

**ALPINE FIRE PROTECTION DISTRICT**  
**MANAGEMENT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**ALPINE FIRE PROTECTION DISTRICT**

Management Report  
For the Year Ended June 30, 2018

Table of Contents

	<u>Page</u>
Introduction.....	1
Required Communications.....	2-6

Board of Directors of the  
Alpine Fire Protection District  
Alpine, California

In planning and performing our audit of the financial statements of the Alpine Fire Protection District for the year ended June 30, 2018, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We will review the status of this letter during our next audit engagement. We will be pleased to discuss it in further detail at your convenience or to perform any additional study of these matters. We thank the District's staff for its cooperation on this audit.

Fechter & Company, Certified Public Accountants



September 13, 2018  
Sacramento, CA

**ALPINE FIRE PROTECTION DISTRICT**  
**Required Communications**  
**For the Year Ended June 30, 2018**

**The Auditor's Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated August 15, 2018, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the District financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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.

**Significant Accounting Policies**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

**Internal Control Related Matters**

In any smaller entity, whether private enterprise or a governmental agency, the lack of segregation of duties can present potential issues in regards to the perpetuation and concealment of fraud. Specifically, the District has one individual who is primarily responsible for keeping the books and records, performing account reconciliations, collecting money, and making bank deposits. While we recognize that it may not be feasible to segregate duties due to lack of resources, we recommend that compensating controls be performed. Some of the controls would include:

- Having the Fire Chief review the monthly bank reconciliations and bank statements.
- Examining financial statements on a monthly basis.
- Examining a budget to actual report on a frequent basis.
- Examining a "profit & loss, previous year comparison" report on a frequent basis. This is a special report that your bookkeeping system can produce.

**ALPINE FIRE PROTECTION DISTRICT**  
**Required Communications**  
**For the Year Ended June 30, 2018**

An effective District administrator would understand the major revenue sources, how the District expends its resources, and to be effectively able to identify major differences from expected balances by performing the above procedures. If a difference is identified and the District is unable to determine what happened with reasonable inquiries, District management has outside resources it can access to assist – it's attorney, outside auditor, or the county auditor-controller's office.

The main point is that due to lack of segregation of duties, the above compensating controls should be performed and follow up given if there are any questions or differences that are unable to be reconciled with reasonable inquiries.

California Government Code Section 12422.5 requires the State Controller's office to develop internal control guidelines applicable to each local agency by January 1, 2015. The intent of the legislation is to assist local agencies in establishing a system of internal control to safeguard assets and prevent and detect financial errors and fraud. To this end, the State Controller's Office has produced a draft of control guidelines for local Agencies. As the District contemplates changes to its system of internal control, we advise in utilizing these guidelines when developing internal procedures to assist with your internal control processes.

The State Controller's office has defined internal controls into five components that work together in an integrated framework. Their guidelines were adopted from the definitions and descriptions contained in *Internal Control – Integrated Framework*, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The components are:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

The objective of *control environment* is the set of standards, processes, and structures that provided the basis for carrying out internal control across the entity. The governing board and management establish the "tone at the top" regarding the importance of internal control, including expected standards of conduct which then cascade down through the various levels of the organization and have a strong effect on the overall system of internal control.

A District's *Risk Assessment* process includes how management identifies risks (including fraud risk) relevant to the preparation and fair presentation of the financial statements in accordance with the District's applicable financial reporting framework. In addition, this would also involve areas of business and operational risk which could potentially affect the District's finances on an ongoing basis.

**ALPINE FIRE PROTECTION DISTRICT**  
**Required Communications**  
**For the Year Ended June 30, 2018**

The District's risk assessment process is an extremely important activity the board and management should undertake. Every organization, public or private, faces business risks on a day to day basis. Identifying those risks and then acting on them in a timely manner may prevent future problems from becoming unmanageable.

Management should consistently attempt to identify risks that exist and then present those risks to the board for action. It is impossible for us to identify every potential risk that exists but either way, management and the board should proactively attempt to identify risks that could adversely affect the District's operations.

*Control Activities* are in reference to establishing policies and procedures that achieve management directives and respond to identified risks in the internal control system. These are specific procedures designed to perform a secondary review of internal processes that will allow for segregation of duties and a management level review of processed transactions.

*Information and Communication* are the District's methods of identifying what information is relevant to present to management and the board to assist the District in making the correct decisions. It also is in reference to the District's internal processes of gathering and summarizing that information.

*Monitoring* involves evaluating the effectiveness of controls on an on-going basis and taking remedial actions when necessary when identified by the other control procedures in place. On-going monitoring activities often are built into the normal recurring activities of a local government and include regular management and supervisory activities.

There is no catch-all for finding all instances of fraud within any entity, whether public or private. One of the key factors in helping prevent fraud is to encourage ethical behavior at all levels of the organization, i.e., "tone at the top". Another key would be to note instances of abnormal behavior of finance or accounting staff when questioned about District financial matters.

The District should remember that they have outside resources available in the case of fraud – they are able to contact the District auditor, their attorney, or the county auditor-controller should anyone feel there is a chance of fraud or abuse.

## **ALPINE FIRE PROTECTION DISTRICT**

### **Required Communications For the Year Ended June 30, 2018**

#### **Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

- Accrual and disclosure of compensated absences
- Capital asset lives and depreciation expense
- PERS actuarial study to estimate the annual retired contribution

#### **Audit Adjustments**

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the District's financial reporting process (that is, cause future financial statements to be materially misstated). The following audit adjustments, in our judgment, indicate matters that could have a significant effect on the District's financial reporting process:

- Posting of all GASB 34 entries on behalf of the District.
- Posting of all GASB 68 entries on behalf of the District.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### **Consultations with Other Independent Auditors**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**ALPINE FIRE PROTECTION DISTRICT**  
**Required Communications**  
**For the Year Ended June 30, 2018**

**Issues Discussed Prior to Retention of Independent Auditors**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing our audit.

**ALPINE FIRE PROTECTION DISTRICT**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2018**

**ALPINE FIRE PROTECTION DISTRICT**

**INTRODUCTORY SECTION**

**JUNE 30, 2018**

**ALPINE FIRE PROTECTION DISTRICT  
TABLE OF CONTENTS  
JUNE 30, 2018**

	<u>Page Number</u>
<b>INTRODUCTORY SECTION</b>	
Table of Contents.....	i-ii
<b>FINANCIAL SECTION</b>	
Independent Auditors’ Report.....	1-2
Management Discussion and Analysis .....	3-9
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	10
Statement of Activities.....	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	15
Notes to the Basic Financial Statements .....	16-36

**ALPINE FIRE PROTECTION DISTRICT  
TABLE OF CONTENTS (CONTINUED)  
JUNE 30, 2018**

	<b><u>Page Number</u></b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (GAAP) General Fund .....	37
Required Supplementary Information – Pension Plan .....	38
Notes to the Required Supplementary Information .....	39
<b>SUPPLEMENTARY INFORMATION SECTION</b>	
Organization.....	40
Assessed Valuation .....	41

**ALPINE FIRE PROTECTION DISTRICT**

**FINANCIAL SECTION**

**JUNE 30, 2018**

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Alpine Fire Protection District  
Alpine, California

We have audited the accompanying financial statements of the governmental activities of each major fund of the Alpine Fire Protection District as of and for the year ended June 30, 2018, 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 the Alpine Fire Protection District as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors  
Alpine Fire Protection District  
Alpine, California

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-9 and 37-39 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 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Alpine Fire Protection District's basic financial statements. The accompanying financial and statistical information on pages 40-41 as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statement of Alpine Fire Protection District. Such information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Fechter & Company,  
Certified Public Accountants

A handwritten signature in black ink that reads "Fechter & Company, CPAs". The signature is written in a cursive, flowing style.

Sacramento, California  
September 13, 2018

**ALPINE FIRE PROTECTION DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

As management of the Alpine Fire Protection District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements, which begin immediately following this analysis. This annual financial report consists of two main parts (1) Management's Discussion and Analysis and, (2) Basic Financial Statements.

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. GASB No. 34 established financial reporting standards for state and local governments, including cities, villages and special purpose governments.

**FINANCIAL HIGHLIGHTS**

- The District's ending Total Net Position balance was \$4,813,289.
- The Change in Net Position for the year was \$86,061.
- The District had revenue in excess of expenditures in the General Fund in the amount of \$512,804 in the current year compared to \$244,306 in the previous year.
- The District's General Fund Final Budget for this year showed Excess Revenue over Expenditures of \$(220,726) compared to the actual amount of \$512,804.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's audit report is comprised of four components: (1) financial statements and notes, (2) supplementary information, (3) reports on compliance and internal control, and (4) findings and recommendations.

**ALPINE FIRE PROTECTION DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

**Basic Financial Statements**

The basic financial statements include government-wide financial statements and fund statements. The two sets of statements are tied together by Reconciliations showing why they differ.

The District as a whole is reported in the government-wide statements and uses accounting methods similar to those used by companies in the private sector.

More detailed information about the District's most significant funds – not the District as a whole, is provided in the fund financial statements. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

The *Statement of Net Position*, a government-wide statement, presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities*, a government-wide statement, presents information showing how the District's net position 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 the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The *Balance Sheet* for governmental funds presents financial information by fund types showing money left at year-end available for spending.

The *Statement of Revenues, Expenditures, and Changes in Fund Balances* for all governmental fund types focuses on how money flows into and out of the various funds.

The *Notes to the Basic Financial Statements* are included to provide more detailed data and explain some of the information in the statements.

The *Supplementary Information* gives an overview of the operations of the District and the governing body and outlines assessed property valuation.

**ALPINE FIRE PROTECTION DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Fiscal year 2017/2018 showed a \$86,061 increase in total net position to \$4,813,289, of this \$4,415,909 was invested in capital assets and the balance to restricted and unrestricted funds.

**Statement of Net Position**

To begin our analysis, a summary of the District’s Statement of Net Position is presented in Table 1 below for the current year and the prior year.

Net position may serve, over time, as a useful indicator of a government’s financial position. In the case of the District, assets exceeded liabilities by \$4,813,289 as of June 30, 2018.

The largest portion of the District’s net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its constituents; consequently, these assets are not available for future spending.

The District’s financial position is the product of several financial transactions including the net results of activities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**TABLE 1**  
Condensed Statement of Net Position

Summary of Assets, Liabilities, and Net Position

Assets	2017/18	2016/17
Current Other Assets	\$ 7,357,146	\$ 6,657,996
Capital Assets, net	4,415,909	4,587,086
Total Assets and Deferred Outflows	\$ 11,773,055	\$ 11,245,082
 Liabilities		
Current and Other Liabilities	\$ 547,909	\$ 833,560
Long-term Debt	6,411,857	5,684,294
Total Liabilities	\$ 6,959,766	\$ 6,517,854
 Net Position		
Invested in Capital Assets	\$ 4,415,909	\$ 4,587,086
Unrestricted Net Position	397,380	140,142
Total Net Position	\$ 4,813,289	\$ 4,727,228

**ALPINE FIRE PROTECTION DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

**Statement of Activities**

- The District’s total revenues for the fiscal year ending June 30, 2018 were \$4,176,661, an increase of \$103,593 over the prior fiscal year. This was due primarily to an increase in property tax revenue which offset a decrease to grant income.
- The District’s total expenses for the fiscal year ending June 30, 2018 were \$4,090,600.
- The excess of revenues over expenditures was \$86,061.

The following table presents a summary of the Statement of Activities for the fiscal year ended June 30, 2018:

**TABLE 2**  
Condensed Statement of Activities

	2017/18	2016/17
General Revenues		
Property Taxes	\$ 3,144,376	\$ 3,016,494
Assessments	465,706	456,722
Use of Money and Property	65,899	52,785
Mitigation Fees	57,073	45,977
Inter-governmental	38,173	187,973
Miscellaneous	405,434	313,117
Total Revenues	4,176,661	4,073,068
Operating expenses	3,919,423	4,098,143
Depreciation	171,177	210,715
Total Expenditures	4,090,600	4,308,858
Increase (Decrease) in Net Position	\$ 86,061	\$ (235,790)

**ALPINE FIRE PROTECTION DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

**General Fund Budgetary Highlights**

The General Fund had the following Excess of Expenditures over Appropriations (instances where actual amounts exceeded budgeted amounts) in individual categories:

The District's General Fund Final Budget for this year showed Excess Revenue over Expenditures of \$(220,726) compared to the actual amount of \$512,804. The difference is primarily due to planned budgetary management.

This does not reflect transfers from accrual funds to cover restricted expenses and liabilities.

	<u>Actual</u>	<u>June 30, 2018 Budget</u>	<u>Variance</u>
Revenues	\$ 4,176,661	\$ 3,893,859	\$ 282,802
Expenses	3,663,857	4,114,585	450,728
Net Increase (Decrease)	<u>\$ 512,804</u>	<u>\$ (220,726)</u>	<u>\$ 733,530</u>

**ALPINE FIRE PROTECTION DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The District's major holdings in capital assets and capital investment are land and structures. Station 17 was completed in March 2006. Equipment includes apparatus and command vehicles (2001 Type 1 pumper, 2015 Type 1 pumper, 2002 Type III brush rig, 1998 Ford F150, 2007 Ford Ranger, 2008 Ford Expedition XLT, 2 x 2012 Dodge Power Wagons). Replacement for apparatus and vehicles is based on a 10-year usable life schedule. The decrease in capital assets over prior period was principally due to depreciation.

**Long-Term Debt**

The District has not undertaken any new debt.

**Governmental Accounting Standards Board Statement 68**

Governmental Accounting Standards Board Statement 68 (GASB 68) was issued by GASB in June 2012, requiring public employers to comply with new accounting and financial reporting standards. GASB Statement 68 outlines a different approach to the recognition and calculation of pension obligations. Under the new GASB standards, employers that participate in a defined benefit pension plan administered as a trust or equivalent arrangement are required to record the net pension liability, pension expense, and deferred outflows/deferred inflows of resources related to pensions in their financial statements as part of their financial position.

Net pension liability is the plan's total pension liability based on entry age normal actuarial cost method less the plan's fiduciary net position. This may be a negative liability (net pension asset).

Pension expense is the change in net pension liability from the previous fiscal year to the current fiscal year less adjustments. This may be a negative expense (pension income).

Deferred outflows and deferred inflows of resources related to pensions are certain changes in total pension liabilities and fiduciary net position that are to be recognized in future pension expense.

Under the new GASB standards, each participating cost-sharing employer is required to report its proportionate share of the collective net pension liability, pension expense, and deferred outflows/deferred inflows of resources in their financial statements, determined in conformity with either paragraph 48 or paragraph 49 of GASB 68.

**ALPINE FIRE PROTECTION DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

The economic future for the District is considered positive based on current projections. With sound financial decisions, conservative spending trends, investments focused on the preservation of principal, with strong team leadership and a continuation of sound management practices, combined with the fiduciary oversight provided by the Board of Directors, this District will continue to serve the citizens and to fulfill its mission statement.

**CONTACTING THE DISTRICT**

Questions regarding this report should be directed to Bill Paskle, Fire Chief and/or Alicea Caccavo, Finance Officer at (619) 445-2635, or by mail at 1364 Tavern Road, Alpine, CA 91901.

**ALPINE FIRE PROTECTION DISTRICT**



*“We are a public safety organization of dedicated professionals whose mission is to save lives, protect property and the environment, and serve the community.”*

**ALPINE FIRE PROTECTION DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2018**

**ASSETS**

Cash and investments	\$ 4,912,410
Deposits	486,306
Accounts receivable	57,397
Capital assets, net	<u>4,415,909</u>

<b>TOTAL ASSETS</b>	<u>9,872,022</u>
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**DEFERRED OUTFLOWS OF RESOURCES (Note 7)**

Deferred pensions	<u>1,901,033</u>
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**LIABILITIES**

Accounts payable	7,680
Accrued payroll	16,778
Other current liabilities	247,231
Accrued claims liability (Note 5)	276,220
Long-term liabilities:	
Net pension liability	5,992,344
Compensated absences	<u>261,486</u>

<b>TOTAL LIABILITIES</b>	<u>6,801,739</u>
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<b>DEFERRED INFLOWS OF RESOURCES (Note 7)</b>	<u>158,027</u>
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**NET POSITION**

Invested in capital assets	4,415,909
Unrestricted	<u>397,380</u>

<b>NET POSITION</b>	<u><u>\$ 4,813,289</u></u>
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The accompanying notes are an integral part of these financial statements

**ALPINE FIRE PROTECTION DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
Governmental Activities:					
Public Safety	\$ 4,090,600	\$ -	\$ 38,173	\$ -	\$ (4,052,427)
Total Governmental Activities	<u>\$ 4,090,600</u>	<u>\$ -</u>	<u>\$ 38,173</u>	<u>\$ -</u>	<u>(4,052,427)</u>

General Revenues

Property taxes	\$ 3,144,376
Special assessments	465,706
Use of money and property	65,899
Mitigation fees	57,073
Miscellaneous	<u>405,434</u>
Total general revenues	4,138,488
Change in net position	86,061
Net position at beginning of fiscal year	<u>4,727,228</u>
Net position at end of fiscal year	<u>\$ 4,813,289</u>

The accompanying notes are an integral part of these financial statements

**ALPINE FIRE PROTECTION DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2018**

<b>ASSETS</b>	<u>General Fund</u>
Cash and investments	\$ 4,912,410
Deposits	486,306
Accounts receivable	<u>57,397</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 5,456,113</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 7,680
Accrued payroll	16,778
Accrued vacation	92,905
Other current liabilities	247,231
Accrued claims liability (Note 5)	<u>276,220</u>
Total liabilities	<u>640,814</u>
<b>FUND BALANCES</b>	
Fund balance:	
Non-spendable	486,306
Assigned:	
Assigned for capital expenditures	900,396
Assigned for sick and vacation leave	230,000
Assigned for economic uncertainty	1,000,000
Assigned for PASIS risk pool	471,131
Unassigned	<u>1,727,466</u>
Total fund balance	<u>4,815,299</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 5,456,113</u></u>

The accompanying notes are an integral part of these financial statements

**ALPINE FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2018**

Total fund balances - governmental funds		\$ 4,815,299
<p>In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.</p>		
Capital assets at historical cost		4,415,909
Deferred outflows of resources are not reported in the Statement of Net Position		1,901,033
<p>Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds. Those liabilities consist of:</p>		
Deferred Inflows of Resources	(158,027)	
Net Pension Liability	(5,992,344)	
Compensated absences	(168,581)	(6,318,952)
Net position of governmental activities		\$ 4,813,289

The accompanying notes are an integral part of these financial statements

**ALPINE FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

**REVENUES**

Property taxes	\$ 3,144,376
Special assessments	465,706
Use of money and property	65,899
Inter-governmental revenues	38,173
Mitigation fees	57,073
Miscellaneous	<u>405,434</u>
 Total revenues	 4,176,661

**EXPENDITURES**

Current:

Salaries and benefits	3,148,313
Maintenance	146,842
Communications	115,226
District insurance	(51,787)
District special expenses	92,260
Utilities	46,137
Grant expenses	38,172
Office expense	35,254
Training and seminars	22,821
Professional services	18,520
Workshops	15,081
Fire prevention	8,322
Clothing	6,582
Directors fees	5,600
Household	4,405
Non-capitalized equipment	6,595
Medical supplies	3,436
Capital outlay	-
Publications and memberships	<u>2,078</u>
 Total expenditures	 <u>3,663,857</u>

**NET CHANGE IN FUND BALANCES**

512,804

**FUND BALANCES, BEGINNING OF YEAR**

4,302,495

**FUND BALANCE, END OF YEAR**

\$ 4,815,299

The accompanying notes are an integral part of these financial statements

**ALPINE FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Change in Fund Balances, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES	\$ 512,804
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense not reported in governmental funds	(171,177)
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The amounts below included in the Statement of Activities do not provide or require the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Change in accrued pension liability	(222,508)
Change in compensated absences	(33,058)
	(255,566)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 86,061
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The accompanying notes are an integral part of these financial statements

**ALPINE FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

The notes provided in the Financial Section of this report are considered an integral and essential part of adequate disclosure and fair presentation of this report. The notes include a summary of accounting policies and other necessary disclosure of pertinent matters relating to financial position and results of operations of the Alpine Fire Protection District (the District). The notes express significant insight to the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this report.

The Alpine Fire Protection District is located in San Diego County and was formed in 1957 to provide fire protection and emergency services to the community of Alpine. It covers approximately 27.5 square miles with a population of 17,000. The District is located in a semi-rural community and is primarily residential with light commercial occupancies. The Federal Register lists Alpine as an Urban-Wildland Interface Community within the vicinity of Federal lands that is in high risk from wildfire. Most of the District is located in State Responsibility Area (SRA) lands except for the eastern third which is in the Cleveland National Forest.

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

A. Accounting Policies

The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

B. Basis of Presentation

Government-Wide Financial Statements:

The Government-Wide Financial Statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District and its component units. Internal service fund activity is eliminated to avoid doubling revenues and expenses. The Government-Wide Statements are prepared using the economic resources measurement focus. Governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the Government-Wide statements and the statements for the governmental funds. The Government-Wide Statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**ALPINE FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Presentation (Continued)

Fund Financial Statements:

Fund Financial Statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

C. Basis of Accounting

Basis of Accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues - Exchange and Non-Exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**ALPINE FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

C. Basis of Accounting (Continued)

Deferred Revenue:

Deferred Revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met, are recorded as deferred revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as deferred revenue.

Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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

D. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into funds as follows:

Major Governmental Fund:

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

E. Budgets and Budgetary Accounting

By State law, the District's Governing Board must adopt a tentative budget no later than July 1, and adopt a final budget no later than October 1. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements.

**ALPINE FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. Budgets and Budgetary Accounting (Continued)

These budgets are revised by the District's Governing Board during the year to give consideration to unanticipated income and expenditures. It is this final revised budget that is presented in the financial statements. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object accounts. Appropriations do not carryover from year to year.

F. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30.

G. Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits deferment of a portion of current salary to future years. Benefits from the plan are not available to employees until termination, retirement, disability, death, or unforeseeable emergencies.

All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The District does not meet the criteria for fiduciary fund reporting since it does not have either significant administrative involvement (e.g. custody) or performs the investment function. Therefore, the fair market value of the plan assets at June 30, 2018 in the amount of \$1,698,087 are not included in the District's financial statements.

H. Accumulated Vacation and Sick Leave

The District's policy on vacation and sick leave states that every full-time employee shall be eligible for vacation with pay after six months of continued service with the employer. Employees shall start to earn vacation allowance as of their first date of employment. The maximum accumulated total which may be carried in vacation time from one fiscal budget year to the next is one shift.

**ALPINE FIRE PROTECTION DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

H. Accumulated Vacation and Sick Leave (Continued)

Vacation allowance shall be earned annually based on the following schedule:

<u>Safety:</u>	<u>Length of Service</u>	<u>Shift Personnel</u>	<u>40 Hour Personnel</u>
	1 to 4 years	144 hours	48 hours
	5 to 9 years	168 hours	56 hours
	10 to 14 years	192 hours	64 hours
	15 to 19 years	216 hours	72 hours
	20 to 24 years	240 hours	80 hours
	25 +	264 hours	88 hours

<u>Administrative Support Staff:</u>	<u>Length of Service</u>	<u>Hours</u>
	0-2 years	40 hours
	3-5 years	80 hours
	6-9 years	120 hours
	10-14 years	160 hours
	15-19 years	200 hours
	20 plus years	280 hours

Safety personnel employees accumulate sick leave from the first day of employment and shall continue to do so until they have accumulated a maximum of 2,880 hours. The accrual for sick leave shall be at the rate of 21 hours per month or ten and one-half (10 ½) shifts per year. Sick leave may be converted to vacation at the rate of three hours of sick leave for one hour of vacation so that no employee will exceed the cap of 2,880 hours.

Management and Full-time Administrative personnel shall accrue sick leave at the rate of 12 hours per month. There is no limit to the accrued sick leave for non-safety personnel. Unused sick leave shall be carried forward from one fiscal year to the next. Safety and Full-time Non-Safety Employees shall be compensated in cash for unused sick leave at the rate of one quarter of their regular rate of pay for any unused accumulation of sick leave when they are permanently separated from service by resignation, death, retirement, service retirement, or discharge so long as the employee has previously completed five (5) years of full-time service to the District.

Part-time employees shall earn 24 hours of sick leave annually. Sick leave will be earned on July 1<sup>st</sup> of each year and there is no carry over from year to year. Sick leave may be used beginning on the 90<sup>th</sup> day of employment. There is no cash out value for hours earned during employment or at termination. This section conforms to California AB1522 and affects employees who work in California for 30 or more days within a year.

At June 30, 2018, the accumulated unpaid liabilities related to vacation and sick leave benefits were a total of \$261,486. Of this amount, \$261,486 is recorded in General Long-Term Debt and \$0 is recorded in the Current Liability Section.

**ALPINE FIRE PROTECTION DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

I. Employee Retirement Plans

Plan Description and Funding Policy:

CalPERS

Plan Description

The District contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of CalPERS' annual financial report may be obtained from their Executive Office - 400 P Street, Sacramento, CA 95814.

Funding Policy

Tier 1 and Tier 2 participants are required to contribute 100% of the employee contribution. The District deposited the contributions required of District employees on their behalf into the employees' account. The District is required to contribute at an actuarially determined rate; the 2017/2018 rates of annual covered payroll are as follows:

Tier	Safety	Non-Safety
Tier 1	19.723%	12.014%
Tier 2	16.842%	7.54%
PEPRA	-	-

The contribution requirements of plan members and the District are established and may be amended by CalPERS. One major change in the contribution rates is the unfunded liability component has now been separately stated in the reports from PERS. Consequently, even though the contribution rates appear dramatically less than the prior year the contributions themselves have increased.

At June 30, 2018, the District reported a liability of \$5,992,344 in the Statement of Net Position for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 plan relative to the projected contributions of all Pension Plan participants, which was actuarially determined.

**ALPINE FIRE PROTECTION DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

I. Employee Retirement Plans (Continued)

Funding Policy (Continued)

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$1,034,295 in its Government-Wide financial statements. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

- Discount Rate/Rate of Return – 7.5%, net of investment expense
- Inflation Rate – 2.75%
- Salary increases – Varies by Entry Age and Service – up to 3%
- COLA Increases – up to 2.75%
- Post-Retirement Mortality – Derived using CalPERS’ Membership Data for all Funds

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2017.

The long-term expected rate of return on pension plan investments (7.5%) 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. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	51.0%	5.38%
Global Fixed Income	20.0%	2.27%
Inflation Sensitive	6.0%	1.39%
Private Equity	10.0%	6.63%
Real Estate	12.0%	5.21%
Liquidity	2.0%	(.90)%

**ALPINE FIRE PROTECTION DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

I. Employee Retirement Plans (Continued)

Actuarial Assumptions (Continued)

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund's fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease 6.50%	Discount Rate 7.5%	1% Increase 8.5%
District's proportionate share of the net pension plan liability	\$ 8,930,043	\$ 5,992,344	\$ 3,589,098

Detailed information about the pension fund's fiduciary net position is available in the separately issued CALPERS comprehensive annual financial report which may be obtained by contacting PERS.

J. Property Tax

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on December 10, and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of San Diego bills and collects the taxes for the District. Tax revenues are recognized by the District when received.

K. Assets, Liabilities, and Equity

1. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," the District recognizes deferred outflows and inflows of resources.

**ALPINE FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

K. Assets, Liabilities, and Equity (Continued)

1. Deferred Outflows and Inflows of Resources (Continued)

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the District that is applicable to a future reporting period. The District has two items which qualify for reporting in this category. Please refer to Note 7 for a detailed listing of the deferred outflows of resources the District has recognized.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has one item which qualifies for reporting in this category. Please refer to Note 7 for a detailed listing of the deferred inflows of resources.

2. Capital Assets

Capital Assets are those purchased or acquired with an original cost of \$5,000 or more and are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives:

**ALPINE FIRE PROTECTION DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

K. Assets, Liabilities, and Equity (Continued)

2. Capital Assets (Continued)

Asset Class	Examples	Estimated Useful Life In Years
Land		N/A
Site Improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting	20
HVAC Systems	Heating, ventilation, and air conditioning systems	20
Roofing		20
Interior Construction		25
Carpet Replacement		7
Electrical/Plumbing		30
Sprinkler/Fire System	Fire suppression systems	25
Outdoor Equipment	Playground, radio towers, fuel tanks	20
Machinery and Tools	Shop & maintenance equipment tools	15
Kitchen Equipment	Appliances	15
Custodial Equipment	Floor scrubbers, vacuums, other	15
Science and Engineering	Lab equipment, scientific apparatus	10
Furniture and Accessories	Classroom and other furniture	20
Business Machines	Fax, duplicating & printing equipment	10
Copiers		5
Communication Equipment	Mobile, portable radios, non-computerized	10
Computer Hardware	PC's, printers, network hardware	5
Computer Software	Instructional, other short-term	5 to 10
Computer Software	Administrative or long-term	10 to 20
Musical Instruments	Pianos, strings, brass, percussion	10
Library Books	Collections	5 to 7
Licensed Vehicles	Buses, other on-road vehicles	8
Contractors Equipment	Major off-road vehicles, front-end loaders, large tractors, mobile air compressor	10
Grounds Equipment	Mowers, tractors, attachments	15

**ALPINE FIRE PROTECTION DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

K. Assets, Liabilities, and Equity (Continued)

3. Deferred Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Deferred Revenue is recorded to the extent that cash received on specific projects and programs exceeds qualified expenditures.

4. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

5. Revenue Limit/Property Tax

The District's revenue limit is received from a combination of local property taxes, state apportionments, and other local sources.

The County is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the County. The levy is based on the assessed values as of the preceding March 1, which is also the lien date. Property taxes on the secured roll are due on November 1, and February 1, and taxes become delinquent after December 10, and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (March 1), and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The County apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll - approximately October 1, of each year.

**ALPINE FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

L. Fund Balance Reserves and Assignments

Under GASB 54, fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are now broken out in five categories:

- Nonspendable Fund Balance – this fund balance classification includes amounts that cannot be spent because they are either not in spendable form (i.e. – prepaid expenses) or legally or contractually required to be maintained intact.
- Restricted Fund Balance – this fund balance classification should be reported when there are constraints placed on the use of resources externally (by creditors, grant sources, contributors, etc.) or imposed by law or enabling legislation.
- Committed Fund Balance – this fund balance classification can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority (i.e. – fund balance designations passed by board resolution).
- Assigned Fund Balance – this fund balance classification includes amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned Fund Balance – this fund balance classification is the residual classification for the general fund.

M. Net Position

The government-wide financial statements utilize a net position presentation. Net position are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- Invested in Capital Assets, Net of Related Debt – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- Restricted Net Position – This category presents external restrictions imposed by creditors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This category represents net position of the District not restricted for any project or other purpose.

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect

**ALPINE FIRE PROTECTION DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

N. Use of Estimates (Continued)

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 expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – CASH AND INVESTMENTS**

The District follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures.

Cash and investments consist of the following at June 30, 2018:

Investments in State Treasurer’s Investment Pool (LAIF)	\$ 546,689
Deposits held in financial institutions	1,045,024
Certificates of deposit and investments	2,034,523
Cash with County	1,772,480
	<u>\$ 5,398,716</u>

A. Custodial Credit Risk

At June 30, 2018, the carrying amount of the deposits held at banks, was \$558,718. The bank balances are insured by the FDIC for \$250,000 and the remaining was collateralized, as required by California Government Code 53630, by the pledging financial institution with assets held in a common pool for the District and other governmental agencies. State law requires that the collateral be equal or greater than 100% of all public deposits held with the pledging financial institution if government securities are used or 150% if mortgages are used as the collateral.

B. Authorized Investments

California statutes authorize the District to invest idle or surplus funds in a variety of credit instruments as provided for in California Government Code Section 53600, Chapter 4 – Financial Affairs.

The Government Code allows investments in the following instruments:

- Securities of the United States Government, or its agencies
- Small Business Administration loans
- Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan companies
- Negotiable Certificates of Deposit
- Banker’s Acceptances

**ALPINE FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

B. Authorized Investments (Continued)

- Commercial paper and medium-term corporate notes
- Local Agency Investment Fund (State Pool and County Pool) Demand Deposits
- Repurchase Agreements (Repos)
- Passbook savings Account Demand Deposits
- Reverse Repurchase Agreements
- County Cash Pool

C. Investments

The District has adopted provisions of Governmental Accounting Standards Board (GASB) 31, *“Accounting and Financial Reporting for Certain Investments and for External Investment Pools.”* GASB 31 establishes accounting and financial standards for investments in interest-earning investment contracts, external investment pools, and mutual funds. The statement requires all applicable investments to be reported at fair value on the balance sheet. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced sale. All investment income, including change in fair market of investments, is recognized as revenue in the operating statement. The State Treasurer’s Local Agency Investment Fund (LAIF) is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee, comprised of California State officers and various participants, provides oversight to the management of the fund. The District is a voluntary participant in the investment pool. The District reports its investment in the LAIF at the fair value provided by the State Treasurer, which is not materially different than cost. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are on an amortized costs basis. Included in the LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating securities issued by federal agencies, government sponsored enterprises, and corporations.

The fair value of investments reported by the District is based on quoted market prices while the fair value of the LAIF investments are based on information provided by LAIF. The following table categorizes fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and liabilities. Level 1 inputs are quoted prices for identical assets or liabilities in active markets at the date measurement; Level 2 inputs are significant other directly or indirectly observable inputs other than quoted prices; and Level 3 inputs are significant unobservable inputs. The District does not use Level 3 inputs to measure the fair value of its investments.

**ALPINE FIRE PROTECTION DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2018**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

C. Investments (Continued)

Here is a table classifying the assets by fair value hierarchy:

	Fair Market Value as of June 30, 2018			
	Total	Level 1	Level 2	Level 3
LAIF	\$ 546,689	\$ -	\$ 546,689	\$ -
Certificates of deposit and investments	2,034,523	2,034,523	-	
Totals	\$ 2,581,212	\$ 2,034,523	\$ 546,689	\$ -

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of the year-end, the weighted average maturity of the investments contained in the LAIF investment pool is approximately 10.5 months.

E. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The LAIF does not have a rating provided by a nationally recognized statistical rating organization.

**ALPINE FIRE PROTECTION DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 3 - CAPITAL ASSETS**

A schedule of changes in general fixed assets for the year ended June 30, 2018, is shown below:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Capital Assets, Not Being Depreciated:				
Land	\$ 644,613	\$ -	\$ -	\$ 644,613
Total Capital Assets, Not Being Depreciated	<u>644,613</u>	<u>-</u>	<u>-</u>	<u>644,613</u>
Capital Assets, Being Depreciated:				
Structures & Improvements	4,525,887	-	-	4,525,887
Equipment & Vehicles	2,450,030	-	-	2,450,030
	<u>6,975,917</u>	<u>-</u>	<u>-</u>	<u>6,975,917</u>
Less Accumulated Depreciation:	<u>(3,033,444)</u>	<u>(171,177)</u>	<u>-</u>	<u>(3,204,621)</u>
Total Capital Assets, Being Depreciated, Net	<u>3,942,473</u>	<u>(171,177)</u>	<u>-</u>	<u>3,771,296</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,587,086</u>	<u>\$(171,177)</u>	<u>\$ -</u>	<u>\$ 4,415,909</u>

Total depreciation expense for the year was \$171,177.

Depreciation expense charged to:	
Public Safety	\$171,177
	<u>\$171,177</u>

**NOTE 4 – LONG-TERM DEBT**

The following is a summary of long-term liability transactions for the year ended June 30, 2018:

	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018	Due Within One Year
Compensated absences	\$ 228,428	\$ 33,058	\$ -	\$ 261,486	\$ 92,905
Net Pension Liability	5,229,167	763,177	-	5,992,344	-
<b>TOTAL</b>	<u>\$ 5,457,595</u>	<u>\$ 796,235</u>	<u>\$ -</u>	<u>\$ 6,253,830</u>	<u>\$ 92,905</u>

**ALPINE FIRE PROTECTION DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2018**

**NOTE 5 - JOINT POWERS AGREEMENTS**

**A. PASIS**

The District entered into a Joint Powers Agreement (JPA) known as the “Public Agencies Self Insurance System” (PASIS), a self-insurance plan for workers’ compensation insurance. The PASIS is governed by a board consisting of a representative from each member district. The board controls the operations of the PASIS, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the PASIS. The JPA is a separate entity which is independently audited. Nine San Diego County fire districts have entered into a Joint Powers Agreement, San Diego Public Agency Self-Insurance System (PASIS), to administer a program of risk management and workers’ compensation self-insurance. PASIS’ purpose is to provide for payment of workers’ compensation claims. Excess insurance is purchased to cover losses which exceed specific amounts.

PASIS establishes a liability for both reported and unreported insured events which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those liabilities for the past year:

Unpaid claims and claim adjustment expenses at beginning of the year	\$ 438,464
Provision for insured events of current year	143,394
Changes in provision for insured events of prior years	<u>(194,980)</u>
Total incurred claims expense	(51,586)
Claim paid attributable to insured events of the current year	<u>(106,979)</u>
Total outstanding claims liability	<u>\$ 279,899</u>

**ALPINE FIRE PROTECTION DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 5 - JOINT POWERS AGREEMENT (CONTINUED)**

A. PASIS - continued

Condensed financial information from PASIS audited financial statements as of June 30, 2018, is as follows:

	<b>District's Share</b>	<b>Total PASIS</b>
Assets	\$ 486,306	\$ 3,436,822
Liabilities and Fund Balance		
Liabilities	\$ -	\$ -
Fund Balance (Deficit)	486,306	3,436,822
Total Liabilities and Fund Balance	\$ 486,306	\$ 3,436,822
Revenues		\$ 39,885
Expenditures		-
Capital Contributions (Distributions)		-
Net Income (Loss)		\$ 39,885

B. FAIRA

The District entered into a Joint Powers Agreement (JPA) known as the “Fire Agencies Insurance Risk Authority” (FAIRA), a self-insurance plan for general liability insurance. FAIRA is governed by a 13 member Board, elected by a vote of the members. One seat is reserved for the highest premium member and one seat is reserved for an elected member from the State of Nevada. The board controls the operations of the FAIRA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the FAIRA. The JPA is a separate entity which is independently audited.

**ALPINE FIRE PROTECTION DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 5 - JOINT POWERS AGREEMENT (CONTINUED)**

B. FAIRA - continued

Condensed financial information from FAIRA audited financial statements at June 30, 2017, is as follows:

	<b>Total FAIRA</b>
Assets	\$ 3,212,773
Liabilities and Fund Equity	
Liabilities	\$ 62,441
Net Position	3,150,332
Total Liabilities and Net Position	\$ 3,212,773
	<b>Total FAIRA</b>
Operating Revenues	\$ 2,493,455
Expenditures	(2,476,393)
Operating Income (Loss)	17,062
Non-operating Revenue Investments (Net)	18,910
Net Income (Loss)	\$ 35,972

C. HCFA

The District entered into a Joint Powers Agreement (JPA) known as the “Heartland Communications Facility Authority” (HCFA), the purpose of which is to acquire, construct, equip, and maintain and operate a communications facility. The HCFA is governed by a commission consisting of a representative from each public agency. The commission controls the operations of the HCFA, including selection of management and approval of operating budgets, independent of any influence by members beyond their representation on the commission. Each public agency pays a premium of which 25% is based on average daily staffing and 75% based on calendar year incident count. Because the District has a minority voting interest and no administrative authority, the financial transactions of the JPA are not included in this report.

**ALPINE FIRE PROTECTION DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 5 - JOINT POWERS AGREEMENT (CONTINUED)**

D. FDAC-EBA

The District entered into a Joint Powers Agreement (JPA) known as the “Fire Districts Association of California Employment Benefits Authority” (FDAC-EBA), the purpose of which is to provide health insurance. The JPA is a separate entity which is separately audited. The financial transactions of the JPA are not included in this report because the District had no voting interest and no administrative authority.

E. HFTA

The District was accepted as a full member of the “Heartland Fire Training Authority” Joint Powers Agreement (JPA) on July 1, 2013, the purpose of which is to provide training and training facilities. The JPA is a separate entity and is separately audited.

F. RCCP

The District became a member of the Joint Powers Agreement (JPA) known as the Regional Cooperative Care Partnership (RCCP) on July 1, 2013, the purpose of which is to provide certain administrative, training and oversight services related to the provision of pre-hospital emergency medical services to the members. The JPA is a separate entity.

**NOTE 6 – LONG-TERM OPERATING LEASE AGREEMENTS**

The District has one long-term operating lease agreement, with a term of five years. There are no material restrictions imposed by this agreement. Rent expense for the fiscal year ended June 30, 2018 was \$3,616. The minimum rental payments required under the operating lease commitments at June 30, 2018, are:

Year Ended June 30,	Primary Government
2019	\$ 3,616
2020	2,712
Total	\$ 10,188

**NOTE 7 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

Pursuant to GASB Statement No. 63 (defined in footnote No. 1), the District recognized deferred outflows of resources in the government-wide and proprietary fund statements. These items are a consumption of net position by the District that is applicable to a future reporting period.

**ALPINE FIRE PROTECTION DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2018**

**NOTE 7 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)**

The District has one item that is reportable on the Government-Wide Statement of Net Position as Deferred Outflows of Resources which is related to pensions that are the PERS premiums for the 2018 fiscal year which will be recognized in a subsequent reporting period. The total for this is \$811,787. These were the employer contributions for the 2018 fiscal year.

The District is also reporting deferred outflows of resources relating to differences between projected and actual investment earnings, change in employer proportions and differences between the employer’s contributions and their proportionate share of contributions. The sum total of these amounts at year-end were \$1,089,247 and they will be amortized over a 3.8 year period.

The District also recognized deferral inflows of resources in the government-wide financial statements. These are related to differences between expected and actual experience, changes of assumptions, and differences between employer’s contributions and the District’s proportionate share of contributions. This amount totals \$158,027 and will be amortized over a 3.8 year period.

Under the modified accrual basis of accounting, it is not enough that revenue is earned; it must also be available to finance expenditures of the current period. Governmental funds will therefore include deferred inflows of resources for amounts that have been earned but are not available to finance expenditures in the current period.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2018	\$ 179,044
2019	534,762
2020	331,224
2021	(113,811)
Total	\$ 931,219

**NOTE 8 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 26, 2018, the date the financial statements were available for issuance.

**ALPINE FIRE PROTECTION DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION SECTION**  
**JUNE 30, 2018**

**ALPINE FIRE PROTECTION DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 3,030,582	\$ 3,030,582	\$ 3,144,376	\$ 113,794
Special assessments	465,361	465,133	465,706	573
Use of money and property	54,168	57,434	65,899	8,465
Inter-governmental revenues	113,516	36,971	38,173	1,202
Mitigation fees	67,927	64,889	57,073	(7,816)
Miscellaneous	238,850	238,850	405,434	166,584
Total revenues	<u>3,970,404</u>	<u>3,893,859</u>	<u>4,176,661</u>	<u>282,802</u>
<b>EXPENDITURES</b>				
Current:				
Salaries and benefits	2,949,499	3,249,499	3,148,313	101,186
Maintenance	124,903	145,225	146,842	(1,617)
Communications	116,504	114,992	115,226	(234)
District insurance	257,198	251,166	(51,787)	302,953
District special expenses	84,505	84,140	92,260	(8,120)
Utilities	45,773	46,138	46,137	1
Grant expenses	113,516	36,971	38,172	(1,201)
Office expense	41,125	41,125	35,254	5,871
Training and seminars	41,844	41,844	22,821	19,023
Professional services	23,178	23,178	18,520	4,658
Workshops	22,615	22,615	15,081	7,534
Fire prevention	11,715	11,715	8,322	3,393
Clothing	27,612	13,729	6,582	7,147
Directors fees	7,000	7,000	5,600	1,400
Household	4,000	4,405	4,405	-
Non-capitalized equipment	38,353	1,852	6,595	(4,743)
Medical supplies	5,400	5,400	3,436	1,964
Capital outlay	60,147	6,047	-	6,047
Publications and memberships	2,544	2,544	2,078	466
Emergency fund	5,000	5,000	-	5,000
Total expenditures	<u>3,982,431</u>	<u>4,114,585</u>	<u>3,663,857</u>	<u>450,728</u>
Excess of revenues over (under) expenditures			<u>\$ 512,804</u>	

See notes to required supplementary information

**ALPINE FIRE PROTECTION DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN  
JUNE 30, 2018**

Alpine Fire Protection District – Schedule of the District’s proportionate share of the Net Pension Liability:

Last 10 Fiscal years\*:

	FY 2014	FY 2015	FY 2016	FY 2017
District’s proportion of the net pension liability	Varies by plan	Varies by plan	.06043%	.06042%
District’s proportionate share of the net pension liability	\$ 3,451,608	\$ 3,582,220	\$ 5,229,167	\$ 5,992,344
District’s covered employee payroll	1,570,678	1,666,332	1,666,332	\$ 1,597,119
District’s proportionate share of the net pension liability as a percentage of its covered-employee payroll	219.75%	214.98%	313.81%	375.20%
Plan Fiduciary net position as a percentage of the total pension liability	81.51%	80.55%	76.12%	71.49%

\*Amounts presented above were determined as of 6/30. Additional years will be presented as they become available.

CALPERS - Schedule of District contributions

Last 10 Fiscal Years\*:

	FY 2014	FY 2015	FY 2016	FY 2017
Actuarially determined contribution	\$ 411,913	\$ 423,203	\$ 479,568	\$ 479,568
Total actual contributions	411,913	423,203	479,568	479,568
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District’s covered-employee payroll	\$ 1,570,678	\$ 1,666,332	\$ 1,666,332	\$1,597,119
Contributions as a percentage of covered employee payroll	26.23%	25.39%	28.78%	30.03%

**ALPINE FIRE PROTECTION DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2018**

**Note 1 - Budgetary Basis of Accounting**

Budgets for the operating fund are prepared on the cash and expenditures or encumbrances basis. Revenues are budgeted in the year receipt is expected; expenditures are budgeted in the year that the applicable warrant requisitions are expected to be issued. The budget and actual financial statements are reported on the above basis, with no material differences between them.

Annual budget requests are submitted by the District's staff to the District Board of Directors for preliminary review and approval. After public hearing, a final budget is approved by the District Board of Directors, with a resolution adopting said budget. Copies of the approved budget are sent to all required agencies.

**ALPINE FIRE PROTECTION DISTRICT**  
**SUPPLEMENTARY INFORMATION SECTION**  
**JUNE 30, 2018**

**ALPINE FIRE PROTECTION DISTRICT  
ORGANIZATION  
JUNE 30, 2018**

The Alpine Fire Protection District (the District) was formed as a fire protection district on December 19, 1957, and operates under the Health and Safety Code Sections 13801-13999 of the State of California and provides fire protection services to approximately 27.5 square miles in the unincorporated eastern sector of San Diego County. The activities of the District are supervised by a board consisting of five Directors who serve four-year terms.

The Board of Directors for the fiscal year ended June 30, 2018, was composed of the following members:

Name	Office	Term Expires
Jim Easterling	President	November 2018
Jim Mann	Vice President	November 2020
Pat Price	Secretary	November 2018
Steve Taylor	Director	November 2020
Martin Marugg	Director	November 2018

**ALPINE FIRE PROTECTION DISTRICT  
ASSESSED VALUATION  
JUNE 30, 2018**

Assessed valuation for properties within the Alpine Fire Protection District boundaries as provided by the County of San Diego

Secured Property	\$2,152,831,356
Unsecured Property	<u>29,139,587</u>
Total Assessed Valuation	<u>\$2,181,970,943</u>