Rancho Santa Fe
Fire Protection District

Rancho Santa Fe, California

Annual Financial Report

For the Year Ended June 30, 2015

THE PUN GROUP
ACCOUNTANTS & ADVISORS

Mission Statement

To protect life, property, and environment through prevention, preparedness, education and emergency response.

Rancho Santa Fe Fire Protection District

Board of Directors as of June 30, 2015

Name	Position	Elected/Appointed	Current Term
James H. Ashcraft	President	Elected	12/12 - 12/16
John C. Tanner	Vice President	Elected	12/14 - 12/18
Nancy C. Hillgren	Director	Elected	12/12 - 12/16
Randall Malin	Director	Elected	12/12 - 12/16
Tucker Stine	Director	Elected	12/14 - 12/18

Rancho Santa Fe Fire Protection District
Tony Michel, Fire Chief
18027 Calle Ambiente
Rancho Santa Fe, CA 92067 (858)756-5971
www.rsf-fire.org

Rancho Santa Fe Fire Protection District
Annual Financial Report
For the Year Ended June 30, 2015

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Rancho Santa Fe Fire Protection District
Rancho Santa Fe, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Rancho Santa Fe 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinion.

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 the Rancho Santa Fe 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 discussed in Note 1 to the basic financial statements, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans-an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. The adoption of these statements requires retrospective application of previously reported net position at July 1, 2014 as described in note 10 to the basic financial statements. In addition, Net Pension Liability is reported in the Statement of Net Position in the amount of $9,516,816 as of June 30, 2014, the measurement date as described in note 9 to the basic financial statements. This Net Pension Liability is calculated by actuaries using estimates and actuarial techniques from an actuarial valuation as of June 30, 2013 which was then rolled-forward by the actuaries to June 30, 2014, 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 the management's discussion and analysis on pages 5 through 8, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Contributions to Pension Plan and the Budgetary Comparison Schedules on pages 41 through 44, respectively 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 23, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Santa Ana, California
December 23, 2015

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

To the Board of Directors
of the Rancho Santa Fe Fire Protection District
Rancho Santa Fe, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Rancho Santa Fe Fire Protection District (District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated December 23, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Santa Ana, California
December 23, 2015

Rancho Santa Fe Fire Protection District
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2015

As management of the Rancho Santa Fe Fire Protection District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities and performance of the District for the fiscal year ended June 30, 2015. Please read it in conjunction with additional information that we have furnished in the accompanying basic financial statements, which follow this section.

Financial Highlights

- The District's total revenues increased by 0.66% or $85,642, to $12,938,912 in fiscal year 2015 due primarily to an increase in property tax revenues.
- The District's total expenses increased 3.46% or $395,719, in fiscal year 2015 due primarily to increases in fire protection operational costs.
- The District's change in net position for the year ended June 30, 2015 was $1,147,953.
- As a result of the implementation of the new pension standards, the net pension liability as of June 30, 2015 was $9,516,816 and is recorded on the Statement of Net Position.

Using This Financial Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Activities. This statement measures the success of the District's operations over the past year and can be used to determine the District's profitability and credit worthiness.

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the District in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and changes in them. Think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position is one indicator of whether its *financial health* is improving or deteriorating.

Governmental Funds Financial Statements

Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary information and compliance.

Condensed Statements of Net Position

	June 30, 2015	June 30, 2014	Change
Assets:			
Current assets	$ 18,732,664	$ 17,713,522	$ 1,019,142
Capital assets, net	19,039,886	19,073,022	(33,136)
Total assets	37,772,550	36,786,544	986,006
Deferred outflows of resources	1,465,727	-	1,465,727
Liabilities:			
Current liabilities	1,342,453	1,201,827	140,626
Noncurrent liabilities	9,516,816	-	9,516,816
Total liabilities	10,859,269	1,201,827	9,657,442
Deferred inflows of resources	3,041,933	-	3,041,933
Net position:			
Net investment in capital assets	19,039,886	19,073,022	(33,136)
Restricted for capital projects	909,781	773,920	135,861
Unrestricted	5,387,408	15,737,775	(10,350,367)
Total net position	$ 25,337,075	$ 35,584,717	$ (10,247,642)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by $25,337,075 as of June 30, 2015. Also, the District recorded a $(11,395,595) prior period adjustment to net position to account for the implementation of GASB No. 68 and 71 to include a net pension liability of $9,516,816 on the statement of net position as of June 30, 2015. See note 9 and 10 for further information.

A portion of the District's net position 75% or $19,039,886 reflects its investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to operate the District; consequently, these assets are *not* available for future spending. At the end of fiscal year 2015, the District shows a positive balance in its unrestricted net position of $5,387,408 that may be utilized in future years.

Government-wide Financial Analysis (Continued)

Condensed Statements of Activities

	June 30, 2015	June 30, 2014	Change
Revenues:			
Program revenues:			
Charges for services	$ 524,712	$ 558,859	$ (34,147)
Operating grants and contributions	255,820	465,470	(209,650)
General revenues:			
Property taxes and assessments	11,301,391	10,713,147	588,244
Interest earnings	59,028	609,495	(550,467)
Other	842,961	551,299	291,662
Total revenues	12,983,912	12,898,270	85,642
Expenses:			
Fire protection operations:			
Salaries and wages	6,924,843	6,489,385	435,458
Employee benefits	2,278,336	2,469,140	(190,804)
Contractual services	1,130,385	1,068,702	61,683
Materials and supplies	784,576	659,847	124,729
Depreciation	717,819	753,166	(35,347)
Total expenses	11,835,959	11,440,240	395,719
Change in net position	1,147,953	1,458,030	(310,077)
Net position:			
Beginning of year	35,584,717	34,126,687	1,458,030
Prior period adjustment	(11,395,595)	-	(11,395,595)
End of year	$ 25,337,075	$ 35,584,717	$ (10,247,642)

The statement of activities shows how the government's net position changes during the fiscal year. In the case of the District, net position increased by $1,147,953 for the fiscal year ended June 30, 2015.

Governmental Funds Financial Analysis

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of the government's net resources for spending at the end of the fiscal year.

As of June 30, 2015, the District's General Fund reported a fund balance of $18,028,931. An amount of $13,394,841 constitutes the District's *unassigned fund balance*, which is available for future use.

Capital Asset Administration

At the end of fiscal year 2015, the District's investment in capital assets amounted to $19,039,886 (net of accumulated depreciation). This investment in capital assets includes structures and improvements and equipment. (See Note 3 for further information)

Capital Asset Administration (Continued)

Capital assets balances are as follows:

	June 30, 2015	June 30, 2014
Non-depreciable assets	$ 3,374,840	$ 3,374,840
Depreciable assets	23,799,761	23,157,372
Accumulated depreciation and amortization	(8,134,715)	(7,459,190)
Total capital assets, net	$ 19,039,886	$ 19,073,022

Conditions Affecting Current Financial Position

Management is unaware of any conditions, which could have a significant impact on the District's current financial position, net position or operating results in terms of past, present and future.

Requests for Information

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the District's Administrative Manager, Karlena Rannals, at the Rancho Santa Fe Fire Protection District, P.O. Box 410, 18027 Calle Ambiente, Rancho Santa Fe, California, 92067 or (858) 756-5971.

BASIC FINANCIAL STATEMENTS

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Rancho Santa Fe Fire Protection District
Statement of Net Position
June 30, 2015

Assets	
Assets:	
Cash and cash equivalents (note 2)	$ 15,429,503
Accrued interest receivable	13,912
Accounts receivable	768,596
Property taxes receivable	18,699
Prepaid items	2,501,954
Capital assets – not being depreciated (note 3)	3,374,840
Capital assets, net – being depreciated (note 3)	15,665,046
Total assets	37,772,550
Deferred Outflows of Resources	
Deferred Outflows of Resources:	
Employer contributions to pension plans made after measurement date (note 9)	1,388,366
Changes in employer contributions and differences between proportionate share of pension expense (note 9)	61,157
Recognized portion of adjustment due to differences in proportions (note 9)	16,204
Total deferred outflows of resources	1,465,727
Liabilities	
Liabilities:	
Accounts payable and accrued expenses	310,453
Accrued salaries and related payables	393,280
Workers' compensation claims payable - PASIS (note 11)	94,426
Compensated absences (note 4)	544,294
Net pension liability (note 9)	9,516,816
Total liabilities	10,859,269
Deferred Inflows of Resources	
Deferred Inflows of Resources:	
Differences between projected and actual earnings on pension plan investments (note 9)	2,901,275
Changes in employer contributions and differences between proportionate share of pension expense (note 9)	21,837
Recognized portion of adjustment due to differences in proportions (note 9)	118,821
Total deferred inflows of resources	3,041,933
Net Position	
Net Position:	
Net investment in capital assets (note 5)	19,039,886
Restricted for capital projects (note 5)	909,781
Unrestricted	5,387,408
Total net position	$ 25,337,075

See accompanying Notes to the Basic Financial Statements.

Rancho Santa Fe Fire Protection District
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital and Operating Grants	Net (Expense) Revenue and Changes in Net Position
Governmental activities:				
Fire protection operations	$ 11,835,959	$ 524,712	$ 255,820	$ (11,055,427)
Total governmental activities	$ 11,835,959	$ 524,712	$ 255,820	(11,055,427)
General revenues:				
Property taxes and assessments				11,301,391
Interest earnings				59,028
Other				842,961
Total general revenues				12,203,380
Change in net position				1,147,953
Net Position:				
Beginning of year, as previously stated				35,584,717
Prior period adjustment (note 10)				(11,395,595)
End of year				$ 25,337,075

See accompanying Notes to the Basic Financial Statements.

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Rancho Santa Fe Fire Protection District
Balance Sheet - Governmental Funds
June 30, 2015

	General Fund	Special Revenue Fund	Total Governmental Funds
Assets			
Assets:			
Cash and cash equivalents	$ 14,519,722	$ 909,781	$ 15,429,503
Accrued interest receivable	13,912	-	13,912
Accounts receivable	768,596	-	768,596
Property taxes receivable	18,699	-	18,699
Prepaid items	2,501,954	-	2,501,954
Total assets	$ 17,822,883	$ 909,781	$ 18,732,664
Liabilities and Fund Balance			
Liabilities:			
Accounts payable and accrued expenses	$ 310,453	$ -	$ 310,453
Accrued salaries and related payables	393,280	-	393,280
Total liabilities	703,733	-	703,733
Fund balance: (note 7)			
Nonspendable	2,501,954	-	2,501,954
Restricted	-	909,781	909,781
Committed	553,373	-	553,373
Assigned	668,982	-	668,982
Unassigned	13,394,841	-	13,394,841
Total fund balance	17,119,150	909,781	18,028,931
Total liabilities and fund balance	$ 17,822,883	$ 909,781	$ 18,732,664

See accompanying Notes to the Basic Financial Statements.

Rancho Santa Fe Fire Protection District
Reconciliation of the Balance Sheet of Governmental Funds to the Government-Wide Statement of Net Position of Governmental Activities
June 30, 2015

Fund balance of governmental funds	$ 18,028,931
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets.	19,039,886
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Workers' compensation claims payable - PASIS	(94,426)
Compensated absences	(544,294)
Net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds.	(9,516,816)
Pension contributions made during the year after the measurement date are reported as pension expense in governmental funds and as deferred outflows of resources in the government-wide financial statements.	1,465,727
Difference between projected and actual earnings on pension plan investments are reported in the government-wide financial statements:	
Projected earnings over actual earnings and differences in pension plan contribution proportions	(3,041,933)
Total adjustments	7,308,144
Net position of governmental activities	$ 25,337,075

See accompanying Notes to the Basic Financial Statements.

Rancho Santa Fe Fire Protection District
Statement of Revenues, Expenditures and Change in Fund Balances
For the Year Ended June 30, 2015

	General Fund	Special Revenue Fund	Total
Revenues:			
Property taxes and assessments	$ 11,301,391	$ -	$ 11,301,391
Charges for services	524,712	-	524,712
Operating grants and contributions	121,517	134,303	255,820
Interest earnings	57,470	1,558	59,028
Other	842,961	-	842,961
Total revenues	12,848,051	135,861	12,983,912
Expenditures:			
Fire protection operations:			
Salaries and wages	6,923,837	-	6,923,837
Employee benefits	2,677,765	-	2,677,765
Contractual services	1,130,386	-	1,130,386
Materials and supplies	784,576	-	784,576
Capital outlay	684,683	-	684,683
Total expenditures	12,201,247	-	12,201,247
Change in fund balance	646,804	135,861	782,665
Fund Balance:			
Beginning of year	16,472,346	773,920	17,246,266
End of year	$ 17,119,150	$ 909,781	$ 18,028,931

See accompanying Notes to the Basic Financial Statements.

Rancho Santa Fe Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities
For the Year Ended June 30, 2015

Net change in fund balance of governmental funds	$ 782,665
Amount reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	684,683
Depreciation expense	(717,819)
Changes in net pension obligation reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	302,573
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenses in governmental funds as follows:	
Net change in workers' compensation claims payable - PASIS	96,856
Net change in compensated absences	(1,005)
Total adjustments	365,288
Change in net position of governmental activities	$ 1,147,953

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Note 1 – Reporting Entity and Summary of Significant Accounting Policies

Organization and Operations of the Reporting Entity

The Rancho Santa Fe Fire Protection District was formed on October 14, 1946 under an order adopted by the County Board of Supervisors. The District spans approximately 38-square miles and protects over 31,412 citizens. The District is governed by a five-person elected Board of Directors. The Board is responsible for establishing policies, guidelines and providing direction for Fire District staff.

Basis of Accounting and Measurement Focus

Government-wide Financial Statements

These 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, 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 the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the District are to be reported in three categories, if applicable: 1) charges for services, 2) operating grants and contributions, and, 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grant and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Fund Financial Statements

These statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. Incorporated into these statements is a schedule to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-wide Financial Statements. The District has presented its General Fund, as its major fund, in this statement to meet the qualifications of GASB Statement No. 34.

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 liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become 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. The primary sources susceptible to accrual for the District are property taxes and assessments, interest earnings, investment revenue and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Basis of Accounting and Measurement Focus

The District' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

> ***Deferred Outflows of Resources*** represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.
>
> ***Deferred Inflows of Resources*** represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, will not be recognized as a revenue until that time.

The District reports the following major governmental funds:

> **General Fund** – is a government's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund when necessary.
>
> **Special Revenue Fund** – is used for fees collected that can only be used to purchase capital assets.

Use of 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in District net position during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Substantially all of District's cash is invested in interest bearing cash accounts. The District considers all highly liquid investments with initial maturities of three months or less to be cash equivalents.

Investment Policy

The District has adopted an investment policy to deposit funds in financial institutions. Investments are to be made in the following areas:

- San Diego County Pooled Investment Fund (SDCPIF)
- State of California local area investment fund (LAIF)
- U.S. Treasury Bills, Notes, and Bonds
- Negotiable Certificates of Deposit
- Government Agency Securities

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Property Taxes and Assessments

Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations. Secured property taxes are levied on July 1 and become delinquent on December 10 and April 10, for the first and second installments, respectively. Unsecured personal property taxes are collected in one installment and become delinquent August 31.

Property taxes are allocated on the County of San Diego's annual tax bills to property owners who receive fire protection service by the District. The County of San Diego Tax Collector's Office collects the property taxes payments from the property owners and transfers the collections to the District's operating fund held with the County Treasurer's Office. The District has adopted the Teeter Plan as defined under the California Revenue and Taxation Code. Under the Teeter Plan, the District receives from the County 99.6% of the annual assessed secured and unsecured property taxes, with the County responsible for the collection of any delinquent property taxes.

Therefore, the County receives the benefits of collecting all penalty and interest charges on the delinquent property taxes; hence, no accrual for uncollected property taxes is recorded at year-end.

Prepaid Items

Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets are recorded in the government-wide financial statements. Included in capital assets are land, building, building improvements, equipment and furniture and fixtures. District policy has set the capitalization threshold for reporting capital assets at $10,000. Donated assets are recorded at estimated fair market value at the date of donation. Capital outlay is recorded as expenditures of the General Fund and as assets in the government-wide financial statements to the extent the District's capitalization threshold is met. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Structures and improvements	20 to 40 years
Equipment and vehicles	5 to 12 years

Compensated Absences

The District's policy is to permit full time employees to accumulate earned vacation leave. Safety employees with more than one year but less than 4 years may accumulate 144 hours of vacation per year; 168 hours for the fifth through ninth year of employment; 192 hours for the tenth through fourteenth year of employment; 240 hours for the fifteenth through nineteenth; and 288 hours thereafter. Safety management positions accrue vacation leave from 15 to 25 days per year depending on their position. Administrative employees in their first through fifth year may accumulate 80 hours of vacation per year; 120 hours for the sixth through tenth year; 136 hours for the eleventh through fifteenth year; 160 hours for the sixteenth through twentieth; and 200 hours after 21 years. Vacations may accumulate beyond the end of the calendar year.

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net pension of the District's pension plans and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the plans (Note 9). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

CalPERS	
Valuation date	June 30, 2013
Measurement date	June 30, 2014
Measurement period	July 1, 2013 to June 30, 2014

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retires) as of the beginning of the measurement period.

Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt outstanding against the acquisition, construction or improvement of those assets.

Restricted – This component of net position consists of constraints placed on assets reduced by liabilities and deferred inflows of resources use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

Fund Balance

The financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

***Nonspendable* –** amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Restricted – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation.

Committed – amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned – amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the District's special revenue funds.

Unassigned – the residual classification for the District's general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board of Directors established, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, followed by the unrestricted, committed, assigned and unassigned resources as they are needed.

Fund Balance Policy

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned and unassigned fund balances are considered unrestricted.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Accounting Changes

During fiscal year ended June 30, 2015, the District has implemented the following new GASB pronouncements:

Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts and equivalent arrangements. The requirements of No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. See notes 9 and 10 for further information on the implementation of these pronouncements.

Statement No. 69, *Government Combinations and Disposals of Government Operations*. The requirements of this Statement should be applied prospectively and are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013.

Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68.* The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. See notes 9 and 10 for further information on the implementation of these pronouncements.

Note 2 – Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2015, consist of the following:

Deposits held with financial institutions	$ 685,457
Deposits held with San Diego County Pooled Investment Fund (SDCPIF)	11,648,632
Deposits held with California Local Agency Investment Fund (LAIF)	2,505,937
Deposits held with Public Agencies Self Insurance System (PASIS)	553,373
Deposits held at NCDJPA (Mobile Data Computer (MDC)	36,104
Total cash and cash equivalents	$ 15,429,503

Authorized Deposits and Investments

Under provisions of the District's investment policy, and in accordance with Section 53601 of the California Government Code, the District may invest in certain types of investments as listed.

San Diego County Pooled Investment Fund

The San Diego County Pooled Investment Fund (SDCPIF) is a pooled investment fund program governed by the County of San Diego Board of Supervisors, and administered by the County of San Diego Treasurer and Tax Collector. Investments in SDCPIF are highly liquid as deposits and withdrawals can be made at anytime without penalty. SDCPIF does not impose a maximum investment limit.

The County of San Diego's bank deposits are either Federally insured or collateralized in accordance with the California Government Code. Pool detail is included in the County of San Diego Comprehensive Annual Financial Report (CAFR). Copies of the CAFR may be obtained from the County of San Diego Auditor-Controller's Office – 1600 Pacific Coast Highway – San Diego, CA 92101.

Note 2 – Cash and Cash Equivalents (Continued)

Local Agency Investment Fund

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The District'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 that 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.

As of June 30, 2015, the District had $2,505,937 invested in LAIF, which had invested 2.08% of the pool investment funds in structured notes and Medium-term Asset-backed Securities. The LAIF fair value factor of 1.000375979 was used to calculate the fair value of the investments in LAIF.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the bank balance, up to $250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as SDCPIF and LAIF).

Note 2 – Cash and Cash Equivalents (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity an investment has the greater its fair value has sensitivity to changes in market interest rates. The District's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2015, the District's investment in the SDCPIF was rated by Standard & Poor's as AAAf / S1+.

Note 3 – Capital Assets

At June 30, 2015, the capital assets balances for the District are as follows:

	Balance July 1, 2014	Additions	Deletions/ Transfers	Balance June 30, 2015
Non-depreciable assets:				
Land	$ 3,374,840	$ -	$ -	$ 3,374,840
Total non-depreciable assets	3,374,840	-	-	3,374,840
Depreciable assets:				
Structures and improvements	19,068,227	-	-	19,068,227
Equipment and vehicles	4,089,145	684,683	(42,294)	4,731,534
Total depreciable assets	23,157,372	684,683	(42,294)	23,799,761
Accumulated depreciation:				
Structures and improvements	(4,277,911)	(478,625)	-	(4,756,536)
Equipment and vehicles	(3,181,279)	(239,194)	42,294	(3,378,179)
Total accumulated depreciation	(7,459,190)	(717,819)	42,294	(8,134,715)
Total depreciable assets, net	15,698,182	(33,136)	-	15,665,046
Total capital assets, net	$ 19,073,022	$ (33,136)	$ -	$ 19,039,886

Note 4 – Compensated Absences

At June 30, 2015, the compensated absences balance is as follows:

	Balance July 1, 2014	Earned	Taken	Balance June 30, 2015	Current Portion
Compensated absences	$ 543,289	$ 434,631	$ (433,626)	$ 544,294	$ 544,294

Note 5 – Net Position

Net position as of June 30, 2015 was as follows:

Net investment in capital assets:		
Capital assets – not being depreciated	$	3,374,840
Capital assets, net – being depreciated		15,665,046
Total net investment in capital assets	$	19,039,886
Restricted net position:		
Restricted – capital projects	$	909,781
Total restricted net position	$	909,781

Note 6 – Fund Balance

Fund balance classifications as of June 30, 2015 are as follows:

Description	General Fund	Special Revenue Fund	Total Governmental Funds
Nonspendable:			
Prepaid items	$ 2,501,954	$ -	$ 2,501,954
Restricted:			
Capital projects	-	909,781	909,781
Committed:			
Public Agency Self Insurance System	553,373	-	553,373
Assigned:			
Advanced life support equipment	124,688	-	124,688
Compensated absences	544,294	-	544,294
Total assigned	668,982	-	668,982
Unassigned:	13,394,841	-	13,394,841
Total fund balance	$ 17,119,150	$ 909,781	$ 18,028,931

Note 7 – Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. Market value of the plan assets held in trust by Voya Financial at June 30, 2015 was $6,290,112.

Note 7 – Deferred Compensation Savings Plan (Continued)

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

Note 8 – Health Retirement Savings Account

For the benefit of its employees, the District established, with the consent of a Trustee, a trust that is known as RSFFPD VEBA Health Savings Trust (Trust). The effective date of the Trust was January 1, 2006. The purposes of the Trust are (1) to provide a source of funds to pay benefits and administrative expenses under the District's Medical Retirement Savings Plan (Plan), and (2) to permit Trust assets to be invested and such earnings thereon to be not taxable under the Internal Revenue Code (Code).

All assets of the Plan are held in the Trust by the Trustee. The Trust is intended to qualify as a tax exempt trust under the Section 501(c)(9) of the Code. The assets held in the trust are for the exclusive benefit of the participants. Therefore, these assets are not the legal property of the District and are not subject to claims of the District's general creditors. Market value of the plan assets held in trust by Voya Financial at June 30, 2015 was $1,932,791.

Note 9 – Defined Benefit Pension Plans

Summary

Type of Account	Balance as of July 1, 2014 (As Restated)	Additions	Deletions	Balance as of June 30, 2015
Deferred Outflows of Resources:				
Employer contributions to pension plan made after the measurement date:				
Miscellaneous Plan - Classic T1	$ 107,676	$ 83,237	$ (107,676)	$ 83,237
Miscellaneous Plan - Classic T2	267	28,903	(267)	28,903
Safety Plan T1	1,078,289	1,189,308	(1,078,289)	1,189,308
Safety Plan T2	1,076	86,918	(1,076)	86,918
Sub-total	1,187,308	1,388,366	(1,187,308)	1,388,366
Changes in employer contributions and differences between proportionate share of pension expense:				
Miscellaneous Plan - Classic T2	16,952	-	(4,461)	12,491
Safety Plan T1	3,465	-	(912)	2,553
Safety Plan T2	62,582	-	(16,469)	46,113
Sub-total	82,999	-	(21,842)	61,157
Recognized portion of adjustment due to differences in proportions:				
Miscellaneous Plan - Classic T1	-	16,204	-	16,204
Total deferred outflows of resources	$ 1,270,307	$ 1,404,570	$ (1,209,150)	$ 1,465,727
Net Pension Liability:				
Miscellaneous Plan - Classic T1	$ 1,112,086	$ -	$ (298,182)	$ 813,904
Miscellaneous Plan - Classic T2	2,753	-	(738)	2,015
Safety Plan T1	11,509,945	-	(2,817,719)	8,692,226
Safety Plan T2	11,482	-	(2,811)	8,671
Total net pension liability	$ 12,636,266	$ -	$ (3,119,450)	$ 9,516,816
Deferred Inflows of Resources:				
Recognized net differences between projected and actual earnings on pension plan investments:				
Miscellaneous Plan - Classic T1	$ -	$ 341,887	$ (68,377)	$ 273,510
Miscellaneous Plan - Classic T2	-	846	(169)	677
Safety Plan T1	-	3,280,587	(656,117)	2,624,470
Safety Plan T2	-	3,273	(655)	2,618
Sub-total	-	3,626,593	(725,318)	2,901,275
Changes in employer contributions and differences between proportionate share of pension expense:				
Miscellaneous Plan - Classic T1	29,636	-	(7,799)	21,837
Recognized portion of adjustment due to differences in proportions:				
Miscellaneous Plan - Classic T2	-	11,381	(2,995)	8,386
Safety Plan T1	-	108,841	(28,642)	80,199
Safety Plan T2	-	41,035	(10,799)	30,236
Sub-total	-	161,257	(42,436)	118,821
Total deferred inflows of resources	$ 29,636	$ 3,787,850	$ (775,553)	$ 3,041,933

Note 9 – Defined Benefit Pension Plans (Continued)

Plans Description

The District employees that are eligible to participate in District's Miscellaneous and Miscellaneous PEPRA cost-sharing multiple-employer defined benefit pension plans administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statues within the Public Employee's Retirement Law. CalPERS issues publicly 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. Copies of CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA, 95814.

Benefits Provided

CalPERS provide service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment and can only be amended by the Board of Directors.

The Plan's provisions and benefits in effect as of June 30, 2014, are summarized as follows:

Miscellaneous Plan T1

CLOSED TO NEW MEMBERS

Hire date	Prior to December 24, 2012
Benefit formula	2.7% @ 55
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Final Average Compensation Period	12 months
Retirement age	50 - 67 & up
Monthly benefits, as a % of eligible compensation	2.00% - 2.70%
Required employee contribution rates	8.00%
Required employer contribution rates	15.685%
Pre-Retirement Death Benefit	Optional Settlement 2W
Post-Retirement Death Benefit	$500 Lump Sum
Non-Industrial Standard Disability	1.8% of final compensation X multiplied by service
COLA	2.00%

Note 9 – Defined Benefit Pension Plans (Continued)

Miscellaneous Plan T2

Hire date	May 1, 2012
Benefit formula	2.5% @ 55
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Final Average Compensation Period	12 months
Retirement age	50 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% - 2.5%
Required employee contribution rates	8.00%
Required employer contribution rates	14.083%
Pre-Retirement Death Benefit	Optional Settlement 2W
Post-Retirement Death Benefit	$500 Lump Sum
Non-Industrial Standard Disability	1.8% of final compensation X multiplied by service
COLA	2.00%

Safety Plan T1

Hire date	Prior to December 24, 2012
Benefit formula	3.0% @ 50
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Final Average Compensation Period	12 months
Retirement age	50 - 55 & up
Monthly benefits, as a % of eligible compensation	3.00%
Required employee contribution rates	9.00%
Required employer contribution rates	26.149%
Pre-Retirement Death Benefit	Optional Settlement 2W
Post-Retirement Death Benefit	$500 Lump Sum
Non-Industrial Standard Disability	1.8% of final compensation X multiplied by service
COLA	2.00%

Safety Plan T2

Hire date	May 1, 2012
Benefit formula	3.0% @ 55
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Final Average Compensation Period	12 months
Retirement age	50 - 55 & up
Monthly benefits, as a % of eligible compensation	2.4% - 3.0%
Required employee contribution rates	9.00%
Required employer contribution rates	20.774%
Pre-Retirement Death Benefit	Optional Settlement 2W
Post-Retirement Death Benefit	$500 Lump Sum
Non-Industrial Standard Disability	1.8% of final compensation X multiplied by service
COLA	2.00%

Note 9 – Defined Benefit Pension Plans (Continued)

Employees covered

As of June 30, 2013, from the actuarial report, the following employees were covered by the benefit terms for the Plan:

	Misc. Plan - Classic T1	Misc. Plan - Classic T2	Safety Plan T1	Safety Plan T2	Total
Active employees	6	3	40	4	53
Transferred	8	0	27	0	35
Separated	11	0	3	0	14
Retired	6	0	41	0	47
Total	31	3	111	4	149

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers to 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. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For period ended June 30, 2014 (the measurement date), the active employee contribution rate is 8.00% of annual pay, and the average employer's contribution rate is 15.685% of annual payroll for the Miscellaneous Plan T1, 8.00% and 14.083% for Miscellaneous Plan T2, 9.00% and 26.149% for Safety Plan T1, 9.00% and 20.774% for Safety T2.

For the year ended June 30, 2014, the contributions made for the Plan were as follows:

	Misc. Plan - Classic T1	Misc. Plan - Classic T2	Safety Plan T1	Safety Plan T2	Total
Contributions - employer	$ 78,040	$ 17,219	$ 1,081,754	$ 63,658	$ 95,259
Contributions - employee	48,696	9,860	380,363	27,947	58,556
Total	$ 126,736	$ 27,079	$ 1,462,117	$ 91,605	$ 153,815

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

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

	Misc. Plan - Classic T1	Misc. Plan - Classic T2	Safety Plan T1	Safety Plan T2	Total
Proportionate Share of Net Pension Liability	$ 813,904	$ 2,015	$ 8,692,226	$ 8,671	$ 9,516,816

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 the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an 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.

Note 9 – Defined Benefit Pension Plans (Continued)

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period.

CalPERS Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Net Pension Liability
Miscellaneous Plan - Classic T1			
Balance as of June 30, 2013 (Valuation Date)	$ 4,526,416	$ 3,414,330	$ 1,112,086
Balance as of June 30, 2014 (Measurement Date)	4,795,781	3,981,877	813,904
Change in plan net pension liability	$ 269,365	$ 567,547	$ (298,182)
Miscellaneous Plan - Classic T2			
Balance as of June 30, 2013 (Valuation Date)	$ 11,206	$ 8,453	$ 2,753
Balance as of June 30, 2014 (Measurement Date)	11,873	9,858	2,015
Change in plan net pension liability	$ 667	$ 1,405	$ (738)
Safety Plan T1			
Balance as of June 30, 2013 (Valuation Date)	$ 44,614,822	$ 33,104,877	$ 11,509,945
Balance as of June 30, 2014 (Measurement Date)	46,779,283	38,087,057	8,692,226
Change in plan net pension liability	$ 2,164,461	$ 4,982,180	$ (2,817,719)
Safety Plan T2			
Balance as of June 30, 2013 (Valuation Date)	$ 44,508	$ 33,026	$ 11,482
Balance as of June 30, 2014 (Measurement Date)	46,667	37,996	8,671
Change in plan net pension liability	$ 2,159	$ 4,970	$ (2,811)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

(1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2013). The risk pool's fiduciary net position ("FNP") subtracted form its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.

(2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2014). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2014 less the sum of all additional side fund (or unfunded liability) contribution made by all employers during the measurement period (2013-14).

(3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date.

Note 9 – Defined Benefit Pension Plans (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

(4) Two rations are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.

(5) The Plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ration generated in (4). The plan's FNP as of the Measurement date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employee on behalf of the plan during the measurement period.

(6) The plan's NPL at the Measurement Date is the difference between the TPL an FNP calculated in (5).

The District's proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

	Misc. Plan - Classic T1	Misc. Plan - Classic T2	Safety Plan T1	Safety Plan T2
Proportion June 30, 2013	0.013080%	0.00003%	0.13969%	0.00014%
Proportion June 30, 2014	0.013080%	0.00003%	0.13969%	0.00014%
Change - Increase (Decrease)	0.00000%	0.00000%	0.0000%	0.0000%

For the year ended June 30, 2015, the District recognized pension expense of $1,085,793.

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions form the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions to pension plans made after measurement date	$ 1,388,366	$ -
Differences between projected and actual earnings on pension plan investments	-	(2,901,275)
Changes in employer contributions and differences between proportionate share of pension expense	61,157	(21,837)
Recognized portion of adjustment due to differences in proportions	16,204	(118,821)
Total	$ 1,465,727	$ (3,041,933)

The $1,388,366 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended June 30, 2016. Other amounts as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	27,629	$ (767,754)
2017	26,472	(775,553)
2018	17,473	(767,066)
2019	5,787	(731,560)
2020	-	-
Thereafter	-	-
Total	$ 77,361	$ (3,041,933)

Note 9 – Defined Benefit Pension Plans (Continued)

Actuarial Assumptions

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

	Misc. Plan - Classic T1	Misc. Plan - Classic T2	Safety Plan T1	Safety Plan T2
Valuation Date	June 30, 2013	June 30, 2013	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:				
Discount Rate	7.50%	7.50%	7.50%	7.50%
Inflation	2.75%	2.75%	2.75%	2.75%
Payroll Growth	3.00%	3.00%	3.00%	3.00%
Projected Salary Increase	varies by entry age and service (1)	varies by entry age and service (1)	varies by entry age and service (1)	varies by entry age and service (1)
Investment Rate of Return	7.50% (2)	7.50% (2)	7.50% (2)	7.50% (2)
Mortality	Derived using CalPERS' Membership Data for all funds (3)	Derived using CalPERS' Membership Data for all funds (3)	Derived using CalPERS' Membership Data for all funds (3)	Derived using CalPERS' Membership Data for all funds (3)

(1) Depending on age, service, and type of employment
(2) Net of pension plan investment expenses, including inflation
(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvement using Society of actuaries Scale BB.

There were no changes in assumptions, benefit terms, or other inputs that affected the measurement of the net pension liability. There were no changes between the measurement date of the net pension liability and the reporting date. The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuations were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan.

Note 9 – Defined Benefit Pension Plan (Continued)

Discount Rate (Continued)

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management 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, staff 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 (geometric) 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. The table below reflects 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 geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00	0.99	2.43
Inflation Sensitive	6.00	0.45	3.36
Private Equity	12.00	6.83	6.95
Real Estate	11.00	4.50	5.13
Infrastructure and Forestland	3.00	4.50	5.09
Liquidity	2.00	(0.55)	(1.05)

(a) an expected inflation of 2.5% for this period

(b) an expected inflation of 3.0% for this period

Note 9 – Defined Benefit Pension Plan (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	Misc. Plan - Classic T1	Misc. Plan - Classic T2	Safety Plan T1	Safety Plan T2	Total
1% Decrease	6.50%	6.50%	6.50%	6.50%	6.50%
Net Pension Liability	$ 1,450,126	$ 3,590	$ 14,958,195	$ 14,922	$ 16,426,833
Current Discount Rate	7.50%	7.50%	7.50%	7.50%	7.50%
Net Pension Liability	$ 813,904	$ 2,015	$ 8,692,226	$ 8,671	$ 9,516,816
1% Increase	8.50%	8.50%	8.50%	8.50%	8.50%
Net Pension Liability	$ 285,901	$ 708	$ 3,529,338	$ 3,521	$ 3,819,468

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Note 10 – Prior Period Adjustment

As a result of the implementation of GASB Statements No. 68 and 71, net position as of July 1, 2014 was restated as follows:

Net position at July 1, 2014, as previously reported	$ 35,584,717
Net pension liability	(12,636,266)
Employer conntributions to pension plan made after the measurement date	1,187,308
Changes in employer contributions and differences between proportionate share of pension expense	53,363
Total restatements	(11,395,595)
Net position at July 1, 2014, as restated	$ 24,189,122

Note 11 – Risk Management

The District is exposed to various risks of loss and has effectively managed risk through a combination of insurance, with deductibles, self-insurance, and employee education and prevention programs. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. In addition, there were no settlements or claims in the past three years that exceeded insurance coverage.

Note 11 – Risk Management (Continued)

The District is self-insured for workers' compensation benefits. The District is one of nine participants in the Public Agency Self-Insurance System (PASIS). PASIS is a joint-powers authority which was established in 1977 for the purpose of operating and maintaining a cooperative program of self-insurance and risk management for workers' compensation. There is no pooling of workers' compensation liability between the participants, and each participant self-insures their liability up to $300,000 per occurrence.

All members are responsible for paying their own claims and related expenses. PASIS may advance funds to members who have incurred large losses; however, these advances must be repaid.

Excess insurance is purchased above the self-insured retention. As of June 30, 2015, the liability for workers' compensation claims payable was estimated at $94,426.

Changes in workers' compensation claims payable for the year ended June 30, 2015, were as follows:

Estimated claims, beginning of year	$	191,282
Estimated claims incurred		5,099
Revised prior claims estimate		(90,117)
Claim payments		(11,838)
Estimated claims, end of year	$	94,426

The District is insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the District as of June 30, 2015:

- General liability: $1,000,000 per occurrence and $3,000,000 aggregate. The District purchased additional excess coverage layers: $10 million per occurrence and $20 million aggregate for general and auto liability, which increases the limits on the insurance coverage noted above.
- Auto liability: $1,000,000 liability limits and deductibles applied to specific vehicles with a $1,000 deductible on Comprehensive and Collision, and other vehicles have a $1,000 deductible on Comprehensive and on Collision.

Note 12 – Contingencies

Litigation

In the ordinary course of operations, the District is subject to other claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, other than the matter discussed above, will not materially affect its financial condition.

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REQUIRED SUPPLEMENTARY INFORMATION

Rancho Santa Fe Fire Protection District
Required Supplementary Information
For the Year Ended June 30, 2015

Schedule of Proportionate Share of the Net Pension Liability
District's Plans
(Last Ten Years*)

		FY 2013-14
Misc. Plan - Classic T1		
Proportion of the net pension liability		0.01308%
Proportionate share of the net pension liability	$	813,904
Covered - employee payroll	$	492,203
Proportionate share of the net pension liability as percentage of covered-employee payroll		165.36%
Plan's fiduciary net position as percentage of the total pension liability		83.03%
Proportionate share of aggregate employer contributions	$	107,676
Misc. Plan - Classic T2		
Proportion of the net pension liability		0.00003%
Proportionate share of the net pension liability	$	2,015
Covered - employee payroll	$	123,483
Proportionate share of the net pension liability as percentage of covered-employee payroll		1.63%
Plan's fiduciary net position as percentage of the total pension liability		83.03%
Proportionate share of aggregate employer contributions	$	267
Safety Plan T1		
Proportion of the net pension liability		0.13969%
Proportionate share of the net pension liability	$	8,692,226
Covered - employee payroll	$	4,150,937
Proportionate share of the net pension liability as percentage of covered-employee payroll		209.40%
Plan's fiduciary net position as percentage of the total pension liability		81.42%
Proportionate share of aggregate employer contributions	$	1,078,289
Safety Plan T2		
Proportion of the net pension liability		0.00014%
Proportionate share of the net pension liability	$	8,671
Covered - employee payroll	$	273,359
Proportionate share of the net pension liability as percentage of covered-employee payroll		3.17%
Plan's fiduciary net position as percentage of the total pension liability		81.42%
Proportionate share of aggregate employer contributions	$	1,076

* Historical information is required only for measurement periods for which GASB No. 68 is applicable.

Rancho Santa Fe Fire Protection District
Required Supplementary Information (Continued)
For the Year Ended June 30, 2015

Schedule of Contributions
District's Plans
(Last Ten Years*)

	FY 2014-15	FY 2013-14
Misc. Plan - Classic T1		
Actuarially determined contribution	$ 83,237	$ 78,040
Contributions in relation to the actuarially determined contribution	(83,237)	(78,040)
Contribution deficiency (excess)	$ -	$ -
Covered-employee payroll	$ 506,969	$ 492,203
Contributions as a percentage of covered-employee payroll	16.42%	15.86%
Misc. Plan - Classic T2		
Actuarially determined contribution	$ 28,903	$ 17,219
Contributions in relation to the actuarially determined contribution	(28,903)	(17,219)
Contribution deficiency (excess)	$ -	$ -
Covered-employee payroll	$ 127,187	$ 123,483
Contributions as a percentage of covered-employee payroll	22.72%	13.94%
Safety Plan T1		
Actuarially determined contribution	$ 1,189,308	$ 1,081,754
Contributions in relation to the actuarially determined contribution	(1,189,308)	(1,081,754)
Contribution deficiency (excess)	$ -	$ -
Covered-employee payroll	$ 4,275,465	$ 4,150,937
Contributions as a percentage of covered-employee payroll	27.82%	26.06%
Safety Plan T2		
Actuarially determined contribution	$ 86,918	$ 63,658
Contributions in relation to the actuarially determined contribution	(86,918)	(63,658)
Contribution deficiency (excess)	$ -	$ -
Covered-employee payroll	$ 281,560	$ 273,359
Contributions as a percentage of covered-employee payroll	30.87%	23.29%

Notes to Schedule:

Benefit Changes - The figues above do not included any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact.

Changes of Assumption - There were no changes in assumptions.

Valuation Date:	June 30, 2011
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Average Remaining Period	20 years as of the valuation date
Assets Valuation Method	15 years smoothed market
Inflation	2.75%
Salary increases	3.30% - 14.20% depending on age, service and type of employment
Payroll growth	3.00%
Investment rate of return	7.50% net of administrative expenses

* Historical information is required only for measurement periods for which GASB No. 68 is applicable.

Rancho Santa Fe Fire Protection District
Required Supplementary Information (Continued)
For the Year Ended June 30, 2015

Budgetary Comparison Schedule – General Fund

	Adopted Original Budget	Board Approved Changes	Revised Budget	Actual	Variance Positive (Negative)
Revenues:					
Property taxes	$ 10,057,600	$ -	$ 10,057,600	$ 10,273,125	$ 215,525
Voter approved taxes	1,029,500	-	1,029,500	1,028,265	(1,235)
In-lieu of property taxes – developer payments	304,800	-	304,800	241,593	(63,207)
Interest earnings	47,500	-	47,500	59,028	11,528
Rental income	268,400		268,400	261,483	(6,917)
Firefighting personnel reimbursement	75,000		75,000	335,740	260,740
Other	590,900	-	590,900	648,817	57,917
Total revenues	12,373,700	-	12,373,700	12,848,051	474,351
Expenditures:					
Fire protection operations:					
Salaries and wages	7,082,000	-	7,082,000	6,923,837	158,163
Employee benefits	3,153,700	-	3,153,700	2,677,765	475,935
Contractual services	1,295,000	-	1,295,000	1,130,386	164,614
Materials and supplies	574,000	-	574,000	784,576	(210,576)
Capital outlay	1,542,400	-	1,542,400	684,683	857,717
Total expenditures	13,647,100	-	13,647,100	12,201,247	1,445,853
Excess(Deficiency) of revenues over(under) expenditures	(1,273,400)	$ -	(1,273,400)	646,804	$ (971,502)
Other financing sources(uses):					
Transfer in(out)	172,100		172,100	-	
Fund balance - beginning of year	14,756,015		14,756,015	16,472,346	
Fund balance - end of year	$ 13,654,715		$ 13,654,715	$ 17,119,150	

Rancho Santa Fe Fire Protection District
Required Supplementary Information (Continued)
For the Year Ended June 30, 2015

Budgetary Comparison Schedule – Special Revenue Fund

	Adopted Original Budget	Board Approved Changes	Revised Budget	Actual	Variance Positive (Negative)
Revenues:					
Capital grants and contributions – fire protection	$ 388,709	$ -	$ 388,709	$ 134,303	$ (254,406)
Interest earnings	1,879	-	1,879	1,558	(321)
Total revenues	390,588	-	390,588	135,861	(254,727)
Expenditures:					
Capital outlay					
Structures, equipment and vehicles	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess(Deficiency) of revenues over(under) expenditures	390,588	$ -	390,588	135,861	$ (254,727)
Fund balance - beginning of year	509,031		509,031	773,920	
Fund balance - end of year	$ 899,619		$ 899,619	$ 909,781	

Notes to Budgets and Budgetary Data

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the District's District Manager and Fiscal Officer prepares and submits an operating budget to the Board of Directors for the General Fund and Mitigation Fund no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Directors must approve all supplemental appropriations to the budget and transfers between major accounts. The District's annual budget is presented as a balanced budget (inflows and reserves equal outflows and reserves) adopted for the General Fund at the detailed expenditure-type level.

The District presents a comparison of the annual budget to actual results for the General Fund at the functional expenditure-type major object level for financial reporting purposes. The budgeted expenditure amounts represent the adopted budget. No Board approved supplemental appropriations were made. The budgeted revenue amounts represent the adopted budget as originally approved.