

RECEIVED

JUN 12 2020

BY: [Signature]

Albion Little River Fire District

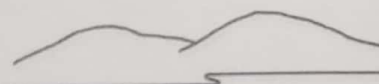
FINANCIAL STATEMENTS

AUDIT REPORT

June 30, 2017

and

June 30, 2018



June 27, 2019

Albion Little River Fire District

, CA

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Albion Little River Fire District as of and for the year-ended June 30, 2017 and June 30, 2018, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

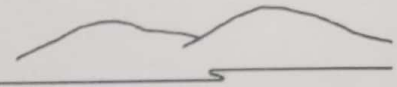
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and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

Auditor's Responsibility

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

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Albion Little River Fire District as of June 30, 2017 and June 30, 2018, and the respective changes in financial position, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and Budget VS. Actual comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with managements responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide an assurance.

Zach Pehling, CPA

Albion Little River Fire District

Audit Report
June 30, 2017
and
June 30, 2018

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1
Financial Statements	
Government Funds Financial Statements	
Fund Balance Sheet.....	4
Statement of Revenues and Expenditures.....	6
Government-Wide Financial Statements	
Statement of Net Position.....	9
Statement of Activities.....	10
Notes to Financial Statements.....	11

GOVERNMENT FUNDS FINANCIAL STATEMENTS

Albion Little River Fire District

Balance Sheet
June 30, 2017
and
June 30, 2018

	2017 General Fund	2018 General Fund
<u>ASSETS</u>		
<u>Assets:</u>		
Cash	\$ 645,341	\$ 868,732
Accounts Receivable	-	-
Deposits & Prepaid Expenses	-	-
TOTAL ASSETS	<u>645,341</u>	<u>868,732</u>
<u>LIABILITIES & FUND BALANCES</u>		
<u>Liabilities:</u>		
Accounts Payable	3,922	-
Accrued Payroll	-	-
TOTAL LIABILITIES	<u>3,922</u>	<u>-</u>
<u>Fund Balances:</u>		
Unassigned	641,419	868,732
Unspendable	-	-
Committed	-	-
Total Fund Balance	<u>641,419</u>	<u>868,732</u>
<u>TOTAL LIABILITIES & FUND BALANCE</u>	<u>\$ 645,341</u>	<u>\$ 868,732</u>

The accompanying notes are an integral part of these financial statements.

**ALBION LITTLE RIVER FIRE DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

June 30, 2017 and June 30, 2018

	June 30, 2017	June 30, 2018
Total Fund Balances - Governmental Funds	\$ 641,419	\$ 868,732
Capital Assets used in Governmental Funds are not financial resources and therefore are not reported as assets in the Governmental Funds.		
Total Historical Cost of Capital Assets	2,041,734	2,074,784
Less: Accumulated Depreciation	(679,277)	(742,970)
Prepaid expenses, some expenditures not due & payable within the current period were paid, those amounts are shown as expended in the governmental funds	-	-
Compensated Absences are reported in the Government-Wide Statement of Net Assets, but they do not require the use of current financial resources. Therefore, the liability is not reported in Governmental Funds.	-	-
Deferred Outflows not due and receivable in the current period and therefore are not reported as an asset in the governmental funds. This is comprised of GASB 68 Pension Outflows. Deferred Outflows at June 30 was:	-	-
Deferred Inflows are not due in the current period and therefore, are not reported as liabilities in the governmental funds. This is comprised of GASB 68 Pension Inflows. Deferred Inflows at June 30 was:	-	-
Long-term liabilities are not due in the current period and therefore, are not reported as liabilities in the governmental funds.	(929,673)	(888,650)
Net Position	\$ 1,074,203	\$ 1,311,896

The accompanying notes are an integral part of these financial statements

Albion Little River Fire District

**Statement of Revenues, Expenditures & Change in Fund Balance
For the Year Ended
June 30, 2017
and
June 30, 2018**

	2017	2018
<u>REVENUE</u>	<u>General Fund</u>	<u>General Fund</u>
Tax Revenue	\$ 84,577	\$ 87,723
Fire Protection Tax	190,139	190,411
Charges for Service	9,392	80,842
Interest & Investment Earnings	2,211	3,927
Prop 172 Sales Tax	14,482	13,155
Grants & Contributions	55,032	203,202
Miscellaneous	-	-
TOTAL REVENUE	355,833	579,260
 <u>EXPENDITURES</u>		
Capital Assets	1,014,854	68,562
Debt Service:		
Principle	16,876	41,023
Interest	20,624	37,844
Professional Fees	44,735	28,338
Insurance	8,950	7,372
Utilities	5,841	5,856
Salaries and Employee Benefits	10,096	56,331
Repairs and Maintenance	17,786	25,774
Services, Supplies and Refunds	46,598	80,288
TOTAL EXPENDITURES	1,186,360	351,388
Excess (Deficit) Revenues over Expenditures	(830,527)	227,872
 Other Financing Sources	946,546	-
CHANGE IN FUND BALANCE	116,019	227,872
FUND BALANCE, BEGINNING OF YEAR	525,400	641,419
FUND BALANCE, END OF YEAR	\$ 641,419	\$ 869,291

The accompanying notes are an integral part of these financial statements.

ALBION LITTLE RIVER FIRE DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

June 30, 2017 and June 30, 2018

	June 30, 2017	June 30, 2018
Net Change in Fund Balances - Total Governmental Funds	116,019	227,872
Amounts reported for governmental activities in the Statement of Activities are different as follows:		
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense during the year		
Current Year Capital Outlays	1,009,247	32,491
Less: Current Year Depreciation Expense	(46,831)	(63,694)
In the Governmental Funds Acquisition of debt is considered an other financing source, which is the amounts actually recived. In the Government-Wide Statement of Activities, Acquisition of debt increases liabilities.	(946,546)	-
In the Governmental Funds revenues are measured by the amount of financial resources received. In the Government-Wide Statement of Activities, revenues are measured by the amounts earned during the year	-	-
In the Governmental Funds compensated absences (sick pay and vacation) are measured by the amount of financial resources used, which is the amounts actually paid. In the Government-Wide Statement of Activities, compensated absences are measured by the amounts earned during the year	-	-
Repayment of principle on long-term liabilities is an expenditure for Governmental funds, but the repayment reduces long-term liabilities on the Government-Wide Statement of Net Position. Principle payments made on long-term liabilities during the year consist of:		
Change in Net Position of Governmental Activities	\$ 148,765	\$ 237,692

The accompanying notes are an integral part of these financial statements

Financial Report Page 1 of 10

Government-wide Financial Statements

June 30, 2017

and

June 30, 2016

	2017	2016
Assets		
Current Assets		
Cash	1,100,000	1,200,000
Accounts Receivable	500,000	450,000
Inventory	100,000	120,000
Prepaid Expenses	50,000	60,000
Other Current Assets	150,000	170,000
Non-current Assets		
Capital Assets	2,500,000	2,300,000
Deferred Outflows	100,000	120,000
Other Non-current Assets	50,000	60,000
Total Assets	4,300,000	4,200,000

GOVERNMENT-WIDE FINANCIAL STATEMENTS

	2017	2016
Liabilities		
Current Liabilities		
Accounts Payable	300,000	250,000
Deferred Inflows	100,000	120,000
Other Current Liabilities	50,000	60,000
Non-current Liabilities		
Long-term Debt	1,500,000	1,400,000
Other Non-current Liabilities	50,000	60,000
Total Liabilities	2,000,000	1,890,000
Net Position		
Net Investment in Capital Assets	2,000,000	1,800,000
Other Net Position	300,000	510,000
Total Net Position	2,300,000	2,310,000
Total Liabilities and Net Position	4,300,000	4,200,000

Albion Little River Fire District

**Statement of Net Position
June 30, 2017
and
June 30, 2018**

<u>ASSETS</u>	<u>2017</u>	<u>2018</u>
<u>Current Assets:</u>		
Cash	\$ 645,341	\$ 868,732
Accounts Receivable	-	-
Deposits & Prepaid Expenses	-	-
Total Current Assets	<u>645,341</u>	<u>868,732</u>
<u>Capital Assets:</u>		
Land	125,683	125,683
Buildings & Improvements	403,552	403,552
Firefighting Equipment	1,512,499	1,545,549
Construction in Progress	-	-
Less: Accumulated Depreciation	<u>(679,277)</u>	<u>(742,970)</u>
Total Capital Assets	<u>1,362,457</u>	<u>1,331,814</u>
TOTAL ASSETS	<u>2,007,798</u>	<u>2,200,546</u>
<u>DEFERRED OUTFLOW</u>		
TOTAL DEFERRED OUTFLOW	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>2,007,798</u>	<u>2,200,546</u>
<u>LIABILITIES</u>		
<u>Current Liabilities:</u>		
Current Portion of Long-Term Liabilities	41,105	42,764
Accounts Payable	3,922	-
Total Current Liabilities	<u>45,027</u>	<u>42,764</u>
<u>Long-term Liabilities:</u>		
Long-Term Liabilities	888,568	845,886
Total Long-term Liabilities	<u>888,568</u>	<u>845,886</u>
TOTAL LIABILITIES	<u>933,595</u>	<u>888,650</u>
<u>DEFERRED INFLOWS</u>		
TOTAL DEFERRED INFLOWS	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>933,595</u>	<u>888,650</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	473,889	485,928
Unrestricted	600,314	825,968
TOTAL NET POSITION	<u>\$ 1,074,203</u>	<u>\$ 1,311,896</u>

The accompanying notes are an integral part of these financial statements.

Albion Little River Fire Districts
Statement of Activities
For the Year-Ended
June 30, 2017
and
June 30, 2018

2017				
	Expenses	Operating Revenues		Excess of Revenues/(Expenses)
		Charges for Services	Grants and Contributions	
Governmental Activities				
Public Protection	\$ 160,204	\$ 9,392	\$ 56,326	\$ (94,486)
Depreciation (Unallocated)	46,831	-	-	(46,831)
Total Governmental Activities				<u>(141,317)</u>
General Revenues:				
Tax Revenue				84,577
Fire Fee				190,139
Interest & Investment Earnings				2,211
License, Permits & Rents				-
Prop 172 Sales Tax				13,155
Miscellaneous				-
Total General Revenues				<u>290,082</u>
NET CHANGE IN NET POSITION				<u>148,765</u>
NET POSITION, BEGINNING OF YEAR				<u>925,438</u>
NET POSITION, END OF YEAR				<u>\$ 1,074,203</u>
2018				
	Expenses	Operating Revenues		Excess of Revenues/(Expenses)
		Charges for Services	Grants and Contributions	
Governmental Activities				
Public Protection	\$ 278,435	\$ 80,842	\$ 202,435	\$ 4,842
Depreciation (Unallocated)	63,694	-	-	(63,694)
Total Governmental Activities				<u>(58,852)</u>
General Revenues:				
Tax Revenue				87,723
Fire Fee				190,411
Interest & Investment Earnings				3,927
License, Permits & Rents				-
Prop 172 Sales Tax				14,482
Miscellaneous				-
Total General Revenues				<u>296,544</u>
NET CHANGE IN NET POSITION				<u>237,692</u>
NET POSITION, BEGINNING OF YEAR				<u>1,074,203</u>
NET POSITION, END OF YEAR				<u>\$ 1,311,896</u>

The accompanying notes are an integral part of these financial statements.

Albion Little River Fire District

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2017 and June 30, 2018

NOTE 1: SUMMARY OF GENERAL AND SIGNIFICANT ACCOUNTING POLICIES

A. General

The District was formed under the provisions of Division 12, Part 3 of the Health and Safety Code of the State of California. The Albion Little River Fire Districts is a special district in the County of Mendocino, California, providing Fire Protection to residents within its boundaries.

The District is a governed entity administered by a Board of Directors (the Board) that acts as the authoritative and legislative body of the entity.

The Board appoints the Chair (person) of the Board from existing board members. The Chair's responsibilities are to preside at all meetings of the Board; perform all duties commonly incident to the position of presiding officer of a board.

The accompanying general-purpose financial statements comply with the provisions of GASB Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units.

B. Basis of Accounting/Measurement Focus

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

C. Government-Wide Financial Statements

The District Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Albion Little River Fire District

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED June 30, 2017 and June 30, 2018

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

D. Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net assets presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities demonstrating the degree to which the direct expenses of a given project are offset by project revenues. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function or segment. Program revenues include (1) charges paid by the recipients of services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes are presented instead as general revenues.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental assets and liabilities is reported as net assets. The District reports using the major governmental fund of General Fund. The District reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the District. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of California and the bylaws of the District.

Albion Little River Fire District

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2017 and June 30, 2018

Exchange and Non-Exchange Transactions of Revenues – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non-exchange transactions, in which the District receives value without directly giving value in return, include taxes and donations. Revenues are recognized when susceptible to accrual, when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. The assessor of the County of Mendocino determines the assessed valuations of such property and the tax collector of the County collects the taxes. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

Expenses/Expenditures- On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

E. Budgets and Budgetary Accounting

The District operates under the general laws of the State of California and annually adopts a budget to be effective July 1 for the ensuing fiscal year. Formal budgetary integration is employed as a management control device during the year for the General Fund. The level of control (level at which expenditures may not exceed budget) is the fund. Unused appropriations for all the above annually budgeted funds lapse at the end of the fiscal year. Budgeted amounts are the final authorized amount as revised during the year. Actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items to the General Fund.

F. Cash

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, To maximize investment opportunities, the District participate in a pooling of cash and investment income with other local agencies. Each fund may liquidate its equity in the pool on demand. Investments are recorded at fair value, Fair value is based on quoted market prices.

Interest rate risk. - The District's policy is to seek market rates in a manner that meets liquidity requirements of the District at all times.

Albion Little River Fire District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2017 and June 30, 2018**

Credit risk. - The District only invests at institutions that the treasurer has selected on the basis of credit worthiness, financial strength and minimal capitalization authorized to provide investment service.

Custodial credit risk. -The District's investment in the State and County Treasurer's investment pools represents a proportionate interest in the pool's portfolio; however, the District's portion is not identified with specific investments and is not subject to custodial credit risk. Cash in local bank is covered by federal depository insurance.

Concentration of credit risk. - The District has a policy that seeks to maintain capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

G. Accounts Receivable

On an accrual basis, revenues from charges for services are recognized in the fiscal year in which the services are rendered. Receivables are resources provided to the District on a reimbursement basis.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

I. Capital Assets

Capital assets, which include property, plant, and equipment, infrastructure assets and intangible are reported in the applicable governmental -type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of one year. Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated or contributed capital assets are recorded at their estimated fair value on the date received. The District maintains a capitalization threshold of \$2,000.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

J. Accounts Payable and Other Current Liabilities

On an accrual basis, expenditures are recognized in the fiscal year in which the services are received.

L. Net Position

The District's net position represents the difference between its assets and liabilities in the statement of net position. Net Position are reported as restricted with there are legal limitations imposed on their use by their source. Portions of the unreserved net assets or fund balance may be designated to indicate tentative plans for financial resources utilization in a future period, such as for general contingencies, purchase of capital assets, or debt service. Such plans or intent are subject to change and may never be legally authorized or result in expenses.

Albion Little River Fire District

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2017 and June 30, 2018

M. Property Tax Revenue

The District assesses tax through the Mendocino County tax rolls. Property taxes attach as an enforceable lien on property as of March 1. Taxes are levied on July 1 and payable in two installments on December and April, for the secured roll. The unsecured roll is due August 31. All taxes become delinquent if not paid on the due dates.

N. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2: LONG-TERM LIABILITIES

I. DESCRIPTION OF THE EQUIPMENT:

Acquisition of one 2017 Type II Ford 4x4 Rescue Squad vehicle with all accessories, attachments, and substitutions to be purchased by the Albion-Little River Fire Protection District listed below and financed by this Equipment Schedule dated April 27, 2017 by and between Holman Capital Corporation and Albion-Little River Fire Protection District, including, without limitation, the following:

Albion Little River Fire District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2017 and June 30, 2018**

DATE DUE	TOTAL RENTAL PAYMENT DUE	INTEREST COMPONENT	PRINCIPAL COMPONENT	PURCHASE OPTION ^o
04/27/2017				\$ 275,770.05
07/27/2017	\$ 7,050.18	\$ 2,518.49	\$ 4,531.69	\$ 271,059.24
10/27/2017	\$ 7,050.18	\$ 2,476.58	\$ 4,573.60	\$ 266,304.85
01/27/2018	\$ 7,050.18	\$ 2,434.27	\$ 4,615.91	\$ 261,506.48
04/27/2018	\$ 7,050.18	\$ 2,391.57	\$ 4,658.61	\$ 256,663.73
07/27/2018	\$ 7,050.18	\$ 2,348.48	\$ 4,701.70	\$ 251,776.19
10/27/2018	\$ 7,050.18	\$ 2,304.99	\$ 4,745.19	\$ 246,843.43
01/27/2019	\$ 7,050.18	\$ 2,261.10	\$ 4,789.08	\$ 241,865.05
04/27/2019	\$ 7,050.18	\$ 2,216.80	\$ 4,833.38	\$ 236,840.62
07/27/2019	\$ 7,050.18	\$ 2,172.09	\$ 4,878.09	\$ 231,769.71
10/27/2019	\$ 7,050.18	\$ 2,126.97	\$ 4,923.21	\$ 226,651.90
01/27/2020	\$ 7,050.18	\$ 2,081.43	\$ 4,968.75	\$ 221,486.75
04/27/2020	\$ 7,050.18	\$ 2,035.47	\$ 5,014.71	\$ 216,273.82
07/27/2020	\$ 7,050.18	\$ 1,989.08	\$ 5,061.10	\$ 211,012.66
10/27/2020	\$ 7,050.18	\$ 1,942.26	\$ 5,107.92	\$ 205,702.85
01/27/2021	\$ 7,050.18	\$ 1,895.02	\$ 5,155.16	\$ 200,343.91
04/27/2021	\$ 7,050.18	\$ 1,847.33	\$ 5,202.85	\$ 194,935.41
07/27/2021	\$ 7,050.18	\$ 1,799.21	\$ 5,250.97	\$ 189,476.87
10/27/2021	\$ 7,050.18	\$ 1,750.63	\$ 5,299.55	\$ 183,967.85
01/27/2022	\$ 7,050.18	\$ 1,701.61	\$ 5,348.57	\$ 178,407.87
04/27/2022	\$ 7,050.18	\$ 1,652.14	\$ 5,398.04	\$ 172,796.46
07/27/2022	\$ 7,050.18	\$ 1,602.21	\$ 5,447.97	\$ 167,133.14
10/27/2022	\$ 7,050.18	\$ 1,551.81	\$ 5,498.37	\$ 161,417.43
01/27/2023	\$ 7,050.18	\$ 1,500.95	\$ 5,549.23	\$ 155,648.85
04/27/2023	\$ 7,050.18	\$ 1,449.62	\$ 5,600.56	\$ 149,826.92
07/27/2023	\$ 7,050.18	\$ 1,397.82	\$ 5,652.36	\$ 143,951.13
10/27/2023	\$ 7,050.18	\$ 1,345.53	\$ 5,704.65	\$ 138,021.00
01/27/2024	\$ 7,050.18	\$ 1,292.77	\$ 5,757.41	\$ 132,036.01
04/27/2024	\$ 7,050.18	\$ 1,239.51	\$ 5,810.67	\$ 125,995.66
07/27/2024	\$ 7,050.18	\$ 1,185.76	\$ 5,864.42	\$ 119,899.43
10/27/2024	\$ 7,050.18	\$ 1,131.51	\$ 5,918.67	\$ 113,746.81
01/27/2025	\$ 7,050.18	\$ 1,076.77	\$ 5,973.41	
04/27/2025	\$ 7,050.18	\$ 1,021.51	\$ 6,028.67	\$ 107,537.28
07/27/2025	\$ 7,050.18	\$ 965.75	\$ 6,084.43	\$ 101,270.32
10/27/2025	\$ 7,050.18	\$ 909.47	\$ 6,140.71	\$ 94,945.39
01/27/2026	\$ 7,050.18	\$ 852.66	\$ 6,197.52	\$ 88,561.94
04/27/2026	\$ 7,050.18	\$ 795.34	\$ 6,254.84	\$ 82,119.46
07/27/2026	\$ 7,050.18	\$ 737.48	\$ 6,312.70	\$ 75,617.38
10/27/2026	\$ 7,050.18	\$ 679.09	\$ 6,371.09	\$ 69,055.16
01/27/2027	\$ 7,050.18	\$ 620.16	\$ 6,430.02	\$ 62,432.23
04/27/2027	\$ 7,050.18	\$ 560.68	\$ 6,489.50	\$ 55,748.05
07/27/2027	\$ 7,050.18	\$ 500.65	\$ 6,549.53	\$ 49,002.03
10/27/2027	\$ 7,050.18	\$ 440.07	\$ 6,610.11	\$ 42,193.62
01/27/2028	\$ 7,050.18	\$ 378.92	\$ 6,671.26	\$ 35,322.22
04/27/2028	\$ 7,050.18	\$ 317.21	\$ 6,732.97	\$ 28,387.26
07/27/2028	\$ 7,050.18	\$ 254.93	\$ 6,795.25	\$ 21,388.16
10/27/2028	\$ 7,050.18	\$ 192.08	\$ 6,858.10	\$ 14,324.31
01/27/2029	\$ 7,050.18	\$ 128.64	\$ 6,921.54	\$ 7,195.13
04/27/2029	\$ 7,050.18	\$ 64.62	\$ 6,985.56	

Albion Little River Fire District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2017 and June 30, 2018**

I. DESCRIPTION OF THE EQUIPMENT:

Acquisition of a Type I Fire Truck and Water Tender Truck with all accessories, attachments, and substitutions to be purchased by the Albion-Little River Fire Protection District listed below and financed by this Equipment Schedule dated August 5, 2016 by and between Holman Capital Corporation and Albion-Little River Fire Protection District, including, without limitation, the following:

DATE DUE	TOTAL RENTAL PAYMENT DUE	INTEREST COMPONENT	PRINCIPAL COMPONENT	PURCHASE OPTION ^o
08/05/2016				\$ 698,958.04
11/05/2016	\$ 12,500.00	\$ 7,079.93	\$ 5,420.07	\$ 693,234.60
02/05/2017	\$ 12,500.00	\$ 7,023.02	\$ 5,476.98	\$ 687,451.07
05/05/2017	\$ 12,500.00	\$ 6,965.52	\$ 5,534.48	\$ 681,606.80
08/05/2017	\$ 12,500.00	\$ 6,907.40	\$ 5,592.60	\$ 675,701.17
11/05/2017	\$ 12,500.00	\$ 6,848.68	\$ 5,651.32	\$ 669,733.53
02/05/2018	\$ 12,500.00	\$ 6,789.34	\$ 5,710.66	\$ 663,703.23
05/05/2018	\$ 12,500.00	\$ 6,729.38	\$ 5,770.62	\$ 657,609.62
08/05/2018	\$ 12,500.00	\$ 6,668.79	\$ 5,831.21	\$ 651,452.02
11/05/2018	\$ 12,500.00	\$ 6,607.56	\$ 5,892.44	\$ 645,229.76
02/05/2019	\$ 12,500.00	\$ 6,545.69	\$ 5,954.31	\$ 638,942.18
05/05/2019	\$ 12,500.00	\$ 6,483.17	\$ 6,016.83	\$ 632,588.57
08/05/2019	\$ 12,500.00	\$ 6,419.99	\$ 6,080.01	\$ 626,168.24
11/05/2019	\$ 12,500.00	\$ 6,356.15	\$ 6,143.85	\$ 619,680.51
02/05/2020	\$ 12,500.00	\$ 6,291.64	\$ 6,208.36	\$ 613,124.65
05/05/2020	\$ 12,500.00	\$ 6,226.45	\$ 6,273.55	\$ 606,499.95
08/05/2020	\$ 12,500.00	\$ 6,160.58	\$ 6,339.42	\$ 599,805.70
11/05/2020	\$ 12,500.00	\$ 6,094.02	\$ 6,405.98	\$ 593,041.17
02/05/2021	\$ 12,500.00	\$ 6,026.76	\$ 6,473.24	\$ 586,205.60
05/05/2021	\$ 12,500.00	\$ 5,958.79	\$ 6,541.21	\$ 579,298.26
08/05/2021	\$ 12,500.00	\$ 5,890.10	\$ 6,609.90	

Albion Little River Fire District

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2017 and June 30, 2018

11/05/2021	\$	12,500.00	\$	5,820.70	\$	6,679.30	\$	572,318.39
02/05/2022	\$	12,500.00	\$	5,750.57	\$	6,749.43	\$	565,265.24
05/05/2022	\$	12,500.00	\$	5,679.70	\$	6,820.30	\$	558,138.02
08/05/2022	\$	12,500.00	\$	5,608.09	\$	6,891.91	\$	550,935.98
11/05/2022	\$	12,500.00	\$	5,535.72	\$	6,964.28	\$	543,658.30
02/05/2023	\$	12,500.00	\$	5,462.60	\$	7,037.40	\$	536,304.22
05/05/2023	\$	12,500.00	\$	5,388.70	\$	7,111.30	\$	528,872.91
08/05/2023	\$	12,500.00	\$	5,314.03	\$	7,185.97	\$	521,363.57
11/05/2023	\$	12,500.00	\$	5,238.58	\$	7,261.42	\$	513,775.39
02/05/2024	\$	12,500.00	\$	5,162.34	\$	7,337.66	\$	506,107.53
05/05/2024	\$	12,500.00	\$	5,085.29	\$	7,414.71	\$	498,359.16
08/05/2024	\$	12,500.00	\$	5,007.44	\$	7,492.56	\$	490,529.44
11/05/2024	\$	12,500.00	\$	4,928.76	\$	7,571.24	\$	482,617.49
02/05/2025	\$	12,500.00	\$	4,849.27	\$	7,650.73	\$	474,622.48
05/05/2025	\$	12,500.00	\$	4,768.93	\$	7,731.07	\$	466,543.51
08/05/2025	\$	12,500.00	\$	4,687.76	\$	7,812.24	\$	458,379.72
11/05/2025	\$	12,500.00	\$	4,605.73	\$	7,894.27	\$	450,130.21
02/05/2026	\$	12,500.00	\$	4,522.84	\$	7,977.16	\$	441,794.08
05/05/2026	\$	12,500.00	\$	4,439.08	\$	8,060.92	\$	433,370.41
08/05/2026	\$	12,500.00	\$	4,354.44	\$	8,145.56	\$	424,858.30
11/05/2026	\$	12,500.00	\$	4,268.91	\$	8,231.09	\$	416,256.81
02/05/2027	\$	12,500.00	\$	4,182.48	\$	8,317.52	\$	407,565.01
05/05/2027	\$	12,500.00	\$	4,095.15	\$	8,404.85	\$	398,781.94
08/05/2027	\$	12,500.00	\$	4,006.90	\$	8,493.10	\$	389,906.65
11/05/2027	\$	12,500.00	\$	3,917.72	\$	8,582.28	\$	380,938.17
02/05/2028	\$	12,500.00	\$	3,827.61	\$	8,672.39	\$	371,875.52
05/05/2028	\$	12,500.00	\$	3,736.55	\$	8,763.45	\$	362,717.71
08/05/2028	\$	12,500.00	\$	3,644.53	\$	8,855.47	\$	353,463.75
11/05/2028	\$	12,500.00	\$	3,551.55	\$	8,948.45	\$	344,112.62
02/05/2029	\$	12,500.00	\$	3,457.59	\$	9,042.41	\$	334,663.30
05/05/2029	\$	12,500.00	\$	3,362.65	\$	9,137.35	\$	325,114.77
08/05/2029	\$	12,500.00	\$	3,266.70	\$	9,233.30	\$	315,465.97
11/05/2029	\$	12,500.00	\$	3,169.75	\$	9,330.25	\$	305,715.86
02/05/2030	\$	12,500.00	\$	3,071.79	\$	9,428.21	\$	295,863.38
05/05/2030	\$	12,500.00	\$	2,972.79	\$	9,527.21	\$	285,907.44
08/05/2030	\$	12,500.00	\$	2,872.75	\$	9,627.25	\$	275,846.97
11/05/2030	\$	12,500.00	\$	2,771.67	\$	9,728.33	\$	265,680.86
02/05/2031	\$	12,500.00	\$	2,669.52	\$	9,830.48	\$	255,408.01
05/05/2031	\$	12,500.00	\$	2,566.30	\$	9,933.70	\$	245,027.29

Albion Little River Fire District

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2017 and June 30, 2018**

08/05/2031	\$ 12,500.00	\$ 2,462.00	\$ 10,038.00	\$ 234,537.58
11/05/2031	\$ 12,500.00	\$ 2,356.60	\$ 10,143.40	\$ 223,937.73
02/05/2032	\$ 12,500.00	\$ 2,250.09	\$ 10,249.91	\$ 213,226.58
05/05/2032	\$ 12,500.00	\$ 2,142.47	\$ 10,357.53	\$ 202,402.96
08/05/2032	\$ 12,500.00	\$ 2,033.71	\$ 10,466.29	\$ 191,465.68
11/05/2032	\$ 12,500.00	\$ 1,923.82	\$ 10,576.18	\$ 180,413.58
02/05/2033	\$ 12,500.00	\$ 1,812.77	\$ 10,687.23	\$ 169,245.42
05/05/2033	\$ 12,500.00	\$ 1,700.55	\$ 10,799.45	\$ 157,960.00
08/05/2033	\$ 12,500.00	\$ 1,587.16	\$ 10,912.84	\$ 146,556.08
11/05/2033	\$ 12,500.00	\$ 1,472.57	\$ 11,027.43	\$ 135,032.41
02/05/2034	\$ 12,500.00	\$ 1,356.79	\$ 11,143.21	\$ 123,387.76
05/05/2034	\$ 12,500.00	\$ 1,239.78	\$ 11,260.22	\$ 111,620.83
08/05/2034	\$ 12,500.00	\$ 1,121.55	\$ 11,378.45	\$ 99,730.35
11/05/2034	\$ 12,500.00	\$ 1,002.08	\$ 11,497.92	\$ 87,715.02
02/05/2035	\$ 12,500.00	\$ 881.35	\$ 11,618.65	\$ 75,573.53
05/05/2035	\$ 12,500.00	\$ 759.35	\$ 11,740.65	\$ 63,304.55
08/05/2035	\$ 12,500.00	\$ 636.07	\$ 11,863.93	\$ 50,906.75
11/05/2035	\$ 12,500.00	\$ 511.50	\$ 11,988.50	\$ 38,378.76
02/05/2036	\$ 12,500.00	\$ 385.62	\$ 12,114.38	\$ 25,719.24
05/05/2036	\$ 12,500.00	\$ 258.42	\$ 12,241.58	\$ 12,926.79
08/05/2036	\$ 12,500.00	\$ 129.87	\$ 12,370.13	\$ -

NOTE 3: USE OF RESTRICTED/UNRESTRICTED POSITION

When an expense is incurred for purposes for which both restricted and unrestricted assets are available, the District's policy is to apply restricted assets first.

NOTE 4: COMPARATIVE DATA AND RECLASSIFICATIONS

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with current year's presentation.

NOTE 5: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2018, the District contracted with private insurance for liability, property, crime damage, and employee and director insurances.

Albion Little River Fire District

NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2017 and June 30, 2018

NOTE 6: CONTIGENCIES

As of June 30, 2018, the District is involved in a lawsuit arising in the ordinary course of operations. In the opinion of management and the District's attorney, the outcome of these legal matters will not have a material adverse effect on the District's financial position

NOTE 7: SUBSEQUENT EVENTS

The District's management has evaluated events and transactions subsequent to June 30, 2018 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through **June 27, 2019**, the date the financial statements became available to be issued. The entity has not evaluated subsequent events after **June 27, 2019**.