

Central County Fire Department

*Serving the City of Burlingame, Town of Hillsborough, and
City of Millbrae, California*



Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2016

***CENTRAL COUNTY FIRE DEPARTMENT
CITY OF BURLINGAME AND
TOWN OF HILLSBOROUGH, CALIFORNIA***

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2016

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Comprehensive Annual Financial Report
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INTRODUCTORY SECTION



CENTRAL COUNTY FIRE DEPARTMENT

Serving the Cities of Burlingame and Millbrae and the Town of Hillsborough

John Kammeyer
Fire Chief

December 2, 2016

To the Board of Directors of the Joint Powers Agreement Establishing the Central County Fire Department, the Chief Administrative Officer, and the Citizens of the City of Burlingame, Town of Hillsborough and the City of Millbrae, California

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Central County Fire Department (CCFD) for the fiscal year ended June 30, 2016 in conformity with generally accepted accounting principles (GAAP) in the United States and as stipulated in the Joint Power Agreement, audited in accordance with generally accepted auditing standards in the United States by a firm of licensed certified public accountants.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the Department's framework of internal control provides reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Badawi & Associates, CPAs, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the Central County Fire Department's financial statements for the year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE ORGANIZATION

Basic Information

The Central County Fire Department is an all risk emergency response and community service organization. The Department's core purpose is to make Burlingame, Hillsborough and Millbrae safe for all citizens to live and work through the protection of life, property, and the environment. It seeks to minimize risk to people, property and the environment by responding to all fire, medical, rescue, and hazardous materials incidents. Administrative and non-emergency safety services include fire prevention and hazardous materials regulations, emergency medical services system management and emergency preparedness and training. CCFD's personnel (84.25 FTEs) serve the communities with six engine companies and one truck company, strategically located in six fire stations, and administrative offices that include fire prevention, public education, training and emergency preparedness. The total service area is 14.93 square miles with a population of approximately 63,000. The value of property protected is in

excess of \$20 billion. Legal counsel, human resources, and accounting services are contracted out to further streamline costs.

The City of Burlingame, Town of Hillsborough and City of Millbrae are located in San Mateo County on the western shore of the San Francisco Bay approximately 10 miles south of the City of San Francisco and 30 miles north of San Jose.

History

The Department was established on April 20, 2004 through a Joint Powers Agreement (JPA) between the City of Burlingame and the Town of Hillsborough with essential support services provided by the two cities. This partnership and the JPA structure were designed to promote more efficient administration and effective delivery of services to the two cities. Significant cost savings were achieved since the initial merger, especially in personnel costs. The total authorized and filled positions have decreased from 94 at the initial merger between Burlingame and Hillsborough, to the adopted staffing of 84.25 full time equivalents (FTEs) in FY 2015/16 serving Burlingame, Hillsborough and Millbrae. At the time of the initial merger, a cost-sharing plan was developed to allow each partner city to pay its fair share of the combined operating expenses of the Department. The initial merger stipulated that the Department's personnel remained employees of the individual cities including the Chief Administrative Officer and the Fire Chief, who shall be employees of either city. Additionally, responsibility for certain major costs such as retirement, replacement of vehicles and facilities and costs related to other post-employment benefits remained with the individual cities.

In FY 2010/11, the two cities elected to fully merge fire operations, transferring all employees and operations to an independent single entity with the exception of the Chief Administrative Officer. However, retirement costs relating to prior service and health insurance costs for employees that retired prior to FY 2010/11 continue to be the responsibility of the individual cities. Additionally, existing capital assets that include fire stations, fire engines and other major assets remain assets of the individual cities, which are also responsible for the related costs.

In December 2014, the CCFD Board of Directors approved a Contract for Services Agreement with the City of Millbrae. The Department's operating costs net of program revenues are allocated seventy percent (70%) to the City of Burlingame and Town of Hillsborough and thirty percent (30%) to the City of Millbrae. The seventy percent (70%) is further allocated sixty percent (60%) to the City of Burlingame and forty percent (40%) to the Town of Hillsborough in accordance with the Joint Powers Agreement

Governance

The Department is governed by a Board of Directors ("Board") consisting of two City Council members from Burlingame and two City Council members from Hillsborough, who represent the cities in determining the level of fire, emergency medical and disaster preparedness services to be provided by the Department. All major decisions by the Board that increase expenditures to the cities require ratification by the respective City Councils.

Administration

The Board appoints the City Manager of either Burlingame or Hillsborough to serve as Chief Administrative Officer for an alternating two-year term. The Chief Administrative Officer appoints the Fire Chief, who conducts the day-to-day operations of the Department, coordinates and supervises all training,

and makes recommendations to the Board and the Chief Administrative Officer regarding the conduct and operation of the Department.

The Chief Administrative Officer also appoints an employee of one of the member agencies to act as Secretary and an employee to act as Treasurer of the Department. The Treasurer acts as Controller for the Department and performs such functions as disbursement of revenues, payment of outstanding obligations and other similar functions.

Component Units

The Central County Fire Department is a legally separate and independent entity that is not a component unit of the City of Burlingame, Town of Hillsborough or the City of Millbrae. Further, the Department has no component unit organizations under its control. Therefore, this comprehensive annual financial report and the financial statements contained within represent solely the activities, transactions and status of the Central County Fire Department.

Budget

The JPA requires that an annual budget be adopted by resolution of the Board. In the spring preceding the start of each fiscal year that runs from July through June, staff presents to the Board an annual budget based on established goals, objectives and performance measures. The City Councils of the member agencies subsequently approve the CCFD budget via approval of their own budgets prior to June 30th of each fiscal year.

Once adopted, the Board has the authority to amend the budget. While the legal level of budgetary control is at the fund level, the Department maintains stricter control at line item levels to serve various needs. The Chief Administrative Officer or his/her designee may transfer budget amounts between line items, but any increase to the expenditure budget and funding level of the contributions from the partner cities as a whole requires the approval of the Board.

The modified accrual basis is used for budgeting. This means revenues are recognized when they become measurable or available, while expenditures are accounted for or recognized in the period they were incurred. As a special purpose organization established pursuant to joint powers legislation, the Department is not subject to the State of California's Gann Act requiring adherence to an annual appropriations limit.

Budget-to-actual comparisons are provided in this report for each major governmental fund.

COMMUNITY PROFILE AND ECONOMIC CONDITION

The City of Burlingame, Town of Hillsborough and the City of Millbrae are California general law cities, incorporated in 1908, 1910 and 1948, respectively, that operate under the Council-Manager form of government. A five-member City Council is elected at large to four-year terms and serves as the board of directors. The Council selects a Mayor and Vice Mayor from its members annually. A City Manager is appointed by the Council and serves as the chief executive officer. The City Manager is responsible for all municipal functions. A City Attorney is appointed by the Council to serve as chief legal advisor for the governing body and administration.

Municipal services include police and fire protection, building permitting and inspection, land use management, maintenance of streets, public facilities, water, sewer, storm drain infrastructure, and certain recreational facilities and other community services.

Support for the merged fire operations comes from the cities' general fund revenues.

City of Burlingame

Burlingame has a population of 29,700 and has a median per capita income of approximately \$56,000. It has both residential and commercial-base properties and thus has a more diversified revenue base. Major revenue sources in the general fund come from property taxes, sales and use tax and transient occupancy taxes.

Town of Hillsborough

The Town of Hillsborough has a population of 10,869 and has a median per capita income of approximately \$122,000. It is an entirely residential community. As such, the Town's major revenues are from property taxes and various property-based revenues. It has a public safety special parcel tax that is a major source of funding for the fire operations.

City of Millbrae

The City of Millbrae has a population of 22,617 and has a median per capita income of approximately \$41,000. Millbrae's economic community is a mix of retail, restaurants, service businesses, hotels and public services. With the Bay Area Rapid Transit (BART) / San Francisco (SFO) Extension, the City has adopted the Millbrae Station Area Specific Plan in order to attract hotel, office, retail and housing development to the area around the Millbrae BART station.

Long-term Financial and Strategic Planning and Major Initiatives

The Department continues to expand partnerships with other cities for mechanics, training and EMS supervision. The Department's mechanics division services the vehicles and apparatus for San Bruno, Millbrae, San Mateo, and Belmont. The joint training program delivers training for five agencies: Belmont, Central County, Foster City, San Bruno, and San Mateo.

During FY 2016/17 the Department has begun implementing a stand-alone IT system. Previously The City of Burlingame's IT system was being used to support IT. A new system is being put into place to ensure efficiencies across all of CCFD's stations and administration. CCFD will be researching asset replacement reserves for high cost equipment and infrastructure needs.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Central County Fire Department for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This was the fifth year the department has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to

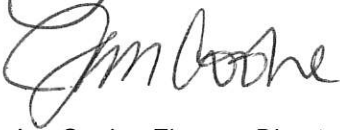
meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

We acknowledge and appreciate all the individuals who assisted in both the preparation of this report and the processing of financial transactions throughout the fiscal year. We also wish to thank the City Councils of the partner cities, the Board of Directors and the City Managers for their interest and support in planning and conducting the financial operations of the Central County Fire Department in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Kammeyer".

John Kammeyer, Fire Chief

A handwritten signature in black ink, appearing to read "Jan Cooke".

Jan Cooke, Finance Director

CENTRAL COUNTY FIRE DEPARTMENT BOARD OF DIRECTORS



CHAIR

Marie Chuang, Vice Mayor, Town of Hillsborough



VICE-CHAIR

Ann Keighran, Mayor, City of Burlingame



Jess E. Benton, Council Member, Town of Hillsborough



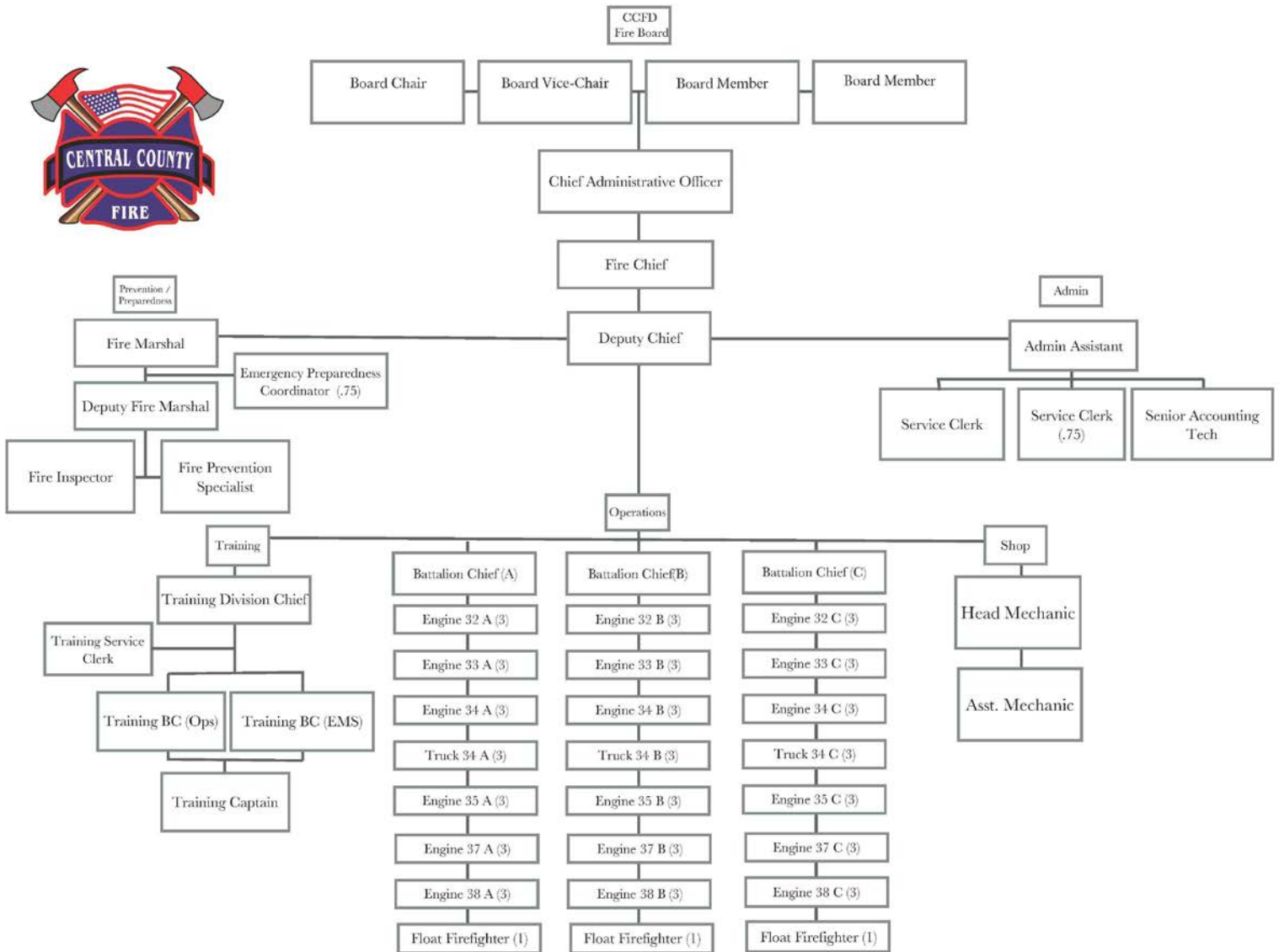
Michael Brownrigg, Council Member, City of Burlingame

CENTRAL COUNTY FIRE DEPARTMENT

EXECUTIVE AND COMMAND STAFF

Chief Administrative Officer City Manager, City of Burlingame	Lisa Goldman
Fire Chief	John Kammeyer
Deputy Fire Chief	Drew Flinders
Fire Marshal	Rocque Yballa
Battalion Chiefs:	
A Shift	Kevin Mernick
B Shift	Craig Latham
C Shift	Tim Louis
Training	Bruce Barron
Deputy Fire Marshal	Christine Reed
Fire Inspector	Julie Parenti
Fire Prevention Specialist	Kimberly Giuliacci
Administrative Assistant/Board Secretary	Rubina Ellam
Service Clerks	Lisa Bartolo Lil Finocchiaro Wendy McGraw
Senior Accounting Technician	Paula Forencich
Emergency Preparedness Coordinator	Bart Spencer
Finance Director/Treasurer Finance Department, Town of Hillsborough	Jan Cooke
Human Resources Manager City Manager's Office, Town of Hillsborough	Kristin Armbruster
General Counsel	Jean Savaree

CENTRAL COUNTY FIRE DEPARTMENT ORGANIZATIONAL CHART



CENTRAL COUNTY FIRE DEPARTMENT AT A GLANCE

The Central County Fire Department was established on April 20, 2004 through a Joint Powers Agreement between the City of Burlingame and the Town of Hillsborough, California, to promote more efficient administration and effective delivery of services to the partner cities. Funding is essentially provided with the partner cities' general fund tax revenues. The initial merger included stipulations whereby personnel remained employees of the individual cities and responsibility for certain major costs such as replacement of vehicles and facilities and costs related to other post-employment benefits remained with the partner cities. On June 21, 2010 the operations moved onto a full merger transferring all employees to an independent single entity. Central County Fire Department (CCFD) is now a stand-alone entity with the partner cities only responsible for facilities respectively owned by the City or Town and post-employment benefits for those retirees having retired prior to June 21, 2010.

On December 29, 2014 CCFD entered into a contract for fire services with the City of Millbrae that includes suppression, fire prevention, and administrative oversight and support. With this contract came the addition of 19 fire personnel to the CCFD ranks.

Governance	Board of Directors consisting of two Council members each from the City of Burlingame and Town of Hillsborough with all major decisions to be ratified by the respective city councils.
Administration	The Board appoints the City Manager of each city to serve as Chief Administrative Officer for alternating two-year term. The Chief Administrative Officer appoints the Fire Chief who shall conduct the day-to-day operations of the Department.
Size of Area	City of Burlingame – 5.5 square miles City of Millbrae – 3.2 square miles Town of Hillsborough – 6.23 square miles Total – 14.93 square miles
Population	City of Burlingame – 29,700 City of Millbrae – 22,617 Town of Hillsborough – 10,869 Total – 63,186
Frontline Apparatus	6 Engines 1 Aerial Ladder Truck 1 SVI Rescue
Fire Stations	City of Burlingame – 2 City of Millbrae – 2 Town of Hillsborough – 2

CENTRAL COUNTY FIRE DEPARTMENT AT A GLANCE

Personnel Strength	1	Fire Chief
	1	Deputy Chief
	1	Fire Marshal
	1	Deputy Fire Marshal
	1	Fire Inspector
	1	Fire Prevention Specialist
	3	Battalion Chiefs
	1	Training Battalion Chief
	1	Training Captain
	21	Captains
	45	Firefighters and Paramedics
	2	Non-Safety Mechanics
	1	Administrative Assistant
	1	Senior Accounting Technician
	2.5	Service Clerks
	0.75	Emergency Preparedness Coordinator
	84.25	FTE's



Government Finance Officers Association

**Certificate of
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Presented to

**Central County Fire Department
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Central County Fire Department
Burlingame, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Central County Fire Department (the Department), Burlingame, California as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Department 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 and budgetary comparison information, and the schedules of the District's proportionate share of the net pension liability on pages 48, and schedules of contributions on pages 48, and the other post-employment benefit plans on page 49, presented to supplement the basic financial statements.

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is stylized, with a large, looped "B" at the beginning.

Badawi & Associates, CPAs
Oakland, California
December 2, 2016

CENTRAL COUNTY FIRE DEPARTMENT MANAGEMENT'S DISCUSSION AND ANALYSIS

This is Management's Discussion and Analysis (MD&A) of the financial activities of the Central County Fire Department (Department) for the fiscal year ended June 30, 2016. The reader is encouraged to consider this information together with the transmittal letter, financial statements and notes to the financial statements to better understand the Department's financial position.

The annual financial report was prepared in accordance with Generally Accepted Accounting Principles (GAAP) and all Governmental Accounting Standards Board (GASB) pronouncements that affect the Department.

The Department is a Joint Powers Agreement (JPA) between the City of Burlingame and the Town of Hillsborough, which as of December 2014, provides fire services to the City of Millbrae via contract. Existing major capital assets including fire stations, fire engines and vehicles remain owned by the partner cities. The cities also remain responsible for the Other Post-Employment Benefits (OPEB) attributable to employees who retired before FY 2010/11. The Department financial statements reflect the net OPEB liabilities and accumulated vested vacation and sick leave credits (compensated absences) of the employees after the June 2010 full merger. The Department's operating costs net of program revenue are allocated 70% to the JPA and 30% to the City of Millbrae. The JPA share is then allocated further by 60% to the City of Burlingame and 40% to the Town of Hillsborough.

Financial Highlights

- The net position of Central County Fire Department as of June 30, 2016 was negative \$34.6 million. The net position, as restated, increased by \$1.8 million primarily to build of workers' compensation reserves as required by actuarial valuation.
- The other funds' net position increased \$0.2 million over 2015, primarily due to funding into the Joint Training and Vehicle Replacement Funds. The Joint Training Fund is used to account for the operations of the Joint Training and Emergency Operations Medical Services program that includes administrative support for five fire agencies. The Vehicle Replacement Fund accounts for the purchase of vehicles, engines, and apparatus owned by the Department.

Change in Net Position - Other Funds			
	2016	2015	Change
Joint Training Fund	\$111,903	\$73,475	\$38,428
Capital Projects Fund	(10,514)	(7,428)	(\$3,086)
Self-Insurance Fund	(130,927)	213,239	(\$344,166)
Vehicle Replacement Fund	1,289,529	772,554	\$516,975
Total	\$1,259,991	\$1,051,840	\$208,151

- The Department paid \$1.2 million toward OPEB annual required contribution, with \$0.9 million going into the trust and \$0.3 million paid for benefits. As of the June 30, 2015 actuarial valuation, the Department is 19.2% funded.
- The Department spent \$1.8 million in capital, primarily for the purchase of engines, vehicles and equipment.
- Long-Term Liabilities of \$34.5 million is comprised of a \$26.1 million pension liability, \$4.5 million workers' compensation liability, \$1.9 million OPEB liability, and \$2.0 million in compensated absences. Long-Term Liabilities increased \$2.9 million, primarily for workers' compensation claim estimates set by actuarial standards.

The following table summarizes the Department's General Fund operations compared to the prior year.

General Fund Operations				
	2016	2015	Positive (Negative)	% of Chg
REVENUES:				
Service charges	\$1,368,631	\$1,328,638	\$39,993	3%
Contribution from Burlingame	9,947,519	9,735,724	\$211,795	2%
Contribution from Hillsborough	6,631,679	6,490,483	\$141,196	2%
Contribution from Millbrae	5,486,051	2,076,725	\$3,409,326	164%
Grants	366,391	89,310	\$277,081	310%
Interest Income	817	416	\$401	96%
Total revenues	\$23,801,087	\$19,721,296	\$4,079,791	21%
EXPENDITURES:				
Personnel costs	20,567,509	17,495,521	\$3,071,988	18%
Materials and services and administrative	1,911,579	1,426,769	\$484,810	34%
Transfers to capital projects	1,322,000	799,000	\$523,000	65%
Total expenditures	\$23,801,088	\$19,721,290	\$4,079,798	21%

- Service charges increased \$0.1 million or 3% primarily due to increased permitting activity in the City of Millbrae.
- Contributions from the City of Burlingame and the Town of Hillsborough increased with the cost of operations. Contributions from Millbrae increased for the cost of operations, as well as for the full year of contract services (contract started mid-year fiscal 2014/15).
- A Cal-OES grant of \$0.4 million was received for reimbursement of overtime for Department participation in fires across the State.
- Personnel costs increased primarily for the annualization of the 19 headcount added in mid-year 2014/15 with the addition of Millbrae contract services.
- Materials and services increased primarily for contract services for joint training and building plan review (offset in revenue), as well as for implementation of IT systems as part of the migration from IT contract services previously provided by the City of Burlingame.
- Transfers were to the Vehicle Fund to fund the purchase of engines, vehicle and equipment.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the Department's basic financial statements made up of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements such as this MD&A.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Department's finances in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the Department's net position changed during the most recent fiscal year. All changes are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the Department that are principally supported by contributions from the partner cities (*governmental activities*) including the activities of the Self-Insurance Fund and the Vehicle Replacement Fund set up as proprietary funds as recommended by GAAP but fully supporting the governmental fire operations.

The government-wide financial statements can be found on pages 23 and 24 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Department, like other state, local and special governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Department's funds can be divided into two categories: governmental funds and proprietary funds.

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

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

The Department has three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Joint Training Fund and the Capital Projects Fund.

The basic governmental fund financial statements can be found on pages 25 through 27 of this report.

The Department adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget (page 50).

Proprietary funds. Proprietary funds are used to account for services and activities for which a fee is charged to customers in exchange for provided good or services using the "economic resources" measurement focus, which concentrates on how transactions and events have affected the fund's "total economic resources." The Department maintains two proprietary funds – the *Internal Service Fund-Self Insurance* where insurance premiums are charged to the General Fund based on market rates to pay workers' compensation and dental claims as they occur, and the *Internal Service Fund - Vehicle*

Replacement where charges are made to the General Fund for the purchase of vehicles and engines. Because these services fully benefit the governmental function, it has been included with *governmental activities* in the government-wide financial statements.

The proprietary fund financial statements, which account for the activities of the Internal Service Funds, can be found on pages 28 through 30 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 through 47 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Department's pension liability and contributions, funding for OPEB, and a summary of major fund budgetary schedules. Required supplementary information can be found on pages 48 through 52 of this report. This report also presents other *supplementary information* that summarizes the combining financial statements for the Self Insurance Fund and Vehicle Replacement Fund. The other supplementary information can be found on pages 53 through 55 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. The following summary shows the Department's net position as of June 30, 2016 and all years since inception.

NET POSITION - GOVERNMENTAL ACTIVITIES						
	2016	2015	2014	2013	2012	2011
ASSETS:						
Current assets	\$5,564,995	\$4,504,940	\$3,208,522	\$2,214,195	\$1,942,076	\$2,132,561
Capital assets	1,940,399	215,847	97,291	116,294	135,297	44,847
Total assets	7,505,394	4,720,787	3,305,813	2,330,489	2,077,373	2,177,408
Deferred outflow s of resources	2,754,126	2,491,593				
LIABILITIES:						
Current liabilities	2,409,208	1,944,113	2,045,686	1,902,465	1,359,066	1,521,325
Long-term liabilities	34,509,111	31,604,246	5,278,808	4,318,238	4,025,189	2,996,395
Total liabilities	36,918,319	33,548,359	7,324,494	6,220,703	5,384,255	4,517,720
Deferred inflow s of resources	7,968,114	8,738,987				
NET POSITION:						
Invested in capital assets	1,940,399	215,847	97,291	116,294	135,297	44,847
Unrestricted (deficit)	(36,567,312)	(35,290,813)	(4,115,972)	(4,006,508)	(3,442,179)	(2,385,159)
Total net position	(\$34,626,913)	(\$35,074,966)	(\$4,018,681)	(\$3,890,214)	(\$3,306,882)	(\$2,340,312)

- The Department's current assets consist primarily of cash and accounts receivables. General Fund cash of \$1.4 million will be used to pay for current liabilities. Capital Fund cash of \$0.4 million is held in reserve for fire stations. Vehicle Replacement Fund cash of \$0.2 million is held in reserve for engine and vehicle purchases. Self-Insurance Fund cash of \$3.2 million is held in reserve as required by actuarially determined self-insurance reserve requirements.
- The Department's long-term liabilities consist primarily of a \$26.1 million pension liability, \$1.9 million OPEB liability, and \$2.0 million in compensated absences, and \$4.5 million in workers' compensation liability.

- Deferred inflows and outflows are pension accounting related timing differences. See the footnotes to the financial statements for further information on the pension liability and deferred inflows and outflows.
- The Department's Investment in Capital Assets increase is primarily due to the purchase of fire engines and equipment.
- The unrestricted net position decreased as compared to the prior year primarily due a change in net position of \$1.8 million in the current fiscal year, offset by a prior year restatement for workers' compensation accrual to the actuarially determined level of \$1.4 million based on a new valuation. The change from 2014 to 2015 was primarily for the implementation of GASB 68 accounting for pensions.

The following condensed summary compares the statement of activities for the fiscal year ended June 30, 2016 and all years since inception.

STATEMENT OF ACTIVITIES - Governmental Activities						
	2016	2015	2014	2013	2012	2011
Expenses:						
Personnel	\$19,986,633	\$17,225,010	\$15,450,212	\$15,577,913	\$14,969,002	\$14,032,646
Materials and services	2,158,896	1,576,509	1,672,064	1,305,754	1,331,681	1,149,333
Depreciation expense	52,962	46,039	19,003	19,003	5,383	
General and administrative		3,082				
Total Expenses	22,198,491	18,850,640	17,141,279	16,902,670	16,306,066	15,181,979
Program Revenues:						
Operating contributions					47,495	110,300
Charges for services	1,586,409	1,553,099	1,890,887	1,518,522	1,190,585	1,157,093
Interest income						322
Total program revenues	1,586,409	1,553,099	1,890,887	1,518,522	1,238,080	1,267,715
General Revenues:						
Unrestricted Contribution from Burlingame	9,947,519	9,735,724	9,072,983	8,880,347	8,460,470	8,220,089
Unrestricted Contribution from Hillsborough	6,631,679	6,490,483	6,048,655	5,920,232	5,640,313	5,480,060
Unrestricted Contribution from Millbrae	5,486,051	2,076,725				
Grants	366,391	89,310				
Unrestricted interest income	818	416	287	237	633	1,202
Total general revenues	22,432,458	18,392,658	15,121,925	14,800,816	14,101,416	13,701,351
Increase (Decrease) in net position	1,820,376	1,095,117	(128,467)	(583,332)	(966,570)	(212,913)
Special item – assumption of beginning compensated absences liability on formation						(2,127,399)
Increase (Decrease) in net position after special item	1,820,376	1,095,117	(128,467)	(583,332)	(966,570)	(2,340,312)
Net Position – beginning (as restated)	(\$36,447,289)	(36,170,083)	(3,890,214)	(3,306,882)	(2,340,312)	-0-
Net Position – ending	(\$34,626,913)	(\$35,074,966)	(\$4,018,681)	(\$3,890,214)	(\$3,306,882)	(\$2,340,312)

- Personnel Expenses are comprised primarily of personnel and related costs for 84.25 full time equivalent personnel. The increase over the prior year is attributable to the annualization of the addition of 19 headcount in mid-year fiscal 2014/15 for the City of Millbrae contract.
- Materials and Services Expenses are comprised of apparatus maintenance, mechanic shop operations, contract services, property and liability insurance, and computer/IT costs, and other operating costs. The increase over the prior year is attributable to contract services for joint training and plan review services (offset in revenue), as well as implementation costs for the IT standalone platform (IT services previously provided by City of Burlingame under contract).
- Program revenues are comprised of charges for permitting, inspections, mechanics shop services joint training, and ALS, and participating agency revenues.

Financial Analysis of the Department's Funds

Governmental Funds

Governmental funds provide information on the short-term inflows, outflows, and balances of resources that are available for spending, usually over a 12 month period. The goals of the funds are to have sufficient resources available to finance the services within each fiscal year. In particular, the fund balance may serve as a measure of funds that are available for spending in the short-term.

General Fund

The General Fund is the department's main operating fund. Pursuant to the JPA, funding is provided by the partner cities to the extent of the department's expenditures net of any program revenues. Hence, it is not expected to have any fund balance at the end of the year.

The table below presents General Fund expenditures for 2016 as compared to 2015.

General Fund Expenditures				
	2016	2015	Increase	%
Salaries	\$9,867,541	\$8,625,062	\$1,242,479	14%
Overtime	2,060,942	1,809,545	251,397	14%
Part-time salaries	145,247	104,625	40,622	39%
Retirement	2,559,340	1,822,976	736,364	40%
Health, dental, vision & life insurances	1,670,064	1,434,699	235,365	16%
Retirees' health insurance	1,165,179	1,114,250	50,929	5%
Workers' compensation	1,901,150	1,401,150	500,000	36%
All others	1,198,046	1,183,214	14,832	1%
Total personnel costs	\$20,567,509	\$17,495,521	\$3,071,988	18%
Materials & services & administrative	1,911,579	1,426,769	484,810	34%
Transfer to vehicle replacement fund	1,322,000	799,000	523,000	65%
TOTAL GENERAL FUND EXPENDITURES	\$23,801,088	\$19,721,290	\$4,079,798	21%

- General Fund expenditures increased by \$4.1 million, primarily for the annualization of the hiring of 19 employees in late December 2014 to support the Millbrae contract for services.
- Retirement expenditures reflect the increase in headcount, as well as rate increases in the CalPERS retirement plan required contributions.
- The workers' compensation reserve increased by \$0.5 million based upon actuarial estimates.
- Materials and services increased by \$0.5 million as compared to the prior year, primarily for contract services and implementation of stand-alone IT platform.
- A transfer to the Vehicle Replacement fund of \$1.3 million was made to fund the purchase of fire engines and vehicles.

General Fund Budgetary Highlights

The table below summarizes General Fund FY 2015/16 actual results as compared to adopted budget. The service charges are higher than budget primarily due to increased activity in permitting, inspections and plan reviews in the City of Millbrae. The participating agency revenue was lower than budget due to the cessation of shared services contract with the City of San Bruno. The overtime expenditures are over budget due to the Department's participation in the fires across the State (reimbursable) and coverage requirements for leaves and vacation. Retirement and retiree health costs were estimates in the budget; there is no operational cause for the variance.

General Fund				
	Adopted Budget	Actual	Positive (Negative) Variance	%
Permits	97,000	173,899	76,899	79%
Plan reviews and fire inspections	180,000	194,142	14,142	8%
Joint training	462,802	354,566	(108,236)	-23%
Participating agencies	200,000	55,406	(144,594)	-72%
Mechanic shop	183,000	160,721	(22,279)	-12%
Other service charges, combined	450,200	429,897	(20,303)	-5%
Total service charges	1,573,002	1,368,631	(204,371)	-13%
Contribution from Burlingame	10,449,012	9,947,519	(501,493)	-5%
Contribution from Hillsborough	6,966,008	6,631,679	(334,329)	-5%
Contribution from Millbrae	5,386,538	5,486,051	99,513	2%
Total contributions	22,801,558	22,065,249	(736,309)	-3%
Grants		366,391	366,391	100%
Interest income	200	817	617	309%
Total General Fund revenue	\$24,374,760	\$23,801,088	(\$573,672)	-2%
Salaries	\$9,996,980	\$9,867,541	129,439	1%
Overtime	1,719,000	2,060,942	(341,942)	-20%
Part-time salaries	118,000	145,247	(27,247)	-23%
Retirement	3,045,921	2,559,340	486,581	16%
Health, dental, vision & life insurance	1,605,905	1,670,064	(64,159)	-4%
Retirees' health insurance	1,450,869	1,165,179	285,690	20%
Workers' compensation	1,901,150	1,901,150	0	0%
All others	1,254,045	1,198,046	55,999	4%
Total personnel costs	21,091,870	20,567,509	524,361	2%
Materials & services & administrative	1,960,890	1,911,579	\$49,311	3%
Transfer to vehicle replacement fund	1,322,000	1,322,000	0	0%
Total General Fund expenditures	\$24,374,760	\$23,801,088	\$573,672	2%

Joint Training Fund

The Joint Training Fund accounts for the operations of a joint operational and EMS training services and administration program among the fire agencies of Belmont, San Bruno, San Mateo, Foster City and the Central County Fire Department. The agencies continue to explore ways to cost-effectively implement required training on a regional basis, thereby reducing program costs to the individual cities. As of June 30, 2016, the Fund has fund balance in the amount of \$0.3 million, which will be utilized for operations of the program.

Capital Projects Fund

The Capital Projects Fund accounts for financial resources to be used for major capital projects. As of June 30, 2016, the Fund has a fund balance in the amount of \$0.4 million.

Proprietary Fund – Internal Service Fund

The Department is self-insured for workers' compensation and dental programs accounted in an Internal Service Fund. The Department started funding the workers' compensation program at the 60% confidence level, administered by a third-party administrator and obtaining additional insurance in excess of \$250,000 up to \$5 million. The Department commissioned an actuarial study for the program and adopted to move toward recognizing the actuarial liability for claims and increasing the confidence level to 70% at an undiscounted rate. The Department recognized an expense of approximately \$1.8 million in the current year. In addition, the Department also self-insures for the dental program. As of June 30, 2016, the Fund has a deficit net position of \$2.1 million.

The Department accounts for the purchase of vehicles and engines in an Internal Service Fund-Vehicle Replacement Fund. The Department funded \$1.3 million into the fund this year, and purchased two engines, one vehicle, and other equipment totaling approximately \$1.8 million. As of June 30, 2016, the Fund has a net position of \$2.1 million.

Capital Asset and Debt Administration

Capital Assets

The JPA now purchases and owns its vehicles and equipment as the JPA cities' owned engines and vehicles are replaced. The other major capital assets including fire stations, engines and vehicles remain the assets of the member agencies. Net capital assets increased primarily for the purchase of engines and equipment outlined above, offset by depreciation. Further information is available in the footnotes to the financial statements.

CAPITAL ASSETS- GOVERNMENTAL ACTIVITIES (net of depreciation)		
	2016	2015
Machinery and equipment	\$1,940,399	\$215,847
Total	\$1,940,399	\$215,847

Long-term Debt

The Department has no long-term debt. The Department's long-term liabilities are comprised of pension liability of \$26.1 million, compensated absences liability of \$2.0 million, and OPEB liability of \$1.9 million, and workers' compensation liability of \$4.5 million. Further information is available in the footnotes to the financial statements.

Economic Factors and Future Challenges

The Department is self-insured for workers' compensation. There continues to be a need to build reserves based on the actuarial determined valuation. The Department's management and the third-party administrators continue to find ways to reduce the risk.

There are a number of fire engines and vehicles that require replacement over the next five years, and funding will be from the agency contributions. Assets that were previously owned by the respective cities will remain owned and maintained by their respective owners.

The CalPERS Board approved changes in actuarial policies and assumptions, and continues to review funding policies, which will increase the rate that entities pay for pension plans.

The Department has a \$12.7 million OPEB liability that will require annual contributions of approximately \$1.3 million. The Department has been proactive in funding the annual required contribution each year.

Request for Information

This financial report is designed to provide a general overview of the Central County Fire Department's finances and to demonstrate the Department's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Central County Fire Department, c/o Town of Hillsborough's Finance Department, 1600 Floribunda Avenue, Hillsborough, CA 94010.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**CENTRAL COUNTY FIRE DEPARTMENT
STATEMENT OF NET POSITION
JUNE 30, 2016**

	Governmental <u>Activities</u>
ASSETS	
Cash and cash equivalents	\$ 5,315,382
Accounts receivable	249,613
Capital assets (net of accumulated depreciation):	
Machinery and equipment	1,940,399
Total assets	<u>7,505,394</u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows - pension related amounts	216,751
Deferred outflows- pension contributions	2,537,375
Total deferred outflows of resources	<u>2,754,126</u>
Accounts Payable	162,311
Due to Burlingame	345,418
Due to Hillsborough	94,104
Due to Millbrae	188,081
Other Accrued Liabilities	698,169
Long-term Liabilities:	
Due within 1 year:	
Workers' compensation claims	750,000
Compensated absences	171,125
Due in more than 1 year:	
Workers' compensation claims	4,543,590
Compensated absences	1,990,004
OPEB	1,857,767
Net pension liability	26,117,750
Total Liabilities	<u>36,918,319</u>
DEFERRED INFLOW OF RESOURCES	
Deferred inflows - pension related amounts	7,968,114
Total deferred inflows of resources	<u>7,968,114</u>
NET POSITION	
Net investment in capital assets	1,940,399
Unrestricted (deficit)	(36,567,312)
Total Net Position (deficit)	<u>\$ (34,626,913)</u>

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

**CENTRAL COUNTY FIRE DEPARTMENT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Governmental Activities
EXPENSES	
Personnel	\$ 19,986,633
Materials and services	2,158,896
Depreciation expense	52,962
General and administrative	
Total Expenses	<u>22,198,491</u>
PROGRAM REVENUES	
Charges for services	<u>1,586,409</u>
Total Program Revenues	<u>1,586,409</u>
NET PROGRAM EXPENSES	<u>20,612,082</u>
GENERAL REVENUES	
Intergovernmental - Burlingame (unrestricted)	9,947,519
Intergovernmental - Hillsborough (unrestricted)	6,631,679
Intergovernmental - Millbrae (unrestricted)	5,486,051
Grants	366,391
Interest income (unrestricted)	818
Total general revenues	<u>22,432,458</u>
Change in Net Position	1,820,376
NET POSITION - BEGINNING (AS RESTATED)	(36,447,289)
NET POSITION - ENDING	<u>\$ (34,626,913)</u>

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

**CENTRAL COUNTY FIRE DEPARTMENT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016**

	(Major) General Fund	(Major) Capital Projects Fund	(Major) Special Revenue - Joint Training Fund	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,390,342	\$ 406,114	\$ 150,104	\$ 1,946,560
Accounts receivable	93,772	-	155,841	249,613
Due from other funds	-	-	-	-
Total Assets	<u>\$ 1,484,114</u>	<u>\$ 406,114</u>	<u>\$ 305,945</u>	<u>\$ 2,196,173</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	158,336	-	3,975	162,311
Due to Burlingame	345,418	-	-	345,418
Due to Hillsborough	94,104	-	-	94,104
Due to Millbrae	188,081	-	-	188,081
Other Accrued Liabilities	698,169	-	-	698,169
Due to other funds	-	-	-	-
Total Liabilities	<u>1,484,108</u>	<u>-</u>	<u>3,975</u>	<u>1,488,083</u>
Fund Balances - Assigned		406,114	301,970	708,084
Fund Balances - Unassigned	6	-	-	6
Total Fund Balance	<u>6</u>	<u>406,114</u>	<u>301,970</u>	<u>708,090</u>
Total Liabilities and Fund Balances	<u>\$ 1,484,114</u>	<u>\$ 406,114</u>	<u>\$ 305,945</u>	

Amounts reported for governmental activities in the Statement of
Net Position (page 21) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	63,158
Net position of the Internal Services Fund are included in the governmental activities in the Statement of Net Position	(47,527)
Employer contributions for pension were recorded as expenditures in the governmental funds. However, in the Government-Wide Financial Statement these contributions are deferred.	2,537,375
For cost sharing pension plans, on the government-wide statements certain differences created due to differences in proportion are deferred and amortized over a period of time. There are no transactions recorded on the governmental fund statements.	216,751
In the Government-Wide Financial Statements certain differences between actuarial estimates and actual results for pension and differences due to changes in proportion are deferred and amortized over a period of time, however in the governmental funds no transactions are recorded.	(7,968,114)
Long-term liabilities are not due and payable from resources available in the current period and therefore are not reported in the governmental funds:	
Net OPEB obligations	(1,857,767)
Compensated absences	(2,161,129)
Net pension liability	(26,117,750)
Net position of governmental activities	<u>\$ (34,626,913)</u>

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

**CENTRAL COUNTY FIRE DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>(Major) General Fund</u>	<u>(Major) Capital Projects Fund</u>	<u>(Major) Special Revenue - Joint Training Fund</u>	<u>Total Governmental Funds</u>
REVENUES:				
Intergovernmental:				
Burlingame	\$ 9,947,519	\$ -	\$ -	\$ 9,947,519
Hillsborough	6,631,679	-	-	6,631,679
Millbrae	5,486,051	-	-	5,486,051
Grants	366,391	-	-	366,391
Service charges	1,368,631	-	217,778	1,586,409
Interest income	817	-	-	817
Total Revenues	<u>23,801,088</u>	<u>-</u>	<u>217,778</u>	<u>24,018,866</u>
		-		
EXPENDITURES:				
Current:				
Personnel costs	20,567,509	-	-	20,567,509
Materials and services	3,233,579	-	105,875	3,339,454
Capital outlay	-	10,514	-	10,514
General and administrative	-	-	-	-
Total Expenditures	<u>23,801,088</u>	<u>10,514</u>	<u>105,875</u>	<u>23,917,477</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(10,514)	111,903	101,389
OTHER FINANCING SOURCES (USES):				
Transfers	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(10,514)	111,903	101,389
BEGINNING FUND BALANCES	<u>6</u>	<u>416,628</u>	<u>190,067</u>	<u>606,701</u>
ENDING FUND BALANCES	<u>\$ 6</u>	<u>\$ 406,114</u>	<u>\$ 301,970</u>	<u>\$ 708,090</u>

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

**CENTRAL COUNTY FIRE DEPARTMENT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Amounts reported for governmental activities in the Statement of Activities
(page 22) are different because:

Net Change in Fund Balances - Total Governmental Funds (page 25)	\$ 101,389
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(20,491)
The Total Internal Service Funds - This is the change in Net Position of the total Internal Service Funds. The Self Insurance Fund is used to accumulate funds to service the workers' compensation and dental insurance program. The Vehicle Replacement Fund is used to accumulate funds to purchase vehicles for the District.	1,158,602
Current year employer pension contributions are recorded as expenditures in the governmental funds, however these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	2,537,375
Pension expense is recorded as incurred in the Government-Wide Statement of Activities, however pension expense is not recognized in the governmental funds.	(1,938,568)
Expenses reported in accrual basis are recognized when incurred, regardless of when paid:	
OPEB expense	(21,821)
Accrued compensated absences	3,890
Change in net position of governmental activities (page 22)	<u>\$ 1,820,376</u>

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

CENTRAL COUNTY FIRE DEPARTMENT
STATEMENT OF NET POSITION - (Governmental Activities)
JUNE 30, 2016

	Total Internal Service Funds
ASSETS	
Cash and cash equivalents	\$ 3,368,822
Capital assets	
net of depreciation	<u>1,877,241</u>
Total Assets	<u>5,246,063</u>
LIABILITIES	
Liabilities:	
Current:	
Accrued workers compensation claims	<u>750,000</u>
Total Current Liabilities	<u>750,000</u>
Noncurrent:	
Workers compensation claims	<u>4,543,590</u>
Total Liabilities	<u>5,293,590</u>
NET POSITION	
Unrestricted (deficit)	<u>\$ (47,527)</u>

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

**CENTRAL COUNTY FIRE DEPARTMENT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(Governmental Activities)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Total Internal Service Funds
REVENUES:	
Workers Compensation Premiums	\$ 1,901,150
Dental Premiums	121,690
Contributions and donations	1,322,000
Total Operating Revenues	<u>3,344,840</u>
OPERATING EXPENSES:	
Workers Compensation Claims	1,843,032
Dental Claims	129,528
Materials and services	181,207
Depreciation	32,471
Total Operating Expenses	<u>2,186,238</u>
Operating Income (Loss)	<u>1,158,602</u>
Change in net position	1,158,602
Net Position - Beginning	166,194
Prior Period Adjustment	(1,372,323)
Adjusted beginning balance	<u>(1,206,129)</u>
Net Position - Ending (Deficit)	<u><u>\$ (47,527)</u></u>

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

**CENTRAL COUNTY FIRE DEPARTMENT
STATEMENT OF CASH FLOWS
(Governmental Activities)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts for interfund services provided	\$ 3,344,840
Payment to employees	(591,895)
Payment to vendors	(310,735)
Net cash provided (used) by operating activities	<u>2,442,210</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	<u>(1,777,514)</u>
Net cash used in capital financing activities	<u>(1,777,514)</u>
Net increase (decrease) in cash and cash equivalents	664,696
Cash and cash equivalents - beginning	<u>2,704,126</u>
Cash and cash equivalents - ending	<u>\$ 3,368,822</u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 1,158,602
Depreciation Expense	32,471
Increase (decrease) in accrued workers compensation claims	1,251,137
Net cash and cash equivalents provided (used) by operating activities	<u>\$ 2,442,210</u>

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

Central County Fire Department
Index to the Notes to the Financial Statements
For the fiscal year ended June 30, 2016

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**CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 – ORGANIZATION

Central County Fire Department was established on April 20, 2004 through a Joint Powers Agreement (JPA) between the City of Burlingame, the Town of Hillsborough and City of Millbrae with essential support services provided by the two cities. This partnership and the JPA structure were designed to promote for efficient administration and effective delivery of services to the two cities. Significant cost savings were achieved since the initial merger especially in personnel costs. At the time of the initial merger, a cost sharing plan was developed to allow each partner city to pay its share of the combined operating expenses of the Department. The initial merger included stipulations whereby the Department's personnel remained employees of the individual cities including the Chief Administrative Officer and the Fire Chief who shall be employees of either city. Responsibility for certain major costs such as retirement, replacement of vehicles and facilities, and costs related to other post-employment benefits (OPEB) other than pension costs, remained with the individual cities. Consequently, ownership of major capital assets including fire stations and vehicles and equipment remained with the individual cities.

Effective fiscal year 2010/11, the merged fire operations moved onto a full merger transferring all active employees and operations to an independent single entity with the exception of the Chief Administrative Officer. However, unfunded retirement costs relating to prior service and OPEB costs for employees that retired prior to fiscal year 2010/11 will continue to be the responsibility of and borne by the individual cities. Likewise, capital assets acquired before 2010/11 will remain assets of the individual cities which will be responsible for related costs.

On December 29, 2014, CCFD entered into a contract for fire services with the City of Millbrae that includes suppression, fire prevention, and administrative oversight and support. With this contract came the addition of 19 fire personnel to the CCFD ranks.

The Department's operating costs net of program revenues are allocated thirty (30%) to the City of Millbrae, with the remainder seventy (70%) shared by the member agencies, sixty (60%) to the City of Burlingame and forty percent (40%) to the Town of Hillsborough.

The Department is governed by a Board of Directors ("Board") consisting of two representatives from each city in the JPA, whereas the members represent the cities in determining the level of fire, emergency medical and disaster preparedness services to be provided by the Department. All major decisions by the Board require ratification by the respective City Councils.

The Board appoints the City Manager of one of the member cities to serve as Chief Administrative Officer for alternating two-year term. The Chief Administrative Officer appoints the Fire Chief who shall conduct the day-to-day operations of the Department. He shall also appoint an employee to act as Secretary and an employee of one of the member agencies to act as Treasurer of the Department who shall act as Controller for the Department and shall perform all such functions such as disbursement of revenues, payment of outstanding obligations and other accounting functions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Central County Fire Department is a legally separate and independent entity that is not a component unit of the City of Burlingame, the Town of Hillsborough or the City of Millbrae. Further, the Department has no component unit organizations under its control. Therefore, this comprehensive annual financial report and the financial statements contained within represent solely the activities, transactions and status of the Central County Fire Department.

B. Government-Wide and Fund 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 Central County Fire Department. The effect of interfund activity has been removed from these statements. All activities are categorized *governmental activities* as they are attributable to services for structural and wild land fire suppression, response to hazardous materials incidents, search and rescue, vehicle extrication and other emergency services supported largely by contributions from the cities' general fund revenues.

The statement of activities demonstrates the degree to which the expenses are offset by program revenues that include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided and 2) contributions that are restricted to meeting the operational or capital requirements of a particular segment. Other items not properly included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds and the internal service self-insurance and vehicle replacement funds. The General Fund and the Capital Fund are major individual governmental funds and are reported in a separate columns.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the internal service self-insurance and vehicle replacement funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Contributions from the member agencies are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Department considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

The *General Fund* is the Department's major and primary operating fund. It accounts for all financial resources of the Department, except those required to be accounted for in another fund. Additionally, the Department reports two *Internal Service Funds* with one used to account for the servicing of the self-insurance that includes workers compensation and dental programs and one used to account for funding and purchasing of vehicles, equipment and engines.

The Internal Service Fund distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues represent premiums paid for the programs and contributions toward programs; operating expenses include claims paid and administrative expenses of the programs, and vehicle and equipment purchases. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Capital Projects Fund is another major fund of the Department's. It is used to account for the acquisition and construction of capital assets other than those that remain with the member agencies.

The Department follows GASB in accounting the activities of the Internal Service Funds. The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

The Department has one other major governmental fund, the Joint Training Fund, which is used to account for the operations of a joint operational and EMS training services and administration program among the fire agencies of Belmont, Millbrae, San Bruno, San Mateo, Foster City and Central County Fire Department.

When both restricted and unrestricted resources are available for use, it is the Department's policy to use restricted resources first.

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

D. Assets, Liabilities, and Net Position or Equity

1. Cash and Cash Equivalents

The Department's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The City of Burlingame, the Town of Hillsborough and the City of Millbrae advance 1/12 of their respective budgeted contributions to the Department every month. At the end of the fiscal period, advances in excess of the actual contributions due to the Department are returned to the respective cities after end of the year.

2. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements, outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources. Interfund transfers are generally recorded as transfers except for charges for services including workers compensation insurance and dental premiums and vehicle fund contributions, which are recorded as revenues of the internal service fund and expenditures in the general fund.

3. Capital assets

Capital assets which include machinery and equipment are reported in the government-wide financial statements. Capital assets are defined by the Department as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. As stipulated in the JPA, capital assets including fire stations, fire engines and other vehicles acquired prior to FY10/11 remain the assets of the individual member agencies.

Machinery and equipment are depreciated using the straight line method over an estimated useful life of 3 to 15 years.

4. Compensated Absences

The Department permits employees to accumulate earned but unused vacation up to a certain amount depending on bargaining units. Sick leave credit is vested in varying amounts depending on bargaining units and groups. Both are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

5. Self-Insurance

The Department is self-insured for workers’ compensation and dental claims. The Internal Service Fund is used to account for the activities of these programs. It is the Department’s policy to provide in each fiscal year, through premiums charged to the general fund, amounts sufficient for self-insurance program expenses and reserves associated with claims, that are actuarially determined based on loss experience. The amount recorded as liability for known claims, if any, is based on the recommendations of the administrator. In 2016, accrued liability for incurred but not reported claims (IBNRs) recommended in an actuarial study has been recorded.

6. Pensions

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

E. New accounting pronouncements

The Department has implemented the requirements of the following GASB Pronouncement:

- GASB Statement No. 72, *Fair Value Measurement and Application*– This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*– The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*– The objective of this Statement is to identify –in the context of the current governmental financial reporting environment–the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.
- GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* - This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the

criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

- GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statement No. 67, No. 68, and No. 73* - This Statement addresses certain issues that had been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB 67 and 68*. Specifically, this Statement addresses issued regarding (1) the presentation of payroll-related measures in the required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The City updated covered employee payroll information in the required supplementary information as part of implementation of this accounting standard.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the governmental funds except the capital projects fund which adopt project-length budgets. All annual appropriations lapse at fiscal year-end.

The Fire Chief may make transfers of appropriations that do not exceed the fund's budget. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The Chief Administrative Officer or his/her designee may make administrative adjustments to the budget as long as those changes will not have a significant policy impact nor affect budgeted year-end fund balances. Any revisions that alter the total expenditures of any fund must be approved by the Board.

NOTE 4 – CASH AND CASH EQUIVALENTS

The Department maintains a cash pool which includes cash balances of all funds. The pooled interest earned is allocated to the funds based on cash balances in these funds at the end of each accounting period. It has the following cash and cash equivalents at June 30, 2016:

Cash on hand	\$ 200
Deposits with financial institutions	5,315,182
Total cash and cash equivalents	<u>\$5,315,382</u>

The carrying amounts of the Department's cash deposits were \$5,315,382. Bank balances before reconciling items were \$5,377,076 the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the Department's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the Department's cash deposits by pledging securities as collateral. This Code states that collateral pledged in

this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the Department's name.

The market value of the pledged securities must equal at least 110% of the Department's cash deposits. California law also allows institutions to secure special districts deposits by pledging first trust deed mortgage notes having a value of 150% of the Department's total cash deposits. The Department may waive collateral requirements for cash deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The Department, however, has not waived the collateralization requirements.

NOTE 5 - CAPITAL ASSETS

Major capital assets including fire stations, engines and vehicles remain the assets of the member agencies and hence are not reflected in the Department's capital assets. Starting in fiscal year 2015-16, the CCFD JPA is now replacing vehicles and engines from the JPA. Capital asset activity for the year ended June 30, 2016 was as follows:

	Governmental Activities			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Machinery and equipment	\$305,275	\$1,936,158	(\$158,644)	\$2,082,789
Less accumulated depreciation for:				
Machinery and equipment	(89,428)	(26,446)	(79,408)	(142,390)
Total capital assets being depreciated, net	\$215,847	\$1,962,604		
Governmental activities capital assets, net	\$215,847	\$1,962,604	(\$238,052)	\$1,940,399

It is the Department's policy to recognize a full year's depreciation for assets acquired within the year.

NOTE 6 - OPERATING ASSISTANCE

The City of Burlingame, the Town of Hillsborough and the City of Millbrae provide the major source of funding to the Central County Fire Department the apportionment was 45%, 30% and 25% (\$9,947,519, \$6,631,679 and \$5,486,051) in FY 15/16, respectively after applying program revenues to the operating and administrative.

NOTE 7 - LONG-TERM DEBT

Compensated Absences - Compensated absences due within one year represent an estimate of the net compensated absences that will be utilized within the next year. All compensated absences for governmental activities are paid out of the General Fund.

Other Post-Employment Benefits (OPEB) - Refer to Note 11 for details of the OPEB obligation.

Net Pension Liability - Refer to Note 12 for details of the Net Pension Liability.

Long-term liability activity other than OPEB and Net Pension Liability for the year ended June 30, 2016, was as follows:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$2,165,019	\$1,027,942	(\$1,031,833)	\$2,161,129	\$171,125

NOTE 8 – RISK MANAGEMENT

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Department has established a limited risk management program of these types of risks.

The Department has general liability insurance coverage through the City of Burlingame as a participant in the Association of Bay Area Governments Pooled Liability Assurance Network (ABAG PLAN) organized within the Joint Powers Authority Association of Bay Area governments. The ABAG PLAN provides liability insurance coverage, claims management, risk management services, and legal defense to its participating members. ABAG PLAN is governed by a board of directors, which comprises officials appointed by each participating member. Premiums paid to ABAG PLAN are subject to possible refund based on the results of actuarial studies and approval by the board of directors. Premiums are assessed to participants based on their individual loss experience. General liability insurance coverage has been purchased by ABAG PLAN for losses exceeding \$250,000 up to a maximum of \$10 million.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly claims are reevaluated periodically to consider these factors, estimate recoveries from salvage or subrogation, and other economic and social factors.

The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The amount recorded as liability for known claims, if any, is based on the recommendation of the administrator. No accrued liability for incurred but not reported claims (IBNRs) has been recorded as amounts for such claims cannot be reasonably estimated. The Department's exposure for claims filed under this program is minimal.

The Department is self-insured for workers' compensation. The program is administered by a third-party administrator (TPA), Athens Administrators. The TPA sets reserve levels for reported claims. Reserve levels for IBNRs are based on an actuarial study by a third independent party. Excess workers' compensation insurance has been purchased by the Department for losses exceeding \$250,000 up to \$5 million.

There is no significant change in insurance coverage from that of the prior year while separately covered by the partner cities, nor have there been any insurance related settlements that exceeded insurance coverage during the past three fiscal years.

The table below shows activities relating to claims liabilities in its three-year operations as a separate entity:

	Beginning Balance	Claims and Changes in Estimates	Paid	Ending Balance
2013-14	\$1,465,394	\$1,470,247	(\$689,082)	\$2,246,559
2014-15	\$2,246,559	\$1,069,838	(\$649,267)	\$2,670,130
Prior Period Adjustment	\$2,670,130	\$1,372,323		\$4,042,453
2015-16	\$4,042,453	\$2,034,455	(\$783,318)	\$5,293,530

NOTE 9 – RELATED PARTY TRANSACTIONS

The City of Burlingame, one of the partner cities providing resources to CCFD, charges facilities costs based on the square footage of the buildings utilized by CCFD including the fire stations and administration building. Facilities costs include personnel, janitorial services and general operating costs. Until the 4th quarter in fiscal year 2015 to 2016, the city also provided IT support to the Department. For fiscal year ended June 30, 2016, the City of Burlingame charged \$156,703 for the facilities and IT support.

NOTE 10 – FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based on the extent to which the Department is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2016, fund balances for governmental funds consist of *Assigned Fund Balance* that includes amounts intended to be used for specific purposes that are neither restricted nor committed. Intent is expressed by an action of the Fire Board passing a resolution for the assignment or delegation of the authority to assign amounts to be used for specific purposes. Likewise, a similar action is required to reverse the assignment.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned. Fund balances for all the governmental funds as of June 30, 2016 were as follows:

Designation	Joint Training Fund	Capital Projects Fund
Assigned to joint training program	\$301,970	
Assigned to certain capital projects		\$406,114

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

- A. Plan Description – The Central County Fire Department Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the Department. The plan provides healthcare benefits to eligible retirees and their dependents. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the Department, its management employees and unions representing its employees. The Plan does not issue a financial report.

The Department provides eligible retirees medical benefits through the California Public Employees' Retirement system healthcare program (PEMHCA). It pays retiree healthcare benefits up to a cap for eligible retirees, dependent on bargaining unit and hire date.

- B. Funding Policy – The contribution requirements of the Plan participants and the department are established under a funding policy approved by the Fire Board, and may be amended by the Department from time to time. The Plan is currently funded by employer contributions with no requirement for matching or employee contributions for eligible employees. The department adopted to prefund the actuarial liability by contributing the annual required contribution (ARC) – an amount sufficient to pay the current year's retiree premium and plan expenses, with an additional amount to pre-fund benefits as determined by an actuary on a biennial basis. 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 liability (or funding excess) over a period of thirty years. The current ARC rate is 13.6% of annual covered payroll.
- C. Annual OPEB Cost and Net OPEB Obligation – The following table, based on actuarial valuation as of June 30, 2013, shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Department's net OPEB obligation:

	FY13/14 GASB 45	FY14/15 GASB 45	FY15/16 GASB 45
Annual Required Contribution	\$1,167,000	\$1,129,000	\$1,166,000
Interest	130,000	132,000	134,000
Amortization	-107,000	-110,000	-113,000
Annual OPEB cost	1,190,000	1,151,000	1,187,000
Annual OPEB cost as % of payroll	14.6%	13.6%	12.0%
Contributions:			
Benefit Payment Outside Trust	216,370	252,863	303,801
Trust Funding	950,630	882,180	861,378
Total Contributions	1,167,000	1,135,043	1,165,179
Net Changes to Net OPEB Obligation	-23,000	15,957	21,821
Net OPEB Obligation – beginning	1,796,989	1,819,989	1,835,946
Net OPEB Obligation – ending	\$1,819,989	\$1,835,946	1,857,767
Percentage of Annual OPEB Cost Contributed	98.7%	98.6%	98.2%

- D. Funded Status and Funding Progress - In June 2013, the Department established an OPEB irrevocable trust with the California Employer's Retiree Benefit Trust Program (CERBT) administered by the California Public statements of CERBT are included in the CalPERS financial report. Copies of this report may be obtained from CalPERS Executive Office - 400 P Street, Sacramento, California. The June 30, 2013 unfunded actuarial accrued liability (UAAL) for benefits (latest available information) was \$10,328,000. The value of assets of \$955,000 as of June 30, 2013 was 8.5% of UAAL.

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments 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 supplemental 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 liability for benefits.

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 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 the calculations. The Department does not contract for a separate audit of its OPEB plan.

- E. 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 benefit costs between the employer and the 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 the calculations.

In the actuarial valuation as of June 2013, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.25 percent investment rate of return, which is the expected long-term investment returns on the Department's funds, a 3% general inflation assumption, an annual aggregate payroll increase rate of 3.25% and healthcare cost trend rate ranging from 8.3% to 5% through the year 2021. The UAAL is being amortized as a level dollar amount over 30 years on a closed basis starting June 30, 2010.

NOTE 12 - EMPLOYEE RETIREMENT PLAN

A. Plan Description

All qualified permanent and probationary employees are eligible to participate in the Department's, cost-sharing multiple employer defined benefit pension plan (plan) administered by the California Public

Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and the Department's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

B. Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous	
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits , as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8% to 6.5%	6.25%
Required employer contribution rates	11.0%	6.25%
Required employer dollar UAL payment(Annual)	\$12,099	

	Safety	
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits , as a % of eligible compensation	2.4 to 3%	2% to 2.7%
Required employee contribution rates	11% to 12.25%	6.25%
Required employer contribution rates	18.00%	6.25%
Required employer dollar UAL payment (Annual)	\$1,095,014	

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The Local Government's required contribution for the unfunded liability was \$ 1,107,113 in fiscal year 2016.

- C. Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Department is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2016, the contributions recognized against net pension liability for the Plan were as follows:

	Miscellaneous	Safety
Contributions - employer	\$ 46,168	\$ 2,104,952

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

As of June 30, 2016, the Department reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 263,723
Safety	25,854,028
Total Net Pension Liability	<u>\$ 26,117,750</u>

The Department’s net pension liability for the Plan is measured as the proportionate share of the net pension liability of the CalPERS pooled plans. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The Department’s proportion of the net pension liability was based on the Department’s plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The Department’s proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

Proportion - June 30, 2014	0.689%
Proportion - June 30, 2015	<u>0.637%</u>
Change - Increase (Decrease)	-0.052%

For the year ended June 30, 2016, the Department recognized pension expense of \$1,938,388. At June 30, 2016, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,537,375	\$ -
Changes in assumptions	-	1,288,853
Changes in employer's proportion	216,751	3,753,421
Differences between the employer's contributions and the employer's proportionate share of contributions	-	2,001,167
Difference between expected and actual experience		271,178
Net differences between projected and actual earnings on plan investments	-	653,495
Total	<u>\$ 2,754,126</u>	<u>\$ 7,968,114</u>

\$2,537,375 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017.

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

Year Ended June 30	
2017	\$ (3,103,797)
2018	(3,053,834)
2019	(2,396,097)
2020	802,365

E. Actuarial Assumptions – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2014	June 30, 2014
Measurement Date	June 30, 2015	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Projected Salary Increase	Varies by entry age and service	Varies by entry age and service
Investment Rate of Return	7.65% (1)	7.65% (1)
Mortality	Derived by CalPERS membership data for all funds	

(1) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2010 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

- F. Discount Rate – The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 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 will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the 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 rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

- G. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Department's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.65%
Net Pension Liability	\$45,884,438
Current Discount Rate	7.65%
Net Pension Liability	\$26,117,750
1% Increase	8.65%
Net Pension Liability	\$9,908,364

- H. Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

I. Payable to the Pension Plan

At June 30, 2016, the Department reported a payable of \$20,935 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

NOTE #14 – PRIOR PERIOD ADJUSTMENT

The Department recorded prior period adjustments to correct the balance of workers compensation claims liability previously recorded in prior year

<u>Net Position, as Previously Reported</u>	<u>Prior Period Adjustment Net Position</u>	<u>Net Position, as Restated</u>
<u>\$ (35,074,966)</u>	<u>\$ (1,372,323)</u>	<u>\$ (36,447,289)</u>

The effect on prior year's Statement of Net Position was an overstatement of Net Position of \$1,372,323.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY - Last 10 Years***

	2016	2015
Measurement date	6/30/2015	6/30/2014
Proportionate share of the net pension liability	\$ 26,117,750	\$ 25,683,151
Proportion of the net pension liability	0.64%	0.689%
Covered payroll	\$ 9,322,483	\$ 8,122,978
Proportionate Share of the net pension liability as percentage of covered-employee payroll	280.16%	316.18%
Plan fiduciary net position as a percentage of the total pension liability	78.40%	79.82%

Notes to Schedule:

*Fiscal year 2015 was the 1st year of implementation

SCHEDULE OF CONTRIBUTIONS - Last 10 Years*

	2016	2015
Contractually required contribution (actuarially determined)	\$ 2,537,375	\$ 2,151,120
Contribution in relation to the actuarially determined contributions	(2,537,375)	(2,151,120)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,455,688	\$ 9,322,483
Contributions as a percentage of covered payroll	24.27%	23.07%

Note to Schedule

Valuation date:	6/30/2013	6/30/2012
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* - Fiscal year 2015 was the 1st year of implementation

SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLAN

Actuarial Valuation Date*	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
6/30/2011	\$ 8,905,000	\$ -	\$ 8,905,000	0.0%	\$ 8,577,000	103.8%
6/30/2013	\$ 11,283,000	\$ 955,000	\$ 10,328,000	8.5%	\$ 8,170,000	126.4%
6/30/2015	\$ 15,661,000	\$ 3,008,000	\$ 12,653,000	19.2%	\$ 10,535,000	120.1%

This schedule presents information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The Department established a trust account to fund the OPEB liability fully funding the \$1,187,000 Annual Required Contribution (ARC) for FY 15/16.

**CENTRAL COUNTY FIRE DEPARTMENT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Burlingame	\$ 10,449,012	\$ 10,449,012	\$ 9,947,519	\$ (501,493)
Hillsborough	6,966,008	6,966,008	6,631,679	(334,329)
Millbrae	5,386,538	5,386,538	5,486,051	99,513
Grants	-	-	366,391	366,391
Service charges	1,573,002	1,573,002	1,368,631	(204,371)
Interest income	200	200	817	617
Total Revenues	<u>24,374,760</u>	<u>24,374,760</u>	<u>23,801,088</u>	<u>(573,672)</u>
EXPENDITURES:				
Current:				
Personnel costs	21,091,870	21,091,870	20,567,509	524,361
Materials and services	3,282,890	3,282,890	3,233,579	49,311
General and administrative	-	-	-	-
Total Expenditures	<u>24,374,760</u>	<u>24,374,760</u>	<u>23,801,088</u>	<u>573,672</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
BEGINNING FUND BALANCES	-	-	6	(6)
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ (6)</u>

**CENTRAL COUNTY FIRE DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
JOINT TRAINING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Service charges	\$ 165,355	\$ 165,355	\$ 217,778	\$ 52,423
Total Revenues	165,355	165,355	217,778	52,423
EXPENDITURES:				
Current:				
Materials and services	150,557	150,557	105,875	44,682
General and administrative	-	-	-	-
Total Expenditures	150,557	150,557	105,875	44,682
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	14,798	14,798	111,903	97,105
NET CHANGE IN FUND BALANCES	14,798	14,798	111,903	97,105
BEGINNING FUND BALANCES	-	-	190,067	190,067
ENDING FUND BALANCES	\$ 14,798	\$ 14,798	\$ 301,970	\$ 287,172

CENTRAL COUNTY FIRE DEPARTMENT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2016

Pension Liability and Contributions

These schedules represent information that shows the Department's proportionate share of the pension liability in the cost sharing pools, actuarial information, and contributions. The proportionate share information is useful in determining the Department's liability in relation to all other entities in the pool.

Schedule of Funding Progress for Retiree Health Plan

This schedule presents information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Budgetary Information

The Department adopts annual budgets on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds, which adopt project-length budgets. All appropriations lapse at fiscal year-end. Encumbrances related to unperformed contracts for goods or services at year-end lapse and are automatically reappropriated and reencumbered in the subsequent fiscal year. There are no outstanding encumbrances in the governmental funds at June 30, 2016.

Prior to June 30, the Chief Administrative Officer submits to the Fire Board a proposed operating budget for review. The Board holds public hearings and a final budget is adopted on or before June 30.

The modified accrual basis of accounting is used for budgeting. This means revenues are recognized when they become measurable or available, while expenditures are accounted for or recognized in the budgeting period when they were incurred.

The Fire Board may amend or supplement the budget at any time after its adoption by a majority vote of the members. The Chief Administrative Officer or his designate may make administrative adjustments to the budget as long as those changes will not have a significant policy impact nor affect budgeted year-end fund balances. Any revisions that alter the total expenditures of any fund in excess of the approved funding contributions from the partner cities must be approved by the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. Budget amounts shown in these financial statements include all supplemental appropriations made, if any, during the year.

A schedule of revenues, expenditures and changes in fund balances – budget and actual – of the Department's General Fund and Joint Training Fund are presented as required supplementary information.

SUPPLEMENTARY INFORMATION

CENTRAL COUNTY FIRE DEPARTMENT
COMBINING STATEMENT OF NET POSITION - (Governmental Activities)
JUNE 30, 2016

	Vehicle Replacement Fund	Self-insurance Fund	Total Internal Service Funds
ASSETS			
Cash and cash equivalents	\$ 184,842	\$ 3,183,980	\$ 3,368,822
Capital assets			
net of depreciation	<u>1,877,241</u>	<u>-</u>	<u>1,877,241</u>
Total Assets	<u>2,062,083</u>	<u>3,183,980</u>	<u>5,246,063</u>
LIABILITIES			
Liabilities:			
Current:			
Accrued workers compensation claims	<u>-</u>	<u>750,000</u>	<u>750,000</u>
Total Current Liabilities	<u>-</u>	<u>750,000</u>	<u>750,000</u>
Noncurrent:			
Workers compensation claims	<u>-</u>	<u>4,543,590</u>	<u>4,543,590</u>
Total Liabilities	<u>-</u>	<u>5,293,590</u>	<u>5,293,590</u>
NET POSITION			
Unrestricted (deficit)	<u><u>\$ 2,062,083</u></u>	<u><u>\$ (2,109,610)</u></u>	<u><u>\$ (47,527)</u></u>

CENTRAL COUNTY FIRE DEPARTMENT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(Governmental Activities)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Vehicle Replacement Fund	Self-insurance Fund	Total Internal Service Funds
REVENUES:			
Workers Compensation Premiums	\$ -	\$ 1,901,150	\$ 1,901,150
Dental Premiums	-	121,690	121,690
Contributions and donations	1,322,000	-	1,322,000
Total Operating Revenues	<u>1,322,000</u>	<u>2,022,840</u>	<u>3,344,840</u>
OPERATING EXPENSES:			
Workers Compensation Claims	-	1,843,032	1,843,032
Dental Claims	-	129,528	129,528
Materials and services	-	181,207	181,207
Depreciation	32,471	-	32,471
Total Operating Expenses	<u>32,471</u>	<u>2,153,767</u>	<u>2,186,238</u>
Operating Income (Loss)	<u>1,289,529</u>	<u>(130,927)</u>	<u>1,158,602</u>
Change in net position	1,289,529	(130,927)	1,158,602
Net Position - Beginning	772,554	(606,360)	166,194
Prior Period Adjustment	-	(1,372,323)	(1,372,323)
Adjusted beginning balance	<u>772,554</u>	<u>(1,978,683)</u>	<u>(1,206,129)</u>
Net Position - Ending (Deficit)	<u>\$ 2,062,083</u>	<u>\$ (2,109,610)</u>	<u>\$ (47,527)</u>

**CENTRAL COUNTY FIRE DEPARTMENT
COMBINING STATEMENT OF CASH FLOWS
(Governmental Activities)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Vehicle Replacement Fund	Self-insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts for interfund services provided	\$ 1,322,000	\$ 2,022,840	\$ 3,344,840
Payment to employees	-	(591,895)	(591,895)
Payment to vendors	-	(310,735)	(310,735)
Net cash provided (used) by operating activities	<u>1,322,000</u>	<u>1,120,210</u>	<u>2,442,210</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	<u>(1,777,514)</u>	-	<u>(1,777,514)</u>
Net cash used in capital financing activities	<u>(1,777,514)</u>	<u>-</u>	<u>(1,777,514)</u>
Net increase (decrease) in cash and cash equivalents	(455,514)	1,120,210	664,696
Cash and cash equivalents - beginning	640,356	2,063,770	2,704,126
Cash and cash equivalents - ending	<u>\$ 184,842</u>	<u>\$ 3,183,980</u>	<u>\$ 3,368,822</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,289,529	\$ (130,927)	\$ 1,158,602
Depreciation Expense	32,471	-	32,471
Increase (decrease) in accrued workers compensation claims	-	1,251,137	1,251,137
Net cash and cash equivalents provided (used) by operating activities	<u>\$ 1,322,000</u>	<u>\$ 1,120,210</u>	<u>\$ 2,442,210</u>

Statistical Section

This part of the Central County Fire Department's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplemental information says about the Department's overall financial health.

CONTENTS	PAGES
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the Department's financial performance and well-being have changed over time.	56-59
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the Partner Cities ability to generate its major sources for funding the Department	60-62
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Department's financial activities take place.	63-65
<i>Operating Information</i>	
These schedules contain information to help the reader understand how the information in the financial reports relate to the services the Department provides and activities it performs.	66-77

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

CENTRAL COUNTY FIRE DEPARTMENT
NET POSITION BY COMPONENT (accrual basis of accounting)
LAST T SIX YEARS (from inception)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities:						
Net investment in capital assets	\$ 44,847	\$ 135,297	\$ 116,294	\$ 97,291	\$ 215,847	\$ 1,940,399
Unrestricted	(2,385,159)	(3,442,179)	(4,006,508)	(4,115,972)	(35,290,613)	(36,567,312)
Total governmental activities net position	<u>\$ (2,340,312)</u>	<u>\$ (3,306,882)</u>	<u>\$ (3,890,214)</u>	<u>\$ (4,018,681)</u>	<u>\$ (35,074,766)</u>	<u>\$ (34,626,913)</u>

Note: The fiscal year ended June 30, 2015 net position change over the prior year is primarily attributable to the implementation of GASB 68, which reflects pension liability and deferred outflows/inflows related to the pensions.

Source: Central County Fire Department audited financial statements as restated, if applicable.

CENTRAL COUNTY FIRE DEPARTMENT
CHANGES IN NET POSITION (accrual basis of accounting)
LAST SIX YEARS (from inception)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses:						
Governmental Activities:						
Public safety:						
Personnel	\$ 14,032,646	\$ 14,969,002	\$ 15,577,913	\$ 15,450,212	\$ 17,225,010	\$ 19,986,633
Materials and services	1,149,333	1,331,681	1,305,754	1,672,064	1,576,509	2,158,896
Depreciation expense		5,383	19,003	19,003	46,039	52,962
General and administrative					3,082	
Total Governmental Activities Expenses	15,181,979	16,306,066	16,902,670	17,141,279	18,850,640	22,198,491
Program Revenues:						
Governmental Activities:						
Charges for services	1,157,093	1,190,585	1,518,522	1,890,887	1,553,099	1,586,409
Operating grants and contributions	110,300	47,495				
Interest income	322					
Total Governmental Activities Program Revenues	1,267,715	1,238,080	1,518,522	1,890,887	1,553,099	1,586,409
Governmental Activities Net (Expenses)/Revenue	(13,914,264)	(15,067,986)	(15,384,148)	(15,250,392)	(17,297,541)	(20,612,082)
General Revenues:						
Governmental Activities:						
Intergovernmental - Burlingame	8,220,089	8,460,470	8,880,347	9,072,983	9,735,724	9,947,519
Intergovernmental - Hillsborough	5,480,060	5,640,313	5,920,232	6,048,655	6,490,483	6,631,679
Intergovernmental - Millbrae					2,076,725	5,486,051
Grants					89,310	366,391
Interest income	1,202	633	237	287	416	818
Total Governmental Activities General Revenues	13,701,351	14,101,416	14,800,816	15,121,925	18,392,658	22,432,458
Governmental Activities Changes in Net Position Before Special Item	(212,913)	(966,570)	(583,332)	(128,467)	1,095,117	1,820,376
Assumption of Beginning Compensated Absences Liability on Formation	(2,127,399)					
Governmental Activities Changes in Net Position After Special Item	\$ (2,340,312)	\$ (966,570)	\$ (583,332)	\$ (128,467)	\$ 1,095,117	\$ 1,820,376

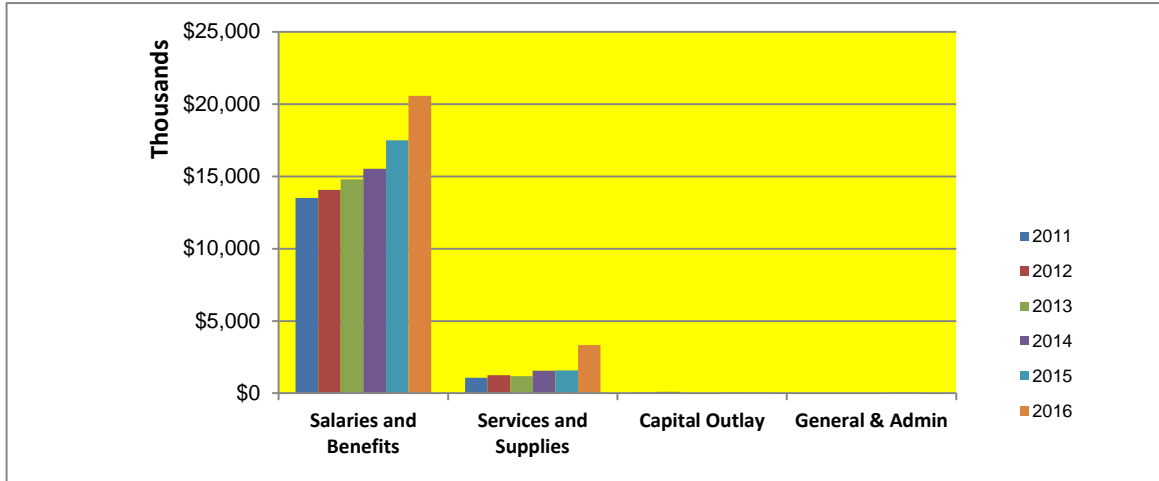
Source: Central County Fire Department audited financial statements as restated, if applicable.

CENTRAL COUNTY FIRE DEPARTMENT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (modified accrual basis of accounting)
LAST SIX YEARS (from inception)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues:						
Intergovernmental:						
Burlingame	\$ 8,233,728	\$ 8,460,470	\$ 8,880,347	\$ 9,072,983	\$ 9,735,724	\$ 9,947,519
Hillsborough	5,480,060	5,640,313	5,920,232	6,048,655	6,490,483	6,631,679
Millbrae	96,661				2,076,725	5,486,051
Grants		47,495			89,310	366,391
Service Charges	1,157,093	1,190,585	1,518,522	1,890,887	1,553,099	1,586,409
Interest Income	1,209	633	237	287	416	817
Total Revenues	<u>14,968,751</u>	<u>15,339,496</u>	<u>16,319,338</u>	<u>17,012,812</u>	<u>19,945,757</u>	<u>24,018,866</u>
Expenditures:						
Current:						
Personnel costs	13,505,767	14,071,775	14,796,777	15,526,314	17,495,521	20,567,509
Materials and services	1,063,180	1,257,444	1,189,132	1,548,680	1,574,672	3,339,454
Capital Outlay	44,847	95,833			7,428	10,514
General and administrative					3,083	-
Total Expenditures	<u>14,613,794</u>	<u>15,425,052</u>	<u>15,985,909</u>	<u>17,074,994</u>	<u>19,080,704</u>	<u>23,917,477</u>
Other Sources of Financing						
Transfers					(799,000)	
Net Change in Fund Balances	354,957	(85,556)	333,429	(62,182)	66,053	101,389
Beginning Fund Balances	-	354,957	269,401	602,830	540,648	606,701
Ending Fund Balances	<u>\$ 354,957</u>	<u>\$ 269,401</u>	<u>\$ 602,830</u>	<u>\$ 540,648</u>	<u>\$ 606,701</u>	<u>\$ 708,090</u>
General Fund:						
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned						
Unassigned					6	6
Total General Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 6</u>
All Other Governmental Funds:						
Assigned	<u>\$ 354,957</u>	<u>\$ 269,401</u>	<u>\$ 602,830</u>	<u>\$ 540,648</u>	<u>\$ 606,695</u>	<u>\$ 708,090</u>

Source: Central County Fire Department audited financial statements as restated, if applicable.

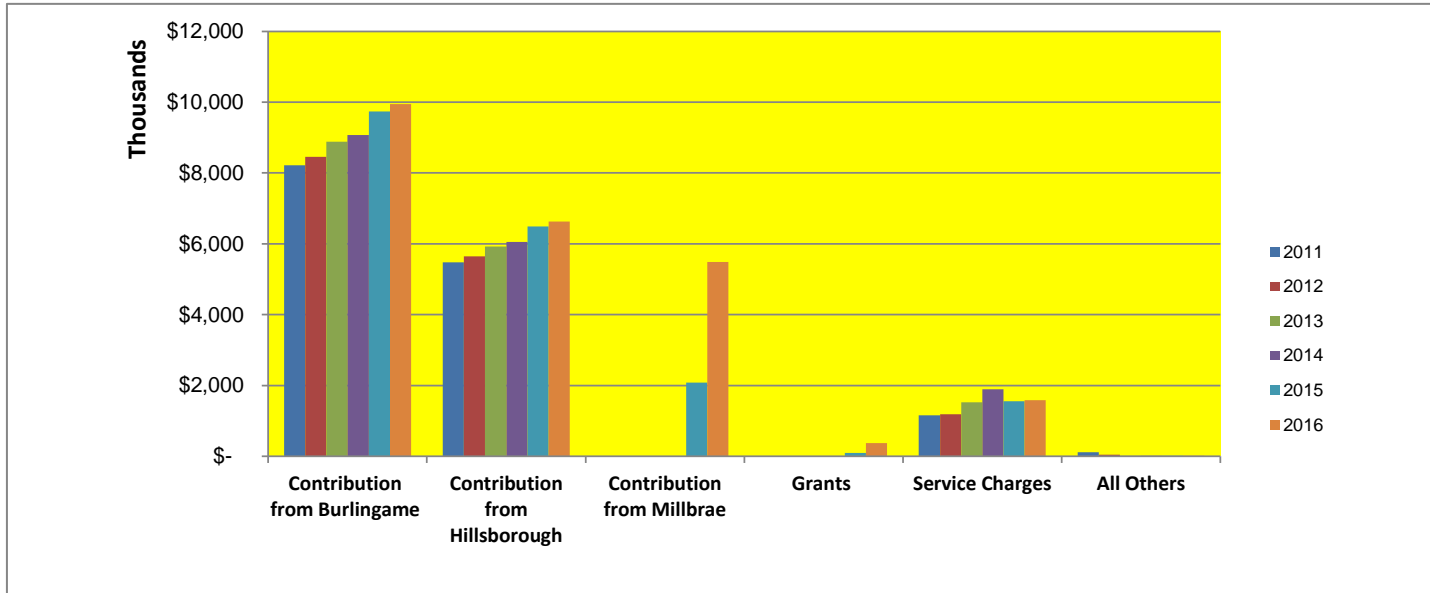
CENTRAL COUNTY FIRE DEPARTMENT
GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION
(modified accrual basis of accounting)
LAST SIX YEARS (from inception)



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Salaries and Benefits	\$ 13,505,767	\$ 14,071,775	\$ 14,796,777	\$ 15,526,314	\$ 17,495,521	\$ 20,567,509
Services and Supplies	1,063,180	1,257,444	1,189,132	1,548,680	1,574,672	3,339,454
Capital Outlay	44,847	95,833			7,428	10,514
General & Admin					3,083	
Total	<u>\$ 14,613,794</u>	<u>\$ 15,425,052</u>	<u>\$ 15,985,909</u>	<u>\$ 17,074,994</u>	<u>\$ 19,080,704</u>	<u>\$ 23,917,477</u>

Source: Central County Fire Department audited financial statements

CENTRAL COUNTY FIRE DEPARTMENT
GOVERNMENTAL FUNDS REVENUES BY SOURCES
(modified accrual basis of accounting)
LAST SIX YEARS (since inception)



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contribution from Burlingame	\$ 8,220,089	\$ 8,460,470	\$ 8,880,347	\$ 9,072,983	\$ 9,735,724	\$ 9,947,519
Contribution from Hillsborough	5,480,060	5,640,313	5,920,232	6,048,655	6,490,483	6,631,679
Contribution from Millbrae					2,076,725	5,486,051
Grants					89,310	366,391
Service Charges	1,157,093	1,190,585	1,518,522	1,890,887	1,553,099	1,586,409
All Others	111,509	48,128	237	287	416	817
Total	<u>\$ 14,968,751</u>	<u>\$ 15,339,496</u>	<u>\$ 16,319,338</u>	<u>\$ 17,012,812</u>	<u>\$ 19,945,757</u>	<u>\$ 24,018,866</u>

Source: Central County Fire Department audited financial statements

CITY OF BURLINGAME/TOWN OF HILLSBOROUGH/CITY OF MILLBRAE
GENERAL FUND TAX REVENUES BY SOURCE
LAST TEN YEARS (amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Public Safety Special Tax</u>	<u>Sales Tax</u>	<u>Transient Occupancy Tax</u>	<u>Other Taxes</u> (1)
CITY OF BURLINGAME					
2006	\$ 10,390	\$ 10,390	\$ 10,390	\$ 10,390	\$ 10,390
2007	11,469		9,231	10,356	1,523
2008	12,198		9,459	11,265	1,981
2009	12,798		8,251	10,155	1,782
2010	13,355		6,276	10,342	1,857
2011	13,310		8,041	13,404	2,071
2012	13,460		8,495	16,183	2,582
2013	15,539		9,199	18,244	3,284
2014	15,497		10,196	21,357	4,595
2015	16,667		11,101	23,968	4,697
TOWN OF HILLSBOROUGH					
2006	\$ 8,279	\$ 2,233	\$ 68		\$ 1,654
2007	8,993	2,234	78		1,407
2008	9,491	2,236	88		1,591
2009	10,059	2,238	97		1,288
2010	10,490	2,231	98		1,304
2011	10,502	2,232	77		1,398
2012	10,431	2,236	82		1,397
2013	10,943	2,234	209		1,714
2014	11,780	2,451	14		1,845
2015	12,629	2,240	65		1,744
CITY OF MILLBRAE					
2006	\$ 9,600		\$ 2,200	\$ 2,600	\$ 1,700
2007	10,900		2,400	2,900	1,400
2008	11,900		2,200	3,300	1,500
2009	13,100		2,400	2,800	1,400
2010	13,400		2,000	2,900	1,600
2011	13,400		2,200	3,700	1,600
2012	10,900		2,200	3,900	1,700
2013	9,200		2,200	5,000	1,500
2014	10,100		2,300	6,100	1,900
2015	10,800		2,700	7,500	1,900

(1) Includes Property Transfer Tax, Business License Tax, Franchise Fee

Note: Information is the latest available at the time of this report.

Source: City of Burlingame, Town of Hillsborough, and City of Millbrae audited financial statements

CITY OF BURLINGAME/TOWN OF HILLSBOROUGH/CITY OF MILLBRAE
 ASSESSED VALUES OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

<u>CITY OF BURLINGAME</u>				
Fiscal Year	Net Secured	Unsecured	Total	% of Chg
2006	\$ 5,216,583,717	\$ 272,414,954	\$ 5,488,998,671	6.7%
2007	5,635,157,143	324,100,493	5,959,257,636	8.6%
2008	6,089,635,422	291,377,516	6,381,012,938	7.1%
2009	6,457,431,033	300,758,515	6,758,189,548	5.9%
2010	6,662,858,226	299,902,769	6,962,760,995	3.0%
2011	6,733,012,764	274,429,627	7,007,442,391	0.6%
2012	6,838,109,244	270,906,684	7,109,015,928	1.4%
2013	7,154,664,973	275,840,943	7,430,505,916	4.5%
2014	7,636,495,631	302,712,785	7,939,208,416	6.8%
2015	8,135,613,312	307,284,506	8,442,897,818	6.3%

<u>TOWN OF HILLSBOROUGH</u>				
Fiscal Year	Net Secured	Unsecured	Total	% of Chg
2006	\$ 5,162,642,835	\$ 5,193,372	\$ 5,167,836,207	7.3%
2007	5,572,814,776	4,843,411	5,577,658,187	7.9%
2008	5,915,214,984	5,982,508	5,921,197,492	6.2%
2009	6,301,080,652	4,766,453	6,305,847,105	6.5%
2010	6,649,847,907	4,896,023	6,654,743,930	5.5%
2011	6,647,117,625	7,862,429	6,654,980,054	0.0%
2012	6,651,650,227	5,673,361	6,657,323,588	0.0%
2013	6,920,302,922	5,149,053	6,925,451,975	4.0%
2014	7,377,527,987	4,556,205	7,382,084,192	6.6%
2015	7,833,939,940	5,908,200	7,839,848,140	6.2%

<u>CITY OF MILLBRAE</u>				
Fiscal Year	Net Secured	Unsecured	Total	% of Chg
2006	\$ 2,649,032,885	\$ 61,636,786	\$ 2,710,669,671	8.4%
2007	2,906,402,985	57,531,174	2,963,934,159	9.3%
2008	3,125,895,031	56,607,324	3,182,502,355	7.4%
2009	3,427,061,495	74,732,202	3,501,793,697	10.0%
2010	3,561,943,711	59,707,619	3,621,651,330	3.4%
2011	3,588,579,495	58,876,426	3,647,455,921	0.7%
2012	3,639,192,881	64,777,111	3,703,969,992	1.5%
2013	3,785,529,814	59,066,096	3,844,595,910	3.8%
2014	4,009,441,534	64,752,022	4,074,193,556	6.0%
2015	4,306,198,921	68,073,302	4,374,272,223	7.4%

<u>GRAND TOTAL</u>				
Fiscal Year	Net Secured	Unsecured	Total	% of Chg
2006	\$ 13,028,259,437	\$ 339,245,112	\$ 13,367,504,549	7.3%
2007	14,114,374,904	386,475,078	14,500,849,982	8.5%
2008	15,130,745,437	353,967,348	15,484,712,785	6.8%
2009	16,185,573,180	380,257,170	16,565,830,350	7.0%
2010	16,874,649,844	364,506,411	17,239,156,255	4.1%
2011	16,968,709,884	341,168,482	17,309,878,366	0.4%
2012	17,128,952,352	341,357,156	17,470,309,508	0.9%
2013	17,860,497,709	340,056,092	18,200,553,801	4.2%
2014	19,023,465,152	372,021,012	19,395,486,164	6.6%
2015	20,275,752,173	381,266,008	20,657,018,181	6.5%

Source: Audited financial statements of the City of Burlingame,
 Town of Hillsborough and City of Millbrae.
 Information is the latest available for use in this report.

CITY OF BURLINGAME/TOWN OF HILLSBOROUGH/CITY OF MILLBRAE
PRINCIPAL PROPERTY TAX PAYERS

<u>Taxpayer</u>	<u>2014-15</u>			<u>2013-14</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total Assessed Value</u>
CITY OF BURLINGAME:						
Hudson Bay Park Plaza Associates	\$ 119,348,786	1	1.41%	\$ 66,200,000	4	0.83%
EQR-Northpark LP	116,405,575	2	1.38%	115,209,000	1	1.45%
Inland American Lodging	106,664,065	3	1.26%	106,182,000	2	1.34%
HMC Burlingame Hotel LLC	104,623,505	4	1.24%	92,818,651	3	1.17%
Felcor CCS Holdings LP 9520	54,817,896	5	0.65%	49,367,791	5	0.62%
EQR-Skyline Terrace	44,506,579	6	0.53%	44,305,434	6	0.56%
DCT Rollins Road LLC	36,015,772	7	0.43%	35,853,000	8	0.54%
Upsky International Holdings Limited	29,141,520	8	0.35%	29,008,443	10	0.45%
100-198 California Drive LLC	28,480,858	9	0.34%			
Harbour View Hotels, Inc.	28,474,038	10	0.34%	29,603,244	9	0.37%
One Bay Plaza Associates LLC			0.00%	43,000,000	7	0.37%
	<u>\$ 668,478,594</u>		<u>7.92%</u>	<u>\$ 611,547,563</u>		<u>7.70%</u>
<u>Taxpayer</u>	<u>2014-15</u>			<u>2005-06</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total Assessed Value</u>
TOWN OF HILLSBOROUGH:						
Alpha Yield Holdings Limited (4)	\$ 26,450,000	1	0.34%			
Kruttschnitt Theodore H (2)	22,961,182	2	0.29%			
August Moon 1971 LLC	19,003,682	3	0.24%			
Redlich Christopher R Jr TR (2)	17,415,340	4	0.22%	\$ 15,300,000	4	0.30%
Hsu George TR (3)	15,468,183	5	0.20%			
Stamos Peter Spiro TR	13,500,000	6	0.17%			
James Roberts Meyers Trust (2)	13,354,581	7	0.17%			
Wei Wu	13,270,000	8	0.17%			
Jinchen An	13,059,020	9	0.17%			
Otto J Miller (2)	12,251,314	10	0.16%	9,681,587	7	0.19%
De Martini James III TR (4)				28,500,000	1	0.55%
Vaden Val E TR				16,712,537	2	0.32%
Amati LLC				15,850,689	3	0.31%
Terence Garnett TR (2)				12,958,657	5	0.25%
Litke Properties Inc (2)				10,541,945	6	0.20%
Charles M Parrish Trust (2)				9,372,447	8	0.18%
Rupert H Johnson Jr & M TR				9,250,797	9	0.18%
Stephen Dewitt				8,540,062	10	0.17%
	<u>\$ 166,733,302</u>		<u>2.13%</u>	<u>\$ 136,708,721</u>		<u>2.65%</u>
<u>Taxpayer</u>	<u>2014-15</u>			<u>2005-06</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total Assessed Value</u>
CITY OF MILLBRAE						
Millbrae WCP Hotel I LLC	\$ 74,301,623	1	1.73%			
Millbrae WCP Hotel II LLC	47,133,000	2	1.09%			
OR Property Holdings	35,602,603	3	0.83%			
Magnolia of Millbrae, Inc	28,063,185	4	0.65%	\$ 25,842,886	3	0.98%
Marymount Greenhills LLC	22,278,237	5	0.52%	19,323,245	4	0.73%
RHC Associates	16,590,042	6	0.39%			
Friend Friend and Friend	15,915,846	7	0.37%			
Great Mountain Properties LLC	15,778,110	8	0.37%			
Green Hills Country Club	12,464,474	9	0.29%			
Wilson Plaza LLC	12,361,713	10	0.29%			
Westin Bay Hotel Company				42,664,949	1	1.61%
SLT Realty Limited Partnership				26,000,000	2	0.98%
Glenborough Pauls Millbrae LLC				18,877,066	5	0.71%
Williams Portfolio 1				11,667,294	6	0.44%
Townsquare Associated				10,035,489	7	0.38%
American Store Properties				9,503,659	8	0.36%
John and Susan Wilms				7,821,347	9	0.30%
	<u>\$ 280,488,833</u>		<u>6.51%</u>	<u>\$ 171,735,935</u>		<u>6.48%</u>

Source: City of Burlingame, Town of Hillsborough and City of Millbrae audited financial statements.
Information is the latest available for this report.

COUNTY OF SAN MATEO AND NEIGHBORING CITIES
LARGEST EMPLOYERS ON THE PENINSULA

<u>Name</u>	<u>Description</u>	<u>Total Peninsula Employees</u>	<u>Percentage of Labor Workforce San Mateo County (1)</u>
Stanford University	Private research university	13,387	2.95%
United Airlines	Airline	10,000	2.20%
Stanford Health Care	Academic health care system	9,981	2.20%
Genentech Inc.	Biotechnology	9,800	2.16%
Oracle Corporation	Computer software and hardware	6,750	1.49%
County of San Mateo	County government	5,472	1.21%
VMware Inc.	Virtualization software	4,158	0.92%
Facebook Inc.	Social networking website	3,957	0.87%
Kaiser Permanente	Hospitals and health plan	3,900	0.86%
VA Palo Alto Health Care System	Veteran hospital	3,500	0.77%
Visa Inc.	Global payments technology	3,500	0.77%
Lucile Packard Children's Hospital Stanford	Hospital	3,380	0.74%
Gilead Sciences Inc.	Biopharmaceuticals	3,115	0.69%
SSL	Satellite and space systems	2,800	0.62%
Hewlett Packard	Computer hardware and software	2,500	0.55%
Mills-Peninsula Health Services	Hospital and health services	2,500	0.55%
San Mateo Community College District	Community College	2,285	0.50%
Safeway Inc.	Retail grocer	2,200	0.48%
SAP	Enterprise software	2,200	0.48%
Palo Alto Medical Foundation	Outpatient health care	1,940	0.43%
Palo Alto Unified School District	Public Education	1,729	0.38%
Electronic Arts Inc.	Videogame developer and publisher	1,550	0.34%
Seton Medical Center	Hospital	1,503	0.33%
City and County of San Francisco	City government	1,460	0.32%
Walmart Global eCommerce	Retail e-commerce	1,440	0.32%
		<u>105,007</u>	<u>23.13%</u>

Source: San Francisco Business Times, Book of Lists, 2016

(1) The table above reflects the statistical data for San Mateo County as provided by the Employment Development Department of the State of California as of August 2016.

CITY OF BURLINGAME/TOWN OF HILLSBOROUGH/CITY OF MILLBRAE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Calendar/Fiscal Year</u>	<u>Population</u>		<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
CITY OF BURLINGAME				
2005	28,180	\$	52,356	3.1%
2006	28,277		56,969	2.6%
2007	28,453		60,035	2.7%
2008	28,762		60,744	3.5%
2009	29,050		58,523	6.2%
2010	29,342		43,432	6.5%
2011	29,106		47,996	5.8%
2012	29,426		51,002	3.7%
2013	29,685		49,882	
2014	29,700		56,148	
TOWN OF HILLSBOROUGH				
	<i>Note 1</i>			
2006	10,948	\$	93,609	1.6%
2007	11,039		92,577	1.6%
2008	11,230		92,339	2.1%
2009	11,390		93,086	3.7%
2010	11,537		100,396	3.9%
2011	11,006		108,905	3.4%
2012	11,115		117,329	2.2%
2013	11,260		118,252	1.8%
2014	11,266		116,208	3.6%
2015	11,687		121,970	2.9%
CITY OF MILLBRAE				
2005	20,636	\$	39,265	2.2%
2006	20,703		42,395	1.9%
2007	20,810		44,476	1.9%
2008	21,311		44,957	2.5%
2009	21,531		43,450	4.5%
2010	21,968		36,753	4.6%
2011	22,069		38,604	4.1%
2012	22,228		39,735	2.6%
2013	22,605		39,530	2.2%
2014	22,617		40,647	3.6%

Source: City of Burlingame, Town of Hillsborough and City of Millbrae
audited financial statements

Information is latest available for this report.

Note 1: The above population figures as stated by the California State Department of Finance are typically higher than the actual results that are taken at census for the Town. The DOF applies regional growth assumptions, yet the Town is nearly built out and does not grow at the same rate as the region. The Town estimates that population was 10,825 in 2010 and 10,869 in 2015.

CENTRAL COUNTY FIRE DEPARTMENT APPARATUS



Engine 32 Pierce Dash Model Year 2002
Carries 500 Gallons of water and 20 gallons each of
Class A and Class B Foam



Engine 33 Pierce Dash Model Year 2002
Carries 500 gallons of water and 20 gallons of each
Class A and Class B Foam



Engine 34 Pierce Dash Model Year 2002
Carries 680 gallons of water and 20 gallons of each
Class A and Class B Foam



Engine 35 Pierce Dash Model Year 2000
Carries 680 gallons of water and 10 gallons each of
Class A and Class B Foam



Engine 37 Pierce Dash Model Year 2002
Carries 680 gallons of water and 20 gallons of each
Class A and Class B Foam



Engine 38 Pierce Dash Model Year 2002
Carries 680 gallons of water and 20 gallons of each
Class A and Class B Foam

CENTRAL COUNTY FIRE DEPARTMENT APPARATUS



Truck 34 2007 Pierce Dash Cab 105" Aerial Ladder



SVI Rescue Model Year 2007

Note: Two new engines purchased in fiscal year 2015-16 will be delivered in mid-2016.

CENTRAL COUNTY FIRE DEPARTMENT FIRE STATIONS AND FACILITIES



Fire Station 32
330 Ascot Road
Hillsborough, CA 94010



Fire Station 33
835 Chateau Drive
Hillsborough, CA 94010



Fire Station 34
799 California Drive
Burlingame, CA 94010

CENTRAL COUNTY FIRE DEPARTMENT FIRE STATIONS AND FACILITIES



Fire Station 35
2832 Hillside Drive
Burlingame, CA 94010



Fire Station 37
511 Magnolia Drive
Millbrae, CA 94030

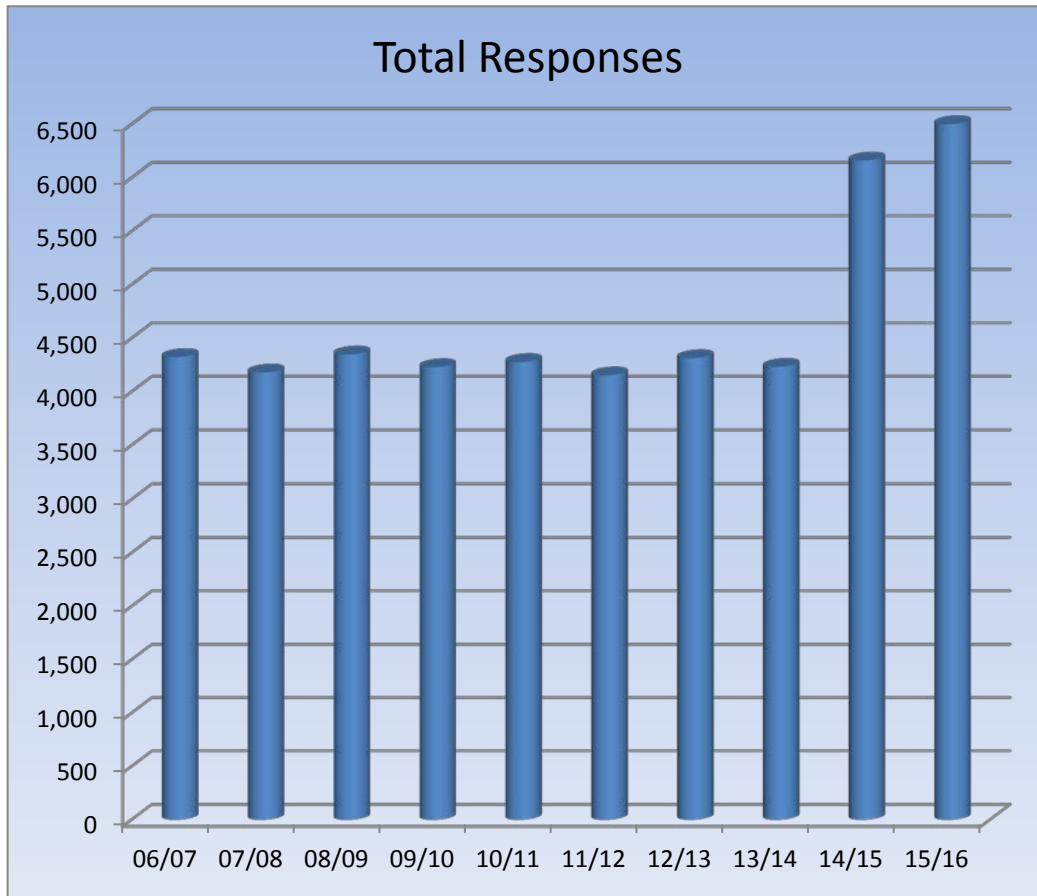


Fire Station 38
785 Crestview Drive
Millbrae, CA 94030



Fire Administration
1399 Rollins Road
Burlingame, CA 94010

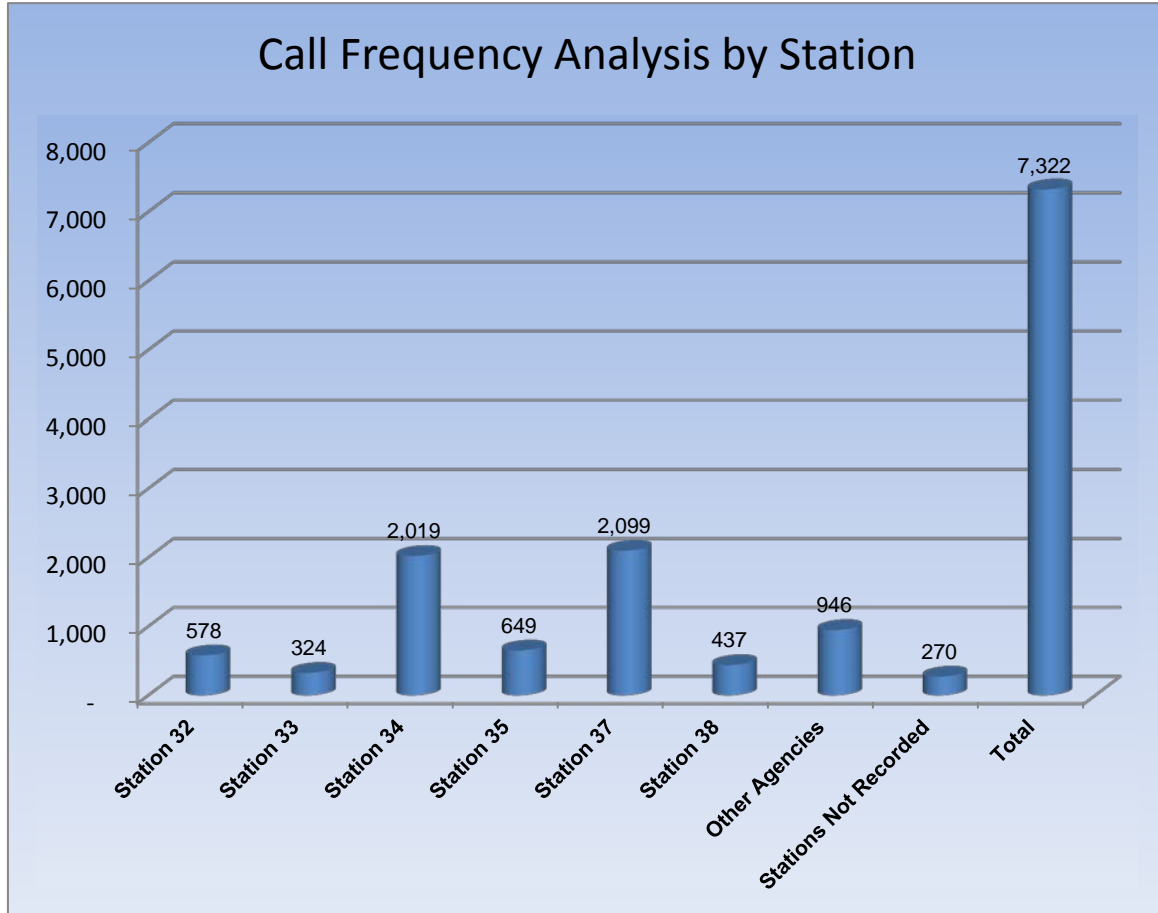
CENTRAL COUNTY FIRE DEPARTMENT
COMPARATIVE ANNUAL GRAPH BY FISCAL YEAR - TOTAL RESPONSES
LAST TEN YEARS



<u>Fiscal Year</u>	<u>Total Calls</u>
06/07	4,323
07/08	4,179
08/09	4,348
09/10	4,229
10/11	4,277
11/12	4,152
12/13	4,313
13/14	4,232
14/15	6,160
15/16	7,322

Source: Department's Records Management Systems
**(effective 2014 all data includes Millbrae)*

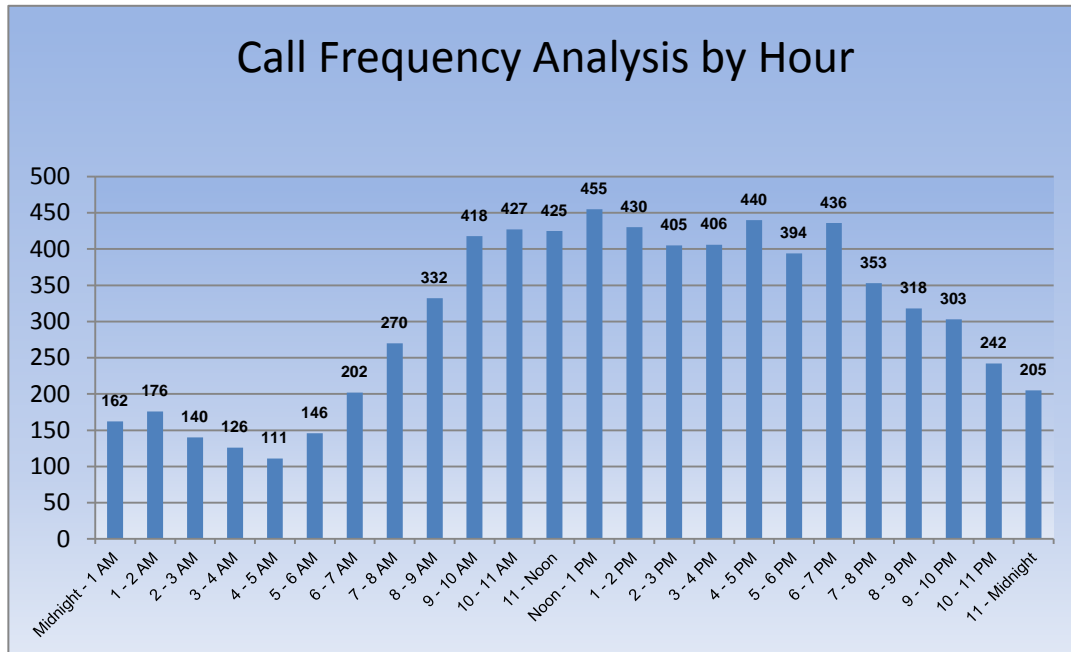
CENTRAL COUNTY FIRE DEPARTMENT
CALL FREQUENCY ANALYSIS BY STATION
FISCAL YEAR 2015-2016



<u>Station Location</u>	<u>Total Calls</u>	<u>% to Totals</u>
Station 32	578	7.89%
Station 33	324	4.43%
Station 34	2,019	27.57%
Station 35	649	8.86%
Station 37	2,099	28.67%
Station 38	437	5.97%
Other Agencies	946	12.92%
Stations Not Recorded	270	3.69%
Total	7,322	100.00%

Source: Department's Records Management Systems (includes addition of Millbrae)

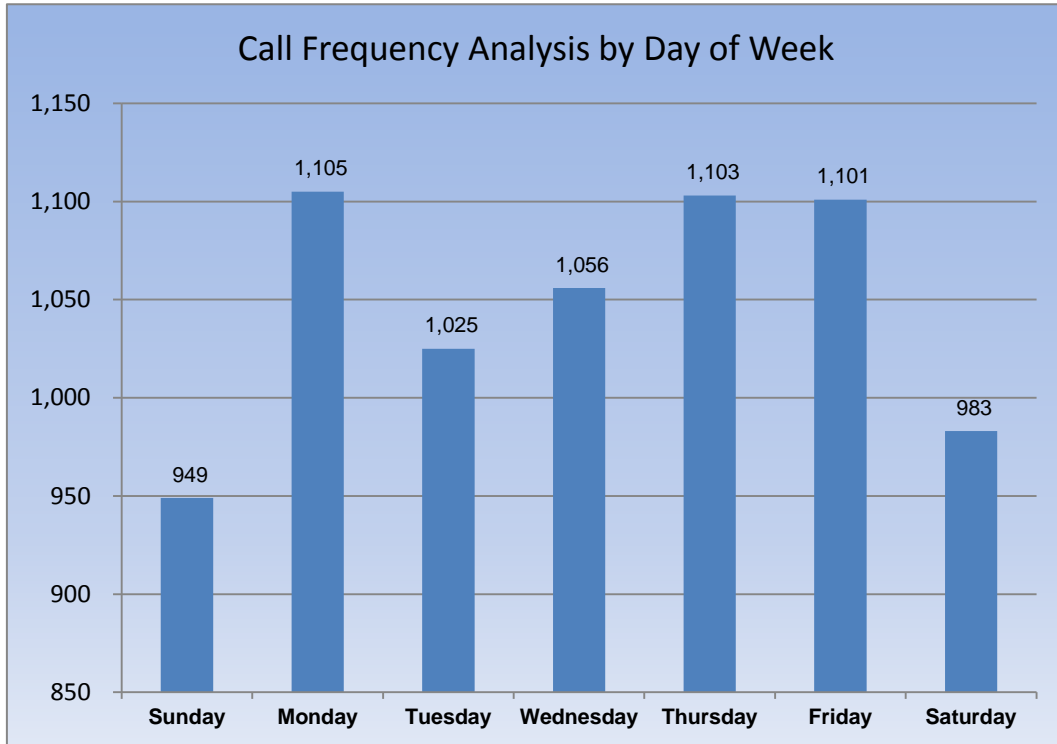
CENTRAL COUNTY FIRE DEPARTMENT
CALL FREQUENCY ANALYSIS BY HOUR
FISCAL YEAR 2015-2016



<u>Hour</u>	<u>Total Calls</u>	<u>% to Totals</u>
Midnight - 1 AM	162	2.21%
1 - 2 AM	176	2.40%
2 - 3 AM	140	1.91%
3 - 4 AM	126	1.72%
4 - 5 AM	111	1.52%
5 - 6 AM	146	1.99%
6 - 7 AM	202	2.76%
7 - 8 AM	270	3.69%
8 - 9 AM	332	4.53%
9 - 10 AM	418	5.71%
10 - 11 AM	427	5.83%
11 - Noon	425	5.80%
Noon - 1 PM	455	6.21%
1 - 2 PM	430	5.87%
2 - 3 PM	405	5.53%
3 - 4 PM	406	5.54%
4 - 5 PM	440	6.01%
5 - 6 PM	394	5.38%
6 - 7 PM	436	5.95%
7 - 8 PM	353	4.82%
8 - 9 PM	318	4.34%
9 - 10 PM	303	4.14%
10 - 11 PM	242	3.31%
11 - Midnight	205	2.80%
Total	7,322	100.00%

Source: Department's Records Management Systems (includes addition of Millbrae)

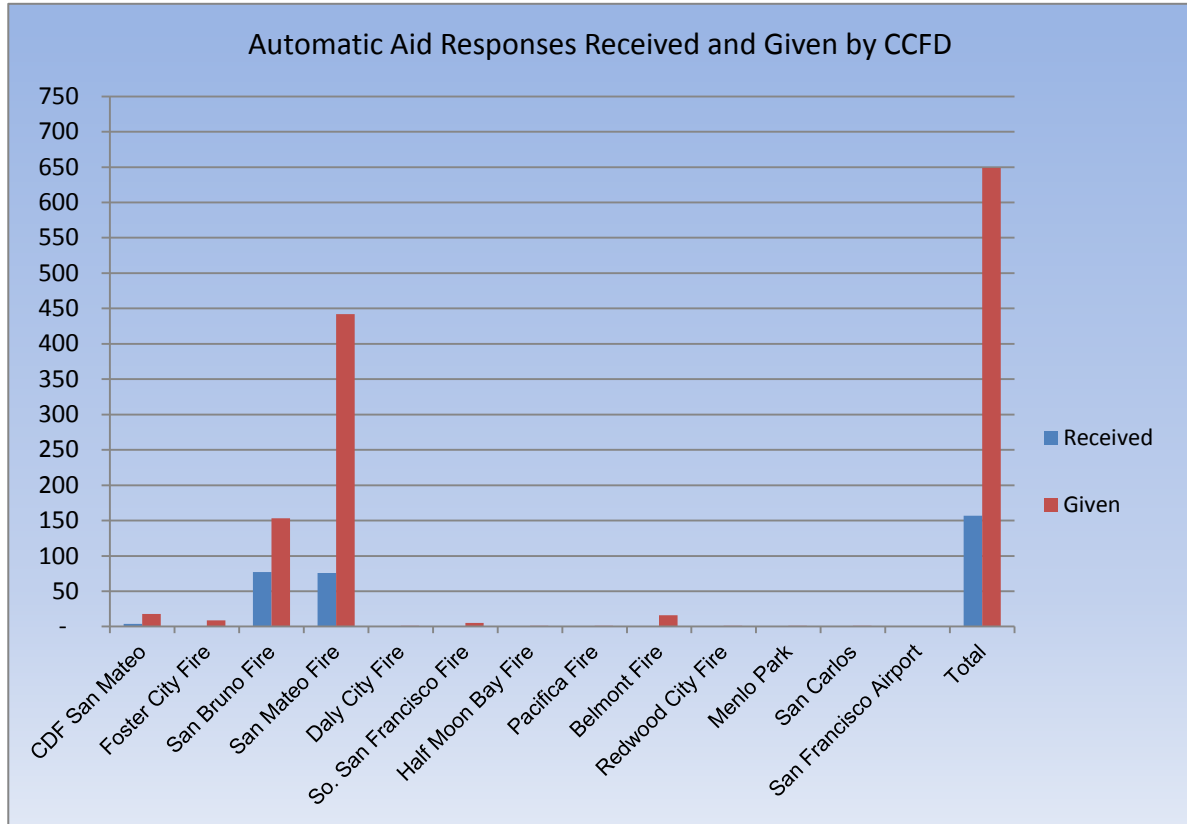
CENTRAL COUNTY FIRE DEPARTMENT
CALL FREQUENCY ANALYSIS BY WEEK
FISCAL YEAR 2015-2016



<u>Day of Week</u>	<u>Total Calls</u>	<u>% to Totals</u>
Sunday	949	12.96%
Monday	1,105	15.09%
Tuesday	1,025	14.00%
Wednesday	1,056	14.42%
Thursday	1,103	15.06%
Friday	1,101	15.04%
Saturday	983	13.43%
Total	7,322	100.00%

Source: Department's Records Management Systems (includes addition of Millbrae)

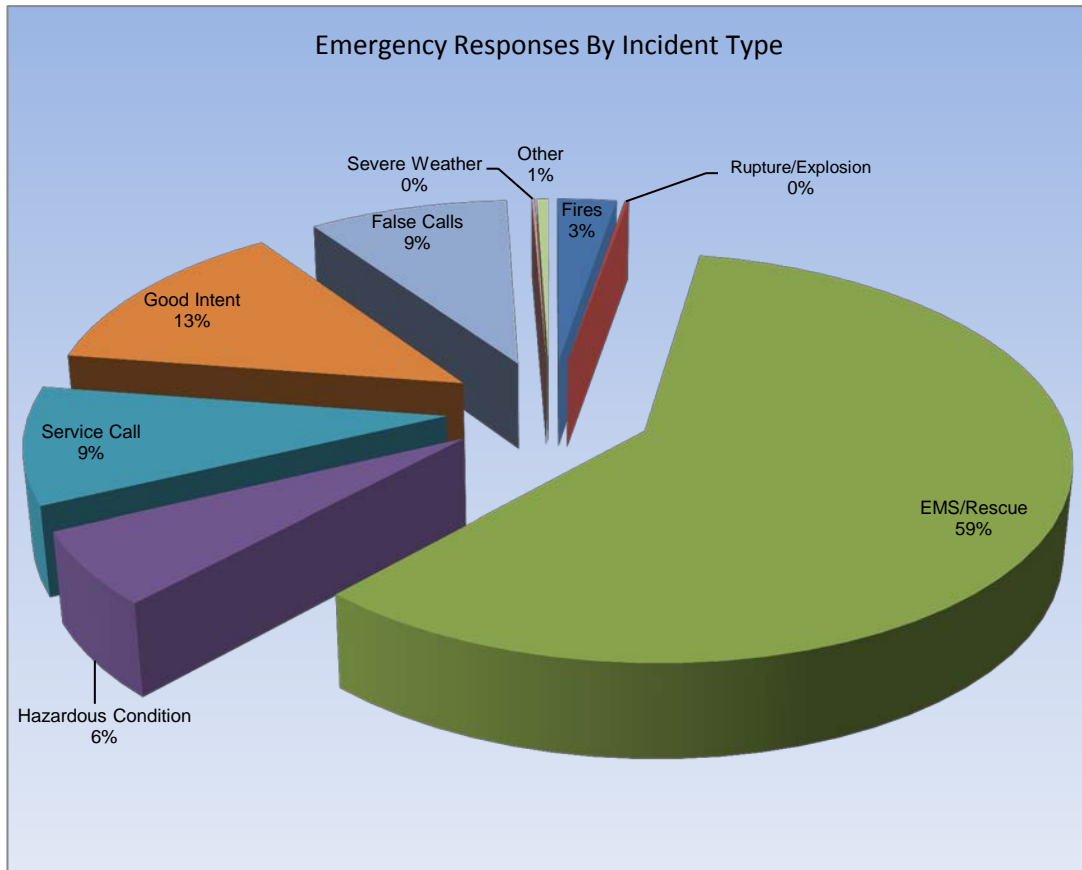
CENTRAL COUNTY FIRE DEPARTMENT
AUTOMATIC AID RESPONSES RECEIVED AND GIVEN
FISCAL YEAR 2015-2016



<u>Agency</u>	<u>Automatic Aid</u>	<u>Automatic Aid</u>	<u>Total</u>
	<u>Received</u>	<u>Given</u>	
CDF San Mateo	4	18	22
Foster City Fire	-	9	9
San Bruno Fire	77	153	230
San Mateo Fire	76	442	518
Daly City Fire	-	1	1
So. San Francisco Fire	-	5	5
Half Moon Bay Fire	-	1	1
Pacifica Fire	-	1	1
Belmont Fire	-	16	16
Redwood City Fire	-	1	1
Menlo Park	-	1	1
San Carlos	-	1	1
San Francisco Airport	-	-	-
Total	157	649	806

Source: Department's Records Management Systems (includes addition of Millbrae)

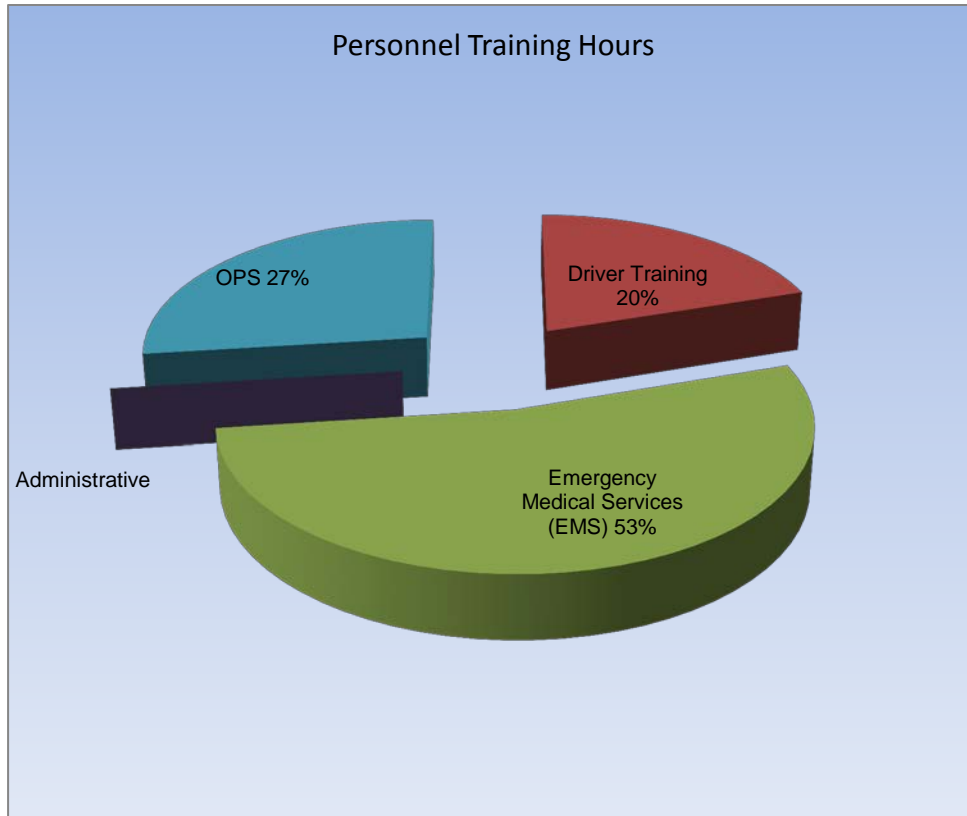
CENTRAL COUNTY FIRE DEPARTMENT
EMERGENCY RESPONSES BY INCIDENT TYPE
FISCAL YEAR 2015-2016



<u>Incident Type</u>	<u>Total Responses</u>
Fires	193
Rupture/Explosion	14
EMS/Rescue	4329
Hazardous Condition	436
Service Call	695
Good Intent	953
False Calls	653
Severe Weather	10
Other	39
Total	7,322

Source: Department's Records Management Systems (includes addition of Millbrae)

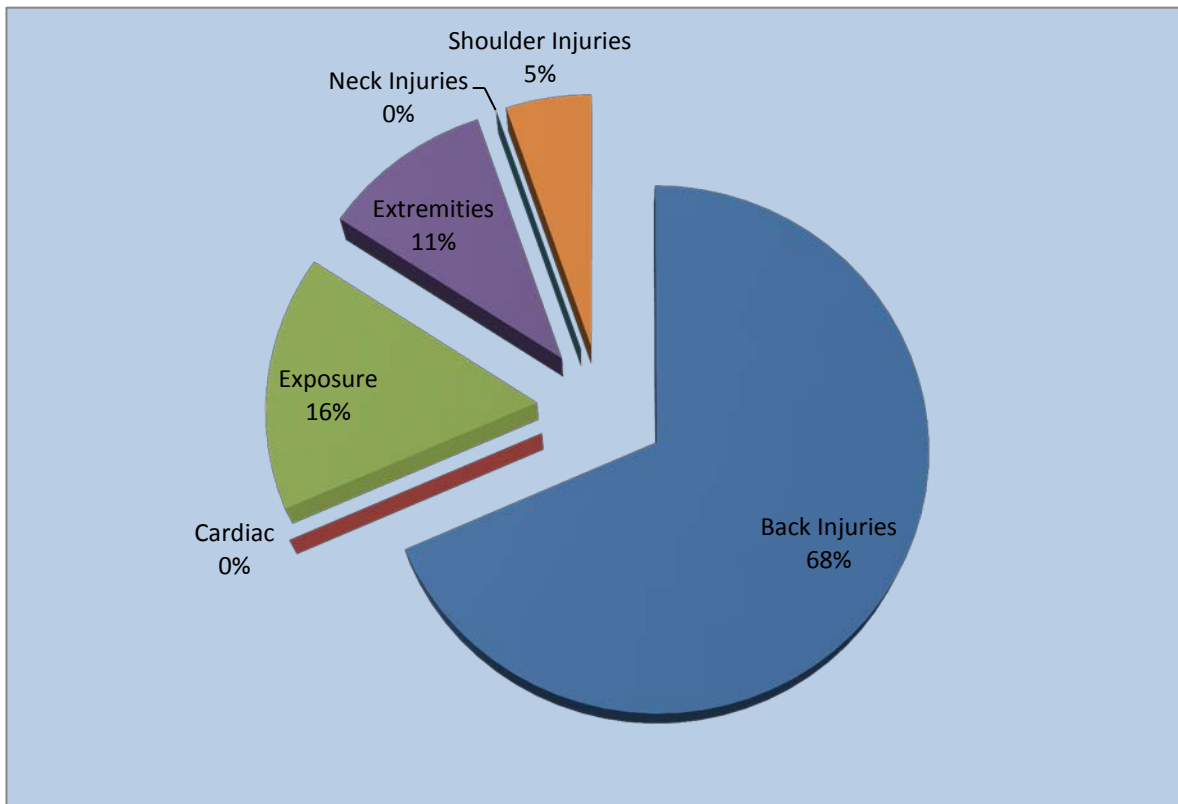
CENTRAL COUNTY FIRE DEPARTMENT
PERSONNEL TRAINING HOURS BY FUNCTION
FISCAL YEAR 2015-2016



<u>Description</u>	<u>Training</u>
Prevention	-
Driver Training	782
Emergency Medical Services (EMS)	2,084
Administrative	-
OPS	1,060
Safety	-
Career	-
Total Training Hours	<u>3,926</u>

Source: Department's Records Management Systems and Target Solutions (includes the addition of Millbrae)

CENTRAL COUNTY FIRE DEPARTMENT
TYPE OF ILLNESS/INJURY REPORT
FISCAL YEAR 2015-2016



Description	Number	% to Totals
Back Injuries	13	59%
Cardiac	0	0%
Exposure	3	14%
Extremities	2	9%
Neck Injuries	0	0%
Shoulder Injuries	1	5%
Knee Injuries	3	14%
Total Injuries	22	100%
First Aid Injuries	17	77%
Disability Injuries	5	23%
	22	100%