 2015

The District provides fire protection and emergency medical services for the Aptos and La Selva Beach areas. This section of the District's financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015.

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 and governmental fund financial statements; GASB 45 trust funds financial statements; notes to the financial statements, and required supplementary information (budgetary comparison table and GASB 68 Pension schedules).

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 GASB 45 funds financial statements are prepared on the accrual basis of accounting and economic resources focus. The required financial statements are: Statement of Plan Assets and Statement of Changes in Plan Net Assets. The Statement of Plan Assets shows all current assets of the Plan. The Statement of Changes in Plan Net Assets reports all revenue and expenses during the year and the change in the Plan Net Assets.

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

General Fund - Most of the District's basic services are accounted for in this fund.

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
June 30, 2015

Change in accounting standards. The District adopted *Governmental Accounting Standards Board (GASB) statement 68, Accounting and Financial Reporting for Pensions*, as of July 1, 2014. Under GASB 68 the "Net Pension Liability" is added to the statement of net position. Additional balances are reported for Deferred Outflows and Deferred Inflows of Resources.

Comparative financial statements. Prior year 2014 data has not been restated to reflect changes under GASB 68 as that data is not readily available.

Condensed government-wide financial data

	<u>2015</u>	<u>2014</u>
Current assets	\$ 3,824,662	\$ 2,934,065
Deferred outflow of resources	1,793,839	-
Station and equipment, net of accumulated depreciation	<u>5,480,129</u>	<u>5,731,150</u>
Total assets and deferred outflows of resources	<u>\$ 11,098,630</u>	<u>\$ 8,665,215</u>
Current liabilities	\$ 305,689	\$ 295,728
Long-term liabilities	13,928,713	641,229
Deferred inflow of resources	<u>3,091,413</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>17,325,815</u>	<u>936,957</u>
Net position (deficit)		
Net investment in capital assets	5,480,129	5,731,150
Unrestricted	<u>(11,707,314)</u>	<u>1,997,108</u>
Total net position (deficit)	<u>(6,227,185)</u>	<u>7,728,258</u>
Total liabilities, deferred inflows of resources and net position (deficit)	<u>\$ 11,098,630</u>	<u>\$ 8,665,215</u>
	<u>2015</u>	<u>2014</u>
Expenditures, net of program revenue	<u>\$ 8,709,896</u>	<u>\$ 9,226,827</u>
General revenues		
Property tax	9,643,827	8,898,955
Other taxes - fire protection tax	131,706	131,097
Use of money and property (interest income)	8,844	5,891
Aid from other government agencies	72,155	70,260
Other revenue	<u>142,153</u>	<u>8,491</u>
Change in net position	<u>\$ 1,288,789</u>	<u>\$ (112,133)</u>

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
June 30, 2015

Financial Analysis of the District as a Whole

Net Position. The District's net position (deficit) was decreased as of July 1, 2014 for the adoption of GASB 68 by \$15,244,232. The District's net position (deficit) increased by \$1,288,789 for the fiscal year ended June 30, 2015, or approximately 21 percent, to a total of (\$6,227,185). Of the (\$6,227,185) in net position (deficit), \$5,480,129 is invested in capital assets (net of accumulated depreciation and related acquisition debt).

Financial Analysis of the District's Funds

Governmental fund balances were not changed by the July 1, 2014 adoption of GASB 68. Governmental fund balances increased by \$872,305. The main reason for the difference between the \$1,288,789 increase in District net position (deficit) and the \$872,305 increase in fund balances is as follows: Differences in accounting for fixed assets additions and pension liability and related deferred outflow and inflows of financial resources and are shown in the reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to statement of activities.

Budgetary Highlights

Each budget includes multi-year forecasts. Contact the District Business Manager to obtain copies.

Capital Assets

As of June 30, 2015, the District had invested \$8,331,781 in a broad range of capital assets including land, structures and improvements, and equipment.

This year's major capital asset additions included:

Compressor	\$ 49,950
------------	-----------

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
June 30, 2015

Long-Term Liabilities

As of June 30, 2015, the District has the following long-term liabilities.

Change in accounting standards. The District adopted *Governmental Accounting Standards Board (GASB) statement 68, Accounting and Financial Reporting for Pensions*, as of July 1, 2014. Under GASB 68 the "Net Pension Liability" is added to the statement of net position. Additional balances are reported for Deferred Outflows and Deferred Inflows of Resources. During the year ended June 30, 2015 the net pension liability increased due to new accounting standards, increased due to the current year pension expense, and decreased due to current year earnings on pension assets. The net pension liability is \$13,340,180.

Economic Factors and Next Year's Budget

The District's main source of revenue is property taxes. The District expects property tax revenue to increase 5.0% for the fiscal year ending June 30, 2016 compared to 2015 actual.

The budget for 2015-2016 expenditures, as amended, totals \$11,139,258. Significant budget increases over 2015 actual are include: salaries and employee benefits increase due to budgeted increases in retirement (PERS) and workers compensation; services and supplies increases due to budgeted increases in clothing and personal supplies for turnouts, capital asset purchases are budgeted at \$471,300, and a contingency budget of \$100,000.

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 6934 Soquel Drive, Aptos, California 95003.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Statement of Net Position
June 30, 2015 (With Comparative Totals for 2014)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2015	2014
Current assets		
Cash - cash in county treasury	\$ 3,739,089	\$ 2,800,625
Accounts receivable	53,037	35,276
Prepaid expenses	32,536	98,164
Total current assets	3,824,662	2,934,065
Station and equipment - net of accumulated depreciation		
Land	45,953	45,953
Structures and improvements	4,458,240	4,458,240
Equipment	3,827,588	3,774,617
Total station and equipment	8,331,781	8,278,810
Less accumulated depreciation	(2,851,652)	(2,547,660)
Station and equipment, net of accumulated depreciation	5,480,129	5,731,150
Deferred outflow of resources		
Contributions to CalPERS pension plan in current fiscal year	1,785,932	-
Adjustments due to differences in proportions	7,907	-
Total deferred outflow of resources	1,793,839	-
Total assets and deferred inflows of resources	\$ 11,098,630	\$ 8,665,215

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Current liabilities		
Accounts payable	\$ 13,602	\$ 27,879
Accrued salaries and benefits	209,337	176,768
Accrued compensated absences	82,750	91,081
Total current liabilities	305,689	295,728
Noncurrent liabilities		
Accrued compensated absences	588,533	641,229
Net pension liability	13,340,180	-
Total noncurrent liabilities, net of current portion	13,928,713	641,229
Deferred inflow of resources		
Net difference between projected and actual earnings on pension plan assets	3,088,962	-
Adjustments due to differences in proportions	2,451	-
Total deferred inflow of resources	3,091,413	-
Net position (deficit)		
Net investment in capital assets	5,480,129	5,731,150
Unrestricted net position		
General fund (fiscal year beginning July 1, 2014 as restated)	(11,707,314)	1,997,108
Total net position (deficit)	(6,227,185)	7,728,258
Total liabilities, deferred inflows of resources and net position (deficit)	\$ 11,098,630	\$ 8,665,215

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

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Statement of Activities
For the Year Ended June 30, 2015 (With Comparative Totals for 2014)

	<u>Program Revenues</u>				2015 Total	2014 Total
	<u>Expenditures</u>	Charges for services and grants	Strike team reimburse- ments	Emergency response and other reimburse- ments		
Expenditures						
Fire protection						
Salaries and benefits	\$ 7,998,286	\$ 25,111	\$ 93,512	\$ 244,172	\$ 7,635,491	\$ 8,171,501
Services and supplies	802,848	11,443	28,465	5,623	757,317	745,069
Interest on long-term liabilities	-	-	-	-	-	1,846
Contributions to other agencies	13,096	-	-	-	13,096	15,659
Depreciation	<u>303,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,992</u>	<u>292,752</u>
Total governmental activities	<u>9,118,222</u>	<u>36,554</u>	<u>121,977</u>	<u>249,795</u>	<u>8,709,896</u>	<u>9,226,827</u>
General revenues						
Property tax					9,643,827	8,898,955
Other taxes - fire protection tax					131,706	131,097
Use of money and property					8,844	5,891
Aid From other government						
Government agencies						
State homeowners' property tax relief					72,155	70,260
Other revenue						
Other revenue					142,130	4,184
Contribution from other agency					23	-
Contributions - public					-	555
Gain (loss) on disposal of fixed assets					<u>-</u>	<u>3,752</u>
Total general revenues					<u>9,998,685</u>	<u>9,114,694</u>
Change in net position					1,288,789	(112,133)
Net position (deficit)						
Beginning of the year					7,728,258	7,840,391
Restatement as of July 1, 2014 for GASB 68 pension accounting					<u>(15,244,232)</u>	<u>-</u>
End of the year					<u>\$ (6,227,185)</u>	<u>\$ 7,728,258</u>

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

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

APTOS/LA SELVA FIRE PROTECTION DISTRICT
 Balance Sheet - Governmental Funds
 June 30, 2015 (With Comparative Totals for 2014)

ASSETS

	Governmental Fund Types		
	General	Total (memorandum only)	
		2015	2014
Assets			
Cash - cash in county treasury	\$ 3,739,089	\$ 3,739,089	\$ 2,800,625
Accounts receivable	53,037	53,037	35,276
Prepaid expenses	32,536	32,536	98,164
Total assets	\$ 3,824,662	\$ 3,824,662	\$ 2,934,065

LIABILITIES AND FUND BALANCE

Liabilities			
Accrued payroll	\$ 209,337	\$ 209,337	\$ 176,768
Accounts payable	13,602	13,602	27,879
Total liabilities	222,939	222,939	204,647
Fund balance			
Unassigned fund balance			
Reserved for imprest cash	200	200	200
Unreserved, undesignated	3,601,523	3,601,523	2,729,218
Total fund balance	3,601,723	3,601,723	2,729,418
Total liabilities and fund balance	\$ 3,824,662	\$ 3,824,662	\$ 2,934,065

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

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2015 (With Comparative Totals for 2014)

	2015	2014
Total fund balances - governmental funds	\$ 3,601,723	\$ 2,729,418
<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	8,331,781	8,278,810
Less accumulated depreciation	(2,851,652)	(2,547,660)
<p>Deferred outflow of resources represent amounts related to PERS pension liability in the current year that are allocated to next year based on GASB 68. Under GASB 68 the net pension plan liability is determined using a measurement date one year earlier than the financial statement date. The cash payments made to the plan after the measurement date are treated as deferred outflows of resources. As of June 30, 2015 the amount includes the cash payments to the PERS pension plan during fiscal year ended June 30, 2015 of \$1,785,932 plus miscellaneous actuarial adjustments of \$7,907.</p>		
	1,793,839	-
<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>		
	(671,283)	(732,310)
<p>Deferred inflow of resources represent amounts related to PERS pension liability in the current year that are allocated to the future based on GASB 68. Under GASB 68 the net difference between projected and actual earnings on pension plan investments are amortized over time to smooth out swings in pension expense recognition that would otherwise result from large movements in the net pension liability from year to year. The amounts on the balance sheet have been allocated to current and long term based on the GASB 68 Accounting Valuation Report. Total deferred inflow of resources as of June 30:</p>		
	(3,091,413)	-
<p>Net pension liability is reported on the government wide financial statements; as the liability will be paid out of future resources the amount is not shown on the government fund financial statements. Total pension liability as of June 30:</p>		
	(13,340,180)	-
Net position	\$ (6,227,185)	\$ 7,728,258

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

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds
For the Year Ended June 30, 2015 (With Comparative Totals for 2014)

	Governmental Fund Types		
	General	Total (memorandum only)	
		2015	2014
Revenues			
Property taxes	\$ 9,643,827	\$ 9,643,827	\$ 8,898,955
Other taxes	131,706	131,706	131,097
Use of money and property	8,844	8,844	5,891
Aid From other government agencies	194,154	194,154	227,473
Other revenue	142,130	142,130	55,626
Current services	286,350	286,350	161,439
Total revenues	<u>10,407,011</u>	<u>10,407,011</u>	<u>9,480,481</u>
Expenditures			
Salaries and employee benefits	8,665,791	8,665,791	8,476,542
Services and supplies	802,848	802,848	792,218
Other charges	13,096	13,096	68,057
Fixed assets	52,971	52,971	73,183
Appropriations for contingencies	-	-	-
Total expenditures	<u>9,534,706</u>	<u>9,534,706</u>	<u>9,410,000</u>
Excess (deficiency) of revenues over expenditures	872,305	872,305	70,481
Other financing sources (uses)			
Sale of fixed assets	-	-	21,254
Excess of revenues and other financing sources (uses) over expenditures	872,305	872,305	91,735
Beginning fund balance	<u>2,729,418</u>	<u>2,729,418</u>	<u>2,637,683</u>
Ending fund balance	<u>\$ 3,601,723</u>	<u>\$ 3,601,723</u>	<u>\$ 2,729,418</u>

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

APTOS/LA SELVA FIRE PROTECTION DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities

	2015	2014
Net Change in Fund Balances - Total Governmental Funds	\$ 872,305	\$ 91,735
<p>Amounts reported for governmental activities in the Statement of Activities are different as follows:</p> <p>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 outlays exceeded depreciation expense during the year.</p>		
Current Year Capital Outlays	52,971	73,183
Less: Current Year Depreciation Expense	(303,992)	(292,752)
<p>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.</p>		
	-	168
<p>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 Assets. Principal payments made on long-term liabilities during the year consist of the following:</p>		
Capital Leases Payable - Various Fixed Assets	-	50,384
<p>In the governmental funds, compensated absences (sick pay and vacations) are measured by the amount of financial resources used, which is the amounts actually paid. In the government-wide Statement of Activities compensated absences are measured by the amounts earned during the year. This is the net change in compensated absences for the period.</p>		
	61,027	(17,349)
<p>In the government funds, pension expense is measured by the amount of financial resources used which is the amounts actually paid to CalPERS based on a percentage of payroll. In the government-wide Statement of Activities pension expense is recognized as calculated under the guidance of GASB 68. The difference between the two methods are as follows:</p>		
	606,478	-
<p>In the governmental funds sales of fixed assets are measured by the amount of financial resources provided, which is the amounts actually received in cash. In the government-wide Statement of Activities sales of fixed assets are measured by the amount received less the basis in the assets sold or disposed of during the year.</p>		
	-	(17,502)
Change in Net Position of Governmental Activities	<u>\$ 1,288,789</u>	<u>\$ (112,133)</u>

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

GASB 45 TRUST FUND FINANCIAL STATEMENTS

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Statement of Plan Position and Changes in Plan Net Position
For the Year Ended June 30, 2015 (With Comparative Totals for 2014)

STATEMENT OF PLAN POSITION

	2015	2014
Assets		
Cash and short-term investments	\$ 631,918	\$ 626,710
Net position held in trust for other post employment benefits	\$ 631,918	\$ 626,710

STATEMENT OF CHANGES IN PLAN NET POSITION

Additions		
Operating transfers	\$ 6,578	\$ 14,461
Investment income (loss)	(732)	96,093
Total additions	5,846	110,554
Deductions		
Professional services	638	785
Total deductions	638	785
Net increase	5,208	109,769
Net position held in trust for other post employment benefits		
Beginning of year	626,710	516,941
End of year	\$ 631,918	\$ 626,710

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

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

1. General Information

Organization

The Aptos/La Selva Fire Protection District was organized July 1, 1986, from the consolidation of the Aptos Fire Protection District and the La Selva Fire Protection District, under the authority of Section 56000 et seq of the California Government Code. The District operates under the provisions of the Fire Protection District Law of 1987 (beginning with Health and Safety Code Section 13800), and provides fire protection services to the land areas covered by the former Aptos Fire Protection District and the La Selva Fire Protection District.

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 an elected board of five directors. The following were in office at June 30, 2015:

	Term Expires <u>November</u>
Michael Weatherford, President	2016
Vincent Hurley, Vice President	2018
Jim Abendschan, Director	2018
Bob Spisak, Director	2016
Vacant, Director	2016

The other officials of the Aptos/La Selva Fire Protection District at June 30, 2015 were:

Jon Jones, Fire Chief
Tracy New, Director of Business Services

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

1. General Information (continued)

Accounting records

The official accounting records of the District are maintained in the office of the Santa Cruz County Auditor-Controller. Supporting documents are maintained by the District.

Minutes

Minutes were recorded for meetings and contained approvals for disbursements.

Budgetary procedure

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

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.

New accounting guidance

For the year ended June 30, 2015, the District adopted new accounting guidance. Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB No.'s 68 and 71 establish standards for measuring and recognizing net pension (assets and) liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pension benefits provided through defined benefit pension plans. In addition, GASB Statement No. 68 requires disclosure of information related to pension benefits.

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. The District uses a chart of accounts based on the uniform accounting system prescribed by the State Controller.

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

Summarized financial information

The financial statements include certain prior-year summarized, comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2014 from which the summarized information was derived.

Financial statement presentation

Government-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, 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.

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 fund financial statements

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

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

Governmental fund financial statements (continued)

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.

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.

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

Governmental fund financial statements (continued)

GASB 45 trust funds - postretirement welfare benefits

The District provides postretirement welfare benefits to retired employees through a defined benefit healthcare plan, which is part of the Public Agency portion of the California Public Employees Retirement System (PERS). The District had been making contributions into a government fund to be used for future postemployment welfare benefits. During the fiscal year ended June 30, 2008, the District transferred these funds into a trust fund held by PERS per GASB Statement 45. See Note 9 for further explanations of the plan.

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 District's cash is held in the County of Santa Cruz Treasury Pool 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.

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.

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

Liability for compensated absences

The District is required to recognize a liability for employees' rights to receive compensation for future absences. On June 30, 2015, the liability for compensated absences was \$671,283. None of the liability for compensated absences is expected to be liquidated with expendable available financial resources; accordingly, compensated absences are accrued as a liability only in the government-wide financial statements.

Long-term debt

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position.

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. Normal maintenance and repairs are charged to operations as incurred. Major additions, improvements and replacements are capitalized. Gains and losses from sales or retirements of fixed assets are included in operations. The District has set capitalization thresholds for reporting capital assets at the following:

General Capital Assets	<u>\$2,000</u>
------------------------	----------------

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	5 - 20 years

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report deferred outflows of resources. Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has two items which qualify for reporting as deferred outflows of resources; both are related to GASB 68 Pension accounting and are reported on the government-wide financial statement. See note 6 for more information.

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Note to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

Deferred outflows/inflows of resources (continued)

In addition to liabilities, the statement of financial position will sometimes report deferred inflows of resources. Deferred inflows of resources, represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District currently has one two items which qualify for reporting as deferred inflows of resources; both are related to GASB 68 Pension accounting and are reported on the government-wide financial statement. See note 6 for more information.

District special expense

Because fire hose couplings, nozzles, hydrants, and the like 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) has established GASB-31 which requires public agencies to report the financial effect of all unrealized gains and losses on invested funds. As of June 30, 2015, the unrealized gains for Aptos/La Selva Fire Protection District were not considered to be material to the financial statements taken as a whole, and accordingly, has not been reflected in the financial statements.

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

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			Component Unit
	Primary Governments			
	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

APTOS/LA SELVA FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2015

3. Pooled Cash and Investments (continued)

	Cash and Investments	Restricted Cash & Investments	Total
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	638,098,201	29,216,838	667,315,039
Component unit			
Investments in Treasury Pool	19,821,327	-	19,821,327
Restricted investments in other banks	-	969,937	969,937
Total	19,821,327	969,937	20,791,264
Total cash and investments	\$ 657,919,528	\$ 30,186,775	\$ 688,106,303

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

	Treasury Pool	Other Banks/ Investment Pools	Total
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	620,322,066	24,323,390	644,645,456
Total primary government and fiduciary funds	640,133,517	27,181,522	667,315,039
Component unit			
Investments	19,821,327	969,937	20,791,264
Total component unit	19,821,327	969,937	20,791,264
Total reporting entity	\$ 659,954,844	\$ 28,151,459	\$ 688,106,303

APTOS/LA SELVA FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2015

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

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

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:

Investment Type	Fair Value	Investment Maturities (In Years)				
		Less Than 1	1 to 2	2 to 3	3 to 4	More than 4
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>

APTOS/LA SELVA FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2015

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 from these limitations.

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.

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

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.

APTOS/LA SELVA FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2015

4. Fixed Assets

Fixed assets at June 30, 2015, consisted of the following:

	June 30, 2014	Additions	Adjustments/ transfers/ deletions	June 30, 2015
Land	\$ 45,953	\$ -	\$ -	\$ 45,953
Equipment	3,774,617	52,971	-	3,827,588
Structures and improvements	4,458,240	-	-	4,458,240
Total	\$ 8,278,810	\$ 52,971	\$ -	\$ 8,331,781
Accumulated depreciation	\$ (2,547,660)	\$ (303,992)	\$ -	\$ (2,851,652)

As of June 30, 2015 equipment consisted of the following:

Automotive	\$ 341,899
Rescue and firefighting	3,158,379
Firehouse	229,935
Communication	64,584
Office	32,791
Total	\$ 3,827,588

5. Long-Term Debt

A summary of long-term debt transactions of Aptos/La Selva Fire Protection District for the year ended June 30, 2015 follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Accumulated Unpaid				
Compensated Absences				
Current	\$ 91,081	\$ -	\$ 8,331	\$ 82,750
Long Term	641,229	-	52,696	588,533
Accumulated Unpaid				
Compensated Absences	\$ 732,310	\$ -	\$ 61,027	\$ 793,337

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

6. Defined Benefit Pension Plan

Plan description

All qualified permanent and probationary employees are eligible to participate in the District's separate Safety and Miscellaneous Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provision under the Plans are established by State statute and the District's resolution. CalPERS issues publically available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service, age, and final compensation.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

Hire Date	Prior to 1/1/2013 1/1/2013 <u>Misc. Tier 1</u>	On or after <u>Misc. Tier2</u>
Benefit formula	3% @ 60	2% @ 62
Benefit vesting schedule	5 year's service	5 year's service
Benefit payments	monthly for life	monthly for life
Retirement age	60	62
Monthly benefits, as a % of eligible compensation	3%	2%
Required employee contribution rates	9%	6.25%
Required employer contribution rates	31.6	6.25%
	<u>Safety Tier 1</u>	<u>Safety Tier 2</u>
Benefit formula	3% @ 55	2.7%% @ 57
Benefit vesting schedule	5 year's service	5 year's service
Benefit payments	monthly for life	monthly for life
Retirement age	55	57
Monthly benefits, as a % of eligible compensation	3.0%	2.7%
Required employee contribution rates	9%	11.5%
Required employer contribution rates	32.154%	11.5%

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

6. Defined Benefit Pension Plan (continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2014, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Contributions - employer	\$37,651	\$1,229,837	\$1,267,488
Contributions – employee	22,795	471,495	494,290

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Contributions - employer	\$88,339	\$1,697,593	\$1,785,932
Contributions – employee	26,204	392,922	419,126

Net pension liability

As of June 30, 2015, the District reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of net pension liability</u>
Miscellaneous	\$ 394,844
Safety	<u>12,945,336</u>
Total net pension liability	<u>\$13,340,180</u>

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

6. Defined Benefit Pension Plan (continued)

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Proportion – June 30, 2013	\$ 492,915	\$16,018,805	\$16,511,720
Proportion – June 30, 2014	<u>394,844</u>	<u>12,945,336</u>	<u>13,340,180</u>
Change – increase/ (decrease)	<u>\$(98,071)</u>	<u>\$(3,073,469)</u>	<u>\$(3,171,540)</u>

Pension expenses and deferred outflows/inflows of resources related to pensions

For the year ended June 30, 2015, the District recognized pension expense of \$1,179,454 in the government wide statement of activities. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred Inflows of resources</u>
Pension contributions subsequent to measurement date	<u>\$1,785,932</u>	<u>\$ -</u>
Differences between expected and actual experience	-	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(3,088,962)
Adjustment due to differences in proportions	<u>7,907</u>	<u>(2,451)</u>
Total	<u>\$1,793,839</u>	<u>\$(3,091,413)</u>

The \$1,785,932 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
2016	\$ 2,824	\$ 773,115
2017	2,824	773,115
2018	2,259	772,941
2019	-	772,242
2020	-	-
Thereafter	-	-
Total	<u>\$ 7,907</u>	<u>\$3,091,413</u>

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

6. Defined Benefit Pension Plan (continued)

Actuarial assumptions

The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation date	June 30, 2013	June 30, 2013
Measurement date	June 30, 2014	June 30, 2014
Actuarial cost method	Entry-age normal cost method	
Actuarial Assumptions:		
Discount rate	7.5%	7.5%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected salary increase	Varies ⁽¹⁾	Varies ⁽¹⁾
Investment rate of return	7.5% ⁽²⁾	7.5% ⁽²⁾
Mortality ⁽³⁾	Derived using CalPERS' Membership Data for all funds.	
Post Retirement Benefit Increase	Contract Cost-of-Living-Adjustment (COLA) up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter.	

⁽¹⁾ Depending on age, service and type of employment.

⁽²⁾ Net of pension plan investment and administrative expenses, including inflation.

⁽³⁾ The mortality table used was developed based on CalPERS's specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount rate

The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

6. Defined Benefit Pension Plan (continued)

Discount rate (continued)

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

6. Defined Benefit Pension Plan (continued)

Discount rate (continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10^(a)</u>	<u>Real Return Years 11+^(b)</u>
Global equity	47.0%	5.25%	5.71%
Global fixed income	19.0%	.099%	2.43%
Inflation sensitive	6.0%	0.45%	3.36%
Private equity	12.0%	6.83%	6.95%
Real estate	11.0%	4.50%	5.13%
Infrastructure and forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the District for each Plan, calculated using the discount rate for each Plan, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% decrease	6.50%	6.50%	
Net pension liability	\$631,935	\$20,498,009	\$21,129,944
Current discount rate	7.50%	7.50%	
Net pension liability	\$394,844	\$12,945,336	\$13,340,180
1% increase	8.50%	8.50%	
Net pension liability	\$198,082	\$ 6,722,258	\$ 6,920,340

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

6. Defined Benefit Pension Plan (continued)

Pension plan fiduciary net position

The plan fiduciary net position disclosed in the District's CalPERS GASB Statement No. 68 accounting valuation report may differ from the plan assets reported in the District's CalPERS funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included in fiduciary net position. These amounts are excluded for rate setting purposes in the District's funding actuarial valuation. In addition, differences may result from early CAFR closing and final reconciled reserves.

<u>Valuation date: June 30, 2013</u>	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Total pension liability	\$1,686,787	\$53,776,390	\$55,463,177
Fiduciary net position	1,193,872	37,757,585	\$38,951,457
Net pension liability	492,915	16,018,805	\$16,511,720
Total plan liability %	0.01363%	0.31821%	
Fiduciary net position%	0.01312%	0.31166%	

<u>Valuation date: June 30, 2014</u>	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Total pension liability	\$1,787,167	\$56,385,319	\$58,172,486
Fiduciary net position	1,392,323	43,439,983	\$44,832,306
Net pension liability	394,844	12,945,336	\$13,340,180
Net pension liability %	0.01598%	0.37016%	

Payable to the pension plan

At June 30, 2015, there is no outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

7. 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.

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

7. Risk Management (continued)

Workers' compensation coverage

The District is a member of the Santa Cruz County Fire Agencies Insurance Group (the "Group"). In 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. In a resolution dated September 20, 2007, the Santa Cruz County Fire Agencies Insurance Group's Board of Directors opted to terminate the CPEIA joint power agreement and merge into the CSAC Excess Insurance Authority (CSAC-EIA) Joint Power Agreement. This change was predicated on the decision of CSAC-EIA to restructure their bylaws and JPA agreements discontinuing the operation of CPEIA and allowing its members to become full participants in the CSAC-EIA programs. Being a CPEIA member granted automatic approval of inclusion into both the Primary and Excess EIA workers' compensation programs beginning with the July 1, 2007 policy renewals. The relationship between the Group and CSAC-EIA ("the JPA") is such that CSAC-EIA is not a component unit of the Group for reporting purposes.

CSAC-EIA is a joint powers agency (JPA) formed 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 CSAC-EIA only at the end of a policy period and only if a sixty day written advance notice is given. However, CSAC-EIA 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. CSAC-EIA is governed by a board of directors. The Board controls the operations of CSAC-EIA including adopting an annual budget.

Primary workers' compensation

The Primary Workers' Compensation program is a full service program including claims administration. The program blends pooling of workers' compensation claims with a purchased stop loss insurance policy.

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%.

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

7. Risk Management (continued)

Insurance coverage at June 30, 2015 is as follows:

	<u>Deductible</u>	<u>Amount</u>
Property:		
Property (buildings)	\$1,000	Repl cost
Repl cost subject to scheduled limit		
Business personal property (including theft)	1,000	Repl cost
Earthquake:		
Buildings		Guaranteed repl
Business personal property		Repl cost
Deductible		5% per Building and BPP
Flood:		
Buildings		Guaranteed repl
Business personal property		Repl cost
Deductible		\$1,000 per premises
Portable equipment insurance:		
Blanket portable equipment	250	Guaranteed repl
Business personal property		\$50,000
General liability:		
General aggregate		10,000,000
Personal injury		1,000,000
Each occurrence		1,000,000
Auto - liability		1,000,000 (each)
Auto – uninsured motorist		1,000,000 (each)
Auto – physical damage (comprehensive)		Agreed value, actual cash
Auto – physical damage (collision)		value, or cost of repairs, whichever is less, minus
Management practices liability insurance:		
General aggregate		10,000,000
Each wrongful act		1,000,000
Umbrella insurance:		
Each occurrence		3,000,000
General aggregate		6,000,000
Other:		
Term life per employee		Group Policy
Medical plan flexible benefit		Cafeteria style
Dental plan group policy		Group policy
Vision plan group policy		Group policy

APTOS/LA SELVA FIRE PROTECTION DISTRICT

Notes to Financial Statements

June 30, 2015

8. Commitments and Contingencies

The District is party to legal proceedings and litigation arising in the ordinary course of business. Management is of the opinion that any liability or loss in excess of insurance coverage resulting from such litigation will not have a material adverse effect on the financial statements.

For the fiscal year ended June 30, 2015 the Board of Directors authorized the District to borrow up to \$2,000,000 on a tax anticipation loan. During the fiscal year ended June 30, 2015, the District borrowed a maximum of \$1,402,557. As of June 30, 2015, no amount was outstanding. The District has entered into an agreement to borrow up to \$2,000,000 on a tax anticipation loan for the fiscal year 2015/2016.

9. GASB 45 Trust Funds - Post-Retirement Welfare Benefits

In addition to the pension benefits described in Note 6, Employees' Retirement Plan, the District provides medical insurance to retired employees. The scope of the benefits provided depends on the memorandum of understanding between the District and the various employee groups.

Plan description

The Aptos/La Selva Fire Protection District's post-retirement welfare benefit plan is a defined benefit healthcare plan, which is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. The Plan provides retiree health benefit coverage under the Public Employees' Medical and Hospital Care Act (PEMHCA). For all qualified retirees that opt onto the District health plan CalPERS requires the employer pay \$122 per month (mandatory employer contribution, amount may change from year to year).

Funding policy

For the Defined Contribution portion of the Plan, the District is required to make monthly contributions into the participant's Retirement Health Savings (RHS) account managed by ICMA of \$350 per month until the participant terminates, reaches age 65, dies, or retires. Employees are able to make contributions and all amounts accumulated from employee contributions are fully vested to the employee. PEMCHA/CalPERS requires the employer pay an additional \$122 per month for all qualified retirees that opt on to the District's health plan.

Actuarial methods

Actuarial cost method: Entry age normal, the allocation of OPEB cost is based on years of service. Amortization methods, level percentage of payroll method to allocate amortization cost by year, closed 30 year amortization period for the initial Unfunded Actuarial Accrued Liability "UAAL" and an open 30 year amortization period for any residual UAAL.

Economic assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. The economic assumptions included (a) inflation at 4.00% per year, (b) investment return/discount rate, 7.25% per year, (c) payroll increase assumed 2.75% per year, (d) actuarial asset valuation used a 5 year smoothing formula with a 20% corridor around market value.

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

9. GASB 45 Trust Funds - Post-Retirement Welfare Benefits (continued)

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employer in comparison to the Annual Required Contribution (ARC) an amount that is actuarially determined in accordance with the parameters of GASB. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. Current ARC of \$74,664 is the total of normal cost for active employees of \$18,139 plus initial UAAL amortization of \$71,326 less residual UAAL amortization credit of \$147,801.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows:

Annual required contribution (ARC)	\$ 76,717
Interest on net OPEB obligation (none due to investments held in Trust Fund)	-
Annual OPEB cost	<u>76,717</u>
Transfer to OPEB trust fund	(6,578)
Contributions made (payments for current retirees)	<u>(70,139)</u>
Increase in OPEB obligation	-
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	<u><u>\$ -</u></u>

Required supplementary information

Schedules of funding progress

Funded status of the District service benefit as of June 30, 2013 valuation

Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded AAL	Funded ratio	Covered payroll
6/30/13	<u>\$ 524,547</u>	<u>\$ 1,298,442</u>	<u>\$ 773,895</u>	<u>40.40%</u>	<u>\$ 4,414,049</u>

Schedules of employer contributions (total of transfer to trust fund and out of pocket payments for benefits)

Employer contributions District service benefit

<u>Year ended</u>	<u>Annual required contribution</u>	<u>Percentage contributed</u>
June 30, 2013	\$ 60,014	100%
June 30, 2014	74,664	100%
June 30, 2015	76,717	100%

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Notes to Financial Statements
June 30, 2015

10. 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 22, 2016, the date the financial statements became available to be issued. The entity has not evaluated subsequent events after June 22, 2016.

11. New Accounting Pronouncements Not Yet Adopted

The Governmental Accounting Standards Board "GASB" issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and financial reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB). The requirements of this statement are effective for the District's fiscal year beginning after June 15, 2017.

Although the District has not yet quantified the impact that GASB No. 75 will have on its financial statements the new standard may have a material impact on recorded pension liabilities as compared to the application of current standards including a significant decrease in net position.

12. Prior Period Adjustments

A prior period adjustment of \$15,244,232 was made to decrease the governmental activities beginning net position. The adjustment was made to reflect the prior period costs to the implementation of the net pension liability.

The restatement of the beginning net position of the governmental activities is summarized as follows:

Governmental activities	
Net pension liability adjustment	\$ (16,511,720)
Net pension asset adjustment	<u>1,267,488</u>
Net position restatement	<u>\$ (15,244,232)</u>

REQUIRED
SUPPLEMENTARY INFORMATION

APTOS/LA SELVA FIRE PROTECTION DISTRICT
 Budgetary Comparison Schedule
 Revenues - Budget and Actual - General Fund
 June 30, 2015

	2015 final budget	2015 Amended final budget	2015 Actual	Variance favorable (unfavorable)
Revenues				
Property taxes				
Current secured	\$ 8,838,382	\$ 9,333,962	\$ 9,329,524	\$ (4,438)
Current unsecured - general	177,431	177,431	192,234	14,803
Prior unsecured - general	4,033	4,033	20,584	16,551
Penalties for delinquent taxes	-	-	2,507	2,507
Redemption penalties for delinquent taxes	-	-	3,560	3,560
Supplemental - current secured	75,000	75,000	88,752	13,752
Supplemental - current unsecured	-	-	2,105	2,105
Supplemental - prior	-	-	4,561	4,561
Total property taxes	<u>9,094,846</u>	<u>9,590,426</u>	<u>9,643,827</u>	<u>53,401</u>
Other taxes				
Fire protection tax	131,170	131,170	131,064	(106)
In-lieu taxes other	-	-	642	642
Total other taxes	<u>131,170</u>	<u>131,170</u>	<u>131,706</u>	<u>536</u>
Use of money and property				
Interest	3,980	3,980	8,844	4,864
Aid from other government agencies				
Homeowner's property tax relief	70,000	70,000	72,155	2,155
State - other	-	147,000	121,977	(25,023)
Federal	-	-	-	-
Other governmental agencies	15,000	15,000	22	(14,978)
Total aid from other government agencies	<u>85,000</u>	<u>232,000</u>	<u>194,154</u>	<u>(37,846)</u>
Other revenue				
Contributions and donations	-	-	-	-
Unclaimed money - escheated	-	-	-	-
Other revenue	40,000	40,000	142,130	102,130
Total other revenue	<u>40,000</u>	<u>40,000</u>	<u>142,130</u>	<u>102,130</u>
Current services				
Emergency response recovery	213,413	213,413	244,173	30,760
Medical charges - employee	-	-	5,623	5,623
Other charges current services	15,000	15,000	25,111	10,111
Weeds/lot clearing	8,700	8,700	11,443	2,743
Total current services	<u>237,113</u>	<u>237,113</u>	<u>286,350</u>	<u>49,237</u>
Other financing sources and uses				
Proceeds from the sale of fixed assets	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>9,592,109</u>	<u>10,234,689</u>	<u>10,407,011</u>	<u>172,322</u>

APTOS/LA SELVA FIRE PROTECTION DISTRICT
 Budgetary Comparison Schedule
 Expenditures - Budget and Actual - General Fund
 For the Year Ended June 30, 2015

	2015 Final budget	2015 Amended final budget	2015 Actual	Variance favorable (unfavorable)
Expenditures				
Salaries and employee benefits				
Regular pay - permanent	\$ 4,360,887	\$ 4,530,806	\$ 4,410,004	\$ 120,802
Overtime pay - permanent	632,186	767,116	655,367	111,749
Regular pay - call back	15,000	15,000	105,287	(90,287)
Regular pay - holiday	323,597	323,597	293,759	29,838
Regular pay - differential	10,000	10,000	16,329	(6,329)
OASDI	85,346	85,346	72,050	13,296
Retirement (PERS)	1,947,275	1,947,275	1,792,510	154,765
Employee group insurance	896,730	896,730	857,350	39,380
Workers' compensation insurance	278,378	278,378	265,081	13,297
Sick leave reserve	324,309	324,309	181,411	142,898
Other benefits misc.	-	-	16,643	(16,643)
Total salaries and employee Benefits	<u>8,873,708</u>	<u>9,178,557</u>	<u>8,665,791</u>	<u>512,766</u>
Services and supplies				
Clothing and personal supplies	146,800	146,800	39,014	107,786
Radio	76,500	76,500	74,181	2,319
Telephone and telegraph	20,640	20,640	21,381	(741)
Food	2,050	2,050	4,723	(2,673)
Inventoriable items	34,760	34,760	11,678	23,082
Other household expense	19,180	19,180	20,746	(1,566)
Other insurance	32,000	32,000	30,380	1,620
Maintenance - mobile equipment	85,000	85,000	66,198	18,802
Maintenance - office equipment	250	250	-	250
Maintenance - other equipment services	39,800	39,800	20,474	19,326
Maintenance - radio repair services	4,500	4,500	936	3,564
Maintenance - structures and improvements	23,100	23,100	17,562	5,538
Medical, dental and lab supplies	16,000	16,000	7,406	8,594
Memberships	6,140	6,140	3,738	2,402
Miscellaneous expense	-	-	-	-
PC software purchases	10,000	10,000	3,213	6,787
Postage	2,500	2,500	1,488	1,012
Supplies	13,425	13,425	13,337	88
Accounting and auditing	130,500	130,500	121,352	9,148
Directors' fees	10,570	10,570	10,570	-

APTOS/LA SELVA FIRE PROTECTION DISTRICT
 Budgetary Comparison Schedule
 Expenditures - Budget and Actual - General Fund
 For the Year Ended June 30, 2015

	2015 Final budget	2015 Amended final budget	2015 Actual	Variance favorable (unfavorable)
Expenditures (continued)				
Services and supplies (continued)				
Legal services	\$ 5,000	\$ 50,750	\$ 66,380	\$ (15,630)
Medical services - other	25,000	25,000	17,780	7,220
Professional and special services	77,000	77,000	41,367	35,633
Legal notices	2,100	2,100	2,245	(145)
Equipment lease and rent	55,976	55,976	54,068	1,908
Small tools and instruments	5,250	5,250	995	4,255
Education and/or training	67,447	67,447	24,372	43,075
Photo supplies	-	-	375	(375)
Special district expense	96,988	96,988	46,428	50,560
Subscriptions books and ed materials	10,591	10,591	11,334	(743)
Education and training	41,600	41,600	9,823	31,777
Gas, oil, fuel	40,320	40,320	37,183	3,137
Travel - other	1,600	1,600	202	1,398
Social services	-	-	-	-
Utilities	22,800	22,800	21,919	881
Total services and supplies	<u>1,125,387</u>	<u>1,171,137</u>	<u>802,848</u>	<u>368,289</u>
Other charges				
Principal payments - long-term debt	-	-	-	-
Interest payments - long-term debt	-	-	-	-
Contribution to other agencies	13,096	13,096	13,096	-
Total other charges	<u>13,096</u>	<u>13,096</u>	<u>13,096</u>	<u>-</u>
Fixed assets				
Buildings and improvements	-	-	-	-
Equipment/mobile equipment	297,141	297,141	52,971	244,170
Total fixed assets	<u>297,141</u>	<u>297,141</u>	<u>52,971</u>	<u>244,170</u>
Appropriations for contingencies	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures general fund	<u>\$ 10,409,332</u>	<u>\$ 10,759,931</u>	<u>\$ 9,534,706</u>	<u>\$ 1,225,225</u>

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Schedule of Proportionate Share of Net Pension Liability and Related Ratios
June 30, 2015
Last 10 Years*

**Schedule of Aptos/La Selva Fire Protection District's Proportionate
Share of Net Pension Liability and Related Ratios**

	Miscellaneous June 30, 2014**	Safety June 30, 2014**
	<u>0.00635%</u>	<u>0.20804%</u>
Proportion of the net pension liability		
Proportionate share of the net pension liability	\$ 394,844	\$ 12,945,336
Covered employee payroll	\$ 243,191	\$ 4,424,251
Proportionate share of the net pension liability as a percentage of covered-employee payroll	162.36%	292.60%
Plan's proportionate share of the fiduciary net position as a percentage of the total pension liability	77.91%	77.04%
Plan's proportionate share of aggregate employer contributions	\$ 37,651	\$ 1,229,837

Notes to schedule

* Fiscal year 2014-2015 was the 1st year of implementation; therefore only one year is shown. Additional years presented as they become available.

**Measurement date is June 30, 2014

Benefit changes

The figures above do not include any liability impact that may have resulted from Plan changes, which may have occurred after June 30, 2013.

Changes in assumptions

There were no changes in assumptions.

APTOS/LA SELVA FIRE PROTECTION DISTRICT
Schedule of Contributions
June 30, 2015
Last 10 Years*

Schedule of Contributions

	Miscellaneous 2013-2014	Safety 2013-2014
Contractually required contribution (actuarially determined)	\$ 86,615	\$ 1,691,531
Contributions in relation to the actuarially determined contributions	<u>(86,615)</u>	<u>(1,691,531)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 243,191	\$ 4,424,251
Contributions as a percentage of covered-employee payroll	35.62%	38.23%

Notes to Schedule

Valuation date is June 30, 2013.

* Fiscal year 2014-2015 was the 1st year of implementation; therefore only one year is shown. Additional years presented as they become available.