

**SOUTH PLACER  
FIRE DISTRICT**

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**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
for the year ended June 30, 2012**

**ROBERT W. JOHNSON**  
**Certified Public Accountant**

## CONTENTS

	<u>Pages</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statement of Net Assets and Governmental Fund Balance Sheet	3
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances	4
Statement of Revenues and Expenditures - Compared to Budget	5-7
Notes to Financial Statements	8-19
Supplemental Information:	
Principal Officials	21
Schedule of Funding Progress of Other Postemployment Benefits Plan	22
Statement of Cash Flows	23

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Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
South Placer Fire District  
Granite Bay, California

We have audited the accompanying financial statements of South Placer Fire District as of June 30, 2012, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of South Placer Fire District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of South Placer Fire District as of June 30, 2011 were audited by other auditors whose report dated October 15, 2011 expressed an unqualified opinion.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Placer Fire District as of June 30, 2012, and 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.

The Management's Discussion and Analysis is not a required part of the financial statements but is supplemental information required by the Government Auditing Standards Board. Management has elected to omit the Management's Discussion and Analysis.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of South Placer Fire District. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

*Robert W. Johnson, An Accountancy Corporation*

Citrus Heights, California  
November 19, 2012

SOUTH PLACER FIRE DISTRICT  
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET  
June 30, 2012

ASSETS	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Cash (Note 3)	\$2,373,449	\$ -	\$ 2,373,449
Accounts receivable (Note 4)	349,567	-	349,567
Capital assets (Note 5)	-	13,897,984	13,897,984
Less, accumulated depreciation	<u>-</u>	<u>7,029,485</u>	<u>(7,029,485)</u>
Total assets	<u>\$2,723,016</u>	<u>\$ 6,868,499</u>	<u>\$ 9,591,515</u>
LIABILITIES			
Accounts payable	\$ 33,456	\$ -	\$ 33,456
Accrued salaries and benefits	200,789	-	200,789
Compensated absences	276,302	-	276,302
OPEB liability (Note 10)	<u>671,997</u>	<u>-</u>	<u>671,997</u>
Total liabilities	<u>1,182,544</u>	<u>-</u>	<u>1,182,544</u>
FUND BALANCES/NET ASSETS			
Fund balances (Note 9):			
Restricted (Note 6)	307,265	( 307,625)	-
Committed	833,958	( 833,958)	-
Unassigned	<u>399,249</u>	<u>( 399,249)</u>	<u>-</u>
Total fund balances	<u>1,540,472</u>	<u>(1,540,472)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$2,723,016</u>		
Net assets (Note 9):			
Invested in capital assets, net of related debt		6,868,499	6,868,499
Restricted		307,265	307,265
Unrestricted		<u>1,233,207</u>	<u>1,233,207</u>
Total net assets		<u>\$ 8,408,971</u>	<u>\$ 8,408,971</u>

See notes to financial statements

SOUTH PLACER FIRE DISTRICT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
for the year ended June 30, 2012

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
Public protection	\$7,083,949	\$ -	\$7,083,949
Support services	158,012	-	158,012
Capital outlay	-	-	-
Depreciation	<u>-</u>	<u>728,466</u>	<u>728,466</u>
Total program expenditures/expenses	<u>7,241,961</u>	<u>728,466</u>	<u>7,970,427</u>
Program revenues:			
Ambulance services (Note 4)	1,024,172	-	1,024,172
OES reimbursements	31,071	-	31,071
Fees	26,484	-	26,484
Other	<u>17,680</u>	<u>-</u>	<u>17,680</u>
Total program revenues	<u>1,099,407</u>	<u>-</u>	<u>1,099,407</u>
General revenues:			
Tax revenue	5,284,000	-	5,284,000
Special tax	664,152	-	664,152
Mitigation fees	91,784	-	91,784
Cellular tower lease	51,625	-	51,625
Interest income	28,877	-	28,877
Other	<u>78,391</u>	<u>-</u>	<u>78,391</u>
Total general revenues	<u>6,198,829</u>	<u>-</u>	<u>6,198,829</u>
Excess of revenues (expenditures)/ changes in net assets	56,275	( 728,466)	( 672,191)
Fund balances/net assets:			
Beginning	2,366,621	6,767,919	9,134,540
Prior year corrections (Note 11)	<u>( 882,424)</u>	<u>829,046</u>	<u>( 53,378)</u>
Ending	<u>\$1,540,472</u>	<u>\$6,868,499</u>	<u>\$8,408,971</u>

See notes to financial statements

SOUTH PLACER FIRE DISTRICT  
STATEMENT OF REVENUES AND EXPENDITURES  
COMPARED TO BUDGET  
for the year ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance</u>
Revenues:			
Taxes revenue	\$5,195,166	\$5,284,000	\$ 88,834
Special tax	664,173	664,152	( 21)
Ambulance service (Note 4)	990,000	1,024,172	34,172
Interest income	26,000	28,877	2,877
Mitigation fees	82,000	91,784	9,784
OES reimbursements	80,000	31,071	( 48,929)
Fees	17,000	26,484	9,484
Cellular tower lease	37,600	51,625	14,025
Other	<u>68,700</u>	<u>96,071</u>	<u>27,371</u>
 Total revenues	 <u>7,160,639</u>	 <u>7,298,236</u>	 <u>137,597</u>
Expenditures:			
Salaries and wages	3,487,736	3,424,417	63,319
Sellback (Admin.)	123,000	151,018	( 28,018)
Callback/overtime	693,574	662,368	31,206
PERS retirement	1,223,260	1,163,341	59,919
FICA/medicare	59,333	64,288	( 4,955)
WC	217,592	217,592	-
Agency share insurance	578,030	692,682	( 114,652)
Labor legal	7,000	14,045	( 7,045)
Uniform/cell allowance	32,600	27,640	4,960
Employee assistance program	3,119	2,766	353
Board of Directors	7,500	7,000	500
Audit	9,800	9,800	-
Propane	2,250	1,344	906
Employee physicals	9,500	7,090	2,410
Paramedic/EMT cert. classes	4,000	2,865	1,135
Ambulance billing service	68,000	61,081	6,919
Garbage	5,000	4,437	563
Gas & electric	55,000	52,812	2,188
Insurance (FAIRA)	36,428	35,266	1,162
Memberships & subs.	2,000	4,508	( 2,508)

(continued)

See notes to financial statements

SOUTH PLACER FIRE DISTRICT  
STATEMENT OF REVENUES AND EXPENDITURES, continued  
COMPARED TO BUDGET  
for the year ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance</u>
Expenditures, continued:			
News publications	\$ 250	\$ 230	\$ 20
Sewer	4,500	4,476	24
Telephone	50,000	58,116	( 8,116)
Training supplies	3,000	1,777	1,223
Business & conference	1,000	727	273
Education & training	10,000	12,382	( 2,382)
Water	7,200	7,160	40
Laundry	1,500	1,619	( 119)
Legal & consulting	49,000	59,938	( 10,938)
Petty cash fund	400	332	68
Pre-employment testing	2,000	1,318	682
Medical waste disposal	3,700	4,392	( 692)
Physio control contract	6,452	7,297	( 845)
County charges	100,000	123,324	( 23,324)
Elections	-	-	-
Public education	1,000	-	1,000
Incident supplies	2,000	3,158	( 1,158)
Rish management service	3,200	-	3,200
Awards & recognition	-	44	( 44)
Sun Pro User mtce. fee	4,520	2,962	1,558
Cleaning supplies	6,000	3,685	2,315
Copy machine contract	11,000	9,342	1,658
Computer service	32,000	30,535	1,465
Fire prevention supplies	2,000	1,723	277
Fuel & oil	50,000	49,506	494
Medical supplies	53,000	53,362	( 362)
Miscellaneous	-	18	( 18)
Office supplies	9,000	7,649	1,351
Oxygen	5,200	4,806	394
Postage	2,200	1,345	855
Storage	555	370	185
Uniform supplies	1,500	2,314	( 814)

(continued)

See notes to financial statements



SOUTH PLACER FIRE DISTRICT  
STATEMENT OF REVENUES AND EXPENDITURES, continued  
COMPARED TO BUDGET  
for the year ended June 30, 2012

Expenditures, continued:			
Firefighting supplies	\$ 10,000	\$ 9,529	\$ 471
Recruitment supplies	-	422	( 422)
Radio repair	7,000	7,126	( 126)
Automotive repairs	90,000	60,529	29,471
Facilities maintenance	45,000	34,749	10,251
SCBA & compressor mtce.	6,000	6,040	( 40)
Turnout clothing mtce.	8,400	5,263	3,137
Extinguisher service	650	496	154
Printing	500	255	245
Bad debt provision	-	27,948	( 27,948)
Mitigation refund	-	2,356	( 2,356)
Fixed assets-minor	59,000	26,981	32,019
Contingency	<u>500,000</u>	<u>-</u>	<u>500,000</u>
 Total expenditures	 <u>7,773,449</u>	 <u>7,241,961</u>	 <u>531,488</u>
 Excess of revenues/ (expenditures)	 <u>\$ ( 612,810)</u>	 <u>\$ 56,275</u>	 <u>\$ 669,085</u>

See notes to financial statements

SOUTH PLACER FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

1. Organization:

South Placer Fire District (the “District”) was formed in 1952. The District serves the community of Granite Bay, Folsom Lake State Recreation Area, and portions of Loomis, Penryn, and Newcastle. The South Placer Fire District provides commercial and residential structural fire protection, wild land fire protection, rescue services, emergency hazardous materials services, emergency medical services, paramedic ambulance transportation service and a variety of other non-emergency related services.

The District is a special district funded primarily by property tax, a special tax and the District’s ability to generate revenue by providing ambulance service and contracting for other services. The overall service is provided from a well-established system that consists of five elected officials, appointed staff members and a combination of volunteer, apprentice, and professional employees that staff five fire stations located throughout the unincorporated areas of Southern Placer County.

The mission of South Placer Fire Protection District is the protection of lives and property of the community from the adverse effects of fires, sudden medical emergencies or exposure to dangerous conditions created by either man or nature.

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.

SOUTH PLACER FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies (continued):

Measurement Focus and Basis of Accounting, continued

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.

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 is included in depreciation. Structures and equipment are depreciated using the straight-line method over their estimated useful lives.

Compensated Absences

Vested or accumulated vacation time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability. Sick pay is not vested.

SOUTH PLACER FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies (continued):

Budgets

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

Revenue Recognition

The District receives revenues for performing emergency medical and ambulatory services to District residents. The District's policy for recognizing these revenues is billing and recording revenues as services are performed. Patient service revenues (ambulance revenues) are reported net of provisions for contractual allowances in the basic and fund financial statements.

Investments

The District maintains cash balances with the Treasurer of Placer County in interest-bearing pooled investment accounts.

Property Taxes

The District receives property taxes from Placer County. Property taxes receivable are recorded in the fiscal year for which the tax is levied based on the assessed value as of September 1 of the preceding fiscal year. They become a lien on the first day of the year they are levied. Secured property tax is levied on September 1 and due in two installments, on November 1 and March 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.

SOUTH PLACER FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies (continued):

Use 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.

3. Cash and Investments:

The District maintains certain portions of its funds with Placer County. The County is authorized to deposit cash and invest excess funds by the California Government code Section 53648 et. seq. The funds maintained by the County are secured by federal depository insurance.

At year-end the carrying amount of the District's deposits was \$25,027 and the bank balance was \$42,620.

	Balance June 30 <u>2012</u>
Imprest cash	\$ 250
Checking – general	16,282
– mitigation	8,745
Cash with County – general	2,049,652
– mitigation	<u>298,520</u>
	<u>\$2,373,449</u>

SOUTH PLACER FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

4. Accounts Receivable:

Accounts receivable at June 30, 2012 consists of:

Ambulance receivables	\$ 433,895
Deduct, allowance for bad debts	<u>86,779</u>
	347,116
Add, interest receivable (County)	<u>2,451</u>
	<u>\$ 349,567</u>

Ambulance revenues are analyzed as follows:

Gross revenues	\$2,321,926
Deduct, contractual and other adjustments	<u>1,297,754</u>
Net revenues	<u>\$1,024,172</u>

SOUTH PLACER FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

5. Capital Assets:

Changes in capital assets for the year ended June 30, 2012 are as follows:

	Balance, beginning <u>of year</u>	<u>Additions</u>	<u>Disposals</u>	Balance, end of <u>year</u>
Land	\$ 223,187	\$ -	\$ -	\$ 223,187
Buildings	7,049,799	-	-	7,049,799
Ambulances	279,612	-	-	279,612
Fire engines	2,321,090	-	-	2,321,090
Light vehicles	847,079	-	-	847,079
Equipment	<u>3,177,217</u>	<u>-</u>	<u>-</u>	<u>3,177,217</u>
	<u>\$13,897,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$13,897,984</u>

SOUTH PLACER FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

6. Mitigation Fees:

Activities of the mitigation reserve for 2011-12 follows:

Balance, 6-30-11		\$ 214,081
Add, mitigation fees	\$ 91,784	
interest income	<u>3,756</u>	
		95,540
Deduct, refund	2,356	
provided for capital items	<u>-</u>	
		( 2,356)
Balance, 6-30-12		<u>\$ 307,265</u>
Cash on hand:		
Checking	8,745	
County	<u>298,520</u>	
		<u>\$ 307,265</u>

7. Subsequent Events:

Management has evaluated subsequent events through November 19, 2012, the date these June 30, 2012 financial statements were available to be issued.



SOUTH PLACER FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

8. Defined Benefit Retirement Plan:

Plan Description

The District contributes to the California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer defined benefit pension plan. The District participates in the miscellaneous 3% at 55 risk pool (safety) and 3.0% at 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 as a common investment and administrative agent for participating public employers within the State of California. CalPERS requires agencies with less than 100 active members in the plan to participate in the risk pool. All District permanent employees are eligible to participate in the System. Benefits vest after five years of service. District employees who retire at age 50 to 55 and with over 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.40 to 3.00 percent of their average salary (safety) during their last 36 months of employment and 2.00 to 2.50 percent (miscellaneous). 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, 400 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; however, the employees paid 2% as 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 District's contributions for the years ended June 30, 2012, 2011 and 2010 were \$1,163,341, \$1,200,162 and \$948,944 respectively, which were equal to the required contributions each year.

The required employer contribution rates were:

	<u>Safety</u>	<u>Miscellaneous</u>
2009-10	12.816%	11.833%
2010-11	21.884%	22.038%
2011-12	24.723%	24.097%

SOUTH PLACER FIRE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued

9. Equity:

General Fund:

Restricted for:

Mitigation reserve \$ 307,265

Committed for:

Imprest cash reserve	\$ 250	
Facilities reserve	102,488	
Apparatus reserve	<u>731,220</u>	
		833,958

Unassigned 399,249

\$ 1,540,472

Statement of Net Assets:

Invested in capital assets,  
 net of related debt \$ 6,868,499

Restricted:

Mitigation reserve 307,265

Unrestricted:

Board designated:

Imprest cash reserve	\$ 250
Facilities reserve	102,488
Apparatus reserve	<u>731,220</u>
	833,958

Undesignated 399,249

1,233,207

\$ 8,408,971

SOUTH PLACER FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

10. Other Post-Employment Benefits (OPEB):

Plan Description: The District provides post-employment health care benefits to eligible retirees and their eligible dependents who retire from the District at age 50 with at least five years of service, or become fully disabled while working. The District participates in the CalPERS Medical Program and retirees may enroll in any of the available health plans. Benefits continue throughout the lifetime of the retiring employee and his/her spouse.

Funding Policy: The contribution requirements of plan members and the District are established and may be amended by the Board of Directors. The required contribution is based on projected pay-as-you-go financing requirements, with an amount of funding determined annually by the Board. For the fiscal year ended June 30, 2012, the District contributed \$77,490. Annually, the District intends to make a total contribution equal to 50% of the Annual Required Contribution (ARC). Retiree benefit costs will be paid directly by the District and any remaining amount (up to 50% of the ARC) will be deposited into the OPEB Trust.

Annual OPEB Cost and Net OPEB Obligation: The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for 2012 and 2011, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

	<u>2012</u>	<u>2011</u>
Annual required contribution	\$ 313,508	\$ 313,508
Actual employer contribution	( 77,490)	-
Current year premiums paid	<u>( 84,305)</u>	<u>( 53,366)</u>
Change in net OPEB obligation	151,713	260,142
Net OPEB obligation, beginning of year	<u>520,284</u>	<u>260,142</u>
Net OPEB obligation, end of year	<u>\$ 671,997</u>	<u>\$ 520,284</u>

SOUTH PLACER FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

10. Other Post-Employment Benefits (OPEB), continued:

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and 2011 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2012	\$ 313,508	51.61%	\$ 671,997
June 30, 2011	\$ 313,508	17.02%	\$ 520,284

Funded Status and Funding Progress: As of July 1, 2009, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$3,470,398, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$3,827,484 and the ratio of UAAL to the covered payroll was 90.67%. In June 30, 2012, the District began participating in the PARS Public Agencies Post-Retirement Health Care Plan Trust and funded \$77,490 into the OPEB (PARS) Trust.

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 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.

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 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 value of assets, consistent with the long-term perspective of the calculations.

SOUTH PLACER FIRE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS, continued

10. Other Post-Employment Benefits (OPEB), continued:

In the July 1, 2009 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 3.5% discount rate, which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate at 7.9% initially, gradually decreasing to 5.5%. An inflation rate of 3.5% was used. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2012 was twenty seven years. The District's monthly pay-out is capped at a maximum of \$858 per employee and the actuarial study assumed that the caps will not increase in the future.

11. Prior Year Adjustments:

	<u>General Fund</u>	<u>Statement of Activities</u>
Increase beginning ambulance receivables	\$ 21,526	\$ 21,526
Reclass beginning total of compensated absences and OPEB liability	(829,046)	-
Unidentified difference – beginning equity	<u>( 74,904)</u>	<u>( 74,904)</u>
	<u>\$(882,424)</u>	<u>\$( 53,378)</u>

SUPPLEMENTAL DATA

SOUTH PLACER FIRE DISTRICT  
PRINCIPAL OFFICIALS

Board of Directors:

Craig Powell	President
Gary Grenfell	Vice President
Madelaine Kiliany	
Dave Giblin	
Mike DeLaurentis	

Operations:

Lawrence Bettencourt	Fire Chief
Eric Walder	Deputy Fire Chief
Debbie Frick	Fiscal Ops/HR Administrator
Jason Brooks	Battalion Chief
Karl Fowler	Battalion Chief
Darren McMillin	Battalion Chief

SOUTH PLACER FIRE DISTRICT  
 SCHEDULE OF FUNDING PROGRESS  
 Other Post-Employment Benefits (OPEB)  
 for the year ended June 30, 2012

The table below shows an analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30:

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) – (1)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (4) / (5)
7/1/2009	\$ -	\$3,470,398	0.0%	\$3,470,398	\$3,827,484	90.67%

This is the first valuation under GASB 45 so no historical information is available.



SOUTH PLACER FIRE DISTRICT  
STATEMENT OF CASH FLOWS  
for the year ending June 30, 2012

Cash flows from operating activities:

Net loss		\$( 672,191)
Adjustments to reconcile net loss to net cash provided to operating activities:		
Depreciation	\$ 728,466	
Prior year adjustments	( 53,378)	
Changes in operating assets and liabilities:		
Accounts receivable	( 96,657)	
Accounts payable	( 30,832)	
Accrued salaries and benefits	( 20,990)	
Compensated absences	( 32,460)	
OPEB liability	<u>151,713</u>	
		<u>645,862</u>
Net cash provided to operating activities		( 26,329)
Cash flows from investing activities:		
Purchase of equipment		<u>-</u>
Net decrease in cash		( 26,329)
Cash at beginning of year		<u>2,399,778</u>
Cash at end of year		<u>\$2,373,449</u>