

**GEORGETOWN
FIRE PROTECTION DISTRICT**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT THEREON
JUNE 30, 2018 AND 2017**

**GEORGETOWN FIRE PROTECTION DISTRICT
YEARS ENDED JUNE 30, 2018 AND 2017**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Georgetown Fire Protection District, as of and the years ended June 30, 2018 and 2017, 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and the 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 an opinion 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 and 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 consolidated 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 consolidated 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 consolidated financial statements.

To the Board of Directors
Georgetown Fire Protection District.
Georgetown, California

Basis for Qualified Opinion

The District did not implement GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* at June 30, 2015, or GASB Statement No. 75, for the year-ended June 30, 2018. These Statements require governments providing defined benefit pension plans to recognize their long-term obligation for pension benefits as a liability on the statement of net position and to move comprehensively and comparably measure the annual costs of pension benefits. These Statements also require revised and new note disclosures and required supplementary information (RSI) to be reported by employers.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Georgetown Fire Protection District as of June 30, 2018 and 2017, and all the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller’s Office and State Regulations governing Special Districts.

Other Matters

Required Supplementary Information

The Management’s Discussion and the Analysis is not a required part of the financial statements but is supplemental information required by the Governmental Auditing Standards Board. Management has elected to omit the Management’s Discussion and Analysis. Our opinion is not modified with respect to this omission.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The Information has been subjected to the auditing procedures applied of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly states, in all material respects, in relation to the financial statements as a whole.

Fechter & Company,
Certified Public Accountants



Sacramento, California
September 17, 2019

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**GEORGETOWN FIRE PROTECTION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash in county treasury (note 3)	\$ 1,192,720	\$ 964,824
Accounts receivable	8,562	84,983
Capital assets, net accumulated depreciation	<u>1,591,848</u>	<u>1,355,370</u>
TOTAL ASSETS	<u>2,793,130</u>	<u>2,405,177</u>
LIABILITIES		
Accounts payable	41,883	56,617
Accrued salaries payable	12,502	12,502
Accrued vacation and sick pay	23,916	25,862
Other post-employment benefits payable (Note 7)	453,772	453,772
Long-term liabilities: (Note 5)		
Due within one year	77,941	37,826
Due after one year	<u>295,238</u>	<u>183,195</u>
TOTAL LIABILITIES	<u>905,252</u>	<u>769,774</u>
NET POSITION		
Net invested in capital assets	1,218,669	1,134,349
Restricted (Note 8)	128,232	156,743
Unrestricted	<u>#NAME?</u>	<u>#NAME?</u>
NET POSITION	<u>#NAME?</u>	<u>#NAME?</u>

**GEORGETOWN 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	\$ 1,106,463	\$ 50,000	\$ -	\$ -	\$ (1,056,463)
Total Governmental Activities	<u>\$ 1,106,463</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,056,463)</u>

General Revenues

Property taxes and assessments	550,286
Strike team reimbursements	516,587
Special assessment	142,179
Development fees	9,364
Interest	9,092
Other	#NAME?
Rent	<u>1,500</u>
Total general revenues	<u>#NAME?</u>
Change in net position	#NAME?
Net position at beginning of fiscal year	<u>1,635,403</u>
Net position at end of fiscal year	<u>#NAME?</u>

**GEORGETOWN FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

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	\$ 920,828	\$ 50,000	\$ -	\$ -	\$ (870,828)
Total Governmental Activities	<u>\$ 920,828</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(870,828)</u>

General Revenues

Property taxes and assessments	535,713
Strike team reimbursements	222,839
Special assessment	144,432
Development fees	4,800
Interest	4,842
Other	<u>#NAME?</u>
Total general revenues	<u>#NAME?</u>
Change in net position	#NAME?
Net position at beginning of fiscal year	<u>1,575,312</u>
Net position at end of fiscal year	<u><u>#NAME?</u></u>

FUND FINANCIAL STATEMENTS

**GEORGETOWN FIRE PROTECTION DISTRICT
BALANCE SHEETS - GOVERNMENTAL FUNDS
JUNE 30, 2018 AND 2017**

	2018	2017
ASSETS		
Cash and investments	\$ 1,192,720	\$ 964,824
Accounts receivable	8,562	84,983
Prepaid expenses	-	-
	TOTAL ASSETS	1,049,807
	\$ 1,201,282	1,049,807
LIABILITIES		
Accounts payable	\$ 41,883	\$ 56,617
Accrued payroll liabilities	12,502	12,502
Accrued vacation and sick pay	23,916	25,862
	Total liabilities	94,981
	78,301	94,981
FUND BALANCES		
Fund balance:		
Reserved	128,232	156,743
Unassigned	994,748	798,083
	Total fund balance	954,826
	1,122,980	954,826
	\$ 1,201,282	\$ 1,049,807

**GEORGETOWN FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEETS TO THE STATEMENTS OF NET POSITION
JUNE 30, 2018 AND 2017**

	2018	2017
Total fund balances - governmental funds	\$ 1,122,980	\$ 954,826
<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, net	1,591,848	1,355,370
<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>		
Long-term debt	(373,179)	(221,021)
Net OPEB liability	(453,772)	(453,772)
Net position of governmental activities	\$ 1,887,877	\$ 1,635,403

GEORGETOWN FIRE PROTECTION DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED
JUNE 30, 2018 AND 2017

	2018	2017
REVENUES		
Property taxes and assessments	\$ 550,286	\$ 535,713
Charges for services	50,000	50,000
Strike team reimbursements	516,587	222,839
Special assessment	142,179	144,432
Development fees	9,364	4,800
Interest	9,092	4,842
Other	79,930	18,293
Rent	1,500	-
	1,358,938	980,919
EXPENDITURES		
Current:		
Salaries and benefits	720,129	601,703
Services and supplies	272,671	244,005
Debt service - principal	37,826	25,131
Debt service - interest	10,158	9,227
	1,040,784	880,066
EXCESS OF REVENUES OVER EXPENDITURES - NET OPERATIONAL INCOME	318,154	100,852
OTHER FINANCING SOURCES (USES)		
Proceeds of long-term debt	189,983	60,000
Capital outlay - funded with reserves	(339,983)	(100,000)
	168,154	60,852
NET CHANGE IN FUND BALANCES	168,154	60,852
FUND BALANCES, BEGINNING OF YEAR	954,826	893,974
FUND BALANCE, END OF YEAR	\$ 1,122,980	\$ 954,826

**GEORGETOWN FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENTS OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED
JUNE 30, 2018 AND 2017**

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.

	2018	2017
NET CHANGE IN FUND BALANCES	\$ 168,154	\$ 60,852
<p>Amounts reported for governmental activities in the Statement of Activities are different because of the following:</p> <p>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.</p>		
Capital outlay expenditures are therefore added back to fund balances	339,983	100,000
Depreciation expense not reported in governmental funds	(103,505)	(65,892)
<p>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):</p>		
Proceeds of long-term debt	(189,983)	(60,000)
Change in OPEB liability	-	-
Change in long-term debt	37,826	25,131
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 252,475	\$ 60,091

NOTES TO FINANCIAL STATEMENTS

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1: ORGANIZATION

In 1854 the citizens of the Georgetown community developed fire protection via a loosely organized group known as the Mountain Hook and Ladder Company. The Georgetown Fire Protection District was legally formed as a political governmental agency in 1938.

The District's financial and administrative functions are governed by a five-member Board of Directors elected by the voting population within the District.

Current District staffing includes a full time Chief, a part time Administrative Assistant, and a full-time Captain Fire Training Officer/Paramedic. There are five Engineer/Paramedics and one Captain/EMT assigned to the ambulance. There are approximately 30 fire line volunteer firefighters on the roster.

In 1981, the District became a part of a cooperative agreement with El Dorado County Service Area Seven. Thus, the District houses, operates and administers an Advanced Life Support ambulance twenty-four hours per day, seven days per week. Two personnel are on duty at any given time providing ambulance service to the entire Divide. In 1997, the District joined with other fire districts on the west slope of El Dorado County to form the El Dorado County Regional Pre-Hospital Joint Powers Authority.

The mission of the Georgetown Fire Protection District is to ensure the life safety, health and property of the public and business interests within the community. The methods utilized to accomplish the mission shall be through professional, cost efficient and effective emergency medical response, fire control, fire prevention and public education programs.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local government organizations. The District's significant accounting policies are described below.

Measurement Focus and Basis of Accounting

The District reports a General Fund that is used to account for all financial resources except those required or designated by the Board of Directors to be accounted for in another fund.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement Focus and Basis of Accounting, continued

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers revenues to be available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues that are accrued include property taxes, interest income, and charges for current services. Revenues that are not accrued include permits and fines, forfeitures, and penalties, if applicable. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital assets are reported as expenditures in governmental funds. Proceeds of general long-term and capital assets are reported as other financing sources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Capital Assets

Capital assets are recorded at historical cost if purchased or constructed. Amortization of assets acquired under capital lease and purchased goodwill is included in depreciation. Structures and equipment are depreciated using the straight-line method over their estimated useful lives.

Budgets

In accordance with the provisions of Sections 13901 through 13906 of the Capital Health & Safety Code and other statutory provisions, commonly known as the Budget Act, the District prepares and legally adopts a final budget for each fiscal year.

Compensated Absences

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability.

Cash

The District maintains cash balances with the Treasurer of El Dorado County in an interest-bearing pooled investment account.

**GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property Taxes

The District receives property taxes from El Dorado County. Property taxes become a lien on the first day of the year they are levied. Secured property tax is levied on July 1 and due in two installments, on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are levied on July 1, and become delinquent on August 31. The District elected to receive the property taxes from the County under the Teeter Bill Program. Under this Program, the District receives 100% of the levied property taxes in periodic payments, with the County assuming responsibility for delinquencies.

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

NOTE 3: CASH

Cash with County consists of:

	<u>2018</u>	<u>2017</u>
General Fund	\$ 1,063,989	\$ 807,581
Development fees	34,372	52,047
JPA health insurance	93,859	104,696
Petty cash	<u>500</u>	<u>500</u>
Totals	<u>\$ 1,192,720</u>	<u>\$ 964,824</u>

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 4: CAPITAL ASSETS

Changes in capital assets for the years ended June 30, 2018 and 2017 are as follows:

	Balance July 1, 2016	Additions	Disposals	Balance June 30, 2017
Land	\$ 560,519			\$ 560,519
Building and improvements	866,044			866,044
Equipment and Vehicles	1,189,810	100,000		1,289,810
Accumulated depreciation	(1,295,111)	(65,892)		(1,361,003)
Totals	\$ 1,321,262	\$ 34,108	\$ -	\$ 1,355,370

	Balance July 1, 2017	Additions	Disposals	Balance June 30, 2017
Land	\$ 560,519			\$ 560,519
Building and improvements	866,044			866,044
Equipment and Vehicles	1,289,810	339,983		1,629,793
Accumulated depreciation	(1,361,003)	(103,505)		(1,464,508)
Totals	\$ 1,355,370	\$ 236,478	\$ -	\$ 1,591,848

Depreciation expense for the 2017 and 2018 years was \$65,892 and \$103,505, respectively.

NOTE 5: LONG-TERM DEBT

The following is a summary of the long-term activities for the years ended June 30, 2018 and 2017:

	July 1, 2016	New Debt Issued	Debt Retired	June 30, 2017	Current Portion
Property Loan	\$ 160,566	\$ -	\$ (19,360)	\$ 141,206	\$ 20,842
Vehicle Loan	25,587	-	(5,771)	19,816	5,992
Engine 264 loan	-	60,000	-	60,000	10,992
	\$ 186,153	\$ 60,000	\$ (25,131)	\$ 221,022	\$ 37,826

**GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 5: LONG-TERM DEBT (continued)

	July 1, 2017	New Debt Issued	Debt Retired	June 30, 2018	Current Portion
Property Loan	\$ 141,206	\$ -	\$ (20,842)	\$ 120,364	\$ 21,893
Vehicle Loan	19,816	-	(5,992)	13,824	6,220
Engine 264 loan	60,000	-	(10,992)	49,008	11,474
Engine 361 loan		189,983		189,983	38,354
	<u>\$ 221,022</u>	<u>\$ 189,983</u>	<u>\$ (37,826)</u>	<u>\$ 373,179</u>	<u>\$ 77,941</u>

On October 27, 2005, the District entered into a loan for the purchase of land for \$266,667. On July 24, 2008, the balance of this loan and the accrued interest were paid off from the proceeds of a new bank loan. The amount of the new loan was \$289,780 at 4.98% due semi-annually in an amount of \$13,827 for 15 years, with the final payment due April of 2023.

In October 2014, the District entered into a loan with a bank for the purchase of a fire vehicle. The amount of the loan was \$30,000 at 3.820%; principal and interest payments of \$6,705 due annually on September 1 for five years through 2019.

During the 2017 fiscal year the District entered into a loan with a bank to help finance the purchase of a vehicle. The total amount of the loan was \$60,000 and the payments of \$13,626 are made on an annual basis through the end of the 2022 fiscal year.

During the 2017 fiscal year the District entered into a loan agreement with First Bank to finance the purchase of a vehicle. The total amount of the loan was \$189,983 and the payments of \$41,628 are made on an annual basis through the end of the 2023 fiscal year.

The future annual maturities of all long-term borrowings as June 30, 2018 are as follows:

Year	Principal	Interest
2019	\$ 77,941	\$ 12,153
2020	77,218	12,898
2021	73,824	9,609
2022	77,023	6,433
2023	67,173	3,117
	<u>\$ 372,743</u>	<u>\$ 44,209</u>

**GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 6: DEFINED BENEFIT RETIREMENT PLAN

Plan Description

The District contributes to the California Public Employees Retirement System, (CalPERS), an agent multiple-employer defined benefit pension plan, although the District does not comply with GASB Statement No. 68 and the corresponding pension liability does not reflect on the Statements of Net Position. For employees hired prior to March 31, 2012, the District participates in the miscellaneous 3% at 50 risk pool (safety) and 2.7% at 55 risk pool (miscellaneous). For employees hired after April 1, 2012, the District participates in the miscellaneous 2% @55 risk pool (safety) and 2% @60 risk pool (miscellaneous). CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts a common investment and administrative agent for participating public employers within the State of California. CalPERS require agencies with less than 100 active members in the plan to participate in the risk pool. A menu-of-benefits provision as well as other requirements is established by State Statutes within the Public Employees Retirement Law. The plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through District resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS’ annual financial report may be obtained from the CalPERS executive Office, 40 P Street, Sacramento, California, 95814.

Funding Policy

Covered employees are required by statute to contribute 9 percent (safety) and 8 percent (miscellaneous) of their salary to the plan after a formula to coordinate with Social Security. The District is required by the same statute to contribute the remaining amounts necessary to pay benefits when due; the District pays the employees’ share. The District is required to contribute at an actuarially determined rate, The contribution requirements of the plan members and the District are established and may be amended by CalPERS.

The required employer contribution rates were:

	Safety	Miscellaneous	PEPRA Safety
2015-16	17.557%	0.00%	0.00%
2016-17	18.428%	0.00%	12.082%
2017-18	18.615%	6.53%	11.990%

The contribution rates decreased in the 15/16 fiscal year due to the fact that the unfunded component is now a separately paid item and the contribution rate only accounts for the current cost.

**GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description: The District offers medical, dental or other health benefits to eligible retirees and their eligible dependents. The contribution requirements of the plan members and the District are established and may be amended by the District.

Under the current health plan, the District pays for coverage of the retirees and their eligible dependents. To be eligible, the employee must be age 50 (age 52 if a new miscellaneous member on or after January 1, 2013) with at least five years of service in the California Public Employees' Retirement System (PERS), or must qualify for PERS disability pension.

The District executed an "equal contribution" resolution effective January 1, 2013. This resolution provides for the District to contribute 100% of the premium for the retiree and his or her covered dependents, but not more than \$800 per month. The maximum amount increased from \$800 to \$1000 per month as of July 1, 2014.

At June 30, 2016, the District had eight retirees that received benefits at a cost of \$72,510.

Annual OPEB Cost and Net OPEB Obligation: The annual required Contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension*. The District's ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost year and amortize the unfunded actuarial liability over a period of 30 years.

In June 30, 2016, the District contributed \$72,510, or 30.79%, of the actuarially required contributions to the retiree healthcare program.

Funding Policy

The District is currently funding the OPEB plan on a pay-as-you-go basis. These financial statements assume that pay-as-you-go funding will continue.

Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the District's annual OPEB cost for the year, the amounts actually contributed to the plan, and changes in the District's Net OPEB obligation for the year ended June 30, 2016 and 2015.

**GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (OPEB), continued

	2015	2016
Annual Required Contribution (ARC)	\$ 218,622	\$ 231,481
Interest on Net OPEB Obligation	5,738	-
Adjustment to Annual Required Contribution	(5,683)	-
Annual OPEB Cost (Expense)	218,677	231,481
Contributions Made	67,332	72,510
(Increase) Decrease in Net Asset	151,345	158,971
Net OPEB Obligation (asset)- Beginning of Year	143,456	294,801
Net OPEB Obligation (asset)- End of Year	<u>\$ 294,801</u>	<u>\$ 453,772</u>

The District's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the Plan (as described in the funding policy above), and the Net OPEB Obligation for June 30, 2016 and June 30, 2015 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6-30-2016	\$ 231,481	\$ 72,510	31.32%	\$ 453,772
6-30-2015	\$ 218,677	\$ 67,332	30.79%	\$ 294,801
6-30-2014	\$ 206,236	\$ 62,780	30.44%	\$ 143,456

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (OPEB), continued

The District has not presented information on the OPEB plan for the 2017 and 2018 fiscal years due to the opinion modification. The District intends on implementing GASB 75 for the 2019 fiscal year.

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

In the June 30, 2014, actuarial valuation, the Entry Age Normal Cost method was used. The actuarial assumptions included a 4% investment rate of return, an assumed inflation rate, and an increase in covered payroll at the rate of 3.25% per year. Medical premiums have been assumed to rise at a decreasing rate (from 8% in 2016 to 6% in 2020) and dental premiums by 3%.

The OPEB plan's unfunded actuarial accrued liability is being amortized by level percent of payroll contributions over 30 years. The remaining amortization period at June 30, 2015, was 29 years.

NOTE 8: SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 28, 2019, the date these financial statements were available to be issued.

NOTE 9: RISK OF LOSS

Georgetown Fire Protection District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During the 2017 and 2018 fiscal years, the District purchased certain commercial insurance coverages to provide for these risks.

**GEORGETOWN 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>	
REVENUES				
Property taxes and assessments	\$ 548,875	\$ 548,875	\$ 550,286	\$ 1,411
Charges for services	50,000	50,000	50,000	-
Strike team	480,287	480,287	516,587	36,300
Special assessment	145,441	145,441	142,179	(3,262)
Development fees	-	-	9,364	9,364
Interest	4,550	4,550	9,092	4,542
Other	22,850	22,850	79,930	57,080
Rent	1,500	1,500	1,500	-
	<u>1,253,503</u>	<u>1,253,503</u>	<u>1,358,938</u>	<u>105,435</u>
EXPENDITURES				
Current:				
Salaries and benefits	809,000	809,000	720,129	88,871
Services and supplies	293,650	293,650	272,671	20,979
Debt service - principal	6,800	6,800	37,826	(31,026)
Debt service - interest	-	-	10,158	(10,158)
Proceeds of long-term debt	-	-	(189,983)	189,983
Capital outlay - funded with reserves	202,700	202,700	339,983	(137,283)
	<u>\$ 1,312,150</u>	<u>\$ 1,312,150</u>	<u>1,190,784</u>	<u>\$ 121,366</u>
Excess of revenues over expenditures			<u>\$ 168,154</u>	

**GEORGETOWN FIRE PROTECTION DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property taxes and assessments	\$ 510,833	\$ 510,833	\$ 535,713	\$ 24,880
Charges for services	50,000	50,000	50,000	-
Strike team	281,478	281,478	222,839	(58,639)
Special assessment	140,690	140,690	144,432	3,742
Development fees	-	-	4,800	4,800
Interest	2,030	2,030	4,842	2,812
Other	12,398	12,398	18,293	5,895
	<u>997,429</u>	<u>997,429</u>	<u>980,919</u>	<u>(16,510)</u>
EXPENDITURES				
Current:				
Salaries and benefits	798,230	798,230	601,703	196,527
Services and supplies	339,950	339,950	244,005	95,945
Debt service - principal	-	-	25,131	(25,131)
Debt service - interest	-	-	9,227	(9,227)
Proceeds of long-term debt	-	-	(60,000)	60,000
Capital outlay - funded with reserves	88,674	88,674	100,000	(11,326)
	<u>\$ 1,226,854</u>	<u>\$ 1,226,854</u>	<u>920,066</u>	<u>\$ 306,788</u>
Excess of revenues over expenditures			<u>\$ 60,852</u>	

GEORGETOWN FIRE PROTECTION DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018 AND 2017

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Budgets for the operating fund are prepared on the cash and expenditures/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. In addition, the budget is prepared on a method of accounting different from Generally Accepted Accounting Principles in that the District budgets its fund balance carry-overs as revenues.

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.

REQUIRED SUPPLEMENTARY INFORMATION

**GEORGETOWN FIRE PROTECTION DISTRICT
PRINCIPAL OFFICIALS
JUNE 30, 2018**

Board of Directors:

Craig Davis	President
Larry Anderson	Vice President
Rod Williams	Director
Bob Brown	Director
Rick Todd	Director

Operations:

Glenn Brown	Fire Chief
Diana Sampson	Administrative Assistant