

**KENSINGTON FIRE PROTECTION DISTRICT  
AGENDA OF A MEETING OF THE  
BOARD OF DIRECTORS**

Date of Meeting: January 11, 2017  
Time of Meeting: 7:00 p.m.  
Place of Meeting: Kensington Community Center  
59 Arlington Avenue, Kensington, CA 94707

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Please Note: Copies of the agenda bills and other written documentation relating to each item of business referred to on the agenda are on file in the office of the Kensington Fire Protection District Administration Office, 217 Arlington Avenue, Kensington, and are available for public inspection. A copy of the Board of Directors packet can be viewed on the internet at [www.kensingtonfire.org/agenda/index.shtml](http://www.kensingtonfire.org/agenda/index.shtml).

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Manager, 510/527-8395. Notification 48 hours prior to the meeting will enable the Kensington Fire Protection District to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title 1).

7:00 p.m. **CALL TO ORDER**

Directors: Joe de Ville, Don Dommer, Nina Harmon, Janice Kosel, and Laurence Nagel

1. **ADOPTION OF CONSENT ITEMS.** Items 3, 4, 5 & 6

All matters listed with the notation "CC" are consent items, which are considered to be routine by the Board of Directors and will be enacted by one motion. The Board of Directors has received and considered reports and recommendations prior to assigning consent item designations to the various items. Copies of the reports are on file in the Fire Protection District Administrative Office at 217 Arlington Avenue and are available to the public. The disposition of the item is indicated. There will be no separate discussion of consent items. If discussion is requested for an item, that item will be removed from the list of consent items and considered separately on the agenda. PLEASE NOTE: Public review copy of the agenda packet is available at the Directors' table at the Board meetings.

2. **ORAL COMMUNICATIONS.** (This place on the agenda is reserved for comments and inquiries from citizens and Board members concerning matters that do not otherwise appear on the agenda. Speakers shall be requested to provide their names and addresses prior to giving public comments or making inquiries.)

CC 3. **APPROVAL OF THE MINUTES.** Approval of the minutes of the regular meeting of December 14, 2016 (APPROVE)

CC 4. **APPROVAL OF MONTHLY A/P VOUCHER - TRANSMITTAL #7** (APPROVE)

CC 5. **APPROVAL OF MONTHLY FINANCIAL REPORT.** November/December 2016 (APPROVE)

CC 6. **APPROVAL OF MONTHLY INCIDENT ACTIVITY REPORT.** December 2016 (APPROVE)

7. **FIRE CHIEF'S REPORT**

- a. Review of Operations.
- b. Regional issues and developments.

8. **PRESIDENT'S REPORT**

- a. Committee Assignments for 2017

**NEW BUSINESS**

9. Review and Accept FY15-16 Financial Statements and Independent Auditor's Review (ACTION)

10. **BOARD REPORTS**

Informational reports from Board members or staff covering the following assignments:

- a. Finance Committee (Kosel/Dommer): Next meeting will be on 1/24/17
- b. Public Safety Building (de Ville/Dommer):
- c. Education (Kosel):
- d. Contra Costa County/California Special Districts Assoc. (Nagel/Kosel): Next County meeting is 1/23/17
- e. Diablo Fire Safe Council/Interface (Staff/Nagel):
- f. Correspondence: Email from Ann Sussman regarding Sundar Shadi display; Thank you emails from staff; holiday greetings from Sunset View, Morris and Berniker

**ADJOURNMENT.** The next regular meeting of the Board of Directors of the Kensington Fire Protection District will be held on Wednesday, February 8, 2017, at 7:00 p.m. at the Kensington Community Center, 59 Arlington Avenue, Kensington, CA 94707.

The deadline for agenda items to be included in the Board packet for the next regular meeting of 2/8/17 is Wednesday, 1/25/17 by 1:00 p.m. The deadline for agenda-related materials to be included in the Board packet is Wednesday, 2/1/17 by 1:00 p.m., Fire Protection District Administration Office, 217 Arlington Ave., Kensington.

IF YOU CHALLENGE A DECISION OF THE BOARD OF DIRECTORS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE BOARD MEETING OR IN WRITTEN CORRESPONDENCE DELIVERED AT, OR PRIOR TO, THE BOARD MEETING

# **CONSENT CALENDAR**

**MINUTES OF THE DECEMBER 14, 2016 MEETING OF THE BOARD OF DIRECTORS  
OF THE KENSINGTON FIRE PROTECTION DISTRICT**

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**PRESENT:**      Directors:      Joe de Ville, Don Dommer, Nina Harmon, Janice Kosel and Larry Nagel  
                         Staff:                 Fire Chief Lance Maples, Manager Brenda Navellier

**CALL TO ORDER:**

President Don Dommer called the meeting to order at 7:00 p.m. and noted that all Directors were present.

**OATH OF OFFICE:**

Vice President Janice Kosel administered the Oath of Office to newly certified Directors de Ville, Dommer and Nagel.

**APPROVAL OF CONSENT ITEMS:**

President Dommer called for the approval of the consent calendar (items 4, 5, 6 & 7), consisting of approval of the November 9, 2016 minutes, acceptance of the November incident activity report, approval of the monthly transmittal #6, and approval of the October/November financial reports. Director Kosel made a motion to approve the Consent Calendar items as submitted. Director de Ville seconded the motion.

AYES:                 de Ville, Dommer, Harmon, Kosel, Nagel  
NOES:                 None  
ABSTAIN:             None

**ORAL COMMUNICATIONS:**

Chief Maples announced that Director Kosel has recently been elected to the state level CSDA Professional Development Committee and also the Member Services Committee for 2017. He and the Board thanked her for committing to this extra volunteer time.

**FIRE CHIEF'S REPORT:**

Chief Maples reported that the department does not usually have much attrition but the department has hired five new firefighters in the last 14 months. Staff has been very excited to welcome these new additions. Two of the hires were offered jobs with Contra Costa Fire at the same time but chose El Cerrito and one was about to be laid off from Rodeo-Hercules. In addition, two Captain promotions and two Engineer promotions were recently made. Battalion Chief Michael Bond will continue has a retired annuitant into 2017. His last official day as an employee will be on 12/31/16. Bond will serve approximately four more months and help with the transition to a new Battalion Chief. The department has an active Battalion Chief list. In answer to a question, Maples explained that the department uses the CALJAC program for hiring. All candidates have already been through testing and are certified FFI, and already have their EMT and Paramedic licenses. This program saves the City a fortune as opposed to putting on their own tests. The department will be hiring a photographer in the new year to take both Class A and trading card photos of the new hires.

**PRESIDENT'S REPORT:**

None.

**NEW BUSINESS:**

Election of Officers for Calendar Year 2017: President Dommer open up the nominations for President. Director Harmon nominated Director Dommer to serve as President during 2017. Director de Ville seconded the motion.

AYES:                 de Ville, Dommer, Harmon, Kosel, Nagel  
NOES:                 None

ABSTAIN: None

Director Dommer opened up the nominations for Vice President. Director Harmon nominated Director Kosel to serve as Vice President during 2017. Director Nagel seconded the motion.

AYES: de Ville, Dommer, Harmon, Kosel, Nagel

NOES: None

ABSTAIN: None

Director Dommer opened up the nominations for Secretary. Director Harmon nominated Director Nagel to serve as Secretary during 2017. Director de Ville seconded the motion.

AYES: de Ville, Dommer, Harmon, Kosel, Nagel

NOES: None

ABSTAIN: None

### **BOARD REPORTS:**

Finance Committee: The next meeting will be in January to prepare for the mid-year budget review in February.

Public Safety Building: Dommer reported that the project is going slowly. It appears that the District can afford up to \$10 million with a 60/40 split with the KPPCSD. The Committee is trying to get the project construction cost down to \$7 million before soft costs and contingency. The Committee is still working on cost estimating and met last week to make cuts. It is not known how the KPPCSD will fit into the project. They will need to consider and decide. The District is looking at the current site and also a possible parcel in the park along the Arlington; however, Dommer said there has already been opposition to the park site.

Linda Spath said that the community as a whole should decide about the park site. The District should not abandon the idea because of some resistance.

David Spath asked if large numbers of people are resisting the site or just strong opinions?

Chief Maples said that the Committee is working on conceptual designs at both sites and the finances of how to pay for any proposed project. A presentation by the architectural team will be made to the public at the end of the process.

Karl Kruger said people are wondering what is going on and the District should publicize what the Chief just said.

Linnea Due suggested that the District should have their information "nailed down" before presenting to the public. Initial reactions are very important.

Sylvia Hacaj asked for clarification that the hard costs are \$7 million? What do soft costs consist of?

Dommer explained that soft costs are usually about 30% of hard costs.

David Spath asked if a remodeled building could fit onto the existing site? Dommer said the problem is the parking, particularly for squad cars. The existing site is not really feasible. Spath asked about the adjoining properties. Dommer said that, if one of them were for sale, it would end up being an expensive parking lot.

Director de Ville pointed out that fire and police would be displaced if the existing site was remodeled. Also traffic on the Arlington and the neighborhood would be affected for nearly two years.

Director Nagel said a new site would be preferable.

Sylvia Hacaj asked about parking underground at the existing site? Dommer said one scheme is to dig all the way back into the hillside.

Chief Maples stated that all conceptual schemes will be presented at a public meeting either in January or February. In answer to a question, he stated that Station 72 fire station is 4,500 s.f. and includes no admin.

David Spath suggested the District needs to make an argument for a state-of-the-art building.

Dommer said there are no other sites in town and the park site is in the middle of the community.

Linnea Due suggested the two agencies could split and one use the existing facility and one use a smaller site at the park.

Linda Spath suggested the park site could also house a demonstration garden.

Chief Maples agreed a demonstration garden has been discussed and this would be a perfect opportunity to accomplish that, plus build a LEED certified building with a drought tolerant site.

Education: Director Kosel stated that she posted NFPA holiday safety information on the NextDoor site.

CSDA: Minutes from the October 2016 meeting were included in the packet. The next meeting will take place on 1/23/17.

DFSC: Chief Maples reported that there will be a change in the Fire Prevention Officer position that represents El Cerrito and Kensington at DFSC. Captain Joe Gagne will be in the new FPO in 2017 and will serve on the Board of DFSC. Director Nagel said that there was no December meeting; the next meeting will be in January. All grants for 2016 are closed. The upcoming grant budget is even more than this past year. Many thanks to resident Ciara Wood for her work on DFSC.

Correspondence: A thank you in reference to a cat rescue was included in the packet.

**ADJOURNMENT:** The meeting was adjourned at 7:43 p.m.

MINUTES PREPARED BY: Brenda J. Navellier

These minutes were approved at the regular Board meeting of the Kensington Fire Protection District on January 11, 2017.

Attest:

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Larry Nagel, Board Secretary

TRANSMITTAL - APPROVAL

TO: Auditor Controller of Contra Costa County.

Forwarded herewith are the following invoices and claims for goods and services received which have been approved for payment:

KENSINGTON FPD										PY/CY:	
TRANSMITTAL - APPROVAL										BATCH #.:	
Invoices										DATE:	
										LOCATION #:	
										FILENAME:	
VEND	VENDOR NAME	INVOICE DATE	DESCRIPTION	FUND / ORG	SUB ACCT	TASK	OPT	ACT	ACTIVITY WORK UNIT	ENGINE PO	PAYMENT AMOUNT
00982	Delta Dental	1/1/2017	BE001955956 Jan dental	7840	1061						468.23
01169	CalPERS	12/14/16	7072901257 Feb medical	7840	1061						6,707.83
01406	KFPD Revolving Fund	01/06/17	Reimburse revolving fund	7840	2490						12,953.02
01634	Vision Service Plan	12/21/16	001027770001 Jan vision	7840	1061						315.20
02120	City of El Cerrito	01/01/17	Jan fire protection	7840	2328						208,317.09
50152	Lamorena & Chang	12/12/16	23303 - FY 15-16 audit	7840	2490						7,000.00
50180	Mack5	12/30/16	3408 Dec proj mgmt	7840	2490						441.70
50201	RossDrulisCusenbery	12/28/2016	2016029-6 arch fees	7840	2490						576.15
<b>TOTAL</b>											<b>236,779.22</b>

Kensington FPD Approval

Date: 1/1/17

*Priscilla M. ...* Date: 1/16/17

1/6/17

**Attachment to Transmittal 0117**

Kensington Fire Protection District Revolving Fund 01406

Detailed invoice for reimbursement to the Revolving Fund for payment of the following expenditures:

INVOICE DATE	DESCRIPTION	AMOUNT
12/10/2016	ICMA - difference between actual/submitted	31.66
12/5/2016	AT&T - telephone	362.95
12/9/2016	Sprint - telephone	65.62
12/5/2016	Office Depot - office supplies	130.67
12/7/2016	EBMUD - water/wastewater	492.68
12/12/2016	Pagepoint - website updates	33.75
12/1/2016	All-ways Green Service - janitorial	105.00
12/16/2016	Payroll processing	131.99
12/16/2016	Payroll - 12/1-12/15/16	2,579.41
12/16/2016	Withholding payroll taxes 12/1-12/15/16	1,341.92
12/12/2016	Mechanics - sandbags, bulbs, meeting, etc.	766.06
12/15/2016	Meyers Nave - legal counsel	175.50
12/1/2016	Stericycle - medical waste/pharmaceutical	766.91
1/3/2017	Payroll processing	60.09
1/3/2017	Payroll - 12/15-12/31/16	2,583.53
1/3/2017	Withholding payroll taxes 12/15-12/31/16	1,303.10
12/22/2016	Pagepoint - website updates	22.50
12/26/2016	Canepa - landscape maint.	120.00
12/28/2016	Kel-Aire - heating repair	217.50
12/22/2016	Comcast - internet	141.12
1/1/2017	Stericycle - medical waste	394.68
1/5/2017	ICMA/RC - deferred comp	1,126.38
	<b>Total</b>	<b>12,953.02</b>

Please complete the enclosed deposit ticket and mail in the attached envelope to The Mechanics Bank.



**Kensington Fire Protection District**  
**Balance Sheet**  
As of December 12, 2016

	Dec 12, 16
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Petty Cash	200.00
KFPD Revolving Acct - Gen Fund	5,982.09
General Fund	375,307.95
Special Tax Fund	10,581.03
Capital Fund	6,955.77
<b>Total Checking/Savings</b>	399,026.84
<b>Accounts Receivable</b>	
Due from County for Reimb.	14,772.60
Accounts Receivable	630.63
Interest Receivable	776.91
Advance on Taxes	3,724,531.38
Advance on Supplemental Taxes	60,850.02
<b>Total Accounts Receivable</b>	3,801,561.54
<b>Other Current Assets</b>	
Prepaid Services - EC	1,489,173.63
Prepaid Exp.	8,255.22
Prepaid CERBT - Retiree Trust	987,160.36
<b>Investments</b>	
Capital Replacement Funds	1,210,765.00
Fire Protect. Contract Reserves	2,369,530.00
Investments - Other	-43,747.99
<b>Total Investments</b>	3,536,547.01
<b>Total Other Current Assets</b>	6,021,136.22
<b>Total Current Assets</b>	10,221,724.60
<b>Fixed Assets</b>	
Land	5,800.00
Equipment	1,719,998.35
Accumulated Depreciation-Equip	-855,614.15
Building and Improvements	2,391,581.26
Accumulated Depreciation - Bldg	-858,754.00
<b>Total Fixed Assets</b>	2,403,011.46
<b>TOTAL ASSETS</b>	<b>12,624,736.06</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Due to Revolving Acct - Gen Fnd	14,772.60
Due to Other - Issued by CCC	64,392.72
<b>Total Accounts Payable</b>	79,165.32
<b>Other Current Liabilities</b>	
El Cerrito Service Contract Pay	1,489,173.56
Wages & PR Taxes Payable	2,497.08
<b>Total Other Current Liabilities</b>	1,491,670.64
<b>Total Current Liabilities</b>	1,570,835.96
<b>Total Liabilities</b>	1,570,835.96
<b>Equity</b>	
Fund Equity - General	3,325,448.26
Fund Equity - Capital Projects	548,373.00
Fund Equity - Special Revenue	17,789.00
Fund Equity - Gen Fixed Asset	1,321,009.00

**Kensington Fire Protection District**  
**Balance Sheet**  
As of December 12, 2016

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	Dec 12, 16
Fund Equity	3,271,383.99
Net Income	2,569,896.85
Total Equity	11,053,900.10
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>12,624,736.06</b>

**Kensington Fire Protection District**  
**Revenue & Expense Prev Year Comparison**  
 July 1 through December 12, 2016

	Jul 1 - Dec 12, 16	Jul 1 - Dec 12, 15	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Property Taxes	3,632,885.68	3,400,669.03	232,216.65	6.8%
Special Taxes	200,287.30	200,345.40	-58.10	0.0%
Lease Agreement	1.00	0.00	1.00	100.0%
Interest Income	6,761.84	3,280.90	3,480.94	106.1%
Salary Reimbursement Agreement	22,110.00	20,976.75	1,133.25	5.4%
Miscellaneous Income	31,388.24	2,200.31	29,187.93	1,326.5%
<b>Total Income</b>	<b>3,893,434.06</b>	<b>3,627,472.39</b>	<b>265,961.67</b>	<b>7.3%</b>
<b>Expense</b>				
<b>OUTSIDE PROFESSIONAL SERVICES</b>				
LAFCO Fees	2,123.97	1,801.11	322.86	17.9%
Contra Costa County Expenses	2,562.50	2,341.66	220.84	9.4%
El Cerrito Contract Fee	1,063,695.44	987,304.22	76,391.22	7.7%
Water System Improvements	0.00	220,000.00	-220,000.00	-100.0%
Fire Abatement Contract	265.00	500.00	-235.00	-47.0%
Risk Management Insurance	12,106.00	11,491.00	615.00	5.4%
<b>Professional Fees</b>				
Accounting	1,755.00	1,608.75	146.25	9.1%
Audit	8,000.00	8,000.00	-2,000.00	-25.0%
Legal Fees	15,714.54	575.10	15,139.44	2,632.5%
<b>Total Professional Fees</b>	<b>23,469.54</b>	<b>10,183.85</b>	<b>13,285.69</b>	<b>130.5%</b>
Wildland Vegetation Mgmt	0.00	630.00	-630.00	-100.0%
<b>Total OUTSIDE PROFESSIONAL SER...</b>	<b>1,104,222.45</b>	<b>1,234,251.84</b>	<b>-130,029.39</b>	<b>-10.5%</b>
<b>RETIREE MEDICAL BENEFITS</b>				
PERS Medical	12,605.32	10,804.60	1,800.72	16.7%
Delta Dental	1,277.46	1,277.46	0.00	0.0%
Vision Care	347.46	347.46	0.00	0.0%
<b>Total RETIREE MEDICAL BENEFITS</b>	<b>14,230.24</b>	<b>12,429.52</b>	<b>1,800.72</b>	<b>14.5%</b>
<b>COMMUNITY SERVICE ACTIVITIES</b>				
Public Education	3,775.17	5,232.75	-1,457.58	-27.9%
Comm. Pharmaceutical Drop-Off	1,008.88	71.90	936.98	1,303.2%
CERT Emerg Kits/Sheds/Prepared	10,903.34	0.00	10,903.34	100.0%
Open Houses	335.83	825.88	-490.05	-59.3%
Community Shredder	1,162.05	1,623.40	-461.35	-28.4%
Community Sandbags	572.34	954.90	-382.56	-40.1%
<b>Total COMMUNITY SERVICE ACTIVITI...</b>	<b>17,757.61</b>	<b>8,708.83</b>	<b>9,048.78</b>	<b>103.9%</b>
<b>DISTRICT ACTIVITIES</b>				
Firefighter's Apparel & PPE	22,609.84	0.00	22,609.84	100.0%
Firefighters' Expenses	164.53	9,038.21	-8,873.68	-98.2%
Professional Development	2,121.59	3,253.49	-1,131.90	-34.8%
<b>Building Maintenance</b>				
Needs Assess/Feasibility Study	92,664.77	0.00	92,664.77	100.0%
Janitorial Service	525.00	630.00	-105.00	-16.7%
Medical Waste Disposal	1,309.95	1,205.35	104.60	8.7%
Building alarm	115.00	180.00	-65.00	-36.1%
Gardening service	360.00	360.00	0.00	0.0%
Miscellaneous Maint.	4,894.08	5,065.47	-171.39	-3.4%
<b>Total Building Maintenance</b>	<b>99,868.80</b>	<b>7,440.82</b>	<b>92,427.98</b>	<b>1,242.2%</b>
<b>Building Utilities/Service</b>				
Garbage	0.00	346.40	-346.40	-100.0%
Gas and Electric	4,387.77	2,967.63	1,420.14	47.9%
Water/Sewer	765.09	857.91	-92.82	-10.8%
<b>Total Building Utilities/Service</b>	<b>5,152.86</b>	<b>4,171.94</b>	<b>980.92</b>	<b>23.5%</b>
Memberships	6,676.00	6,309.00	367.00	5.8%
<b>Office</b>				
Office Expense	362.42	2,159.42	-1,797.00	-83.2%
Office Supplies	213.35	336.87	-123.52	-36.7%
Telephone	3,099.72	3,331.34	-231.62	-7.0%
<b>Total Office</b>	<b>3,675.49</b>	<b>5,827.63</b>	<b>-2,152.14</b>	<b>-36.9%</b>
<b>Total DISTRICT ACTIVITIES</b>	<b>140,269.11</b>	<b>36,041.09</b>	<b>104,228.02</b>	<b>289.2%</b>
<b>Staff</b>				
Wages	34,630.50	32,547.20	2,083.30	6.4%
Longevity Pay	1,000.00	1,000.00	0.00	0.0%
Overtime Wages	419.54	591.46	-171.92	-29.1%
Medical/dental ins compensation	3,412.50	3,250.00	162.50	5.0%
Retirement Contribution	2,939.56	2,473.60	465.96	18.8%
Payroll Taxes	2,711.23	2,860.25	-149.02	-5.2%
Workers Compensation/Life Ins	1,343.57	1,476.31	-132.74	-9.0%
Payroll Processing	600.90	572.30	28.60	5.0%
<b>Total Staff</b>	<b>47,057.80</b>	<b>44,771.12</b>	<b>2,286.68</b>	<b>5.1%</b>
<b>Total Expense</b>	<b>1,323,537.21</b>	<b>1,336,202.40</b>	<b>-12,665.19</b>	<b>-1.0%</b>

**Kensington Fire Protection District**  
**Revenue & Expense Prev Year Comparison**  
 July 1 through December 12, 2016

	Jul 1 - Dec 12, 16	Jul 1 - Dec 12, 15	\$ Change	% Change
Net Ordinary Income	2,569,896.85	2,291,269.99	278,626.86	12.2%
<b>Other Income/Expense</b>				
Other Income				
Transfers In - General	353,020.08	2,735.09	350,284.99	12,807.1%
Total Other Income	353,020.08	2,735.09	350,284.99	12,807.1%
Other Expense				
Transfers Out - Capital	353,020.08	2,735.09	350,284.99	12,807.1%
<Gain>/Loss on Asset Disposal	0.00	630.87	-630.87	-100.0%
Total Other Expense	353,020.08	3,365.96	349,654.12	10,388.0%
Net Other Income	0.00	-630.87	630.87	100.0%
<b>Net Income</b>	<b>2,569,896.85</b>	<b>2,290,639.12</b>	<b>279,257.73</b>	<b>12.2%</b>

**Kensington Fire Protection District  
Revenue & Expense Budget vs. Actual  
July through November 2016**

	Jul - Nov 16	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Property Taxes	6,905,095.91	3,520,295.00	3,384,800.91	196.2%
Special Taxes	200,287.30	200,287.00	0.30	100.0%
Lease Agreement	1.00	1.00	0.00	100.0%
Interest Income	5,199.34	5,000.00	199.34	104.0%
Salary Reimbursement Agreement	22,110.00	22,750.00	-640.00	97.2%
Miscellaneous Income	31,388.24	0.00	31,388.24	100.0%
<b>Total Income</b>	<b>7,164,081.79</b>	<b>3,748,333.00</b>	<b>3,415,748.79</b>	<b>191.1%</b>
<b>Expense</b>				
<b>OUTSIDE PROFESSIONAL SERVICES</b>				
LAFCO Fees	2,123.97	1,850.00	273.97	114.8%
Contra Costa County Expenses	123.83	5.00	118.83	2,476.6%
El Cerrito Contract Fee	1,063,695.44	1,063,695.40	0.04	100.0%
Water System Improvements	0.00	0.00	0.00	0.0%
Fire Abatement Contract	265.00	8,000.00	-7,735.00	3.3%
Risk Management Insurance	12,106.00	12,110.00	-4.00	100.0%
<b>Professional Fees</b>				
Accounting	1,300.00	2,083.35	-783.35	62.4%
Actuarial Valuation	0.00	0.00	0.00	0.0%
Audit	6,000.00	8,000.00	-2,000.00	75.0%
Legal Fees	15,714.54	12,500.00	3,214.54	125.7%
<b>Total Professional Fees</b>	<b>23,014.54</b>	<b>22,583.35</b>	<b>431.19</b>	<b>101.9%</b>
Wildland Vegetation Mgmt	0.00	1,250.00	-1,250.00	0.0%
<b>Total OUTSIDE PROFESSIONAL SER...</b>	<b>1,101,328.78</b>	<b>1,109,493.75</b>	<b>-8,164.97</b>	<b>99.3%</b>
<b>RETIREE MEDICAL BENEFITS</b>				
PERS Medical	12,605.32	15,354.19	-2,748.87	82.1%
Delta Dental	1,064.55	2,404.19	-1,339.64	44.3%
Vision Care	347.46	739.56	-392.10	47.0%
<b>Total RETIREE MEDICAL BENEFITS</b>	<b>14,017.33</b>	<b>18,497.94</b>	<b>-4,480.61</b>	<b>75.8%</b>
<b>COMMUNITY SERVICE ACTIVITIES</b>				
Public Education	3,775.17	5,416.69	-1,641.52	69.7%
Comm. Pharmaceutical Drop-Off	503.96	2,500.00	-1,996.04	20.2%
Vial of Life Program	0.00	50.00	-50.00	0.0%
CERT Emerg Kits/Sheds/Prepared	7,359.64	11,644.46	-4,284.82	63.2%
Open Houses	317.51	750.00	-432.49	42.3%
Community Shredder	1,118.00	1,750.00	-632.00	63.9%
Firesafe Planting Grants	0.00	0.00	0.00	0.0%
Community Sandbags	0.00	0.00	0.00	0.0%
<b>Total COMMUNITY SERVICE ACTIVITI...</b>	<b>13,074.28</b>	<b>22,111.15</b>	<b>-9,036.87</b>	<b>59.1%</b>
<b>DISTRICT ACTIVITIES</b>				
Firefighter's Apparel & PPE	0.00	0.00	0.00	0.0%
Firefighters' Expenses	164.53	4,166.65	-4,002.12	3.9%
Professional Development	2,121.59	2,083.31	38.28	101.8%
<b>Building Maintenance</b>				
Needs Assess/Feasibility Study	92,664.77	94,500.00	-1,835.23	98.1%
Storage Room Emergency Repair	0.00	0.00	0.00	0.0%
Janitorial Service	525.00	625.00	-100.00	84.0%
Medical Waste Disposal	1,047.96	1,458.31	-410.35	71.9%
Building alarm	0.00	200.00	-200.00	0.0%
Gardening service	360.00	681.80	-321.80	52.8%
Miscellaneous Maint.	4,894.08	5,000.00	-105.92	97.9%
<b>Total Building Maintenance</b>	<b>99,491.81</b>	<b>102,465.11</b>	<b>-2,973.30</b>	<b>97.1%</b>
<b>Building Utilities/Service</b>				
Garbage	0.00	0.00	0.00	0.0%
Gas and Electric	3,852.28	3,125.00	727.28	123.3%
Water/Sewer	765.09	1,400.00	-634.91	54.6%
<b>Total Building Utilities/Service</b>	<b>4,617.37</b>	<b>4,525.00</b>	<b>92.37</b>	<b>102.0%</b>
Election	0.00	0.00	0.00	0.0%
Memberships	650.00	6,650.00	-6,000.00	9.8%
<b>Office</b>				
Office Expense	305.50	1,458.35	-1,152.85	20.9%
Office Supplies	213.35	1,041.65	-828.30	20.5%
Telephone	2,958.60	3,333.35	-374.75	88.8%
<b>Total Office</b>	<b>3,477.45</b>	<b>5,833.35</b>	<b>-2,355.90</b>	<b>59.6%</b>
<b>Total DISTRICT ACTIVITIES</b>	<b>110,522.75</b>	<b>125,723.42</b>	<b>-15,200.67</b>	<b>87.9%</b>
<b>Staff</b>				
Wages	34,630.50	34,630.40	0.10	100.0%
Longevity Pay	1,000.00	1,000.00	0.00	100.0%
Overtime Wages	419.54	562.50	-142.96	74.6%
Medical/dental Ins compensation	3,412.50	3,412.50	0.00	100.0%
Retirement Contribution	2,939.56	2,631.90	307.66	111.7%
Payroll Taxes	2,711.23	2,750.00	-38.77	98.6%
Workers Compensation/Life Ins	1,343.57	1,400.00	-56.43	96.0%

**Kensington Fire Protection District**  
**Revenue & Expense Budget vs. Actual**  
 July through November 2016

	Jul - Nov 16	Budget	\$ Over Budget	% of Budget
Payroll Processing	540.81	579.00	-38.19	93.4%
<b>Total Staff</b>	<b>46,997.71</b>	<b>46,966.30</b>	<b>31.41</b>	<b>100.1%</b>
Contingency General	0.00	3,125.00	-3,125.00	0.0%
<b>Total Contingency</b>	<b>0.00</b>	<b>3,125.00</b>	<b>-3,125.00</b>	<b>0.0%</b>
<b>Total Expense</b>	<b>1,285,940.85</b>	<b>1,325,917.56</b>	<b>-39,976.71</b>	<b>97.0%</b>
<b>Net Ordinary Income</b>	<b>5,878,140.94</b>	<b>2,422,415.44</b>	<b>3,455,725.50</b>	<b>242.7%</b>
<b>Other Income/Expense</b>				
Other Income				
Transfers In - General	353,020.08	0.00	353,020.08	100.0%
<b>Total Other Income</b>	<b>353,020.08</b>	<b>0.00</b>	<b>353,020.08</b>	<b>100.0%</b>
Other Expense				
Transfers Out - Capital	353,020.08	2,735.09	350,284.99	12,907.1%
<Gain>/Loss on Asset Disposal	0.00	630.87	-630.87	0.0%
<b>Total Other Expense</b>	<b>353,020.08</b>	<b>3,365.96</b>	<b>349,654.12</b>	<b>10,487.9%</b>
<b>Net Other Income</b>	<b>0.00</b>	<b>-3,365.96</b>	<b>3,365.96</b>	<b>0.0%</b>
<b>Net Income</b>	<b>5,878,140.94</b>	<b>2,419,049.48</b>	<b>3,459,091.46</b>	<b>243.0%</b>



# EL CERRITO-KENSINGTON FIRE DEPARTMENT

10900 San Pablo Avenue • El Cerrito • CA • 94530  
(510) 215-4450 • FAX (510) 232-4917

[www.el-cerrito.org](http://www.el-cerrito.org)



January 2, 2017

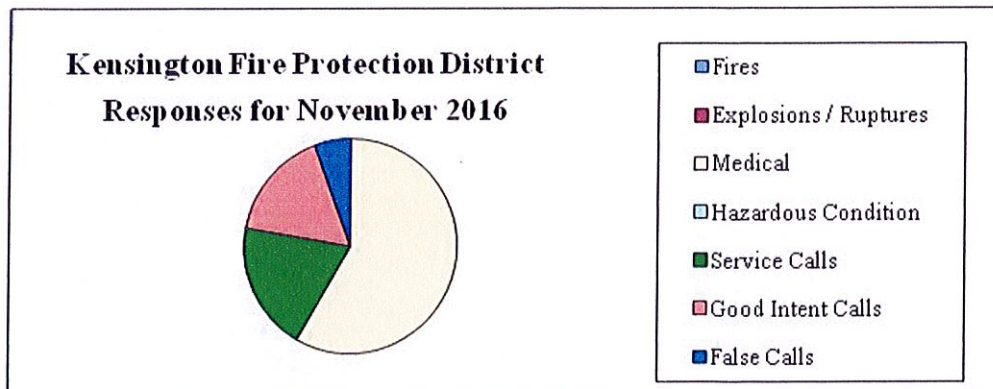
**TO:** Kensington Fire Protection District Board Members  
**FROM:** Michael Pigoni: Battalion Chief  
**RE:** Incident Activity Reports for the Month of December 2016

There were 36 incidents that occurred during the month of December in the community of Kensington. Please see the attached "Incident Log" for the dates and times locations and incident type for these calls that the Fire Department responded to this past month. Kensington calls are shown in the charts at the bottom of this page. During this month E65 responded to a total of 73 calls in all districts.

While the number of incidents in Kensington remained about the same, there was an increase in the calls for E65 from last month due to medical emergencies and service calls associated with the winter weather patterns and the Holidays. There was also a structure fire on December 23<sup>rd</sup> that Engine 65 and El Cerrito units responded to on Yale Avenue. The fire which was caused by improper use of extension cords was confined to a mattress and bedding in a laundry room.

The chart below is broken down into NFIRS incident types. The following is a list of the response types, the number of responses for each type and the percentage of the total calls for each type.

<u>Call Type</u>		<u>Incident Count</u>	<u>Percentages</u>
<b>Fires</b>	<i>(Structure, Trash, Vehicles, Vegetation Fires)</i>	0	0.00%
<b>Explosions / Ruptures</b>	<i>(Over Pressure/Ruptures, Explosions, Bombs)</i>	0	0.00%
<b>Medical</b>	<i>(EMS, Vehicle Accidents, Extrication Rescue)</i>	21	58.33%
<b>Hazardous Condition</b>	<i>(Chemical Spills, Leaks, Down Power Lines)</i>	0	0.00%
<b>Service Calls</b>	<i>(Distress, Water/Smoke/Odor Problems, Public Assists)</i>	7	19.44%
<b>Good Intent Calls</b>	<i>(Cancelled En Route, Wrong Location)</i>	6	16.67%
<b>False Calls</b>	<i>(Wrong Company/Unit Dispatched)</i>	2	5.56%
<b>Totals</b>		<b>36</b>	<b>100.00%</b>



# Kensington Fire Protection District Response Log for December 2016

#	Incident Number	Date & Time	Address	City	Apparatus ID	Incident Type*
1	1603226	01-Dec-16 13:33:36	189 HIGHLAND BLVD	Kensington	E65	321
2	1603230	02-Dec-16 00:12:09	257 STANFORD AVE	Kensington	E65	321
3	1603256	04-Dec-16 02:01:33	141 SAINT ALBANS DR	Kensington	E65	553
4	1603259	04-Dec-16 15:09:06	265 COLGATE AVE	Kensington	E65	746
5	1603275	05-Dec-16 12:31:32	273 GRIZZLY PEAK BLVD	Kensington	E65	412
6	1603281	05-Dec-16 21:02:05	141 SAINT ALBANS DR	Kensington	E65	550
7	1603283	06-Dec-16 04:04:39	141 SAINT ALBANS DR	Kensington	E65	321
8	1603296	06-Dec-16 21:45:50	205 CAMBRIDGE AVE	Kensington	E65	440
9	1603297	07-Dec-16 07:18:46	10 ANSON WAY	Kensington	E65	321
10	1603299	07-Dec-16 11:57:31	57 COWPER AVE	Kensington	E65	321
11	1603305	08-Dec-16 02:26:51	55 ARLMONT DR	Kensington	E65	321
12	1603321	09-Dec-16 12:18:07	653 WELLESLEY AVE	Kensington	E65	553
13	1603327	10-Dec-16 12:54:33	152 YORK AVE	Kensington	E65	520
14	1603334	10-Dec-16 18:05:40	8 HIGHGATE RD	Kensington	E65	321
15	1603337	10-Dec-16 22:09:06	215 ARLINGTON AVE	Kensington	E65	321
16	1603359	13-Dec-16 03:41:05	243 COLUSA AVE	Kensington	E65	321
17	1603366	14-Dec-16 10:12:46	316 ARLINGTON AVE	Kensington	E65	321
18	1603367	14-Dec-16 14:32:34	131 ARLINGTON AVE	Kensington	E65	321
19	1603380	15-Dec-16 19:01:48	23 COWPER AVE	Kensington	E65	733
20	1603398	17-Dec-16 16:37:08	97 HIGHLAND BLVD	Kensington	E65	733
21	1603401	17-Dec-16 21:37:29	265 GRIZZLY PEAK BLVD	Kensington	E65	321
22	1603403	18-Dec-16 02:57:22	20 HIGHGATE RD	Kensington	E65	550
23	1603405	18-Dec-16 04:50:58	42 HIGHGATE RD	Kensington	E65	321
24	1603410	18-Dec-16 14:42:56	ARLINGTON AVE	Kensington	E65	651
25	1603412	18-Dec-16 19:57:10	132 HIGHLAND BLVD	Kensington	E65	321
26	1603438	20-Dec-16 23:14:35	304 ARLINGTON AVE	Kensington	E65	321
27	1603444	21-Dec-16 21:47:45	38 HIGHGATE RD	Kensington	E65	321
28	1603455	23-Dec-16 15:06:50	242 YALE AVE	Kensington	E65	111
29	1603467	24-Dec-16 12:24:07	38 ARDMORE DR	Kensington	E65	357
30	1603472	24-Dec-16 17:01:10	257 STANFORD AVE	Kensington	E65	321



31	1603477	24-Dec-16 22:34:14	1 LAWSON DR	Kensington	E65	321
32	1603484	25-Dec-16 14:15:56	215 ARLINGTON AVE	Kensington	E65	321
33	1603487	25-Dec-16 21:44:25	144 HIGHLAND BLVD	Kensington	E65	522
34	1603491	26-Dec-16 09:08:00	8 HIGHLAND BLVD	Kensington	E65	321
35	1603493	26-Dec-16 13:52:00	215 COLUMBIA AVE	Kensington	E65	321
36	1603541	31-Dec-16 12:42:21	59 ARLINGTON AVE	Kensington	E65	322

\* See Attached Table for Incident Type Explanations

**Type Series**

- 100
- 200
- 300
- 400
- 500
- 600
- 700

**Description**

- (Structure, Trash, Vehicle, Vegetation Fire)
- (Over Pressure/Ruptures Explosions, Bombs)
- (EMS, Vehicle Accidents, Extrication, Rescue)
- (Chemical Spills, Leaks, Down power Lines)
- (Distress, Water/ Smoke/Odor Problems, Public Assists)
- (Cancelled En Route, Wrong Location)
- (Wrong Company/Unit Dispatched)

# Kensington Fire Protection District

## Engine 65 Response Log for December 2016

#	Incident Number	Date & Time	Address	City	Apparatus ID	Incident Type*
1	1603224	01-Dec-16 10:14:18	7230 FAIRMOUNT AVE	El Cerrito	E65	611X
2	1603226	01-Dec-16 13:31:46	189 HIGHLAND BLVD	Kensington	E65	321
3	1603230	02-Dec-16 00:08:43	257 STANFORD AVE	Kensington	E65	321
4	1603233	02-Dec-16 09:51:20	538 NORVELL ST	El Cerrito	E65	321
5	1603236	02-Dec-16 17:10:38	751 NORVELL ST	El Cerrito	E65	412
6	1603245	03-Dec-16 15:27:52	HILL ST	El Cerrito	E65	321
7	1603246	03-Dec-16 15:39:54	5835 EL DORADO ST	El Cerrito	E65	611
8	1603250	03-Dec-16 16:59:13	11740 SAN PABLO AVE	El Cerrito	E65	741
9	1603251	03-Dec-16 21:00:44	150 SAN CARLOS AVE	El Cerrito	E65	321
10	1603253	03-Dec-16 23:50:18	501 COLUSA AVE	El Cerrito	E65	113
11	1603256	04-Dec-16 01:59:38	141 SAINT ALBANS DR	Kensington	E65	553
12	1603257	04-Dec-16 11:08:31	7815 BURNS CT	El Cerrito	E65	311
13	1603259	04-Dec-16 15:07:05	265 COLGATE AVE	Kensington	E65	746
14	1603273	05-Dec-16 09:31:07	8000 EL CERRITO PLZ	El Cerrito	E65	113
15	1603275	05-Dec-16 12:30:34	273 GRIZZLY PEAK BLVD	Kensington	E65	412
16	1603281	05-Dec-16 21:00:35	141 SAINT ALBANS DR	Kensington	E65	550
17	1603283	06-Dec-16 04:03:27	141 SAINT ALBANS DR	Kensington	E65	321
18	1603288	06-Dec-16 10:20:53	205 RAMONA AVE	El Cerrito	E65	321
19	1603296	06-Dec-16 21:43:49	205 CAMBRIDGE AVE	Kensington	E65	440
20	1603297	07-Dec-16 07:15:26	10 ANSON WAY	Kensington	E65	321
21	1603299	07-Dec-16 11:56:01	57 COWPER AVE	Kensington	E65	321
22	1603301	07-Dec-16 13:00:23	761 SAN DIEGO RD	Kensington	E65	611F
23	1603305	08-Dec-16 02:24:34	55 ARLMONT DR	Berkeley	E65	321
24	1603306	08-Dec-16 04:05:20	Brazilian Rm (TILDEN PARK)	Kensington	E65	700
25	1603321	09-Dec-16 12:14:27	653 WELLESLEY AVE	Orinda	E65	553
26	1603323	09-Dec-16 18:27:51	3230 CARLSON BLVD	Kensington	E65	321
27	1603327	10-Dec-16 12:52:48	152 YORK AVE	El Cerrito	E65	520
28	1603334	10-Dec-16 18:02:47	8 HIGHGATE RD	Kensington	E65	321
29	1603336	10-Dec-16 21:45:20	8106 TERRACE DR	Kensington	E65	746
30	1603337	10-Dec-16 22:06:55	215 ARLINGTON AVE	El Cerrito	E65	321

31	1603350	12-Dec-16 13:53:27	7659 STOCKTON AVE	El Cerrito	E65	321
32	1603356	12-Dec-16 19:30:25	1316 GAYLE CT	El Cerrito	E65	321
33	1603359	13-Dec-16 03:37:29	243 COLUSA AVE	Kensington	E65	321
34	1603366	14-Dec-16 10:10:21	316 ARLINGTON AVE	Kensington	E65	321
35	1603367	14-Dec-16 14:30:53	131 ARLINGTON AVE	Kensington	E65	321
36	1603380	15-Dec-16 19:00:13	23 COWPER AVE	Kensington	E65	733
37	1603386	16-Dec-16 10:35:46	7900 CUTTING BLVD	El Cerrito	E65	745
38	1603398	17-Dec-16 16:34:07	97 HIGHLAND BLVD	Kensington	E65	733
39	1603401	17-Dec-16 21:35:22	265 GRIZZLY PEAK BLVD	Kensington	E65	321
40	1603403	18-Dec-16 02:54:53	20 HIGHGATE RD	Kensington	E65	550
41	1603405	18-Dec-16 04:49:45	42 HIGHGATE RD	Kensington	E65	321
42	1603406	18-Dec-16 05:46:20	10203 SAN PABLO AVE	El Cerrito	E65	321
43	1603407	18-Dec-16 06:06:49	917 ELM ST	El Cerrito	E65	321
44	1603408	18-Dec-16 07:21:20	1725 LIBERTY ST	El Cerrito	E65	321
45	1603410	18-Dec-16 14:41:43	ARLINGTON AVE	Kensington	E65	321
46	1603412	18-Dec-16 19:54:32	132 HIGHLAND BLVD	Kensington	E65	651
47	1603432	20-Dec-16 08:51:01	6500 FAIRMOUNT AVE	Kensington	E65	321
48	1603436	20-Dec-16 17:10:11	South Park DR	El Cerrito	E65	350
49	1603437	20-Dec-16 20:06:14	7808 TERRACE DR	Orinda	E65	311
50	1603438	20-Dec-16 23:11:22	304 ARLINGTON AVE	El Cerrito	E65	321
51	1603444	21-Dec-16 21:45:06	38 HIGHGATE RD	Kensington	E65	321
52	1603448	22-Dec-16 10:08:46	222 SAN CARLOS AVE	Kensington	E65	321
53	1603450	22-Dec-16 19:07:12	7398 TERRACE DR	El Cerrito	E65	311
54	1603455	23-Dec-16 15:04:37	242 YALE AVE	El Cerrito	E65	743
55	1603464	24-Dec-16 09:32:23	1522 NAVELLIER ST	Kensington	E65	111
56	1603467	24-Dec-16 12:21:20	38 ARDMORE DR	El Cerrito	E65	321
57	1603472	24-Dec-16 16:58:52	257 STANFORD AVE	Kensington	E65	357
58	1603474	24-Dec-16 19:03:05	927 CONTRA COSTA DR	Kensington	E65	321
59	1603477	24-Dec-16 22:31:44	1 LAWSON DR	El Cerrito	E65	311
60	1603484	25-Dec-16 14:15:56	215 ARLINGTON AVE	Kensington	E65	321
61	1603487	25-Dec-16 21:44:00	144 HIGHLAND BLVD	Kensington	E65	321
62	1603488	26-Dec-16 00:41:39	906 GALVIN DR	Kensington	E65	522
63	1603491	26-Dec-16 09:08:00	8 HIGHLAND BLVD	El Cerrito	E65	321
64	1603493	26-Dec-16 13:49:43	215 COLUMBIA AVE	Kensington	E65	321
65	1603504	27-Dec-16 07:47:06	817 CRAFT AVE	Kensington	E65	321
				El Cerrito	E65	321

66	1603510	27-Dec-16 17:29:36	868 GALVIN DR	El Cerrito	E65	321
67	1603513	28-Dec-16 07:34:43	945 CONTRA COSTA DR	El Cerrito	E65	321
68	1603514	28-Dec-16 11:46:48	11360 SAN PABLO AVE	El Cerrito	E65	600
69	1603516	28-Dec-16 12:22:29	10203 SAN PABLO AVE	El Cerrito	E65	733
70	1603518	28-Dec-16 14:05:03	6818 FAIRMOUNT AVE	El Cerrito	E65	651
71	1603532	29-Dec-16 14:03:37	1700 ARLINGTON BLVD	El Cerrito	E65	321
72	1603541	31-Dec-16 12:40:34	59 ARLINGTON AVE	Kensington	E65	322
73	1603548	31-Dec-16 23:33:15	MOESER LANE	El Cerrito	E65	131

\* See Attached Table for Incident Type Explanations

Type Series	Description
100	(Structure, Trash, Vehicle, Vegetation Fire)
200	(Over Pressure/Ruptures Explosions, Bombs)
300	(EMS, Vehicle Accidents, Extrication, Rescue)
400	(Chemical Spills, Leaks, Down power Lines)
500	(Distress, Water/ Smoke/Odor Problems, Public Assists)
600	(Cancelled En Route, Wrong Location)
700	(Wrong Company/Unit Dispatched)

# **CHIEF'S REPORT**



# EL CERRITO-KENSINGTON FIRE DEPARTMENT

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**DATE:** January 2, 2017

**TO:** Kensington Fire Protection District Board Members

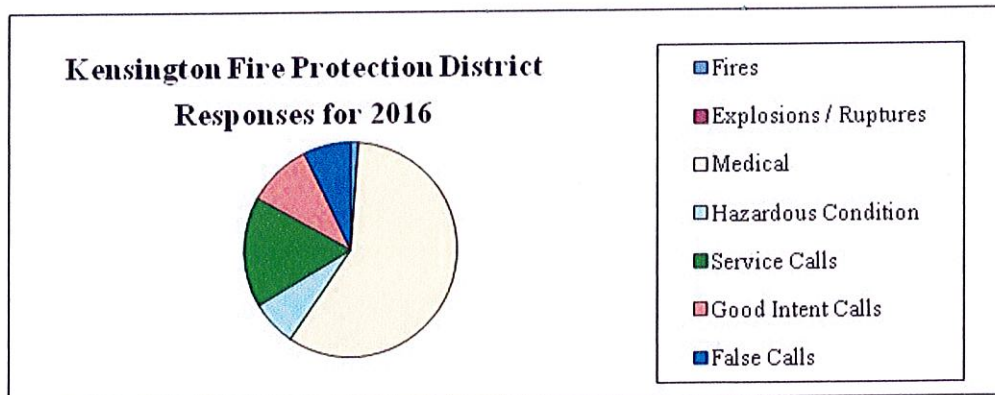
**FROM:** Michael Pigoni: Battalion Chief

**RE:** Total Incident Activity Reports for 2016

The El Cerrito/Kensington Fire Department responded to a total of 361 incidents this year in the community of Kensington this past year.

The chart below is broken down into NFIRS incident types. The following is a list of the response types, the number of responses for each type and the percentage of the total calls for each type.

<u>Call Type</u>		<u>Incident Count</u>	<u>Percentages</u>
<b>Fires</b>	<i>(Structure, Trash, Vehicles, Vegetation Fires)</i>	4	1.11%
<b>Explosions / Ruptures</b>	<i>(Over Pressure/Ruptures, Explosions, Bombs)</i>	0	0.00%
<b>Medical</b>	<i>(EMS, Vehicle Accidents, Extrication Rescue)</i>	211	58.45%
<b>Hazardous Condition</b>	<i>(Chemical Spills, Leaks, Down Power Lines)</i>	25	6.93%
<b>Service Calls</b>	<i>(Distress, Water/Smoke/Odor Problems, Public Assists)</i>	60	16.62%
<b>Good Intent Calls</b>	<i>(Cancelled En Route, Wrong Location)</i>	35	9.70%
<b>False Calls</b>	<i>(Wrong Company/Unit Dispatched)</i>	26	7.20%
<b>Totals</b>		<b>361</b>	<b>100.00%</b>



# **NEW BUSINESS**

**KENSINGTON FIRE  
PROTECTION DISTRICT**

**Financial Statements and Independent Auditor's Report for the  
Year ended June 30, 2016**



# KENSINGTON FIRE PROTECTION DISTRICT

## Basic Financial Statements and Required Supplementary Information for the Fiscal Year Ended June 30, 2016

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**KENSINGTON FIRE PROTECTION DISTRICT**

Directors

JUNE 30, 2016

<u>NAME</u>	<u>TITLE</u>
Larry Nagel	Director
Nina Harmon	Director
Don Dommer	Director
Janice Kosel	Director
Joe de Ville	Director

## **Independent Auditor's Report**

Board of Directors  
Kensington Fire Protection District  
Kensington, California

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities and each major fund of Kensington Fire Protection District (KFPD), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise KFPD'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 free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of KFPD, as of June 30, 2016, and the respective changes in financial position, and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Independent Auditor's Report (Continued)

### Other Matters

#### *Required Supplementary Information*

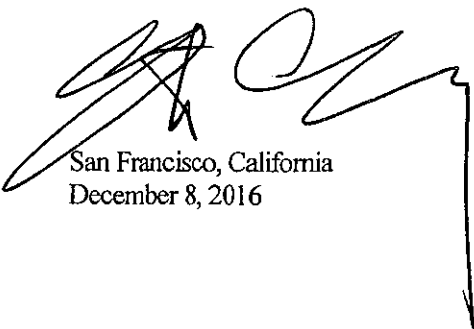
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on page 1 to 4 and 8 presented to supplement the basic financial statements. Such information, although not a part of the basic financial 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. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kensington Fire Protection District's financial statements as a whole. The Statement of Revenue, Expenditures and Change in Fund Balances presented for purposes of additional analysis and are not a required part of the financial statements. This Statement of Revenue, Expenditures and Change in Fund Balances are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report December 8, 2016 on my consideration of KFPD's internal control over financial reporting and on my tests or its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KFPD's internal control over financial reporting and compliance.



San Francisco, California  
December 8, 2016

**KENSINGTON FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2016**

(Required Supplementary Information)

The following discussion and analysis provides an overview of the Kensington Fire Protection District's (District) financial activities for the year ended June 30, 2016. Please read it in conjunction with the District's basic financial statements, which follow this section.

**Financial Highlights**

- At the close of the year, June 30, 2016, assets of the District exceeded its liabilities by \$8.48 million (net position). Of this amount, \$6.08 million (unrestricted net position) may be used to meet the District's ongoing obligations to the citizens that the District serves.
- The District's total net position increased by \$844,169.
- At the close of the year, June 30, 2016, the District's general fund reported an ending fund balance of \$4,848,933 an increase of \$421,270 when compared with the prior year.
- At the close of the year, June 30, 2016, the District's special revenue fund reported an ending fund balance of \$12,769, a decrease of \$3,158 when compared with the prior year.
- At the close of the year, June 30, 2016, the District's capital project fund reported an ending fund balance of \$1,219,288 a decrease of \$155,609 when compared with the prior year.
- At the end of the current year, June 30, 2016, unrestricted fund balance for the governmental funds was \$6,080,990 or 172% of total governmental funds' expenditures.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The annual financial report for the District includes this management's discussion and analysis (MD&A), the basic financial statements and notes to basic financial statements.

The basic financial statements of the District are presented showing two different views of the District in one statement. The government-wide financial statements view shows both long-term and short-term information on the District's overall financial status. The fund financial statements view focuses on the District's operations with a short-term focus.

The government-wide statements are the statement of net position and the statement of activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. These statements provide both long-term and short-term information about the District's overall financial status. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of whether cash is received or paid. The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, are one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is an indicator, of whether its financial health is improving or deteriorating, respectively.

**KENSINGTON FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**

*Overview of the Basic Financial Statements (Continued)*

The fund financial statements are the balance sheet and statement of revenues, expenditures and changes in fund balance and are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Fund financial statements keep track of specific sources of funding and spending for particular purposes. The District has three funds: general fund, special revenue fund, and capital project fund. They are all components of the governmental funds. The fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided in the footnotes that explains the relationship (or differences) between them.

*Government-wide financial statement analysis*

A comparative analysis of government-wide data is as follows:

Net position serves over time as a useful indicator of a government's financial position. For the District, assets exceeded liabilities in the years ended June 30, 2016 and 2015 by \$8,484,002 and \$7,639,833, respectively. The largest portion of the District's net position, 71.68%, reflects its investment in unrestricted net position. The final component of the District's net position represents its investment in capital assets, which makes up the remaining 28.32% of the District's net position. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The following table summarizes the net position of the District as of:

	<b>June 30, 2016</b>	<b>June 30, 2015</b>
<b>General revenues</b>		
Property taxes	\$ 3,466,307	\$ 3,263,720
Other revenues	338,876	305,255
<b>Total general revenues</b>	<b>3,805,183</b>	<b>3,568,975</b>
 <b>Total program expenses – public safety - fire protection operation</b>	 <b>(2,961,014)</b>	 <b>(3,144,508)</b>
 Change in net position	 844,169	 424,467
Net position, beginning of year	7,639,833	7,215,266
Net position, end of year	<b>\$ 8,484,002</b>	<b>\$ 7,639,833</b>

**KENSINGTON FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2016

*Fund financial statement analysis*

**General Fund Budgetary Highlights** – The budget allowed \$185,000 for water system improvements. By year end, only \$91,366 had been spent.

The budget allowed \$455,000 for the purchase of equipment and furniture, classified as assets. Of the \$370,000 budgeted for the apparatus bay construction, we spent \$359,517. Of the \$455,000 budgeted, \$40,000 was for the needs assessment/feasibility study. The actual amount spent was \$19,991. Since this expenditure did not have immediate foreseeable benefit to the future, accounting rules require us to recognize this as an expense when it is incurred, not as an asset. Likewise, of the \$45,000 budgeted for the emergency repair of the storage room, we spent \$33,640. Since this expenditure was for repairing an already recorded asset without major betterment or improvement, accounting rules require us to recognize this as an expense also.

**General fund** — The general fund's revenue is derived from County of Contra Costa property taxes, which are used to run daily operations of the District.

Property taxes increased by \$202,587 (about 6.21%) in the current year.

Program expenses decreased by \$183,494 (about 5.84%) in the current year.

**Special revenue fund** — The special revenue fund receives the special assessment tax voted in by the Kensington taxpayers in 1980 to be used for fire protection and prevention operations as determined by the District. The revenue received remains consistent with prior years.

**Capital project fund** — The capital project fund receives no tax revenue of its own; it is funded by the general fund on an as-needed basis. The District's Board of Directors votes annually on an amount to transfer and invest from the general fund to the capital project fund for long-term expected replacements.

*General Fund Budgetary Highlights*

The original budget was adopted by the Board of Directors at the September 2015 meeting. Final version was adopted by the Board of Directors at the February 2016 meeting.

*Capital Assets*

As shown in the table below, the District's investment in capital assets (net of accumulated depreciation) as of June 30, 2016 and 2015 was \$2,403,012 and \$1,827,662, respectively.

*Capital Assets (Net of accumulated depreciation)*

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Land	\$ 5,800	\$ 5,800
Building and improvements	1,532,827	1,237,570
Equipment and furniture	247,662	268,103
Rolling stock	616,723	316,189
<b>Total</b>	<b>\$ 2,403,012</b>	<b>\$ 1,827,662</b>

**KENSINGTON FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2016**

*Retiree Healthcare Benefits*

In June 2007, the District implemented Governmental Accounting Standards Board Statement No. 45 (GASB 45). This statement requires governmental entities to account for and report their costs and obligations for Other Postemployment Benefits (OPEB). OPEB are part of an exchange of salaries and benefits for employee services rendered, such as agreements to provide health care benefits to employee upon retirement. Prior to GASB 45, the District financed the retiree health care costs on a "pay-as-you-go" basis, and did not report the financial effects of OPEB until the promised benefits are paid.

Based on the latest valuation for the District's OPEB plan (July 1, 2013 Revised), the District's over-funded actuarial assets was \$226,074 as of June 30, 2016; and its annual required contribution (ARC) was \$(27,142) for the fiscal year ended June 30, 2016. The ARC is calculated in accordance with certain parameters, and includes (a) the normal cost, the actuarial present value of benefits attributed to prior services; and (b) a component for amortization of the total unfunded actuarial accrued liabilities (or funding excess) of the plan over a period not to exceed twenty years.

*Economic Factors and Next Year's Budgets and Rates*

The primary factor affecting expenditures in the District's fiscal year 2016-17 budget is the City of El Cerrito service contract fee.

*Request for Information*

Questions concerning any of the information provided, in this report or requests for additional financial information should be addressed to the Kensington Fire Protection District, 217 Arlington Avenue, Kensington, California 94707.



**Basic Financial Statements**

**KENSINGTON FIRE PROTECTION DISTRICT**  
**STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund	Special Revenue Fund	Capital Project Fund	Total	GAAP Adjustment (Note 4)	Statement of Net Assets
<b>ASSET</b>						
Cash and investments	\$ 3,608,059	\$ 12,769	\$ 1,217,732	\$ 4,838,560	\$ -	\$ 4,838,560
Receivables:						
Supplemental taxes	36,504	-	-	36,504	-	36,504
Accounts receivable- KPPCSD	986	-	-	986	-	986
EBMUD AR	128,634	-	-	128,634	-	128,634
Interest receivables	5,778	-	1,562	7,340	-	7,340
Prepaid Expenses	8,255	-	-	8,255	-	8,255
Reimbursements and other	87,046	-	-	87,046	-	87,046
Net OPEB assets	1,004,837	-	-	1,004,837	-	1,004,837
Capital assets:						
Land	-	-	-	-	5,800	5,800
Buildings and improvements, net	-	-	-	-	1,532,827	1,532,827
Equipment and furniture, net	-	-	-	-	247,662	247,662
Rolling stock, net	-	-	-	-	616,723	616,723
<b>Total assets</b>	<b>\$ 4,880,099</b>	<b>\$ 12,769</b>	<b>\$ 1,219,294</b>	<b>\$ 6,112,162</b>	<b>\$ 2,403,012</b>	<b>\$ 8,515,174</b>
<b>LIABILITIES</b>						
Accounts payable and other accruals	\$ 25,115	\$ -	\$ 6	\$ 25,121	\$ -	\$ 25,121
Wages payable	6,051	-	-	6,051	-	6,051
<b>Total liabilities</b>	<b>31,166</b>	<b>-</b>	<b>6</b>	<b>31,172</b>	<b>-</b>	<b>31,172</b>
<b>FUND BALANCES</b>						
Nonspendable	\$ 1,004,837	\$ -	\$ -	\$ 1,004,837	\$ -	\$ -
Restricted	-	-	-	-	-	-
Committed	-	-	1,210,765	1,210,765	-	-
Assigned	2,369,530	-	-	2,369,530	2,403,012	-
Unassigned	1,474,566	12,769	8,523	1,495,858	-	-
<b>Total fund balances</b>	<b>4,848,933</b>	<b>12,769</b>	<b>1,219,288</b>	<b>6,080,990</b>	<b>2,403,012</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,880,099</b>	<b>\$ 12,769</b>	<b>\$ 1,219,294</b>	<b>\$ 6,112,162</b>		
<b>Net position:</b>						
Invested in capital assets					2,403,012	2,403,012
Restricted					-	-
Unrestricted					6,080,990	6,080,990
<b>Total net position</b>					<b>\$ 8,484,002</b>	<b>\$ 8,484,002</b>

*The accompanying notes are an integral part of the financial statements.*

**KENSINGTON FIRE PROTECTION DISTRICT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT  
OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund	Special Revenue Fund	Capital Project Fund	Total	Adjustment (Note 5)	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>						
<b>Current expenditures/expenses:</b>						
Public safety:						
City of El Cerrito service contract	\$ 2,369,530	\$ -	\$ -	\$ 2,369,530	\$ -	\$ 2,369,530
Retiree health insurance	24,859	-	-	24,859	-	24,859
Firefighters' apparel/expenses	10,267	-	-	10,267	-	10,267
Insurance	11,998	-	-	11,998	-	11,998
Office wages and related expenses	106,462	-	-	106,462	-	106,462
County property tax administration/fees	29,555	2,187	20	31,762	-	31,762
Wildland vegetation management	5,630	-	-	5,630	-	5,630
Water system improvement	91,366	-	-	91,366	-	91,366
Fire abatement contract	500	-	-	500	-	500
LAFCO	1,801	-	-	1,801	-	1,801
Professional development	4,538	-	-	4,538	-	4,538
Outside professional service fees	25,511	-	-	25,511	-	25,511
Public education	8,025	-	-	8,025	-	8,025
Office equipment and supplies	4,798	-	-	4,798	-	4,798
Building utilities/services	85,116	-	-	85,116	-	85,116
Memberships	7,309	-	-	7,309	-	7,309
Community service activities	21,248	-	-	21,248	-	21,248
Staff Appreciation	1,264	-	-	1,264	-	1,264
Gain from disposition	-	-	-	-	632	632
Depreciation	-	-	-	-	148,398	148,398
<b>Total current expenditures/expenses</b>	<b>2,809,777</b>	<b>2,187</b>	<b>20</b>	<b>2,811,984</b>	<b>149,030</b>	<b>2,961,014</b>
<b>Capital outlay:</b>						
Equipment and furniture	364,863	-	-	364,863	(364,863)	-
Buildings and improvements	359,517	-	-	359,517	(359,517)	-
<b>Total capital outlay</b>	<b>724,380</b>	<b>-</b>	<b>-</b>	<b>724,380</b>	<b>(724,380)</b>	<b>-</b>
<b>Total expenditures/expenses</b>	<b>3,534,157</b>	<b>2,187</b>	<b>20</b>	<b>3,536,364</b>	<b>(575,350)</b>	<b>2,961,014</b>
<b>GENERAL REVENUES</b>						
Property taxes	3,466,307	-	-	3,466,307	-	3,466,307
Special taxes	-	200,345	-	200,345	-	200,345
Other taxes	26,734	-	-	26,734	-	26,734
Other revenue	42,024	-	-	42,024	-	42,024
Rental income	1	-	-	1	-	1
Salary reimbursement income	50,344	-	-	50,344	-	50,344
Investment income	14,127	-	5,301	19,428	-	19,428
<b>Total revenues</b>	<b>3,599,537</b>	<b>200,345</b>	<b>5,301</b>	<b>3,805,183</b>	<b>-</b>	<b>3,805,183</b>
Excess (deficiency) of revenues over:						
(under) expenditures before extraordinary item:	65,380	198,158	5,281	268,819	575,350	844,169
Extraordinary item-Construction performance surety bond gain	-	-	-	-	-	-
Excess (deficiency) of revenues over						
(under) expenditures after extraordinary item:	65,380	198,158	5,281	268,819	575,350	844,169
<b>Other financing sources (uses):</b>						
Transfers in	425,890	-	70,000	495,890	-	495,890
Transfers out	(70,000)	(195,000)	(230,890)	(495,890)	-	(495,890)
<b>Total other financing sources (uses)</b>	<b>355,890</b>	<b>(195,000)</b>	<b>(160,890)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>421,270</b>	<b>3,158</b>	<b>(155,609)</b>	<b>268,819</b>	<b>575,350</b>	<b>844,169</b>
<b>Fund balances/net position, beginning of year</b>	<b>4,427,663</b>	<b>9,611</b>	<b>1,374,897</b>	<b>5,812,171</b>	<b>1,827,662</b>	<b>7,639,833</b>
<b>Fund balances/net position, end of year</b>	<b>\$ 4,848,933</b>	<b>\$ 12,769</b>	<b>\$ 1,219,288</b>	<b>\$ 6,080,990</b>	<b>\$ 2,403,012</b>	<b>\$ 8,484,002</b>

*The accompanying notes are an integral part of the financial statements.*

**KENSINGTON FIRE PROTECTION DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund			Special Revenue Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>						
Property taxes	\$ 3,328,995	\$ 3,466,307	\$ 137,312	\$ -	\$ -	\$ -
Special taxes	-	-	-	200,345	200,345	-
Other taxes	27,000	26,734	(266)	-	-	-
Other revenue	-	42,024	42,024	-	-	-
Rental income	1	1	-	-	-	-
Other income	-	-	-	-	-	-
Salary reimbursement income	51,586	50,344	(1,242)	-	-	-
Interest income	9,000	14,127	5,127	-	-	-
<b>Total revenues</b>	<u>3,416,582</u>	<u>3,599,537</u>	<u>182,955</u>	<u>200,345</u>	<u>200,345</u>	<u>-</u>
<b>Current expenditures:</b>						
Public safety:						
City of El Cerrito service contract	2,369,530	2,369,530	-	-	-	-
Retiree health insurance	24,860	24,859	1	-	-	-
Firefighters' apparel and expenses	11,500	10,267	1,233	-	-	-
Insurance	11,490	11,998	(508)	-	-	-
Office wages and related expenses	104,473	106,462	(1,989)	-	-	-
County property tax administration fees	30,595	29,555	1,040	2,200	2,187	13
Wildland vegetation management	10,000	5,630	4,370	-	-	-
Water system improvement	185,000	91,366	93,634	-	-	-
Fire Abatement Contract	8,000	500	7,500	-	-	-
LAFCO	1,800	1,801	(1)	-	-	-
Professional development	5,000	4,538	462	-	-	-
Outside professional service fees	51,000	25,511	25,489	-	-	-
Public education	13,000	8,025	4,975	-	-	-
Office equipment and supplies	6,000	4,798	1,202	-	-	-
Building utilities/services	40,700	85,116	(44,416)	-	-	-
Memberships	7,230	7,309	(79)	-	-	-
Community service activities	56,950	21,248	35,702	-	-	-
Staff appreciation	2,500	1,264	1,236	-	-	-
Contingency	25,000	-	25,000	-	-	-
Miscellaneous	-	-	-	-	-	-
Gain from disposition	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
<b>Total current expenditures</b>	<u>2,964,628</u>	<u>2,809,777</u>	<u>154,851</u>	<u>2,200</u>	<u>2,187</u>	<u>13</u>
<b>Capital outlay:</b>						
Equipment and Furniture	455,000	364,863	90,137	-	-	-
Buildings and Improvements	370,000	359,517	10,483	-	-	-
<b>Total capital outlay</b>	<u>825,000</u>	<u>724,380</u>	<u>100,620</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before extraordinary item:	<u>(373,046)</u>	<u>65,380</u>	<u>438,426</u>	<u>198,145</u>	<u>198,158</u>	<u>(13)</u>
Extraordinary item-Construction performance surety bond gain	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures after extraordinary item:	<u>(373,046)</u>	<u>65,380</u>	<u>438,426</u>	<u>198,145</u>	<u>198,158</u>	<u>(13)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	425,890	(425,890)	-	-	-
Transfers out	-	(70,000)	70,000	-	(195,000)	195,000
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>355,890</u>	<u>(355,890)</u>	<u>-</u>	<u>(195,000)</u>	<u>195,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(373,046)</u>	<u>421,270</u>	<u>82,536</u>	<u>198,145</u>	<u>3,158</u>	<u>194,987</u>
<b>Fund balances/net position, beginning of year, as restated</b>		<u>4,427,663</u>			<u>9,611</u>	
<b>Fund balances/net position, end of year</b>		<u>\$ 4,848,933</u>			<u>\$ 12,769</u>	

*The accompanying notes are an integral part of the financial statements.*

**KENSINGTON FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2016**

**NOTE 1 – REPORTING ENTITY**

The Kensington Fire Protection District (District) is a special district empowered to take all the necessary steps to provide for fire protection and prevention services including enforcement of California State (State) laws applicable to fire codes. The financial statements of the District include all funds of the District. An elected Board of Directors governs the District, and exercises powers granted by State statutes.

In August 1995, the District entered into a contract with the City of El Cerrito (City) under which the City provides fire suppression and emergency medical services for the District. The contract provides that the District will pay the City an annual fee as defined in the contract (paid on a monthly basis) that expires June 30, 2016. The annual fee that the District paid under this contract for the fiscal years ended June 30, 2016 and 2015 were \$2,369,530 and \$2,415,339, respectively.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Implementation of Governmental Accounting Standards (GASB) Statement*

In February 2009, GASB released a new Statement, *GASB Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The initial distinction in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as fund balance associated with inventories. This Statement provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent. The requirements of the Statement are effective for financial statements for periods beginning after June 15, 2010. The details for the fund balance classifications prescribed under this Statement are separately discussed in Note 9.

**KENSINGTON FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Measurement focus, basis of accounting and financial statement presentation*

The District prepares its government-wide statements using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The District's fund financial statements are prepared using the current financial resources focus and the modified accrual basis of accounting. Revenues are recorded when "susceptible to accrual" (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means that revenues are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 90 days of the end of the current fiscal year. Revenues meeting these availability criteria include special and other taxes. The availability period for property taxes is 60 days. Revenues not considered available are recorded as deferred revenues. Expenditures are generally recorded when the fund liability is incurred, except for compensated absences, such as vacation and sick leave, which are recognized when due. Liabilities expected to be paid after one year is recorded in the government-wide column as a noncurrent liability due more than one year.

*Fund Accounting*

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. The District uses the following funds.

**Governmental Fund Types**

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

The *Special Revenue Fund* accounts for the special tax authorized by Section 53978 of the Government Code and approved by the District's electorate on April 8, 1980.

The *Capital Project Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities and rolling stock.

**KENSINGTON FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Budgets and Budgetary Accounting*

The District follows the procedures below in establishing the budgetary data reflected in the basic financial statements:

1. At the June Board of Directors (Board) meeting, the Finance Committee submits to the Board proposed operating and capital improvement draft budgets for the fiscal year commencing the following July 1. The operating and capital improvement budgets include proposed expenditures and the means of financing them.
2. The Draft budget is legally enacted through the adoption of a resolution by the Board.
3. A final operating and capital improvement budget is submitted to the Board at the September Board meeting. The budget is legally enacted through the adoption of a resolution by the Board.
4. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund. The Capital Project Fund is budgeted over the life of the project.
5. Budgets for the General Fund, Special Revenue Fund and the Capital Project Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. The Special Revenue Fund is only used to accumulate special tax revenues, which are then transferred to the other funds as needed.

*Encumbrances*

Encumbrance accounting, under which purchases orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Capital Project Fund. There are no appropriations or encumbrances in the Special Revenue Fund. All appropriations lapse at fiscal year-end.

**KENSINGTON FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Cash and Investments*

Cash and investments include amounts in demand deposits as well as short-term and long-term investments with the county investment pool. Substantially all of the District's cash and investments are held by the County of Contra Costa (County) as its fiscal agent. The District's investments are reported at fair value. The fair value represents the amount the District could reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller. The fair value of investments is obtained by using quotations obtained from independent published sources. The District also maintains a general checking account to facilitate the processing of small transactions.

As permitted by the California Government Code, contracts and agreements, the District is permitted to invest in the County's cash and investment pool, obligations of the U.S. Treasury or its agencies; certificates of deposits; mutual funds invested in U.S. Government securities; and other permitted investments.

*Capital assets*

Capital assets, which include land, buildings, rolling stock (vehicles), and equipment and furniture, are valued at historical cost. Donated capital assets are valued at their estimated fair market value on the date donated. Capital assets are defined as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated using the straight-line method over the estimated useful lives in the government-wide statements.

Depreciation has been computed using the straight-line method over the following estimated useful lives:

Building and improvements	15 to 40 years
Rolling stock, equipment and furniture	5 to 15 years

*Property Taxes and Special Assessments Revenue*

Revenue is recognized in the fiscal year for which the tax and assessment are levied. The County levies, bills and collects property taxes and special assessments for the District; under the County's "Teeter Plan," the County remits the entire amount levied and handles all delinquencies while retaining related interest and penalties.

Taxes are levied for each fiscal year on taxable real and personal property situated in the County. The levy is based on the assessed values as of the preceding January 1st, which is also the lien date. Property taxes on the secured roll are due in two installments: November 1st and February 1st and become delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales or construction completion and the preceding assessment date. The additional supplemental property taxes are prorated from the first day of the month following the date of such occurrence. Property taxes on the unsecured roll are due on the lien date (January 1), and become delinquent if unpaid by August 31st.



**KENSINGTON FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Interfund Transactions*

All interfund transactions are treated as transfers. The general fund is the main operating fund for the District. Annually, tax revenues recorded in the special revenue fund are transferred to the general fund to fund the District's operations. Transfers between governmental funds are eliminated as part of the adjustments to the government-wide presentation.

*Use of Estimates*

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Net position*

The net position amount is the difference between assets and liabilities. Net position invested in capital assets, net of related debt are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by the District or external restrictions by other governments, creditors or grantors.

**NOTE 3 – POSTEMPLOYMENT HEALTHCARE BENEFITS**

*Plan Description*

The District provides postretirement health benefits (medical, dental and vision) to a closed group of former employees who have retired from the District and to their surviving spouses and dependent children. The District pays 100% of the annuitants' health plan premiums. Currently, a total of 10 family units (16 individuals) are receiving postretirement health benefits.

In October 2008, KFPD participated in the California Employers' Retiree Benefits Trust (CERBT). CERBT is an irrevocable trust fund that allows public employers to prefund the future cost of their retiree health insurance benefits and other postemployment benefits (OPEB) for their covered retirees. The District elected to participate in CERBT and contributed a total of \$1,165,000 to CalPERS, the CERBT's administrator. The prefunding was intended to reduce and stabilize the District's annual required contribution to its OPEB plan in future years at an expected level for budgeting purposes. CalPERS issued a publicly available financial report that includes financial statements and required supplementary information for CERBT in aggregate. The report may be obtained by writing to CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

**KENSINGTON FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2016**

**NOTE 3 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

***Funding Policy***

The contribution requirements of plan members and the District are established and may be amended by the Board. As of June 30, 2016, the District contributed \$24,859, or 100%, of the OPEB cost, to the CERBT.

The District is required to contribute the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed twenty years.

***Annual OPEB Cost***

As of June 30, 2016, the District’s annual ARC was (\$27,142). The following table represents annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation.

<b>Fiscal year ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
June 30, 2016	\$ 24,859	100%	\$ -

The actuarial valuation was performed as of July 1, 2013 covering the fiscal year ended June 30, 2016. A new valuation was performed as of July 1, 2015 and will be used for the fiscal year 2016/2017 budget.

***Funded Status and Funding Progress***

Using the actuarial valuation date of July 1, 2013, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 1,303,354
Actuarial value of plan assets	(1,529,428)
Unfunded actuarial accrued liability (UAAL)	\$ (226,074)
Funded ratio (actuarial value of plan assets/AAL)	117%
Covered payroll (active plan members)	\$ -
UAAL as a percentage of covered payroll	0%

Based upon 7.06%.

KFPD will update actuarial valuation in fiscal year 2017

**KENSINGTON FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2016**

**NOTE 3 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

*Actuarial Methods and Assumptions*

Actuarial valuations of an ongoing plan involved estimates of the value of reported amounts and assumptions about the probability of occurrence of certain events far into the future. Examples include assumptions about mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents current year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Currently, a total of 10 family units (16 individuals) are receiving postretirement health 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 as 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 effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, a level dollar amortization method was used. Under this method, the amortization period is 20 years. The actuarial assumption was a 7.06 percent investment rate of return and an annual healthcare cost medical trend rate of 6.7 percent in 2015 reduced by decrements of 0.30 percent to an ultimate rate of 5.0 percent after 5 years (2021 and thereafter). KFPD's unfunded actuarial accrued liability is being amortized as a level dollar amortization on a closed basis.

As of June 30, 2016, KFPD paid \$109,408 directly to medical service provider vendors, adding to the CERBT balance by \$84,549, netting to the OPEB costs of \$24,859. KFPD requested and received a reimbursement of \$105,860 from CERBT, bringing net OPEB assets balance (before Actuarial Valuation) on KFPD's balance sheet to \$1,004,837.

**KENSINGTON FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2016**

**NOTE 4 - EXPLANATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUND  
BALANCE SHEET AND THE STATEMENT OF NET POSITION**

Total fund balance of the District's governmental funds differs from the net position of governmental activities reported in the statement of net position primarily as a result of the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet. When capital assets (land, building, rolling stock and equipment) that are used in governmental activities are purchased or constructed, the costs of those assets are reported as capital outlay expenditures in the governmental fund. However, the statement of net position includes the capital assets, net of accumulated depreciation, among the assets of the District. In addition, compensated absences are accrued on the governmental activities statement of net position but not on the balance sheet since they also have a long-term economic focus.

	<b>June 30, 2016</b>	<b>June 30, 2015</b>
<b>Differences</b>		
Cost of capital assets	\$ 4,117,380	\$ 3,401,002
Accumulated depreciation	(1,714,368)	(1,573,340)
Net capital assets	2,403,012	1,827,662
<b>Net difference</b>	<b>\$ 2,403,012</b>	<b>\$ 1,827,662</b>

**NOTE 5 - EXPLANATION OF DIFFERENCES BETWEEN THE GOVERNMENTAL FUND  
OPERATING STATEMENT AND THE STATEMENT OF ACTIVITIES**

The net change in fund balance for the governmental funds differs from the "change in net position" as a result of the long-term economic focus of the statement of activities versus the current financial resources focus of the general fund. When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as capital outlay expenditures in the general fund. Also, when capital assets are sold, the resources received are reported as proceeds from sale of capital assets in the respective fund. However, in the statement of activities, the cost of those assets purchased or constructed is allocated over their estimated useful lives and reported as depreciation expense. The resources received from the sale of capital assets offset against the net carrying value of the assets sold and reported as a gain or loss in the statement of activities. As a result, the fund balance decreased by the amount of financial resources expended and increased by the amount of financial resources received, whereas net position decreased by the amount of depreciation expense on rolling stock and equipment items during the year and increased (decreased) by the amount of net gain (loss) on disposal of capital assets. In addition, the fund balance is reduced to account for the recording of compensated absences, which has a long-term focus.

	<b>June 30, 2016</b>	<b>June 30, 2015</b>
<b>Differences</b>		
Capital outlay	\$ 724,380	\$ 334,403
Net gain (loss) and Depreciation expense	(149,030)	(135,532)
<b>Net difference</b>	<b>\$ 575,350</b>	<b>\$ 198,871</b>

**KENSINGTON FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2016**

**NOTE 6 - CASH AND INVESTMENTS**

The District's cash and investments included the following:

	<b>June 30, 2016</b>	<b>June 30, 2015</b>
Deposits	\$ 13,781	\$ 8,660
Cash held by the county	342,763	510,540
Separately held investments	4,481,816	4,472,665
Petty cash	200	200
<b>Total</b>	<b>\$ 4,838,560</b>	<b>\$ 4,992,065</b>

***Deposits***

At year-end, the carrying amount of the District's demand deposits was \$13,781 with a commercial bank which is covered by federal depository insurance.

***Cash held by the County***

The District's cash is included in the Contra Costa County (County) Treasurer cash and investments pool. Investments made by the Treasurers are regulated by California Government Code and by a County investment policy approved annually by the County Treasury Oversight Committee. Adherence to the statutes and policies is monitored by the County Board of Supervisors and by the Treasury Oversight Committee via monthly reports and an annual audit. Investment income earned on the District's cash is allocated quarterly to the District. Changes in fair value are included in investment income. Redeemed or sold shares are priced at book value, which includes realized investment earnings such as interest income, realized gains or losses upon sale of investments, and amortized premiums and discounts. This number may differ from the shares' fair value, which would include unrealized gains or losses based on market conditions. Additional information regarding insurance, collateralization, and custodial risk categorization of the County's cash and investments is presented in the notes of the County's basic financial statements.

***Separately Held Investments***

The County also has investments in the State Treasurer's Local Agency Investment Fund (LAIF) separately held for the District. As of June 30, 2016, the District's investment in LAIF is \$1,981,816 which is approximately of 0.96% of total Contra Costa County LAIF. The total amount invested by all public agencies under the County Pool in LAIF at June 30, 2016 is \$206,784,103. Of that amount, approximately 11.92% is invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different from the fair value of the District's position in the pool.

**KENSINGTON FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2016**

**NOTE 7 - CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2016 follows:

<b>Governmental Activities</b>	<b>Balance</b>	<b>Current</b>		<b>Balance</b>
	<b>June 30, 2015</b>	<b>Year</b>	<b>Retirements</b>	<b>June 30, 2016</b>
		<b>Additions</b>		
<i>Capital assets not being depreciated</i>				
Land	\$ 5,800	\$ -	\$ -	\$ 5,800
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>5,800</u>	<u>-</u>	<u>-</u>	<u>5,800</u>
<i>Capital assets being depreciated</i>				
Building & improvements	2,032,062	359,518	-	2,391,580
Equipment & furniture	491,046	364,862	(8,002)	847,906
Rolling stock equipment	872,094	-	-	872,094
Total capital assets being depreciated	<u>3,395,202</u>	<u>724,380</u>	<u>(8,002)</u>	<u>4,111,580</u>
<i>Less accumulated depreciation for:</i>				
Building & improvements	(794,494)	(64,260)	-	(858,754)
Equipment & furniture	(222,942)	(84,138)	7,370	(299,710)
Rolling stock equipment	(555,904)	-	-	(555,904)
Total accumulated depreciation	<u>(1,573,340)</u>	<u>(148,398)</u>	<u>7,370</u>	<u>(1,714,368)</u>
Total capital assets being depreciated, net	<u>1,821,862</u>	<u>575,982</u>	<u>632</u>	<u>2,397,212</u>
Capital assets, net	<u>\$ 1,827,662</u>	<u>\$ 575,982</u>	<u>\$ 632</u>	<u>\$ 2,403,012</u>

**NOTE 8 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts damages, and destructions of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for risks of loss. There have been no significant reductions in insurance coverage from the previous year, nor have settled claims exceeded the District's insurance coverage in any of the past three fiscal years.

*The Kensington Fire Protection District is a member of Contra Costa County Fire Districts Joint Power of Authority Insurance Pool (CSAC). Deductibles and maximum coverage are as follows:*

**KENSINGTON FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2016**

**NOTE 8 - RISK MANAGEMENT (Continued)**

<u>Coverage Description</u>	<u>Deductibles</u>	<u>Insurance Coverage</u>
General & Automobile Liability	None	\$50,000,000
All Risk Property	\$500 (all other property) \$100,000 (flood) \$500 (mobile equip) \$500,000 (terrorism)	\$600,000,000 (all other property) \$600,000,000 (flood)
Earthquake	5% per unit \$100,000 minimum	\$200,000,000 \$280,000,000
Employee Dishonesty	\$50,000	\$10,000,000
Pollution Liability	\$500,000	\$10,000,000
Boiler & Machinery	\$5,000	\$100,000,000

**NOTE 9 – FUND BALANCES**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2016, fund balance for government funds are made up of the followings:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable forms, or (b) legally or contractually required to be maintained intact. The ‘not in spendable form’ criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by a formal action of the District’s highest level of decision-making authority, the District’s Board. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).
- *Assigned Fund Balance* – comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. *Intent* is expressed by (1) the District’s Board or (b) a body (for example: a budget or finance committee) or official to which the District’s Board has delegated the authority to assign amounts to be used for specific purposes.
- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

**KENSINGTON FIRE PROTECTION DISTRICT**  
**Notes to the Basic Financial Statements**  
**June 30, 2016**

**NOTE 9 – FUND BALANCES (Continued)**

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Fund balances for all the major and non-major governmental funds as of June 30, 2016, were distributed as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
<b>Nonspendable:</b>				
Inventory	\$ -	\$ -	\$ -	\$ -
Advances (OPEB)	1,004,837	-	-	1,004,837
Subtotal	<u>1,004,837</u>	<u>-</u>	<u>-</u>	<u>1,004,837</u>
<b>Restricted for:</b>				
General government	-	-	-	-
Public protection	-	-	-	-
Public ways & facilities	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Committed to:</b>				
Public protection	-	-	466,119	466,119
Capital projects	-	-	744,646	744,646
Subtotal	<u>-</u>	<u>-</u>	<u>1,210,765</u>	<u>1,210,765</u>
<b>Assigned to:</b>				
General government	-	-	-	-
Public protection	2,369,530	-	-	2,369,530
Capital projects	-	-	-	-
Subtotal	<u>2,369,530</u>	<u>-</u>	<u>-</u>	<u>2,369,530</u>
<b>Unassigned</b>	<u>1,474,566</u>	<u>12,769</u>	<u>8,523</u>	<u>1,495,858</u>
<b>Total</b>	<u>\$ 4,848,933</u>	<u>\$ 12,769</u>	<u>\$ 1,219,288</u>	<u>\$ 6,080,990</u>

The Board's financial planning aims to help reduce the negative impact on the District in times of economic uncertainty and potential losses of funding from federal or state governmental agencies. District funds are *restricted*, *committed* and *assigned* as part of a multi-year financial plan to balance the budget and avoid operating deficits.



**Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

Board of Directors  
Kensington Fire Protection District  
Kensington, California

I have audited the financial statements of the Kensington Fire Protection District (the "District"), as of and for the fiscal year ended June 30, 2016, and have issued my report thereon dated December 8, 2016. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control over Financial Reporting***

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

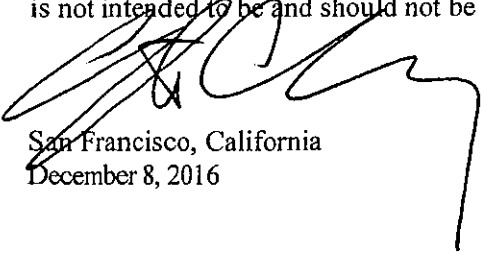
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

***Compliance and Other Matters***

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

This report is intended solely for the information and use of management and others within the District. This is not intended to be and should not be used by anyone other than these specified parties.



San Francisco, California  
December 8, 2016

**KENSINGTON FIRE PROTECTION DISTRICT  
STATUS OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2016**

<u>Finding</u>	<u>Present Status</u>	<u>Explanation if not fully implemented</u>
None		

**KENSINGTON FIRE PROTECTION  
DISTRICT**

Report to the Board of Directors  
Results of the Fiscal Year 2016 Audit

December 8, 2016

Board of Directors  
Kensington Fire Protection District  
Kensington, California

I have audited the financial statements of the Kensington Fire Protection District (KFPD) for the year ended June 30, 2016, and have issued my report thereon. In planning and performing my audit, I considered KFPD's internal control in order to determine my auditing procedures for the purpose of expressing an opinion on the consolidated financial statements and not to provide assurance on internal control. This letter summarized comments under professional standards regarding my engagement and suggestions regarding opportunities for strengthening internal controls and operating efficiency. This letter does not affect my report on the financial statements.

**I. The Auditor's Responsibility for Detecting Fraud**

As stated in my engagement letter dated April 4, 2016 my responsibility, as described by professional standards, is to plan and perform my audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatements and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because I did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by me.

**II. Significant Accounting Policies**

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

## **KENSINGTON FIRE PROTECTION DISTRICT**

Report to the Board of Directors  
Results of the Fiscal Year 2016 Audit

### **III. Accounting Estimates**

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

- Depreciation estimates for capital assets, including depreciation methods and useful lives assigned to depreciable property
- Accrual of compensated and OPEB liability

During my audit, I evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

### **IV. Audit Adjustments**

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

- No audit adjustments for 2016.

### **V. Disagreements with Management**

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

# KENSINGTON FIRE PROTECTION DISTRICT

## Report to the Board of Directors Results of the Fiscal Year 2016 Audit

### **VI. Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants during Fiscal Year 2016.

### **VII. Issues Discussed Prior to Retention of Independent Auditors**

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

### **VIII. Difficulties Encountered in Performing the Audit**

I encountered no difficulties in dealing with your employee performing my audit.

### **IX. Current Year Recommendations**

None

### **X. Prior Year Recommendations**

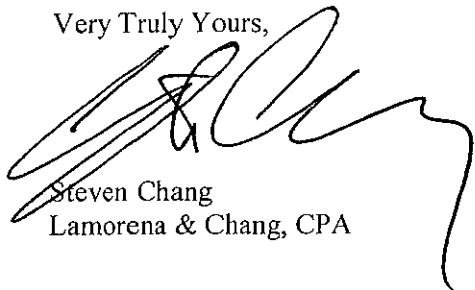
None

**KENSINGTON FIRE PROTECTION DISTRICT**

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This information is intended solely for the information and use of the Board of Directors, management, and governmental agencies as required, and should not be used by any other party for any purpose.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'S. Chang', with a long, sweeping underline that extends to the right.

Steven Chang  
Lamorena & Chang, CPA

# **BOARD REPORTS**



Date: 12/13/2016 [04:10:59 PM CST]  
From: fire@kensingtonfire.org  
To: fire@kensingtonfire.org  
Cc: Ann Sussman <randomann1@yahoo.com>  
Subject: Re: Shaudi Sundar display and use of public funds

Good afternoon Ms. Sussman,

I am in receipt of your letter to Ms. Cordova regarding the Sundar Shadi display. I will include your letter in our next Board packet for the Kensington Fire Protection District Board of Director's consideration and response.

Thank you,

Brenda J. Navellier  
Kensington Fire Protection District

Quoting Vanessa Cordova <vcordova@kensingtoncalifornia.org>:

Ms. Sussman,

Thanks for your letter. Unfortunately, the fire department is not under the jurisdiction of the Kensington Police Protection and Community Services District, but the Kensington Fire Protection District. So, I'm unable to assist you.

However, by way of this email, I'm copying the fire district's general manager, Brenda Navallier, so she can forward it to the fire board on your behalf.

Happy holidays,

Vanessa Cordova

Sent from my iPhone

On Dec 13, 2016, at 12:47 AM, Ann Sussman <randomann1@yahoo.com<mailto:randomann1@yahoo.com>> wrote:

Hello,

I have been a resident of Kensington for 13 years. I live on Norwood Avenue. My children go to Kensington Hilltop and Korematsu. I am writing because I am disturbed by the use of public funds for a religious display.

As I am sure you are aware, there is a massive display on Moeser Lane of Bethlehem that includes Jesus, Mary and the manger. In addition to the scene, there is a large quotation from the New Testament. This display has always rubbed me the wrong way. It seems like a violation of the separation of church and state.

Yesterday, as I was running up Moeser, I stopped to talk to some of the folks putting up the display to get some information about it. I was shocked to see that a Kensington fire truck and that the fire personnel were there in uniform helping to put up the display. Obviously, what people want to do in their free time is their business, but because the firemen and women showed up in uniform with a fire truck, this doesn't lead me to believe that they were off duty.

When I asked to talk to the person in charge of the display, she told me not to worry because the display was on land owned by PGE (who I pay for my electricity and gas!) and that the display was simply a "cityscape of Bethlehem," and that it was for everyone. Actually, it isn't for me. I am Jewish. I don't celebrate Christmas. I don't read the New Testament. It isn't for my Hindu, Muslim or atheist friends either.

I would appreciate an explanation of why the Kensington fire department supported this event. I will send a separate letter to PGE so you do not need to address this issue.

In a time when America is so divided and when there is so much antisemitism and anti-Muslim rhetoric, I hesitated to send this letter, but to me, this isn't a religious issue, it is a constitutional issue. I wouldn't be happy if the display were "Jewish themed."

I hope that you all have a Merry Christmas, Happy Hanukkah, Happy Solstice, Happy Kwanzaa or just a happy winter, but please, lets leave religion out of politics.

Thank you,  
Ann Sussman

| 15 Norwood Avenue  
Kensington, CA 94707

**Brenda Navellier**

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**Subject:** FW: Xmas pic  
**Attachments:** FullSizeRender.jpg

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**From:** Kathryn Halligan  
**Sent:** Saturday, December 17, 2016 9:24 AM  
**To:** Brenda Navellier  
**Subject:** FW: Xmas pic

The A shift Team says Thank You very much and send a thank you picture to the Kensington Board for us.



**Brenda Navellier**

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**Subject:** FW: Catered Holiday Dinner courtesy of KFPD

**From:** Damien Carrion  
**Sent:** Saturday, December 10, 2016 10:34 AM  
**To:** Brenda Navellier  
**Subject:** RE: Catered Holiday Dinner courtesy of KFPD

Dear Kensington Fire Board Members,

Thank you for your continued support of our Department. We really do appreciate all you do for us. It is my honor and pleasure to serve this district and the community we represent. Thank you once again , it is always makes the Holiday Season a little brighter.

Your Firefighter,  
Damien Carrion

**Brenda Navellier**

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**Subject:** FW: Catered Holiday Dinner courtesy of KFPD

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**From:** David Ciappara  
**Sent:** Thursday, December 08, 2016 4:10 PM  
**To:** Brenda Navellier  
**Subject:** Re: Catered Holiday Dinner courtesy of KFPD

My crew (65B) and I appreciate the gesture very much and would like to extend our wishes for an enjoyable holiday season to the Board of Directors and their families. Thank you for your continual support and appreciation of our work through the years.

David Ciappara  
Captain/ Paramedic  
El Cerrito/Kensington Fire Dept.  
10900 San Pablo Avenue  
El Cerrito, CA 94530  
Office: (510) 215-4450  
Fax: (510) 232-4917

On Dec 8, 2016, at 3:28 PM, Brenda Navellier <[bnavellier@ci.el-cerrito.ca.us](mailto:bnavellier@ci.el-cerrito.ca.us)> wrote:

Good afternoon all,

Once again the Kensington Fire Protection District will be providing holiday dinners to staff in celebration of the holiday season and your hard work throughout the year. Dinners will be held at Station 72 at 6:00 p.m. (delivery at approximately 5:45) on the following dates:

Tuesday, 12/20/16: B Shift  
Wednesday, 12/21/16: C Shift  
Friday, 12/23/16: A Shift

## Brenda Navellier

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**From:** Larry Carr  
**Sent:** Thursday, December 08, 2016 5:43 PM  
**To:** Brenda Navellier  
**Subject:** KFPD dinners

Hi Brenda

After over twenty years of service in Kensington it still amazes me on how well our relationship with the District has worked. We were all kind of nervous when we hired all those new firefighters to fill a third station—we were optimistic for a good outcome, but just a little worried that *something* would rock the boat.

Not only did our Kensington relationship develop and mature, we were able to hire some solid members that have really welded the three stations into one department. Now I can't imagine this place without the KFPD. The dinners that they graciously provide this time of year just prove to me that they still feel that our joining together was the right move for both communities. That's how I feel too. Could you mention this to the board the next time you meet?

Thanks Brenda

Larry

**Brenda Navellier**

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**Subject:** FW: Catered Holiday Dinner courtesy of KFPD

**Expires:** Monday, June 19, 2017 12:00 AM

**From:** Joseph Grupalo

**Sent:** Wednesday, December 21, 2016 10:27 PM

**To:** Brenda Navellier; Aaron Schwartzman; Adam Birdsell; Brenda Navellier; Brett Thatcher; Brian Cheshareck; Candice Emert; Damien Carrion; David Yun; Jeffrey Thomas; Joseph Grupalo; Michael Pigoni

**Subject:** RE: Catered Holiday Dinner courtesy of KFPD

Brenda:

Please pass along a sincere thank you for the holiday dinner from KFPD.

Merry Xmas!



**Joe Grupalo, Captain**  
**El Cerrito/Kensington Fire Dept.**  
10900 San Pablo Avenue  
El Cerrito, California 94530  
Office (510) 215-4450  
Fax (510) 232-4917

[jgrupalo@ci.el-cerrito.ca.us](mailto:jgrupalo@ci.el-cerrito.ca.us)  
[www.el-cerrito.org](http://www.el-cerrito.org)





**Brenda Navellier**

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**From:** Mark A. Figueira  
**Sent:** Wednesday, December 21, 2016 7:33 AM  
**To:** Brenda Navellier  
**Subject:** KFPD Dinner

Brenda,

Please pass on to the KFPD Board of Directors a "Thank You" from 72 "B" Shift crew for the Macaroni Grill Dinner.

Mark

*Warmest thoughts and best wishes for  
a wonderful holiday and a very  
Happy New Year.*



SUNSET VIEW MORTUARY & CEMETERY

*Warmest wishes  
for a happy holiday season*

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TO THE KENSINGTON  
PD / FD -

*Season's Greetings  
and Best Wishes*

*for the New Year  
Thanks for your great work  
all year!*

THE BERNIKER FAMILY  
BARBARA, KEN, ISAAC, AND ABBY  
CLEO AND THE FISH

1045 LENEVE PLACE  
EC