

Woodside Fire Protection District

Financial Statements and Independent Auditor's Report

June 30, 2016



WOODSIDE FIRE PROTECTION DISTRICT

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**WOODSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

This section of the annual financial report of the Woodside Fire Protection District (District) presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2016. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements, including the notes and the supplementary information that immediately follow this section.

FINANCIAL HIGHLIGHTS

The following summarizes the District's financial highlights for the year ended June 30, 2016.

- In total, government-wide net position was \$9,574,795.
- General revenues accounted for \$17,634,843 or 99.26 percent.
- Total government-wide assets were \$28,173,913, cash and cash equivalents were \$17,168,760 and net capital assets totaled \$9,607,280.
- Total program expenses were \$13,856,197 as noted in table 2.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the government-wide statements.

The fund financial statements are composed of:

- Governmental fund statements, which tell how basic services were financed in the short-term, as well as what remained for future spending.

**WOODSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

The Statement of Net Position and the Statement of Activities

The statement of net position and statement of activities report information about the District as a whole and its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position are the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Overtime, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To assess the overall health of the District, you need to consider additional non-financial factors including the condition the District's buildings and other facilities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund financial statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to record specific sources of funding and spending on particular programs:

- Some funds are required by law and covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that certain revenues have been properly used.

Governmental funds

Most of the District's basic services are reported in governmental funds which generally focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash, and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statement, we provide additional information of the governmental fund statements that explain the relationship (or differences) between them.

**WOODSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The following table presents a summary of the District's statement of net position by category as of June 30, 2016.

TABLE 1: NET POSITION

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Assets		
Current and Other Assets	\$ 18,566,633	\$ 14,865,026
Capital Assets - Net	<u>9,607,280</u>	<u>9,061,644</u>
 Total Assets	 <u>\$ 28,173,913</u>	 <u>\$ 23,926,670</u>
Liabilities		
Current Liabilities	\$ 67,762	\$ 81,908
Long-Term Liabilities	<u>18,531,356</u>	<u>18,180,158</u>
 Total Liabilities	 <u>18,599,118</u>	 <u>18,262,066</u>
Net Position		
Invested in Capital Assets, net of related debt	9,607,280	9,061,644
Capital Reserves	6,655,094	4,793,188
Unrestricted	<u>(6,687,579)</u>	<u>(8,190,228)</u>
 Total Net Position	 <u>\$ 9,574,795</u>	 <u>\$ 5,664,604</u>



**WOODSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

A summary of total District revenues, expenses, and changes in net position is presented in the table below.

TABLE 2: CHANGES IN NET POSITION

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Revenues		
Program Revenues:		
Operating Grants and Contributions	\$ 131,545	\$ 47,760
General Revenues:		
Taxes	17,026,662	16,038,217
Interest and Investment Earnings	122,266	82,054
Services Rendered	424,022	626,146
Rent	40,316	58,665
Gain on Sale of Lot	-	737,177
Miscellaneous	21,577	52,813
	<u>17,766,388</u>	<u>17,642,832</u>
Program Expenses		
Public Safety	13,436,541	13,259,857
Depreciation	419,656	472,542
	<u>13,856,197</u>	<u>13,732,399</u>
Total Expenses		
	<u>13,856,197</u>	<u>13,732,399</u>
Changes in Net Position	<u>\$ 3,910,191</u>	<u>\$ 3,910,433</u>

TABLE 3: GOVERNMENTAL ACTIVITIES

	<u>Total Cost of Services 2016</u>	<u>Total Cost of Services 2015</u>
Public Safety	\$ 13,436,541	\$ 13,259,857
Depreciation - Unallocated	419,656	472,542
	<u>13,856,197</u>	<u>13,732,399</u>
Total Governmental Activities		
	<u>13,856,197</u>	<u>13,732,399</u>
Less Program Revenues		
	<u>131,545</u>	<u>47,760</u>
Net Cost	<u>\$ 13,724,652</u>	<u>\$ 13,684,639</u>

**WOODSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Governmental Activities (Continued)

The table on page 4 displays, by function, the total and net costs of services provided. The net cost of services represents the total cost less grants and contributions and for revenue received where a charge is made for services provided.

General Fund Budgetary Highlights

As finalized by the Board of Directors, budgeted revenues totaled \$15,018,755, expenditures totaled \$14,553,195 and revenues were projected to exceed expenditures by \$465,560. There were no changes in the adopted budget throughout the year.



**WOODSIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Capital Assets and Debt Administration

Capital Assets at Year End Net of Depreciation

As of June 30, 2016 the District owned the following capital assets:

TABLE 4: CAPITAL ASSETS

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Capital Assets		
Land	\$ 1,862,642	\$ 1,852,642
Structures and Improvements	6,527,651	6,502,349
Equipment	7,134,918	6,237,350
Construction in Progress	60,286	55,864
Accumulated Depreciation	<u>(5,978,217)</u>	<u>(5,586,561)</u>
Total Capital Assets - Net	<u><u>\$ 9,607,280</u></u>	<u><u>\$ 9,061,644</u></u>

Long Term Debt

The District's debt or debt activity during the year ended June 30, 2016 was compensated absences in the amount of \$2,215,534. The OPEB obligation as of June 30, 2016 was \$1,878,192. Net pension liability was \$11,967,263 and deferred pension credits were \$2,470,367 at June 30, 2016.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, contact Kathleen Edwards, Business Manager, Woodside Fire Protection District, 3111 Woodside Road, Woodside, California 94062.





Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Woodside Fire Protection District
Woodside, California

Report on the Financial Statements

We have audited the accompanying financial statements of Woodside Fire Protection District (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Woodside Fire Protection District, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 6 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 Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 10, 2016, on our consideration of the Woodside Fire Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Woodside Fire Protection District's internal control over financial reporting and compliance.

Blomberg & Griffin A.C.

Blomberg & Griffin A.C.
Stockton, CA
November 10, 2016

WOODSIDE FIRE PROTECTION DISTRICT

Statement of Net Position

June 30, 2016

	<u>2016</u>
Assets	
Current Assets	
Cash and Investments	\$ 17,168,760
Accounts Receivable	21,524
Interest Receivable	42,318
Prepaid Expenses	<u>25,395</u>
Total Current Assets	<u>17,257,997</u>
Non-Current Assets	
Land	1,862,642
Structures and Improvements	6,527,651
Equipment	7,134,918
Construction in Progress	60,286
Accumulated Depreciation - Structures and Improvements	(1,594,114)
Accumulated Depreciation - Equipment	<u>(4,384,103)</u>
Total Capital Assets	9,607,280
Sources of Deferred Outflow Resources - Deferred Pension Charges	<u>1,308,636</u>
Total Non-Current Assets	<u>10,915,916</u>
Total Assets	<u><u>\$ 28,173,913</u></u>
Liabilities	
Current Liabilities	
Accounts Payable	<u>\$ 67,762</u>
Total Current Liabilities	<u>67,762</u>
Non-Current Liabilities	
Compensated Absences	2,215,534
Net Pension Liability	11,967,263
OPEB Obligation	1,878,192
Sources of Deferred Inflows of Resources - Deferred Pension Credits	<u>2,470,367</u>
Total Non-Current Liabilities	<u>18,531,356</u>
Total Liabilities	<u>18,599,118</u>
Net Position	
Invested in Capital Assets, net of related debt	9,607,280
Capital Reserves	6,655,094
Unrestricted	<u>(6,687,579)</u>
Total Net Position	<u>9,574,795</u>
Total Liabilities and Net Position	<u><u>\$ 28,173,913</u></u>

The notes to the financial statements are an integral part of this statement.

WOODSIDE FIRE PROTECTION DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2016

	<u>2016</u>
Program Expenses	
Fire Protection	
Operations	\$ 13,436,541
Depreciation	<u>419,656</u>
Total Program Expenses	<u>13,856,197</u>
Program Revenues	
Operating Grants and Contributions	<u>131,545</u>
Total Program Revenues	<u>131,545</u>
Net Program Expenses	<u>13,724,652</u>
General Revenues	
Taxes Levied	17,026,662
Interest and Investment Earnings	122,266
Services Rendered	424,022
Rent	40,316
Miscellaneous	<u>21,577</u>
Total General Revenues	<u>17,634,843</u>
Net Change in Position	3,910,191
Net Position-Beginning of Year	<u>5,664,604</u>
Net Position-End of Year	<u>\$ 9,574,795</u>

The notes to the financial statements are an integral part of this statement.

WOODSIDE FIRE PROTECTION DISTRICT

Balance Sheet

June 30, 2016

	2016
	General
	Fund
	<hr/>
Assets	
Cash and Investments	\$ 17,168,760
Accounts Receivable	21,524
Interest Receivable	42,318
Prepaid Expenses	25,395
	<hr/>
Total Assets	<u><u>\$ 17,257,997</u></u>
Liabilities and Fund Balance	
Liabilities:	
Accounts Payable	<u>\$ 67,762</u>
Total Liabilities	<u>67,762</u>
Fund Balances	
Committed	17,164,840
Nonspendable	25,395
	<hr/>
Total Fund Balances	<u>17,190,235</u>
Total Liabilities and Fund Balances	<u><u>\$ 17,257,997</u></u>

The notes to the financial statements are an integral part of this statement.

WOODSIDE FIRE PROTECTION DISTRICT
Statement of Governmental Fund Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2016

	<u>2016 General Fund</u>
General Revenues	
Taxes Levied	\$ 17,026,662
Interest and Investment Earnings	122,266
Services Rendered	424,022
Rent	40,316
Grants and Contributions	131,545
Miscellaneous	<u>21,577</u>
Total Revenues	<u>17,766,388</u>
 Expenditures	
Operating Expenditures	
Salaries and Benefits	11,794,410
Materials, Supplies, and Services	2,433,901
Capital Outlay	<u>965,292</u>
Total Expenditures	<u>15,193,603</u>
 Excess of Revenues over Expenditures	 2,572,785
 Fund Balances-Beginning of Year	 <u>14,617,450</u>
 Fund Balances-End of Year	 <u><u>\$ 17,190,235</u></u>

The notes to the financial statements are an integral part of this statement.

WOODSIDE FIRE PROTECTION DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2016

	2016
Total Fund Balances - Governmental Funds	\$ 17,190,235
 Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of related debt used in governmental activities are not financial resources and, therefore, are not reported in the funds. The actual or estimated historical acquisition cost of the assets is \$15,585,497; the accumulated depreciation is \$5,978,217, and the Liability is \$-0-	9,607,280
Deferred Pension Charges	1,308,636
 Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
OPEB Obligation	(1,878,192)
Compensated Absences	(2,215,534)
Net Pension Liability	(11,967,263)
Deferred Pension Credits	(2,470,367)
 Net Position of Governmental Activities	 \$ 9,574,795

The notes to the financial statements are an integral part of this statement.

WOODSIDE FIRE PROTECTION DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balance - Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2016

	2016
Net Change in Fund Balances - Governmental Funds	\$ 2,572,785
Amounts reported for governmental activities in the statement of net position are different because:	
Capital outlay is reported in governmental funds as expenditures. However, in the statement of activities, a portion of the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlay is \$965,292 depreciation expense is \$419,656.	
	545,636
Increase in deferred pension charges	1,142,968
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Increase in Net Pension Liability	(1,236,651)
Increase in Compensated Absences	(68,983)
Decrease in OPEB Obligation	130,980
Decrease in Deferred Pension Credits	823,456
Change in Net Position of Governmental Funds	\$ 3,910,191

The notes to financial statements are an integral part of this statement.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. The District

The original Woodside Fire Protection District was created under the 1881 Act and later incorporated on July 19, 1925. By election of the voters of the District, it was reorganized on January 25, 1949, pursuant to the Health and Safety Code of the State of California under the name of Woodside Fire Protection District. On September 11, 1962, the District was reorganized under the Fire Protection District Law of 1961.

The District maintains three fire houses which are located in Woodside, Portola Valley, and Emerald Lake. The District extends from Woodside through Portola Valley to Skyline and to Emerald Lake, north of Redwood City.

The District's financial statements reflect its own activities; it has no component units (i.e., other government overseen by the District.)

B. Basis of Presentation

Government-Wide Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statement but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, includes 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 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.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

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 that 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.

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. All of the District's funds were considered major.

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.

Governmental funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Revenues considered susceptible to accrual include property taxes and interest income. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services are rendered).

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered 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, 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 fund types and funds utilized by the District are described as follows:

Major Governmental Funds:

General 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

The District's annual or final budget is the initial budget and any revisions to the budget that have been approved by the Board of Directors. The Board may amend the budget during the fiscal year.

F. Cash and Investments

Cash balances held in banks and revolving funds are insured up to \$250,000 per institution by the Federal Depository Insurance Corporation ("FDIC"). All cash held by the financial institutions is fully insured or collateralized, except the amount that exceeds the maximum insured levels of the FDIC.

The District pools cash from all sources except for its Employee Deferred Compensation Plan, and invests these funds in the County of San Mateo Treasury investment pool and the State of California Local Agency Investment Fund for the purpose of increasing income through investment activities.

Since the adjustment to market value, as required by accounting procedures generally accepted in the United States, is not material to the financial statements of the District, all investments are carried at cost.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets

Capital assets 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 outlay that significantly extend the useful life of an asset are capitalized. The cost 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 and all capital assets are computed using a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Assets</u>	<u>Estimated Useful Life in Years</u>
Land	Land	-
Building & Improvements	Fire Stations, Additions	7-50
Machinery and Equipment	Fire Engines, Fire Apparatus, Furniture, Computers	3-20

H. Compensated Absences

Accumulated vacation benefits are recognized as a liability of the District in the General Fund. As of June 30, 2016, the total accrued vacation subject to redemption amounted to \$2,215,534.

Administrative personnel accrue 8 hours of vacation per day accrued and the firefighters accrue 24 hours of vacation per day accrued.

Full time employees earn annual vacation hours based on their term of employment as follows:

<u>Years of Service</u>	<u>Administrative</u>	<u>Fire Fighter</u>
1-5	3 Weeks	1 Week
6-10	4 Weeks	1 Week 2 Days
11-20	5 Weeks	2 Weeks 2 Days

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. 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 assets.

In the fund financial statements, the face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses.

J. Fund Balance Reserves

Reservations of the ending fund balance indicate the portions of fund balance not appropriable for expenditures or amounts legally segregated for a specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

K. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the district or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

L. Use of Estimates

The District's management has made certain estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

M. Post-Employment Health Care Benefits

The District provides certain health care benefits for retired employees. Substantially all of the District employees may become eligible for benefits if they reach the normal retirement age while working for the District. The cost of retirement health care benefits is recognized as an expenditure of health care premiums paid. See note 12 for more information regarding Post-Employment Health Care Benefits.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

2. PROPERTY TAX LEVY, COLLECTION, AND MAXIMUM RATES

The State of California Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted by no more than two percent per year unless the property is sold, transferred or improved. The State Legislature has determined the method of distribution of receipts from a one percent tax levy among the county, cities, school districts and other districts. The District's property tax revenues include only property taxes resulting from increased assessed values on property within the District's Plan area.

The County of San Mateo assesses properties, bills for, and collects property taxes. The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed.

Property taxes levied are recorded as revenue when received, in the fiscal year of levy, due to the adoption of the "alternate method" of property tax distribution, known as the Teeter Plan, by the County of San Mateo. The Teeter Plan authorizes the auditor/controller of the County of San Mateo to allocate 100% of the secured property taxes billed, but not yet paid. The County of San Mateo remits tax monies to the District in three installments.



WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

3. CASH AND CASH INVESTMENTS

The District's remaining cash and investments were deposited with Treasurer of the County of San Mateo. The District is considered to be an involuntary participant in the external investment pool. Interest is deposited into District funds. The county is restricted by Government Code Section 53635, pursuant to Section 53601, to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The county also acts as the District's fiscal agent and cash with fiscal agent, if any, is held in a separate account with the county as noted in the below summary.

Cash and investments consisted of the following as of June 30, 2016 and 2015:

	2016	2015
Cash and Investments:		
San Mateo County Investment Pool	\$ 17,168,760	\$ 14,586,340

4. CAPITAL ASSETS

On July 21, 1986, June 30, 2001, and June 30, 2011, a physical inventory of fixed assets was taken. An analysis of capital asset balances as of June 30, 2016 is as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Land	\$ 1,852,642	\$ 10,000	\$ -	\$ 1,862,642
Construction in Progress	55,864	4,422	-	60,286
Structures & Improvements	6,502,349	25,302	-	6,527,651
Machinery and Equipment	6,237,350	925,568	(28,000)	7,134,918
Total Capital Assets	14,648,205	965,292	(28,000)	15,585,497
Less Accumulated Depreciation for:				
Buildings and Improvements	1,465,117	128,997	-	1,336,120
Machinery and Equipment	4,121,444	290,659	(28,000)	3,802,785
Total Accumulated Depreciation	5,586,561	419,656	(28,000)	5,166,905
Total Capital Assets-Net Depreciation	\$ 9,061,644	\$ 545,636	\$ -	\$ 9,607,280

Depreciation expense for the fiscal years ended June 30, 2016 and 2015 was \$419,656 and \$472,542.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

5. DISPATCH OPERATION JPA

The District has entered into an agreement with the following public agencies located in the County of San Mateo: Menlo Park Fire Protection District, Point Montara Fire Protection District, South County Fire Protection District, the City of Redwood City, and Half Moon Bay Fire Protection District. Under this Joint Powers Agreement, a separate public entity known as the "Net Six Joint Powers Authority" (the Authority) was established pursuant to Chapter 5 of Division 7 of Title 1 of the California Government Code (Section 6500, et seq.) in order to jointly address common issues presented by the development of a consolidated dispatch operation operated by the County of San Mateo. The District, as a member of the Authority is responsible for contributing its proportionate share of the costs for dispatch services and associated expenses. The Joint Powers Agreement, dated April 28, 1994, will provide a more detailed description of the obligations and funding requirements of the District.

6. DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

A. Plan Description

The District contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. Copies of CalPERS annual financial report may be obtained from their Executive Office – 400 Q Street, Sacramento, CA 95814.

DEFINED BENEFITS PENSION PLANS - (Safety Plan)

The District provides eligible employee's pension plans benefits through the Woodside Fire Protection Services District – Safety Plan.

Plan Description, Benefits Provided and Employees Covered

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2014 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2014 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

6. DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and contribution rate of employees. For the measurement period ended June 30, 2015 (the measurement date), the active employee contribution rate is 8.986 percent of annual pay, and the average employer's contribution rate is 20.230 percent of annual payroll. Employer contributions rates may change if plan contracts are amended.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2015 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. Both the June 30, 2014 total pension liability and the June 30, 2015 total pension liability were based on the following actuarial methods and assumptions.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.5% (2014) , 7.65% (2015)
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.75% thereafter.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

6. DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely results in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>	<u>Real Return Years 11 +</u>
Global Equity	47.0%	5.25	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.5	5.13
Infrastructure and Forestland	3.0	4.5	5.09
Liquidity	2.0	(0.55)	(1.05)

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

	<u>Plan Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Plan Net Pension Liability/(Asset) (c) = (a) - (b)</u>
Balance at : 6/30/2014 (VD)	\$ 69,687,484	\$ 58,956,872	\$ 10,730,612
Balance at : 6/30/2015 (MD)	\$ 70,551,405	\$ 58,584,142	\$ 11,967,263
Net Changes during 2014-15	\$ 863,921	\$ 372,730	\$ 491,191

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

6. DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

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

The following presents the net pension liability/(assets) of the Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate - 1 % (6.65 %)	Current Discount Rate (7.65 %)	Discount Rate + 1 % (8.65 %)
Plan's Net Pension Liability/(Asset)	\$ 19,187,632	\$ 11,967,263	\$ 5,920,570

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

PENSION EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS

For the fiscal years ended June 30, 2016 and 2015, pension expense recognized is as follows:

	2016	2015
Service Cost	\$ 1,242,335	\$ 1,648,972
Interest on Total Pension Liability	\$ 5,132,019	\$ 5,226,561
Employee Contribution	\$ (450,347)	\$ (778,548)
Projected Earnings on Pension Plan Investments	\$ (4,289,249)	\$ (4,421,765)
Recognized Differences b/w Projected and Actual Earnings	\$ (367,516)	\$ (795,972)
Recognized portion of Adjustments due to differences in proportions	\$ 92,038	\$ 92,038
Differences between Expected and Actual Experience	\$ 70,625	\$ -
Recognized Differences b/w Actual and Proportionate Share of Contribution	\$ (438,755)	\$ 17,575
Total Pension Expense Recognized- Safety Plan Tier I	\$ 991,150	\$ 988,861

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

6. DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

For the measurement period ended June 30, 2015 (the measurement date), Woodside Fire Protection District incurred a pension expense of \$988,861 for the Plan (the pension expense for risk pool for the measurement period is \$300,366,268).

As of June 30, 2016, the Woodside Fire Protection District reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows (Inflows) of Resources
Net Difference between projected and Actual Earnings on Pension Plan Investments	\$ (2,470,367)
Adjustment due to Difference in Proportion	\$ 1,308,636
Total	\$ (1,161,731)

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

Measurement Period Ended June 30,	Deferred (Inflows) of Resources
2016	(823,456)
2017	(823,456)
2018	(823,455)

Measurement Period Ended June 30,	Deferred Outflows of Resources
2016	392,819
2017	374,411
2018	300,781
2019	240,625

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

7. RISK MANAGEMENT

The District is insured for general liability, business auto, and property by Boring-Johndro-Leveroni-Vreeburg, Inc. The primary policy includes the coverage in the table below. The excess umbrella policy provides \$10,000,000 excess coverage and earthquake coverage of \$1,000,000 for covered property over the primary policy, with a deductible of \$1,000 per occurrence.

The general liability limits are as follows:

COVERAGE	LIMIT
General Aggregate	\$ 3,000,000
Products & Completed Operations Aggregate	\$ 3,000,000
Personnel & Advertising	\$ 1,000,000
Each Occurrence	\$ 1,000,000
Fire Damage	\$ 1,000,000
Medical Expense	\$ 5,000 per occurrence

8. CONTINGENCIES

Litigation – No claims involving the District are currently outstanding. Management believes that there are no material adverse effects on the District’s financial position or results of operations.



WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

9. FUND BALANCE CLASSIFICATIONS

The District has adopted the provisions of GASB Statement No. 54 Fund Balance and Governmental Fund Type Definitions. GASB 54 establishes Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Governmental Fund statements conform to this new classification. The Fund Financial Statement consist of Non-spendable, Restricted, Committed, Assigned and Unassigned amounts as described on the following page.

Non-Spendable: Items that cannot be spent because they are not in spendable form, such as prepaid items, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan fund. As of June 30, 2016, the District accumulated \$25,395 of non-spendable fund balance.

Restricted: Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments, as well as restrictions imposed by law through constitutional provision or enabling legislation.

Committed: Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remain binding unless removed in the same manner. As of June 30, 2016, the District accumulated \$17,164,840. of committed fund balance.

Assigned: Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose.

Unassigned: This category is for any balances that have no restrictions placed upon them.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

9. FUND BALANCE CLASSIFICATIONS (Continued)

The District established the following policies relating to its fund balance classifications.

1. Committed Fund Balances

- *Highest Level of Decision-Making Authority* – the Board of Directors of the District are acknowledged as the highest level of decision-making authority in terms of establishing fund balance classifications and creating committed fund balances.
- *Formal Action Required* – the Board shall have the authority to establish, modify or rescind committed fund balances by Resolution, where appropriate, passed by a majority vote.
- *Timing* – the Board will take formal action to commit any resources as soon as possible upon determining its desire to take such action, but no later than June 30 of the fiscal year in which it applies in order for the action to be valid for the presentation of the annual report.

2. Assigned Fund Balances

- *Approval Authority* – the Board has not delegated the authority to assign fund balance amounts.

3. Expenditure of Funds – Order of Expenditure

- *Restricted and Unrestricted Funds* – when expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District shall consider that restricted funds shall be spent first until such funds are exhausted, at which time committed, assigned, or unassigned funds will be used.
- *Committed, Assigned or Unassigned Funds* – when an expenditure is incurred where there are no restricted funds available, and for which committed and assigned fund balances are available, the District shall exhaust unassigned funds first unless the board determines the use of available assigned or committed fund balances are appropriate.

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

10. OTHER POSTEMPLOYMENT BENEFITS

The District implemented GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans (OPEB) other than Pension Plans* and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pension Plans* in FYE 2010. The District provides certain health care benefits which are recognized as an expenditure of health care premiums paid.

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. It includes amortization of the unfunded actuarial accrued liability (UAAL) over as many as 30 years.

The District implemented GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans (OPEB) other than Pension Plans* and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pension Plans* in FYE 2010. The District provides certain health care benefits is recognized as an expenditure of health care premium paid. The District pays an amount equal to the benefits provided to retired employees plus \$200,000. For the year ended June 30, 2016, an additional \$800,000 was paid.

Funded Status and Funding Progress – As of July 1, 2015 the most recent actuarial valuation date, the plan was funded. The actuarial accrued liability (AAL) for benefits was \$19,793,588, and the actuarial value of plan assets was \$2,761,858, resulting in an unfunded actuarial accrued liability (UAAL) of \$17,031,730. As of July 1, 2015, the District's retiree health program did have covered payroll (annual payroll of active employees covered by the plan), resulting in ratio of the UAAL to the covered payroll of 279% ($19,793,588/5,537,250$).

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 employers are subject to continual revision as actual results are compared with 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 multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – 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 types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits 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-

WOODSIDE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

10. OTHER POST EMPLOYMENT BENEFITS (Continued)

term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the District's July 1, 2015 actuarial valuation, the actuarial assumptions included a 5.5% investment rate of return on assets and assumed that premiums rise 5.5% throughout the period. The AAL is the cumulative value on the valuation date of prior normal cost. For the retirees, the AAL is the present value of all projected benefits. The unfunded AAL is being amortized as a level dollar closed 30 year basis with a remaining amortization period at June 30, 2016 of 24 years.

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Annual required contribution	\$ 1,636,610	\$ 1,439,446
Interest on net OPEB obligation	140,642	91,788
Adjustment to ARC	<u>(130,980)</u>	<u>(90,127)</u>
Annual OPEB cost	1,646,272	1,441,107
Payments made	<u>(1,790,209)</u>	<u>(1,100,815)</u>
Increase (decrease) in net OPEB obligation	(143,937)	340,292
Net OPEB obligation-Beginning of the year	2,009,172	1,668,880
Net OPEB obligation-End of year	<u><u>\$ 1,865,235</u></u>	<u><u>\$ 2,009,172</u></u>

WOODSIDE FIRE PROTECTION DISTRICT
Budget Comparison Schedule
For the Year Ended June 30, 2016

	Original & Final Budgeted Amounts	Actual Amounts	Variance With Final Budget Positive (Negative)
Resources (Inflows)			
Property Taxes:			
Current Secured Taxes	\$ 15,360,535	\$ 14,236,333	\$ (1,124,202)
Current Year SB 813 Secured Supplemental	407,206	532,641	125,435
Current Year SB 813 Unsecured Supplemental	-	6,793	6,793
Prior Year SB 813 Redemption	-	6,405	6,405
Current Unsecured Taxes	753,405	769,935	16,530
Prior Year Unsecured Taxes	-	(8,739)	(8,739)
ERAF Rebate/Redemptions	(2,170,259)	1,263,478	3,433,737
Interest	55,639	122,266	66,627
Services Rendered	535,425	660,695	125,270
State Homeowners Property Tax	76,804	75,382	(1,422)
Rent	-	40,150	40,150
Grants	-	39,475	39,475
Sale of Lot	-	-	-
Miscellaneous	-	21,574	21,574
Amounts Available for Appropriations	15,018,755	17,766,388	2,747,633
Charges to Appropriations (Outflows)			
Salaries/Wages	7,661,908	7,256,831	405,077
District Retirement	1,917,063	1,720,923	196,140
District Medical	1,846,873	2,693,787	(846,914)
Medicare	111,098	113,719	(2,621)
District Unemployment	10,963	5,975	4,988
District Employee Benefits	24,223	19,060	5,163
Clothing	147,000	77,071	69,929
Household	23,500	16,843	6,657
Medical/Dental Supplies	235,410	107,935	127,475
Office Expense	14,125	13,059	1,066
Computer	143,650	118,386	25,264
Small Tools	2,000	899	1,101
Membership	8,358	8,919	(561)
Legal	4,000	-	4,000
Maintenance Equipment	162,350	114,235	48,115
Gas, Oil	66,309	44,904	21,405
Maintenance Tires	14,000	12,814	1,186
Maintenance Radios	24,000	5,353	18,647
Maintenance Office Equipment	15,025	11,422	3,603
Maintenance Structure	71,500	34,063	37,437
Insurance	78,651	116,966	(38,315)
Workers Compensation Insurance	950,000	1,113,016	(163,016)
Utilities	65,567	63,583	1,984
Radio Dispatching	11,044	10,742	302
Telephone	77,250	81,300	(4,050)
Transportation Travel	2,000	586	1,414
Training Education	255,800	155,913	99,887
Fire Prevention	119,100	68,564	50,536
Seminars/Conference	43,500	11,078	32,422
Professional Services	58,300	50,256	8,044
Program Activity Expense	-	35,238	(35,238)
Disaster Preparedness Expense	78,168	-	78,168
District Special Expense	43,460	29,068	14,392
Emergency Operations	7,000	1,521	5,479
Land Expense	80,000	36,336	43,664
Structure Improvements	50,000	29,723	20,277
Equipment	130,000	1,013,515	(883,515)
Total Charges to Appropriations	14,553,195	15,193,603	(640,408)
Excess/(Deficiency) of Revenues over/(under) Expenditures	\$ 465,560	2,572,785	\$ 2,107,225
Fund Balance as of June 30, 2015		14,617,450	
Fund Balance as of June 30, 2016		\$ 17,190,235	

The notes to the financial statements are an integral part of this statement.

WOODSIDE FIRE PROTECTION DISTRICT

Schedule of Funding Progress

June 30, 2016

Other Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Actuarial Unfunded (Overfunded) Liability	Funded Ratio	Covered Payroll	Liability as Percentage of Covered Payroll
7/1/2010	\$ -	\$ 15,343,597	\$ 15,343,597	0.0%	\$ -	0%
7/1/2011	\$ 200,000	\$ 17,945,154	\$ 17,745,154	1.1%	\$ -	0%
7/1/2013	\$ 651,507	\$ 16,627,489	\$ 15,975,983	4.1%	\$ 5,350,000	311%
7/1/2015	\$ 2,761,858	\$ 19,793,588	\$ 17,031,730	13.9%	\$ 5,537,250	279%





Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

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

Members of the Board of the
Woodside Fire Protection District
Woodside, California

We have audited the financial statements of Woodside Fire Protection District (“the District”), as of and for the year ended June 30, 2016, and have issued our report thereon dated November 10, 2016. We conducted our audit in accordance with auditing standards generally accepted and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Members of the Board of the Woodside Fire Protection District Page 2

Compliance and other matters

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

This report is intended for the information of the audit committee, management, state controller, and county auditor of San Mateo and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Blomberg & Griffin A.C.

Blomberg & Griffin A.C.
Stockton, CA
November 10, 2016