

**SAN BERNARDINO COUNTY  
FIRE PROTECTION DISTRICT**

**REPORT ON AUDIT**

**JUNE 30, 2011**

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**San Bernardino County  
Fire Protection District  
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## INDEPENDENT AUDITOR'S REPORT

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We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the San Bernardino County Fire Protection District (the District), a component unit of the County of San Bernardino, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the San Bernardino County Fire Protection District, as of June 30, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

During the year under audit, the District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 35 - 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Rogers Anderson Maloney & Scott, LLP*

November 30, 2011

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**San Bernardino County  
Fire Protection District  
Statement of Net Assets  
June 30, 2011**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 48,819,191	\$ 330,444	\$ 49,149,635
Accounts receivable, net	89,301	1,228,670	1,317,971
Interest receivable	101,124	1,188	102,312
Taxes receivable	1,454,446	-	1,454,446
Other receivables	8,816	-	8,816
Due from other governments	6,535,687	-	6,535,687
Prepaid items	63,249	-	63,249
Capital assets, net of depreciation	29,980,820	-	29,980,820
 Total Assets	 <u>87,052,634</u>	 <u>1,560,302</u>	 <u>88,612,936</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	772,782	-	772,782
Salaries and benefits payable	3,402,642	-	3,402,642
Internal balances	403,000	(403,000)	-
Due to other governments	6,355,136	-	6,355,136
Deferred revenue	28,609	-	28,609
Compensated absences payable	7,675,814	-	7,675,814
Capital lease payable-current portion	318,221	-	318,221
 Total Current Liabilities	 <u>18,956,204</u>	 <u>(403,000)</u>	 <u>18,553,204</u>
Noncurrent liabilities:			
Capital lease payable	778,494	-	778,494
Total Noncurrent Liabilities	<u>778,494</u>	<u>-</u>	<u>778,494</u>
 Total Liabilities	 <u>19,734,698</u>	 <u>(403,000)</u>	 <u>19,331,698</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	28,884,105	-	28,884,105
Unrestricted	<u>38,433,831</u>	<u>1,963,302</u>	<u>40,397,133</u>
 Total Net Assets	 <u>\$ 67,317,936</u>	 <u>\$ 1,963,302</u>	 <u>\$ 69,281,238</u>

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

**San Bernardino County  
Fire Protection District  
Statement of Activities  
For the Year Ended June 30, 2011**

	Governmental Activities	Business-type Activities	Total
<b>EXPENSES</b>			
Salaries and benefits	\$ 96,308,626	\$ -	\$ 96,308,626
Services and supplies	23,321,828	27,729	23,349,557
Contributions	322,173	-	322,173
Depreciation	4,269,479	-	4,269,479
Professional fees	-	275,086	275,086
Intergovernmental	2,795,815	-	2,795,815
Interest	34,420	-	34,420
Bad debt expense	-	250,037	250,037
Other	872	-	872
Total Program Expenses	<u>127,053,213</u>	<u>552,852</u>	<u>127,606,065</u>
<b>PROGRAM REVENUES</b>			
Charges for services	62,427,531	3,523,798	65,951,329
Operating grants and contributions	10,955,028	-	10,955,028
Total Program Revenues	<u>73,382,559</u>	<u>3,523,798</u>	<u>76,906,357</u>
Net Program Revenue (Expense)	<u>(53,670,654)</u>	<u>2,970,946</u>	<u>(50,699,708)</u>
<b>GENERAL REVENUES (EXPENSES)</b>			
Property taxes	33,613,518	-	33,613,518
Other taxes	262,970	-	262,970
Fines, forfeitures and penalties	13,078	-	13,078
State assistance	984,552	-	984,552
Investment earnings	411,170	2,780	413,950
Intergovernmental	7,978,433	-	7,978,433
Gain (loss) on sale of capital assets	(34,815)	-	(34,815)
Other	2,595,008	1,376	2,596,384
<b>TRANSFERS - INTERNAL ACTIVITIES</b>	<u>1,719,467</u>	<u>(1,719,467)</u>	<u>-</u>
Total General Revenues (Expenses) and Transfers	<u>47,543,381</u>	<u>(1,715,311)</u>	<u>45,828,070</u>
Change in Net Assets	(6,127,273)	1,255,635	(4,871,638)
<b>Net Assets - beginning</b>	<u>73,445,209</u>	<u>707,667</u>	<u>74,152,876</u>
<b>Net Assets - ending</b>	<u>\$ 67,317,936</u>	<u>\$ 1,963,302</u>	<u>\$ 69,281,238</u>

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

**San Bernardino County  
Fire Protection District  
Balance Sheet  
Governmental Funds  
June 30, 2011**

SPECIAL REVENUE FUNDS

	ADMINISTRATIVE			
	General	State Homeland	Equipment	Termination
	(SKX)	Security Grant (SME)	Replacement (SKK)	Benefits (SKL)
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,057,167	\$ 1,050,911	\$ 19,175,584	\$ 5,601,879
Accounts receivable, net	89,301	-	-	-
Interest receivable	18,961	887	39,107	11,355
Taxes receivable	325,813	-	-	-
Other receivables	8,816	-	-	-
Due from other funds	2,477,086	1,553	-	725,142
Due from other governments	1,667,292	2,704,989	-	-
Prepaid items	-	-	-	-
Total Assets	<u>\$ 14,644,436</u>	<u>\$ 3,758,340</u>	<u>\$ 19,214,691</u>	<u>\$ 6,338,376</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 482,882	\$ 11,889	\$ -	\$ -
Salaries and benefits payable	854,120	-	-	-
Due to other funds	1,178,746	1,125,902	413,000	635,000
Due to other governments	440,268	2,493,865	2,188,151	10,000
Deferred revenue	28,609	-	-	-
Total Liabilities	<u>2,984,625</u>	<u>3,631,656</u>	<u>2,601,151</u>	<u>645,000</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted for:				
Public safety	10,044,612	126,684	-	2,375,685
Committed	1,179,818	-	16,613,540	3,317,691
Assigned	-	-	-	-
Unassigned	435,381	-	-	-
Total Fund Balances	<u>11,659,811</u>	<u>126,684</u>	<u>16,613,540</u>	<u>5,693,376</u>
Total Liabilities and Fund Balances	<u>\$ 14,644,436</u>	<u>\$ 3,758,340</u>	<u>\$ 19,214,691</u>	<u>\$ 6,338,376</u>

Amounts reported for *governmental activities* in the statement of net assets (Exhibit "A") are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

Compensated absences  
Capital leases payable

Net Assets of Governmental Activities

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

SPECIAL REVENUE FUNDS					
MOUNTAIN REGIONAL SERVICE ZONE	NORTH DESERT REGIONAL SERVICE ZONE	SOUTH DESERT REGIONAL SERVICE ZONE	VALLEY REGIONAL SERVICE ZONE	OTHER GOVERNMENTAL FUNDS	Total Governmental Funds
Fire Operations (FMZ)	Fire Operations (FNZ)	Fire Operations (FSZ)	Fire Operations (FVZ)		
\$ 1,013,962	\$ 193,090	\$ 184,836	\$ 912,843	\$ 10,628,919	\$ 48,819,191
-	-	-	-	-	89,301
2,910	2,337	2,283	2,396	20,888	101,124
349,158	265,084	216,556	297,835	-	1,454,446
-	-	-	-	-	8,816
64,155	387,613	82,990	102,494	37,879	3,878,912
1,823,367	5,745	153,791	-	180,503	6,535,687
11,578	26,972	10,960	13,739	-	63,249
<u>\$ 3,265,130</u>	<u>\$ 880,841</u>	<u>\$ 651,416</u>	<u>\$ 1,329,307</u>	<u>\$ 10,868,189</u>	<u>\$ 60,950,726</u>
\$ -	\$ 5,311	\$ 20,404	\$ -	\$ 252,296	\$ 772,782
253,426	1,113,178	308,316	819,624	53,978	3,402,642
98,524	139,495	72,873	587,834	30,538	4,281,912
243,905	18,487	11,634	87,868	860,958	6,355,136
-	-	-	-	-	28,609
<u>595,855</u>	<u>1,276,471</u>	<u>413,227</u>	<u>1,495,326</u>	<u>1,197,770</u>	<u>14,841,081</u>
11,578	26,972	10,960	13,739	-	63,249
2,497,639	-	147,375	-	8,396,789	23,588,784
154,318	-	77,735	-	1,256,966	22,600,068
5,740	-	2,119	-	474,568	482,427
-	(422,602)	-	(179,758)	(457,904)	(624,883)
<u>2,669,275</u>	<u>(395,630)</u>	<u>238,189</u>	<u>(166,019)</u>	<u>9,670,419</u>	<u>46,109,645</u>
<u>\$ 3,265,130</u>	<u>\$ 880,841</u>	<u>\$ 651,416</u>	<u>\$ 1,329,307</u>	<u>\$ 10,868,189</u>	
					29,980,820
					(7,675,814)
					(1,096,715)
					<u>\$ 67,317,936</u>

**San Bernardino County  
Fire Protection District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2011**

	SPECIAL REVENUE FUNDS			
	ADMINISTRATIVE			
	General (SKX)	State Homeland Security Grant (SME)	Equipment Replacement (SKK)	Termination Benefits (SKL)
<b>REVENUES</b>				
Property taxes	\$ 6,475,666	\$ -	\$ -	\$ -
Other assistance	1,898,285	-	-	-
Service fees	59,865,478	-	-	-
Special assessments	361,938	-	-	-
Other taxes	72,141	-	-	-
Fines, forfeitures and penalties	120	-	-	-
Federal assistance	1,592,321	4,226,469	-	-
State assistance	571,099	-	-	-
Investment earnings	59,681	-	169,034	45,610
Intergovernmental	7,978,433	-	-	-
Other	583	-	110,290	90,000
	<u>78,875,745</u>	<u>4,226,469</u>	<u>279,324</u>	<u>135,610</u>
Total Revenues				
<b>EXPENDITURES</b>				
Salaries and benefits	58,094,777	454,950	-	-
Services and supplies	11,273,184	1,959,761	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay:				
Vehicles	262,035	-	-	-
Equipment	526,482	7,914	-	-
Heavy equipment	-	-	-	-
Improvements to land	-	-	-	-
Structures and improvements	-	-	-	-
Software	24,500	-	-	-
Intergovernmental	17,558	1,766,153	-	-
Other	-	-	-	-
	<u>70,198,536</u>	<u>4,188,778</u>	<u>-</u>	<u>-</u>
Total Expenditures				
Excess of Revenues Over (Under)				
Expenditures	<u>8,677,209</u>	<u>37,691</u>	<u>279,324</u>	<u>135,610</u>

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

SPECIAL REVENUE FUNDS					
MOUNTAIN REGIONAL SERVICE ZONE	NORTH DESERT REGIONAL SERVICE ZONE	SOUTH DESERT REGIONAL SERVICE ZONE	VALLEY REGIONAL SERVICE ZONE	OTHER GOVERNMENTAL FUNDS	Total Governmental Funds
Fire Operations (FMZ)	Fire Operations (FNZ)	Fire Operations (FSZ)	Fire Operations (FVZ)		
\$ 8,232,239	\$ 6,194,593	\$ 5,227,671	\$ 7,450,321	\$ 33,028	\$ 33,613,518
-	-	-	-	-	1,898,285
108	51,860	51,695	19,525	247,251	60,235,917
-	-	-	-	1,829,676	2,191,614
44,565	50,869	25,782	69,613	-	262,970
-	-	-	-	12,958	13,078
72,489	79,570	143,156	74,286	4,264,596	10,452,887
127,484	92,419	73,047	117,118	3,385	984,552
9,153	14,799	12,093	17,515	83,285	411,170
-	-	-	-	-	7,978,433
-	64,590	34,753	2,058	394,449	696,723
<u>8,486,038</u>	<u>6,548,700</u>	<u>5,568,197</u>	<u>7,750,436</u>	<u>6,868,628</u>	<u>118,739,147</u>
7,959,746	12,809,900	7,699,348	9,338,281	1,150,724	97,507,726
1,252,404	1,269,541	1,405,892	1,850,591	4,326,023	23,337,396
-	-	89,815	328,431	-	418,246
5,882	10,646	6,178	11,714	-	34,420
-	-	-	-	7,085	269,120
29,748	-	77,044	-	-	641,188
-	-	429,226	861,141	-	1,290,367
-	-	20,404	-	-	20,404
-	-	-	-	135,456	135,456
-	-	-	-	-	24,500
-	-	-	7,000	1,005,104	2,795,815
-	-	872	-	-	872
<u>9,247,780</u>	<u>14,090,087</u>	<u>9,728,779</u>	<u>12,397,158</u>	<u>6,624,392</u>	<u>126,475,510</u>
<u>(761,742)</u>	<u>(7,541,387)</u>	<u>(4,160,582)</u>	<u>(4,646,722)</u>	<u>244,236</u>	<u>(7,736,363)</u>

**San Bernardino County  
Fire Protection District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2011**

SPECIAL REVENUE FUNDS				
ADMINISTRATIVE				
	General (SKX)	State Homeland Security Grant (SME)	Equipment Replacement (SKK)	Termination Benefits (SKL)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	\$ 43,045	\$ -	\$ -	\$ -
Proceeds from capital lease	-	-	-	-
Transfers in	843,822	-	45,000	725,142
Transfers out	(8,328,498)	-	(1,791,709)	(645,000)
Total Other Financing Sources (Uses)	(7,441,631)	-	(1,746,709)	80,142
Net Change in Fund Balances	1,235,578	37,691	(1,467,385)	215,752
<b>Fund Balances - beginning</b>	10,424,233	88,993	18,080,925	5,477,624
<b>Fund Balances - ending</b>	\$ 11,659,811	\$ 126,684	\$ 16,613,540	\$ 5,693,376

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

SPECIAL REVENUE FUNDS					
MOUNTAIN REGIONAL SERVICE ZONE	NORTH DESERT REGIONAL SERVICE ZONE	SOUTH DESERT REGIONAL SERVICE ZONE	VALLEY REGIONAL SERVICE ZONE	OTHER GOVERNMENTAL FUNDS	Total Governmental Funds
Fire Operations (FMZ)	Fire Operations (FNZ)	Fire Operations (FSZ)	Fire Operations (FVZ)		
\$ 4,743	\$ 5,316	\$ 8,823	\$ 1,505	\$ 1,605	\$ 65,037
-	-	429,226	861,141	-	1,290,367
827,291	5,925,218	2,803,801	1,953,006	551,500	13,674,780
(60,500)	-	(674,590)	-	(455,016)	(11,955,313)
<u>771,534</u>	<u>5,930,534</u>	<u>2,567,260</u>	<u>2,815,652</u>	<u>98,089</u>	<u>3,074,871</u>
9,792	(1,610,853)	(1,593,322)	(1,831,070)	342,325	(4,661,492)
<u>2,659,483</u>	<u>1,215,223</u>	<u>1,831,511</u>	<u>1,665,051</u>	<u>9,328,094</u>	<u>50,771,137</u>
<u>\$ 2,669,275</u>	<u>\$ (395,630)</u>	<u>\$ 238,189</u>	<u>\$ (166,019)</u>	<u>\$ 9,670,419</u>	<u>\$ 46,109,645</u>

**San Bernardino County  
Fire Protection District  
Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2011**

Net Change in Fund Balances - Total Governmental Funds \$ (4,661,492)

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$4,269,479) exceeded capital outlay (\$2,396,603) in the current period. (1,872,876)

Capital assets transferred to and from other governments are not financial resources and, therefore, are not reported in the governmental funds. 179,968

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net assets.

Additions to capital leases	(1,290,367)
Principal payment on capital leases	418,246

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Decrease in compensated absences payable	1,199,100
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In the statement of activities, only the loss on the disposal of capital assets is reported. However, in the governmental funds, the loss from the disposal decreases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets disposed. (99,852)

Change in Net Assets of Governmental Activities \$ (6,127,273)

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

**San Bernardino County  
Fire Protection District  
Statement of Net Assets  
Proprietary Funds  
June 30, 2011**

	<u>ENTERPRISE FUNDS</u> <u>Ambulances</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 330,444
Accounts receivable, net	1,228,670
Interest receivable	1,188
Due from other funds	403,000
Total Current Assets	<u>1,963,302</u>
Total Assets	<u>1,963,302</u>
<b>LIABILITIES</b>	
	<u>-</u>
<b>NET ASSETS</b>	
Unrestricted	<u>1,963,302</u>
Total Net Assets	<u><u>\$ 1,963,302</u></u>

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

**San Bernardino County  
Fire Protection District  
Statement of Revenues, Expenses and Changes in Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2011**

	ENTERPRISE FUNDS
	Ambulances
<b>OPERATING REVENUE</b>	
Service fees	\$ 3,523,798
Total Operating Revenue	3,523,798
<b>OPERATING EXPENSES</b>	
Professional services	275,086
Services and supplies	27,729
Bad debt expense	250,037
Total Operating Expenses	552,852
Operating Income	2,970,946
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment earnings	2,780
Other	1,376
Total Nonoperating Revenues (Expenses)	4,156
Income Before Transfers	2,975,102
<b>TRANSFERS</b>	
Transfers in	418,000
Transfers out	(2,137,467)
Total Transfers	(1,719,467)
Change in Net Assets	1,255,635
<b>Net Assets - beginning</b>	707,667
<b>Net Assets - ending</b>	\$ 1,963,302

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

**San Bernardino County  
Fire Protection District  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2011**

	ENTERPRISE FUNDS
	Ambulances
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 2,685,089
Payments to suppliers	(872,839)
Net Cash Provided by Operating Activities	1,812,250
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	418,000
Transfers to other funds	(2,137,467)
Net Cash Used for Noncapital Financing Activities	(1,719,467)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Other income	1,376
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment earnings	3,133
Net increase in cash and cash equivalents	97,292
<b>Cash and Cash Equivalents - beginning</b>	<b>233,152</b>
<b>Cash and Cash Equivalents - end</b>	<b>\$ 330,444</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 2,970,946
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in due from other funds	(403,000)
Increase in accounts receivable, net	(185,672)
Decrease in due to other funds	(570,024)
Net cash provided by operating activities	<b>\$ 1,812,250</b>

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

**San Bernardino County  
Fire Protection District  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2011**

**ASSETS**

Cash and cash equivalents	<u>\$ 836,177</u>
Total Assets	<u><u>\$ 836,177</u></u>

**LIABILITIES**

Due to bondholders	<u>\$ 836,177</u>
Total Liabilities	<u><u>\$ 836,177</u></u>

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

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**San Bernardino County  
Fire Protection District  
Notes to Financial Statements  
June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting entity**

The San Bernardino County Fire Protection District (the District) is a special district located within the County of San Bernardino. The District was established per LAFCO Resolution 2986/2989 (adopted on January 16, 2008), effective July 1, 2008. The Resolution dissolved County Service Area 70, County Fire Administration and transferred all funds to the expanded Yucca Valley Fire Protection District which was renamed in the same resolution to the District.

The District provides service through Administration or four regional service zones and has service contracts with five cities. Services provided include fire management, administration, ambulance billing, vehicle maintenance, warehousing, communications, training, fire prevention, hazardous materials, household hazardous waste, information systems, human resources, fiscal and the Office of Emergency Services.

The governmental reporting entity consists of administration, four regional service zones and their related ambulances and special assessments funds. The District is a component unit of the County of San Bernardino and is governed by the actions of the County Board of Supervisors.

The four regional service zones are as follows:

**Mountain Regional Service Zone:**

The Mountain Regional Service Zone provides fire protection services to the areas of Angelus Oaks (Station 98), Fawnskin (Station 96), Forest Falls (Station 99), Green Valley Lake (Station 95), and Lake Arrowhead (Stations 91, 92, 94). This Service Zone supports the above seven fire stations, Limited Term and Paid-Call Firefighter Programs, and ambulance transportation and paramedic services through Lake Arrowhead Ambulance.

**North Desert Regional Service Zone:**

The North Desert Regional Service Zone provides fire protection services to the areas of Spring Valley Lake (Station 22), Oak Hills (Station 40), Summit Valley (Station 48), Lucerne Valley (Stations 7, 8), Silver Lakes (Station 4), Phelan (Station 10), Wrightwood (Station 14), Pinon Hills (Station 13), El Mirage (Station 11), Baldy Mesa (Station 16), Mt. View Acres (Station 37), Harvard (Station 46), Baker (Station 53), Hinkley (Station 56), and Searles Valley (Station 57). This Service Zone supports the above sixteen fire stations, Limited Term and Paid-Call Firefighter Programs, and ambulance transportation and paramedic services through Lucerne Valley Ambulance, Searles Valley Ambulance and Wrightwood Ambulance.

**South Desert Regional Service Zone:**

The South Desert Regional Service Zone provides fire protection services to the areas of Big River (Station 17), Black Meadow Landing (Station 55), Copper Mtn Mesa (Station 44), Havasu Landing (Station 18), Johnson Valley (Station 43), Joshua Tree (Station 36), Landers (Station 19), Panorama Heights (Station 35), Parker Strip (Station 21), and Yucca Valley (Stations 41, 42). This Service Zone supports the above eleven fire stations, Limited Term and Paid-Call Firefighter Programs, and ambulance transportation and paramedic services through Havasu Ambulance, and Yucca Valley Ambulance.

**San Bernardino County  
Fire Protection District  
Notes to Financial Statements  
June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Valley Regional Service Zone:

The Valley Regional Service Zone provides fire protection and paramedic services to the areas of Colton, Devore (Station 2), San Antonio Heights (Station 12), Lytle Creek (Station 20), Mt. Baldy (Station 200), Muscoy (Station 75), Bloomington (Station 76), Loma Linda, Grand Terrace (Station 23), Mentone (Station 9), Oak Glen, and Highland. This Service Zone supports eight fire stations and two communities contracted to outside agencies, Limited Term and Paid-Call Firefighter Programs.

County-wide:

The District has contracts with the cities of Adelanto, Victorville, Needles, and with the Fire Districts of Hesperia and Fontana, which include suppression staff, Limited Term Firefighters and administrative staff. Fire, rescue ambulance transportation, and emergency medical services are provided by full-time firefighters, and the Limited Term and Paid-Call Firefighter Programs.

The District also provides administration and operation of various grants including San Bernardino Tree Mortality and Fuels Management to fund tree removal programs, Homeland Security Grant Programs and American Recovery Reinvestment Act Grants.

The accompanying financial statements reflect only the accounts of the San Bernardino County Fire Protection District and are not intended to present the financial position of the County taken as a whole.

Because the District meets the reporting entity criteria established by the Governmental Accounting Standards Board (GASB), the District's financial statements have also been included in the Comprehensive Annual Financial Report of the County as a "component unit" for the fiscal year ended June 30, 2011.

**Government-wide and fund financial statements**

The government-wide financial statements (e.g., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**San Bernardino County  
Fire Protection District  
Notes to Financial Statements  
June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary fund financial statements. 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.

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

Property taxes are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *special revenue fund* labeled "General" is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *special revenue fund* labeled "State Homeland Security Grant" is used to account for State Homeland Security grant transactions.

The *special revenue fund* labeled "Equipment Replacement" is used for the replacement of fire equipment.

The *special revenue fund* labeled "Termination Benefits" is used to account for the District's termination benefits.

**San Bernardino County  
Fire Protection District  
Notes to Financial Statements  
June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The *special revenue fund* labeled "Mountain Regional Service Zone - Fire Operations" is used to provide fire, emergency response, and ambulance services.

The *special revenue fund* labeled "North Desert Regional Service Zone - Fire Operations" is used to provide fire, emergency response, and ambulance services.

The *special revenue fund* labeled "South Desert Regional Service Zone - Fire Operations" is used to provide fire, emergency response, and ambulance services.

The *special revenue fund* labeled "Valley Regional Service Zone - Fire Operations" is used to provide fire protection and emergency response services.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District enterprise fund is charges to customers for ambulance transportation services. Operating expenses for enterprise funds include the cost of salaries and benefits, service and supplies, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Deposits and investments**

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.

**San Bernardino County  
Fire Protection District  
Notes to Financial Statements  
June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (e.g., the current portion of interfund loans) or "advances to/from other funds" (e.g., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All accounts receivable are shown net of an allowance for uncollectibles when applicable. The accounts receivable balances of the Ambulance Enterprise Funds at June 30, 2011 are net of an allowance for doubtful accounts of \$892,147.

**Property taxes**

Secured property taxes are levied in two equal installments, November 1 and February 1. They become delinquent with penalties on December 10 and April 10, respectively. The lien date is January 1 of each year. Unsecured property taxes are due on March 1st lien date and become delinquent with penalties on August 31.

**Inventories and prepaid items**

Inventories, if any, are valued at cost using the first-in/first-out method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

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

**Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (for improvements to land and structures and equipment) and have an estimated useful life in excess of two years. Structures with an initial cost of \$100,000 are considered capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**San Bernardino County  
Fire Protection District  
Notes to Financial Statements  
June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment of the government is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	40 - 60
Structures and improvements	5 - 40
Equipment and vehicles	4 - 15

**Fund equity**

Beginning with the current fiscal year, the District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

- ***Nonspendable Fund Balance:*** Amounts cannot be spent because they are: (a) not in spendable form or (b) legally or contractually required to be maintained intact. Due to the nature or form of the resources, they generally cannot be expected to be converted into cash or a spendable form.
- ***Restricted Fund Balance:*** Amounts are restricted by external parties, i.e., creditors, grantors, contributors, or laws/regulations of other governments or restricted by law through constitutional provisions or enabling legislation.
- ***Committed Fund Balance:*** Amounts can only be used for a specific purpose pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Board of Supervisors). The formal action must occur prior to the end of the reporting period, however, the amount may be determined in the subsequent period. These are self-imposed limitations on available resources. These committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same level of action it employed to previously commit those amounts. These committed amounts would be approved and adopted by formal action of the Board.
- ***Assigned Fund Balance:*** Amounts are constrained by the government's intent to be used for specific purposes that are neither restricted nor committed. The intent will be expressed by the body or official to which the governing body has delegated the authority, i.e. the County Administrative Office. The County Administrative Office will assign fund balance for specific departmental projects through the use of the respective department's general fund savings. Such projects would not normally be feasible for the department without reserving funding over a multiple year period.

**San Bernardino County  
Fire Protection District  
Notes to Financial Statements  
June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- **Unassigned Fund Balance:** The General Fund, as the principal operating fund, often has net resources in excess of what can properly be classified in one of the four categories already described. Therefore, in order to calculate unassigned fund balance, total fund balance less nonspendable, restricted, committed, or assigned equals unassigned fund balance. This amount is available for any purpose and will be placed in either the General Purpose Reserve, General Fund – Mandatory Contingencies or the General Fund - Uncertainties Contingencies until allocated for a specific purpose by the Board, by a four-fifths vote.

When both restricted and unrestricted resources are available for use when expenditure is incurred, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed. It is the County's policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Employee compensated absences**

Accumulated vacation, holiday benefits, sick pay and compensatory time are recorded as an expense and liability as the benefits are earned. Compensated absence liabilities are recorded as a current liability. The District is not obligated to pay for unused sick leave if an employee terminates or retires.

Compensated absences activity for the year ended June 30, 2011 was as follows:

Beginning Balance	Additions	Deletions	Ending Balance
\$ 8,874,914	\$ 4,114,492	\$ 5,313,592	\$ 7,675,814

**Use of estimates**

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

**Stewardship, compliance and accountability**

A. Budgetary information

In accordance with provisions of Section 29000 - 29143 of the Government code of the State of California, commonly known as the County Budget Act, the District prepares and adopts a budget on or before August 30 for each fiscal year.

Budgets are prepared on the modified accrual basis of accounting. The legal level of budgetary control is the object level and the sub-object level for fixed assets within each fund.

**San Bernardino County  
Fire Protection District  
Notes to Financial Statements  
June 30, 2011**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments or transfers of appropriations between funds or departments must be approved by the Board. Transfers at the sub-object level or cost center level may be done at the discretion of the Special District's Administration Department head. Any deficiency of budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning available fund balances as provided for in the County Budget Act.

B. Deficit fund balances

The major special revenue funds labeled *Fire Operations (FNZ)* and *Fire Operations (FVZ)* and non-major special revenue fund labeled *Kaiser Commerce Center (SFE)* have deficit fund balances of \$395,630, \$166,019 and \$457,904, respectively, as of June 30, 2011.

C. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

NOTE 2: CASH AND DEPOSITS

Cash and cash equivalents includes the cash balance of monies deposited with the County Treasurer which are pooled and invested for the purpose of increasing earnings through investment activities. Interest earned on pooled investments is deposited to the District's account based upon the District's average daily deposit balance during the allocation period. Cash and cash equivalents are shown at the fair value as of June 30, 2011.

See the County of San Bernardino's Comprehensive Annual Financial Report (CAFR) for details of their investment policy and disclosures related to investment credit risk, concentration of credit risk, interest rate risk and custodial credit risk, as required by GASB Statement No. 40.

NOTE 3: ACCOUNTS RECEIVABLE

At June 30, 2011, the receivables were composed of the following:

	<u>Governmental Fund - General</u>	<u>Enterprise Funds - Ambulances</u>	<u>Total</u>
Accounts	\$ 89,301	\$ 2,120,817	\$ 2,210,118
Less: allowance for uncollectible	<u>-</u>	<u>(892,147)</u>	<u>(892,147)</u>
Total accounts receivable, net	<u>\$ 89,301</u>	<u>\$ 1,228,670</u>	<u>\$ 1,317,971</u>

**San Bernardino County  
Fire Protection District  
Notes to Financial Statements  
June 30, 2011**

NOTE 4: CAPITAL ASSETS

Capital asset activity for year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,050,647	\$ -	\$ -	\$ 1,050,647
Construction in progress	884,104	61,676	(79,200)	866,580
Total capital assets, not being depreciated	<u>1,934,751</u>	<u>61,676</u>	<u>(79,200)</u>	<u>1,917,227</u>
Capital assets, being depreciated:				
Improvements to land	1,744,667	20,404	-	1,765,071
Structures and improvements	21,244,710	72,782	-	21,317,492
Vehicles	39,256,121	1,739,863	(2,350,181)	38,645,803
Equipment	5,254,727	814,735	(151,488)	5,917,974
Heavy equipment	-	1,363,501	-	1,363,501
Software	-	24,500	-	24,500
Total capital assets, being depreciated	<u>67,500,225</u>	<u>4,035,785</u>	<u>(2,501,669)</u>	<u>69,034,341</u>
Less accumulated depreciation for:				
Improvements to land	(372,722)	(72,890)	-	(445,612)
Structures and improvements	(3,822,666)	(548,441)	-	(4,371,107)
Vehicles	(31,086,462)	(4,291,224)	2,089,833	(33,287,853)
Equipment	(2,379,546)	(455,058)	69,011	(2,765,593)
Heavy equipment	-	(99,766)	-	(99,766)
Software	-	(817)	-	(817)
Total accumulated depreciation	<u>(37,661,396)</u>	<u>(5,468,196)*</u>	<u>2,158,844</u>	<u>(40,970,748)</u>
Total capital assets, being depreciated, net	<u>29,838,829</u>	<u>(1,432,411)</u>	<u>(342,825)</u>	<u>28,063,593</u>
Governmental activities capital assets, net	<u>\$ 31,773,580</u>	<u>\$ (1,370,735)</u>	<u>\$ (422,025)</u>	<u>\$ 29,980,820</u>

\* This amount includes current year depreciation expense of \$4,269,479 and \$1,198,717 for accumulated depreciation as of June 30, 2011 for various capital assets transferred to and from the District in the current year.

**San Bernardino County  
Fire Protection District  
Notes to Financial Statements  
June 30, 2011**

NOTE 4: CAPITAL ASSETS (continued)

Included in the above capital asset additions and deletions are the following transfers:

	Transfers In	Transfers Out
Vehicles	\$ 1,513,864	\$ (1,519,132)
Equipment	186,994	-
Construction in progress	-	(79,200)
Total	\$ 1,700,858	\$ (1,598,332)

NOTE 5: IMPLEMENTATION OF NEW PRONOUNCEMENTS

Effective July 1, 2010, the District adopted a new accounting standard issued by the Governmental Accounting Standards Board (GASB):

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*

The objective of this statement is to improve the usefulness, including the understandability, of governmental fund balance information. It provides more clearly defined categories to make the nature and extent of the constraints placed on government's fund balance more transparent and clarifies the existing governmental fund type definitions.

NOTE 6: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at June 30, 2011 are as follows:

	Due from:				
	General (SKX)	State Homeland Security Grant (SME)	Termination Benefits (SKL)	Fire Operations (FMZ)	Fire Operations (FNZ)
Due to:					
General (SKX)	\$ -	\$ 1,553	\$ 725,142	\$ 10,479	\$ 365,882
State Homeland					
Security Grant (SME)	1,125,902	-	-	-	-
Equipment Replacement (SKK)	-	-	-	-	10,000
Termination Benefits (SKL)	450,000	-	-	50,000	-
Fire Operations (FMZ)	89,184	-	-	-	2,665
Fire Operations (FNZ)	135,316	-	-	1,316	-
Fire Operations (FSZ)	63,422	-	-	1,070	7,709
Fire Operations (FVZ)	584,610	-	-	1,290	1,273
Nonmajor Governmental Funds	28,652	-	-	-	84
Totals	\$ 2,477,086	\$ 1,553	\$ 725,142	\$ 64,155	\$ 387,613

**San Bernardino County  
Fire Protection District  
Notes to Financial Statements  
June 30, 2011**

NOTE 6: INTERFUND RECEIVABLES AND PAYABLES (continued)

Interfund receivables and payables at June 30, 2011 are as follows (continued):

	Due from:				Total
	Fire Operations (FSZ)	Fire Operations (FVZ)	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
<b>Due to:</b>					
General (SKX)	\$ 19,680	\$ 25,504	\$ 30,506	\$ -	\$ 1,178,746
State Homeland Security Grant (SME)	-	-	-	-	1,125,902
Equipment Replacement (SKK)	-	-	-	403,000	413,000
Termination Benefits (SKL)	60,000	75,000	-	-	635,000
Fire Operations (FMZ)	-	651	6,024	-	98,524
Fire Operations (FNZ)	2,649	214	-	-	139,495
Fire Operations (FSZ)	-	672	-	-	72,873
Fire Operations (FVZ)	661	-	-	-	587,834
Nonmajor Governmental Funds	-	453	1,349	-	30,538
<b>Totals</b>	<b>\$ 82,990</b>	<b>\$ 102,494</b>	<b>\$ 37,879</b>	<b>\$ 403,000</b>	<b>\$ 4,281,912</b>

NOTE 7: LONG TERM DEBT

**Governmental Activities:**

**Capital Leases**

During fiscal year 2006-07, the District entered into a lease agreement as lessee for financing and acquisition of a KME fire truck. During the fiscal year 2010-11, the District entered into two additional lease agreements as lessee for financing and acquisition of three Rosenbauer Gladiators. These lease agreements qualify as capital leases for accounting purposes. The lease agreements have been recorded at the present value of the future minimum lease payments.

**San Bernardino County  
Fire Protection District  
Notes to Financial Statements  
June 30, 2011**

NOTE 7: LONG TERM DEBT (continued)

The assets acquired through these capital leases are as follows:

Vehicles (2006 KME Truck)	\$ 699,405
Less: accumulated depreciation	<u>(543,981)</u>
Total	<u>\$ 155,424</u>
Heavy equipment (2 - 2010 Rosenbauer Gladiators)	\$ 861,142
Less: accumulated depreciation	<u>(59,801)</u>
Total	<u>\$ 801,341</u>
Heavy equipment (2010 Rosenbauer Gladiators)	\$ 429,226
Less: accumulated depreciation	<u>(29,807)</u>
Total	<u>\$ 399,419</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

<u>Year ending June 30,</u>	
2012	\$ 355,436
2013	278,190
2014	278,190
2015	<u>278,190</u>
Total minimum lease payments	1,190,006
Less: amount representing interest	<u>(93,291)</u>
Present value of minimum lease payments	<u>\$ 1,096,715</u>

**Change in long-term liabilities**

Long-term liability activity for the year ended June 30, 2011, was as follows:

Governmental activities:	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Capital leases	<u>\$ 224,594</u>	<u>\$ 1,290,367</u>	<u>\$ (418,246)</u>	<u>\$ 1,096,715</u>	<u>\$ 318,221</u>

**San Bernardino County  
Fire Protection District  
Notes to Financial Statements  
June 30, 2011**

NOTE 8: RETIREMENT PLAN

**Plan description**

The San Bernardino County Employees' Retirement Association (SBCERA) is a cost-sharing multiple-employer defined benefit pension plan (the Plan) operating under the California County Employees' Retirement Act of 1937 (1937 Act). It provides retirement, death and disability benefits to members. Although legally established as a single employer plan, the City of Big Bear Lake, California State Association of Counties, South Coast Air Quality Management District (SCAQMD), San Bernardino Associated Governments (SANBAG), Local Agency Formation Commission (LAFCO), San Bernardino County Law Library, Barstow Fire Protection District, Hesperia Recreation and Park District, SBCERA, City of Chino Hills, Crest Forest Fire Protection District, Mojave Desert Air Quality Management District (MDAQMD), California Electronic Recording Transaction Network Authority (CERTNA), Inland Valley Development Agency (IVDA), San Bernardino International Airport Authority (SBIAA), the San Bernardino County Superior Court, Inland Library System (ILS), Rim of the World Recreation and Park District (RIM-REC) and Crestline Sanitation District were later included, along with the County, and are collectively referred to as the "Participating Members." The Plan is governed by the SBCERA Board of Retirement under the 1937 Act. Employees become eligible for membership on their first day of regular employment and become fully vested after 5 years of service credit. SBCERA issues a stand-alone financial report, which may be obtained by contacting the Board of Retirement, 348 W Hospitality Lane - 3rd Floor, San Bernardino, California 92415-0014.

**Fiduciary responsibility**

SBCERA is controlled by its own board, the Retirement Board, which acts as a fiduciary agent for the accounting and control of member and employee contributions and investment income. SBCERA publishes its own Comprehensive Annual Financial Report and receives a separate independent audit. SBCERA is also a legally separate entity from the County and not a component unit. For these reasons, the County's Comprehensive Annual Financial Report excludes SBCERA pension trust fund as of June 30, 2011.

**Funding policy**

Participating members are required by statute (Sections 31621.6 and 31639.25 of the California Government Code) to contribute a percentage of covered salary based on certain actuarial assumptions and their age at entry to the Plan. Employee contribution rates vary according to age and classification (general or safety). General members are required to contribute 7.42% - 12.96% and safety members 9.54% - 15.32% of their annual covered salaries, of which the County pays approximately 7%. County of San Bernardino employer contribution rates are as follows: County General 12.32%, County Safety 26.82%. All employers combined are required to contribute 15.4% of the current year covered payroll. For 2011, the County's annual pension cost of \$213,311,000 was equal to the County's required and actual contributions. Employee contribution rates are established and may be amended pursuant to Articles 6 and 6.8 of the 1937 Act. Employer rates are determined pursuant to Sections 31453 and 31454 of the 1937 Act.

**San Bernardino County  
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Notes to Financial Statements  
June 30, 2011**

NOTE 8: RETIREMENT PLAN (continued)

The County's annual pension cost and prepaid asset, computed in accordance with GASB 27, Accounting for Pensions by State and Local Governmental Employers, for the year ended June 30, 2011, were as follows (in thousands):

Annual Required Contribution (County fiscal year basis)	\$ 213,311
Interest on Pension Assets	(2,331)
Adjustment to the Annual Required Contribution	<u>24,585</u>
Annual Pension Cost	235,565
Annual Contributions Made	<u>213,311</u>
Increase/(Decrease) in Pension Assets	(22,254)
Pension Assets, Beginning of Year	<u>741,388</u>
Pension Assets, End of Year	<u><u>\$ 719,134</u></u>

The following table shows the County's required contributions and percentage contributed for the current year and two preceding years:

Year Ended June 30,	Annual Contributions Made (in thousands)		Percentage Contributed
	SBCERA	County	
2009	\$ 246,232	\$ 200,300	100%
2010	243,773	197,097	100%
2011	258,128	213,311	100%

The County, along with the SCAQMD, issued Pension Refunding Bonds (the Bonds) in November 1995 with an aggregate amount of \$420,527,000. These Bonds were issued to allow the County and the SCAQMD to refinance each of their unfunded accrued actuarial liabilities with respect to retirement benefits for their respective employees. The Bonds are the obligations of the employers participating in the Plan and the assets of the Plan do not secure the Bonds. The County's portion of the bond issuance was \$386,266,000. The outstanding liability at June 30, 2011 is \$414,041,000.

On June 24, 2004, the County issued its County of San Bernardino Pension Obligation Bonds, Series 2004 A (Fixed Rate Bonds), its County of San Bernardino Pension Obligation Bonds, Series 2004 B (Auction Rate Bonds), and its County of San Bernardino Pension Obligation Bonds, Series 2004 C (Index Bonds) in respective aggregate principal amounts of \$189,070,000, \$149,825,000, and \$125,000,000. The Bonds were issued to finance the County's share of the unfunded accrued actuarial liability of the SBCERA. In April 2008, the County refunded all of the 2004 Series B. The outstanding liability at June 30, 2011 is \$285,270,000.

**San Bernardino County  
Fire Protection District  
Notes to Financial Statements  
June 30, 2011**

**NOTE 8: RETIREMENT PLAN (continued)**

In April 2008, the County of San Bernardino issued its \$160,900,000 in Pension Obligation Refunding Bonds (POB), Series 2008 (the Series 2008 Bonds). The outstanding liability at June 30, 2011 is \$157,735,000.

**NOTE 9: FEDERAL AND STATE GRANTS**

From time to time, the District may receive funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

**NOTE 10: RISK MANAGEMENT**

The County has self-insurance programs for public liability, property damage, unemployment insurance, employee dental insurance, hospital and medical malpractice liability, and workers' compensation claims. Public liability claims are self-insured for up to \$2.5 million per occurrence. Excess insurance coverage over the Self-Insured Retention (SIR) up to \$100 million is provided through a combination of insurance policies as recommended by AON Risk Services, Broker of Record, as follows: Primary Liability coverage of \$25 million excess of \$2.5 million SIR with CV Starr/Everest; Excess Liability coverage of \$10 million, excess of \$25 million with Allied World Assurance Company (AWAC); and Excess Liability coverage of \$15 million, excess of \$35 million with Great American Insurance Company of New York. In addition, Ironshore Specialty Ins. Co. provides excess liability coverage of \$10 million, excess of \$50 million; Allied World National Ins. Co. provides \$15 million, excess of \$60 million; and Arch Insurance Co. provides \$25 million in excess of \$75 million. Workers' compensation claims are self-insured up to \$5 million per occurrence, and covered by Arch Ins. Co. for up to \$3 million for employer's liability, and up to statutory limits for workers' compensation per occurrence. Property damage claims are insured on an occurrence basis over a \$25 thousand deductible, and insured with several insurers like Lexington Ins. Co., Affiliated FM, and Lloyd's of London, among others.

**San Bernardino County  
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Notes to Financial Statements  
June 30, 2011**

NOTE 10: RISK MANAGEMENT (continued)

The County supplements its self-insurance for medical malpractice claims with a \$10 million policy with Illinois Union Ins. Co., which provides annual coverage on a per claim basis with an SIR of \$2 million for each claim. Additional coverage of \$15 million, excess of \$10 million is provided by Steadfast Ins. Co. All public officials and County employees are insured under a blanket Comprehensive Disappearance, Destruction, and Dishonesty policy covering County monies and securities, with National Union Fire Ins. Co. of Pittsburgh with a \$100 thousand deductible, and excess limits up to \$10 million per occurrence.

The activities related to such programs are accounted for in Risk Management except for unemployment insurance, and employee dental insurance, which are accounted for in the General Fund. The IBNR (Incurred But Not Reported) and IBNS (Incurred But Not Settled) liabilities stated on Risk Management's balance sheet are based upon the results of actuarial studies, and include amounts for allocated and unallocated loss adjustment expenses. The liabilities for these claims are reported using a discounted rate of 1.17%. It is Risk Management's practice to obtain actuarial studies on an annual basis.

The total claims liability of \$151 million reported at June 30, 2011 is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated.

Changes in the claims liability amount in fiscal years 2010 and 2011 were:

<b>Fiscal Year</b>	<b>Beginning of Fiscal Year Liability (in thousands)</b>	<b>Current Year Claims and Changes in Estimates (in thousands)</b>	<b>Claims Payments (in thousands)</b>	<b>End of Fiscal Year Liability (in thousands)</b>
2009-10	\$ 149,941	\$ 40,453	\$ (45,000)	\$ 145,394
2010-11	\$ 145,394	\$ 48,900	\$ (43,343)	\$ 150,951

**San Bernardino County  
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Notes to Financial Statements  
June 30, 2011**

NOTE 11: TRANSFERS IN/OUT

Interfund transfers are transactions used to close out a fund, reimburse an operating fund, and transfer cash between operating funds and capital projects funds. At June 30, 2011, the District made the following interfund transfers in and out:

	Transfers in:			
	General (SKX)	Equipment Replacement (SKK)	Termination Benefits (SKL)	Fire Operations (FMZ)
<u>Transfers out:</u>				
General (SKX)	\$ -	\$ 15,000	\$ 725,142	\$ -
Equipment Replacement (SKK)	77,708	-	-	338,000
Termination Benefits (SKL)	450,000	-	-	50,000
Fire Operations (FMZ)	-	-	-	-
Fire Operations (FSZ)	-	-	-	-
Nonmajor Governmental Funds	316,114	30,000	-	-
Nonmajor Enterprise Funds	-	-	-	439,291
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Totals	<u>\$ 843,822</u>	<u>\$ 45,000</u>	<u>\$ 725,142</u>	<u>\$ 827,291</u>

Transfers in:					
Fire Operations (FNZ)	Fire Operations (FSZ)	Fire Operations (FVZ)	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Total
\$ 4,226,387	\$ 1,980,916	\$ 910,053	\$ 471,000	\$ -	\$ 8,328,498
337,216	127,000	473,785	20,000	418,000	1,791,709
10,000	60,000	75,000	-	-	645,000
-	-	-	60,500	-	60,500
180,422	-	494,168	-	-	674,590
108,902	-	-	-	-	455,016
1,062,291	635,885	-	-	-	2,137,467
<u>\$ 5,925,218</u>	<u>\$ 2,803,801</u>	<u>\$ 1,953,006</u>	<u>\$ 551,500</u>	<u>\$ 418,000</u>	<u>\$ 14,092,780</u>

**San Bernardino County  
Fire Protection District  
Notes to Financial Statements  
June 30, 2011**

**NOTE 12: PROPOSITION 111 APPROPRIATION LIMITS**

Proposition 111, which added Article XIII B to the State Constitution, established limits on budget appropriations in order to restrict government spending. We have reviewed the proceeds of taxes received by the District during the 2010-2011 fiscal year, and have found the revenue to be within the guidelines established by Proposition 111.

**NOTE 13: CONTINGENCIES**

As of June 30, 2011, in the opinion of the District Administration, there are no outstanding matters which would have a significant effect on the financial position of the District.

**NOTE 14: EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The District reported expenditures in excess of appropriations in the following funds:

Fund	Appropriations	Expenditures	Variance
State Homeland Security Grant (SME)	\$ 1,796,524	\$ 4,188,778	\$ (2,392,254)
Fire Operations - North Desert Regional Service Zone (FNZ)	13,681,651	14,090,087	(408,436)
Fire Operations - South Desert Regional Service Zone (FSZ)	9,255,551	9,728,779	(473,228)
Fire Operations - Valley Regional Service Zone (FVZ)	11,063,806	12,397,158	(1,333,352)

**NOTE 15: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 30, 2011, which is the date the financial statements were available to be issued, and has determined that there are no transactions that will have a significant impact on the District.

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**Required Supplementary Information**  
**San Bernardino County**  
**Fire Protection District**  
**Budgetary Comparison Schedule - Special Revenue Fund – General**  
**For the Year Ended June 30, 2011**

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	General (SKX)			
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Property taxes	\$ 7,163,441	\$ 6,221,994	\$ 6,475,666	\$ 253,672
Other assistance	1,859,217	1,859,217	1,898,285	39,068
Service fees	60,645,382	60,369,913	59,865,478	(504,435)
Special assessments	282,000	282,000	361,938	79,938
Other taxes	-	-	72,141	72,141
Fines, forfeitures and penalties	840	120	120	-
Federal assistance	613,084	1,980,857	1,592,321	(388,536)
State assistance	151,700	221,700	571,099	349,399
Investment earnings	80,000	91,714	59,681	(32,033)
Intergovernmental	336,049	1,039,424	7,978,433	6,939,009
Other	6,000	6,000	583	(5,417)
Total Revenues	<u>71,137,713</u>	<u>72,072,939</u>	<u>78,875,745</u>	<u>6,802,806</u>
<b>EXPENDITURES</b>				
Salaries and benefits	61,291,955	60,882,470	58,094,777	2,787,693
Services and supplies	13,474,124	10,608,199	11,273,184	(664,985)
Capital outlay:				
Vehicles	555,609	536,180	262,035	274,145
Equipment	583,740	682,995	526,482	156,513
Structures and improvements	31,500	-	-	-
Software	24,500	29,500	24,500	5,000
Intergovernmental	-	-	17,558	(17,558)
Reserves and contingencies	9,332,917	12,707,785	-	12,707,785
Total Expenditures	<u>85,294,345</u>	<u>85,447,129</u>	<u>70,198,536</u>	<u>15,248,593</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(14,156,632)</u>	<u>(13,374,190)</u>	<u>8,677,209</u>	<u>22,051,399</u>
<b>OTHER FINANCING SOURCES</b>				
<b>(USES)</b>				
Proceeds from sale of capital assets	-	44,854	43,045	(1,809)
Transfers in	8,322,087	8,502,322	843,822	(7,658,500)
Transfers out	<u>(7,358,770)</u>	<u>(8,366,301)</u>	<u>(8,328,498)</u>	<u>37,803</u>
Total Other Financing Sources (Uses)	<u>963,317</u>	<u>180,875</u>	<u>(7,441,631)</u>	<u>(7,622,506)</u>
Net Change in Fund Balance	<u>\$ (13,193,315)</u>	<u>\$ (13,193,315)</u>	<u>1,235,578</u>	<u>\$ 14,428,893</u>
<b>Fund Balance - beginning</b>			<u>10,424,233</u>	
<b>Fund Balance - ending</b>			<u>\$ 11,659,811</u>	

**Required Supplementary Information**  
**San Bernardino County**  
**Fire Protection District**  
**Budgetary Comparison Schedule - Special Revenue Fund – State Homeland Security Grant**  
**For the Year Ended June 30, 2011**

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	State Homeland Security Grant (SME)			
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Federal assistance	\$ 6,392,947	\$ 4,301,147	\$ 4,226,469	\$ (74,678)
Total Revenues	6,392,947	4,301,147	4,226,469	(74,678)
<b>EXPENDITURES</b>				
Salaries and benefits	469,509	(483,342)	454,950	(938,292)
Services and supplies	3,171,339	2,231,038	1,959,761	271,277
Capital outlay:				
Equipment	-	-	7,914	(7,914)
Intergovernmental	-	-	1,766,153	(1,766,153)
Reserves and contingencies	203,158	48,828	-	48,828
Total Expenditures	3,844,006	1,796,524	4,188,778	(2,392,254)
Excess of Revenues Over Expenditures	2,548,941	2,504,623	37,691	(2,466,932)
<b>OTHER FINANCING USES</b>				
Transfers out	(2,548,941)	(2,504,623)	-	2,504,623
Total Other Financing Uses	(2,548,941)	(2,504,623)	-	2,504,623
Net Change in Fund Balance	\$ -	\$ -	37,691	\$ 37,691
<b>Fund Balance - beginning</b>			88,993	
<b>Fund Balance - ending</b>			\$ 126,684	

**Required Supplementary Information**  
**San Bernardino County**  
**Fire Protection District**  
**Budgetary Comparison Schedule - Special Revenue Fund – Equipment Replacement**  
**For the Year Ended June 30, 2011**

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Equipment Replacement (SKK)			
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Investment earnings	\$ 80,000	\$ 140,874	\$ 169,034	\$ 28,160
Other	19,941,861	1,605,835	110,290	(1,495,545)
Total Revenues	<u>20,021,861</u>	<u>1,746,709</u>	<u>279,324</u>	<u>(1,467,385)</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Equipment	17,683,361	-	-	-
Total Expenditures	<u>17,683,361</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>2,338,500</u>	<u>1,746,709</u>	<u>279,324</u>	<u>(1,467,385)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	45,000	45,000	45,000	-
Transfers out	(2,383,500)	(1,791,709)	(1,791,709)	-
Total Other Financing Sources (Uses)	<u>(2,338,500)</u>	<u>(1,746,709)</u>	<u>(1,746,709)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(1,467,385)	<u>\$ (1,467,385)</u>
<b>Fund Balance - beginning</b>			<u>18,080,925</u>	
<b>Fund Balance - ending</b>			<u>\$ 16,613,540</u>	

**Required Supplementary Information**  
**San Bernardino County**  
**Fire Protection District**  
**Budgetary Comparison Schedule - Special Revenue Fund - Termination Benefits**  
**For the Year Ended June 30, 2011**

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Termination Benefits (SKL)			
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Investment earnings	\$ -	\$ 43,358	\$ 45,610	\$ 2,252
Other	5,477,624	-	90,000	90,000
Total Revenues	5,477,624	43,358	135,610	92,252
<b>EXPENDITURES</b>				
Salaries and benefits	5,477,624	-	-	-
Reserves and contingencies	-	123,500	-	123,500
Total Expenditures	5,477,624	123,500	-	123,500
Excess of Revenues Over (Under) Expenditures	-	(80,142)	135,610	215,752
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	725,142	725,142	-
Transfers out	-	(645,000)	(645,000)	-
Total Other Financing Sources (Uses)	-	80,142	80,142	-
Net Change in Fund Balance	\$ -	\$ -	215,752	\$ 215,752
<b>Fund Balance - beginning</b>			5,477,624	
<b>Fund Balance - ending</b>			\$ 5,693,376	

**Required Supplementary Information**  
**San Bernardino County**  
**Fire Protection District**  
**Budgetary Comparison Schedule - Special Revenue Fund - Fire Operations**  
**For the Year Ended June 30, 2011**

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Fire Operations - Mountain Regional Service Zone (FMZ)			
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Property taxes	\$ 8,210,988	\$ 7,927,646	\$ 8,232,239	\$ 304,593
Service fees	-	(8,563)	108	8,671
Other taxes	-	-	44,565	44,565
Federal assistance	-	72,489	72,489	-
State assistance	4,800	127,484	127,484	-
Investment earnings	12,000	8,986	9,153	167
<b>Total Revenues</b>	<u>8,227,788</u>	<u>8,128,042</u>	<u>8,486,038</u>	<u>357,996</u>
<b>EXPENDITURES</b>				
Salaries and benefits	8,301,926	7,951,924	7,959,746	(7,822)
Services and supplies	1,363,129	1,284,744	1,252,404	32,340
Debt service:				
Interest	-	5,882	5,882	-
Capital outlay:				
Vehicles	338,000	337,215	-	337,215
Equipment	87,000	29,748	29,748	-
Reserves and contingencies	158,797	393,127	-	393,127
<b>Total Expenditures</b>	<u>10,248,852</u>	<u>10,002,640</u>	<u>9,247,780</u>	<u>754,860</u>
Deficit of Revenues Under Expenditures	<u>(2,021,064)</u>	<u>(1,874,598)</u>	<u>(761,742)</u>	<u>1,112,856</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	4,743	4,743	-
Transfers in	968,000	827,291	827,291	-
Transfers out	(50,000)	(60,500)	(60,500)	-
<b>Total Other Financing Sources (Uses)</b>	<u>918,000</u>	<u>771,534</u>	<u>771,534</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (1,103,064)</u>	<u>\$ (1,103,064)</u>	9,792	<u>\$ 1,112,856</u>
<b>Fund Balance - beginning</b>			<u>2,659,483</u>	
<b>Fund Balance - ending</b>			<u>\$ 2,669,275</u>	

**Required Supplementary Information**  
**San Bernardino County**  
**Fire Protection District**  
**Budgetary Comparison Schedule - Special Revenue Fund - Fire Operations**  
**For the Year Ended June 30, 2011**

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Fire Operations - North Desert Regional Service Zone (FNZ)			
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Property taxes	\$ 7,626,084	\$ 6,341,255	\$ 6,194,593	\$ (146,662)
Service fees	40,000	28,146	51,860	23,714
Other taxes	-	-	50,869	50,869
Federal assistance	-	79,570	79,570	-
State assistance	6,000	92,419	92,419	-
Investment earnings	20,000	15,132	14,799	(333)
Other	-	-	64,590	64,590
<b>Total Revenues</b>	<b>7,692,084</b>	<b>6,556,522</b>	<b>6,548,700</b>	<b>(7,822)</b>
<b>EXPENDITURES</b>				
Salaries and benefits	12,141,041	12,062,027	12,809,900	(747,873)
Services and supplies	1,928,468	1,237,167	1,269,541	(32,374)
Debt service:				
Interest	-	10,646	10,646	-
Capital outlay:				
Vehicles	338,000	337,215	-	337,215
Reserves and contingencies	381,094	34,596	-	34,596
<b>Total Expenditures</b>	<b>14,788,603</b>	<b>13,681,651</b>	<b>14,090,087</b>	<b>(408,436)</b>
Deficit of Revenues Under Expenditures	(7,096,519)	(7,125,129)	(7,541,387)	(416,258)
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	-	114,218	5,316	(108,902)
Transfers in	5,901,924	5,816,316	5,925,218	108,902
<b>Total Other Financing Sources</b>	<b>5,901,924</b>	<b>5,930,534</b>	<b>5,930,534</b>	<b>-</b>
Net Change in Fund Balance	<u>\$ (1,194,595)</u>	<u>\$ (1,194,595)</u>	(1,610,853)	<u>\$ (416,258)</u>
<b>Fund Balance - beginning</b>			<u>1,215,223</u>	
<b>Fund Balance - ending</b>			<u>\$ (395,630)</u>	

**Required Supplementary Information**  
**San Bernardino County**  
**Fire Protection District**  
**Budgetary Comparison Schedule - Special Revenue Fund - Fire Operations**  
**For the Year Ended June 30, 2011**

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Fire Operations - South Desert Regional Service Zone (FSZ)			
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Property taxes	\$ 5,540,001	\$ 5,189,255	\$ 5,227,671	\$ 38,416
Service fees	51,467	47,244	51,695	4,451
Other taxes	-	-	25,782	25,782
Federal assistance	100,000	143,156	143,156	-
State assistance	3,600	73,047	73,047	-
Investment earnings	15,000	11,564	12,093	529
Other	200	28,337	34,753	6,416
Total Revenues	<u>5,710,268</u>	<u>5,492,603</u>	<u>5,568,197</u>	<u>75,594</u>
<b>EXPENDITURES</b>				
Salaries and benefits	7,722,802	7,640,640	7,699,348	(58,708)
Services and supplies	1,617,854	1,401,108	1,405,892	(4,784)
Debt service:				
Principal	77,000	89,815	89,815	-
Interest	20,000	6,125	6,178	(53)
Capital outlay:				
Equipment	48,000	96,534	77,044	19,490
Improvements to land	-	20,404	20,404	-
Heavy equipment	-	-	429,226	(429,226)
Other	925	925	872	53
Reserves and contingencies	833,301	-	-	-
Total Expenditures	<u>10,319,882</u>	<u>9,255,551</u>	<u>9,728,779</u>	<u>(473,228)</u>
Deficit of Revenues Under Expenditures	<u>(4,609,614)</u>	<u>(3,762,948)</u>	<u>(4,160,582)</u>	<u>(397,634)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	8,823	8,823	-
Proceeds from capital lease	-	-	429,226	429,226
Transfers in	2,984,700	2,129,211	2,803,801	674,590
Transfer out	-	-	(674,590)	(674,590)
Total Other Financing Sources (Uses)	<u>2,984,700</u>	<u>2,138,034</u>	<u>2,567,260</u>	<u>429,226</u>
Net Change in Fund Balance	<u>\$ (1,624,914)</u>	<u>\$ (1,624,914)</u>	<u>(1,593,322)</u>	<u>\$ 31,592</u>
<b>Fund Balance - beginning</b>			<u>1,831,511</u>	
<b>Fund Balance - ending</b>			<u>\$ 238,189</u>	

**Required Supplementary Information**  
**San Bernardino County**  
**Fire Protection District**  
**Budgetary Comparison Schedule - Special Revenue Fund - Fire Operations**  
**For the Year Ended June 30, 2011**

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Fire Operations - Valley Regional Service Zone (FVZ)			
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Property taxes	\$ 8,136,697	\$ 7,249,966	\$ 7,450,321	\$ 200,355
Service fees	400	3,536	19,525	15,989
Other taxes	-	-	69,613	69,613
Federal assistance	-	74,286	74,286	-
State assistance	5,600	117,118	117,118	-
Investment earnings	20,000	16,788	17,515	727
Other	-	-	2,058	2,058
<b>Total Revenues</b>	<b>8,162,697</b>	<b>7,461,694</b>	<b>7,750,436</b>	<b>288,742</b>
<b>EXPENDITURES</b>				
Salaries and benefits	8,429,459	8,827,548	9,338,281	(510,733)
Services and supplies	1,768,677	1,896,113	1,850,591	45,522
Debt service:				
Principal	296,000	328,431	328,431	-
Interest	52,029	11,714	11,714	-
Capital outlay:				
Heavy equipment	-	-	861,141	(861,141)
Intergovernmental	-	-	7,000	(7,000)
Reserves and contingencies	987,808	-	-	-
<b>Total Expenditures</b>	<b>11,533,973</b>	<b>11,063,806</b>	<b>12,397,158</b>	<b>(1,333,352)</b>
Deficit of Revenues Under Expenditures	(3,371,276)	(3,602,112)	(4,646,722)	(1,044,610)
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	-	1,505	1,505	-
Proceeds from capital lease	-	-	861,141	861,141
Transfers in	1,723,675	1,953,006	1,953,006	-
<b>Total Other Financing Sources</b>	<b>1,723,675</b>	<b>1,954,511</b>	<b>2,815,652</b>	<b>861,141</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,647,601)</b>	<b>\$ (1,647,601)</b>	<b>(1,831,070)</b>	<b>\$ (183,469)</b>
<b>Fund Balance - beginning</b>			<b>1,665,051</b>	
<b>Fund Balance - ending</b>			<b>\$ (166,019)</b>	

**San Bernardino County  
Fire Protection District  
Combined Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2011**

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds (see Exhibit "C")
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,322,925	\$ 7,305,994	\$ 10,628,919
Interest receivable	7,143	13,745	20,888
Due from other funds	37,879	-	37,879
Due from other governments	180,503	-	180,503
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 3,548,450</u>	<u>\$ 7,319,739</u>	<u>\$ 10,868,189</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 246,795	\$ 5,501	\$ 252,296
Salaries and benefits payable	53,978	-	53,978
Due to other funds	30,538	-	30,538
Due to other governments	846,421	14,537	860,958
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>1,177,732</u>	<u>20,038</u>	<u>1,197,770</u>
Fund Balances:			
Restricted for:			
Public safety	2,828,584	5,568,205	8,396,789
Committed	-	1,256,966	1,256,966
Assigned	38	474,530	474,568
Unassigned	(457,904)	-	(457,904)
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>2,370,718</u>	<u>7,299,701</u>	<u>9,670,419</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 3,548,450</u>	<u>\$ 7,319,739</u>	<u>\$ 10,868,189</u>

**San Bernardino County  
Fire Protection District  
Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2011**

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds (see Exhibit "D")
<b>REVENUES</b>			
Property taxes	\$ 33,028	\$ -	\$ 33,028
Service fees	247,251	-	247,251
Special assessments	1,829,676	-	1,829,676
Fines, forfeitures and penalties	12,958	-	12,958
Federal assistance	4,264,596	-	4,264,596
State assistance	-	3,385	3,385
Investment earnings	25,412	57,873	83,285
Other	278,070	116,379	394,449
Total Revenues	<u>6,690,991</u>	<u>177,637</u>	<u>6,868,628</u>
<b>EXPENDITURES</b>			
Salaries and benefits	1,150,724	-	1,150,724
Services and supplies	4,325,049	974	4,326,023
Capital outlay:			
Vehicles	7,085	-	7,085
Structures and improvements	-	135,456	135,456
Intergovernmental	1,002,761	2,343	1,005,104
Total Expenditures	<u>6,485,619</u>	<u>138,773</u>	<u>6,624,392</u>
Excess of Revenues Over (Under) Expenditures	<u>205,372</u>	<u>38,864</u>	<u>244,236</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	1,605	-	1,605
Transfers in	-	551,500	551,500
Transfers out	(346,114)	(108,902)	(455,016)
Total Other Financing Sources (Uses)	<u>(344,509)</u>	<u>442,598</u>	<u>98,089</u>
Net Change in Fund Balances	(139,137)	481,462	342,325
<b>Fund Balances - beginning</b>	<u>2,509,855</u>	<u>6,818,239</u>	<u>9,328,094</u>
<b>Fund Balances - ending</b>	<u>\$ 2,370,718</u>	<u>\$ 7,299,701</u>	<u>\$ 9,670,419</u>

**San Bernardino County  
Fire Protection District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2011**

	ADMINISTRATIVE			
	Tree Removal Grant (SMF)	Recycle (RKD)	Violation Penalties (RKE)	Dead Tree Abatement (SLH)
<b>ASSETS</b>				
Cash and cash equivalents	\$ 376,932	\$ 2	\$ 1,658,635	\$ 473,094
Interest receivable	537	-	3,588	960
Due from other funds	30,178	-	-	-
Due from other governments	-	-	-	-
<b>Total Assets</b>	<b>\$ 407,647</b>	<b>\$ 2</b>	<b>\$ 1,662,223</b>	<b>\$ 474,054</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 28,408	\$ -	\$ -	\$ -
Salaries and benefits payable	50,227	-	-	-
Due to other funds	28,877	-	-	-
Due to other governments	116,421	-	-	-
<b>Total Liabilities</b>	<b>223,933</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances:				
Restricted for:				
Public safety	183,714	-	1,662,223	474,054
Assigned	-	2	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>183,714</b>	<b>2</b>	<b>1,662,223</b>	<b>474,054</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 407,647</b>	<b>\$ 2</b>	<b>\$ 1,662,223</b>	<b>\$ 474,054</b>

ADMINISTRATIVE				MOUNTAIN REGIONAL SERVICE ZONE
Office of Justice Program (SKT)	Kaiser Commerce Center (SFE)	Buffer Zone Grant HSGP (SMH)	USFS ARRA Stimulus Grant (SMN)	PM1 Lake Arrowhead (SND)
\$ 36	\$ 229,379	\$ 614	\$ 286,499	\$ 32,866
-	398	234	527	142
-	-	-	7,701	-
-	-	31,738	148,765	-
<u>\$ 36</u>	<u>\$ 229,777</u>	<u>\$ 32,586</u>	<u>\$ 443,492</u>	<u>\$ 33,008</u>
\$ -	\$ -	\$ -	\$ 218,387	\$ -
-	-	-	3,751	-
-	-	821	840	-
-	687,681	30,917	11,402	-
-	687,681	31,738	234,380	-
-	-	848	209,112	33,008
36	-	-	-	-
-	(457,904)	-	-	-
<u>36</u>	<u>(457,904)</u>	<u>848</u>	<u>209,112</u>	<u>33,008</u>
<u>\$ 36</u>	<u>\$ 229,777</u>	<u>\$ 32,586</u>	<u>\$ 443,492</u>	<u>\$ 33,008</u>

**San Bernardino County  
Fire Protection District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2011**

	NORTH DESERT REGIONAL SERVICE ZONE			
	FP5 Helendale/ Silver Lakes (SLR)	FP3 El Mirage (SHS)	FP1 Red Mountain (SGM)	FP2 Windy Acres (SLJ)
<b>ASSETS</b>				
Cash and cash equivalents	\$ 174,834	\$ 10,008	\$ 6,816	\$ 9,049
Interest receivable	522	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 175,356</u></b>	<b><u>\$ 10,008</u></b>	<b><u>\$ 6,816</u></b>	<b><u>\$ 9,049</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund Balances:				
Restricted for:				
Public safety	175,356	10,008	6,816	9,049
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b><u>175,356</u></b>	<b><u>10,008</u></b>	<b><u>6,816</u></b>	<b><u>9,049</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 175,356</u></b>	<b><u>\$ 10,008</u></b>	<b><u>\$ 6,816</u></b>	<b><u>\$ 9,049</u></b>

SOUTH DESERT REGIONAL SERVICE ZONE		VALLEY REGIONAL SERVICE ZONE		Total Nonmajor Special Revenue Funds (see Schedule Nine)
FP4 Wonder Valley (SLM)	FP6 Havasu Lake (SIZ)	PM2 Highland (SHV)	PM3 Yucaipa (SHP)	
\$ 17,643	\$ 15,412	\$ 25,812	\$ 5,294	\$ 3,322,925
64	82	89	-	7,143
-	-	-	-	37,879
-	-	-	-	180,503
<u>\$ 17,707</u>	<u>\$ 15,494</u>	<u>\$ 25,901</u>	<u>\$ 5,294</u>	<u>\$ 3,548,450</u>
\$ -	\$ -	\$ -	\$ -	\$ 246,795
-	-	-	-	53,978
-	-	-	-	30,538
-	-	-	-	846,421
-	-	-	-	1,177,732
17,707	15,494	25,901	5,294	2,828,584
-	-	-	-	38
-	-	-	-	(457,904)
<u>17,707</u>	<u>15,494</u>	<u>25,901</u>	<u>5,294</u>	<u>2,370,718</u>
<u>\$ 17,707</u>	<u>\$ 15,494</u>	<u>\$ 25,901</u>	<u>\$ 5,294</u>	<u>\$ 3,548,450</u>

**San Bernardino County  
Fire Protection District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2011**

	ADMINISTRATIVE			
	Tree Removal Grant (SMF)	Recycle (RKD)	Violation Penalties (RKE)	Dead Tree Abatement (SLH)
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Service fees	1,033	-	246,218	-
Special assessments	-	-	-	-
Fines, forfeitures and penalties	-	-	12,958	-
Federal assistance	2,699,743	-	-	-
Investment earnings	-	-	15,578	3,862
Other	1,266	-	276,417	-
<b>Total Revenues</b>	<b>2,702,042</b>	<b>-</b>	<b>551,171</b>	<b>3,862</b>
<b>EXPENDITURES</b>				
Salaries and benefits	979,019	-	-	-
Services and supplies	1,191,856	-	-	-
Capital outlay:				
Vehicles	7,085	-	-	-
Intergovernmental	507,605	-	-	349,217
<b>Total Expenditures</b>	<b>2,685,565</b>	<b>-</b>	<b>-</b>	<b>349,217</b>
Excess of Revenues Over (Under) Expenditures	16,477	-	551,171	(345,355)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	1,605	-	-	-
Transfers out	-	-	(308,401)	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,605</b>	<b>-</b>	<b>(308,401)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>18,082</b>	<b>-</b>	<b>242,770</b>	<b>(345,355)</b>
<b>Fund Balances - beginning</b>	<b>165,632</b>	<b>2</b>	<b>1,419,453</b>	<b>819,409</b>
<b>Fund Balances - ending</b>	<b>\$ 183,714</b>	<b>\$ 2</b>	<b>\$ 1,662,223</b>	<b>\$ 474,054</b>

ADMINISTRATIVE				MOUNTAIN REGIONAL SERVICE ZONE
Office of Justice Program (SKT)	Kaiser Commerce Center (SFE)	Buffer Zone Grant HSGP (SMH)	USFS ARRA Stimulus Grant (SMN)	PM1 Lake Arrowhead (SND)
\$ -	\$ -	\$ -	\$ -	\$ 6,022
-	-	-	-	-
-	273,128	-	-	246,963
-	-	-	-	-
-	-	125,265	1,439,588	-
31	945	324	452	269
-	-	-	387	-
<u>31</u>	<u>274,073</u>	<u>125,589</u>	<u>1,440,427</u>	<u>253,254</u>
-	-	4,154	87,551	-
-	327,813	92,026	1,228,796	244,986
-	-	-	-	-
-	-	29,086	116,853	-
<u>-</u>	<u>327,813</u>	<u>125,266</u>	<u>1,433,200</u>	<u>244,986</u>
<u>31</u>	<u>(53,740)</u>	<u>323</u>	<u>7,227</u>	<u>8,268</u>
-	-	-	-	-
(7,713)	-	-	-	-
<u>(7,713)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(7,682)	(53,740)	323	7,227	8,268
7,718	(404,164)	525	201,885	24,740
<u>\$ 36</u>	<u>\$ (457,904)</u>	<u>\$ 848</u>	<u>\$ 209,112</u>	<u>\$ 33,008</u>

**San Bernardino County  
Fire Protection District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2011**

	NORTH DESERT REGIONAL SERVICE ZONE			
	FP5 Helendale/ Silver Lakes (SLR)	FP3 El Mirage (SHS)	FP1 Red Mountain (SGM)	FP2 Windy Acres (SLJ)
<b>REVENUES</b>				
Property taxes	\$ 15,234	\$ 2,165	\$ 86	\$ 794
Service fees	-	-	-	-
Special assessments	872,818	30,770	6,648	7,382
Fines, forfeitures and penalties	-	-	-	-
Federal assistance	-	-	-	-
Investment earnings	2,681	90	81	192
Other	-	-	-	-
<b>Total Revenues</b>	<b>890,733</b>	<b>33,025</b>	<b>6,815</b>	<b>8,368</b>
<b>EXPENDITURES</b>				
Salaries and benefits	-	-	-	-
Services and supplies	861,058	34,400	6,235	28,279
Capital outlay:	-	-	-	-
Vehicles	-	-	-	-
Intergovernmental	-	-	-	-
<b>Total Expenditures</b>	<b>861,058</b>	<b>34,400</b>	<b>6,235</b>	<b>28,279</b>
Excess of Revenues Over (Under) Expenditures	29,675	(1,375)	580	(19,911)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>29,675</b>	<b>(1,375)</b>	<b>580</b>	<b>(19,911)</b>
<b>Fund Balances - beginning</b>	<b>145,681</b>	<b>11,383</b>	<b>6,236</b>	<b>28,960</b>
<b>Fund Balances - ending</b>	<b>\$ 175,356</b>	<b>\$ 10,008</b>	<b>\$ 6,816</b>	<b>\$ 9,049</b>

SOUTH DESERT REGIONAL SERVICE ZONE		VALLEY REGIONAL SERVICE ZONE		Total Nonmajor Special Revenue Funds (see Schedule Ten)
FP4 Wonder Valley (SLM)	FP6 Havasu Lake (SIZ)	PM2 Highland (SHV)	PM3 Yucaipa (SHP)	
\$ 5,811	\$ 916	\$ 1,933	\$ 67	\$ 33,028
-	-	-	-	247,251
133,567	149,549	102,728	6,123	1,829,676
-	-	-	-	12,958
-	-	-	-	4,264,596
189	548	110	60	25,412
-	-	-	-	278,070
<u>139,567</u>	<u>151,013</u>	<u>104,771</u>	<u>6,250</u>	<u>6,690,991</u>
-	80,000	-	-	1,150,724
132,584	52,523	118,417	6,076	4,325,049
-	-	-	-	7,085
-	-	-	-	1,002,761
<u>132,584</u>	<u>132,523</u>	<u>118,417</u>	<u>6,076</u>	<u>6,485,619</u>
<u>6,983</u>	<u>18,490</u>	<u>(13,646)</u>	<u>174</u>	<u>205,372</u>
-	-	-	-	1,605
-	(30,000)	-	-	(346,114)
-	(30,000)	-	-	(344,509)
6,983	(11,510)	(13,646)	174	(139,137)
10,724	27,004	39,547	5,120	2,509,855
<u>\$ 17,707</u>	<u>\$ 15,494</u>	<u>\$ 25,901</u>	<u>\$ 5,294</u>	<u>\$ 2,370,718</u>

**San Bernardino County  
Fire Protection District  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2011**

	<u>ADMINISTRATIVE</u>	<u>MOUNTAIN REGIONAL SERVICE ZONE</u>		<u>NORTH DESERT REGIONAL SERVICE ZONE</u>
	Fire Training Tower (CRE)	Fire Station #91/#92 Remodel (CGB)	Fire Station #98 Remodel (CDN)	Land Design Tri-Communities (CAU)
<b>ASSETS</b>				
Cash and cash equivalents	\$ 465,169	\$ 13,855	\$ 116,802	\$ -
Interest receivable	944	63	239	-
<b>Total Assets</b>	<u>\$ 466,113</u>	<u>\$ 13,918</u>	<u>\$ 117,041</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ 5,501	\$ -	\$ -
Due to other governments	-	-	14,537	-
<b>Total Liabilities</b>	<u>-</u>	<u>5,501</u>	<u>14,537</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Committed	-	-	102,504	-
Assigned	466,113	8,417	-	-
<b>Total Fund Balances</b>	<u>466,113</u>	<u>8,417</u>	<u>102,504</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 466,113</u>	<u>\$ 13,918</u>	<u>\$ 117,041</u>	<u>\$ -</u>

Schedule Thirteen

NORTH DESERT REGIONAL SERVICE ZONE			SOUTH DESERT REGIONAL SERVICE ZONE	VALLEY REGIONAL SERVICE ZONE	Total Nonmajor Capital Projects Funds (see Schedule Nine)
Land Aquis./ Design SLV (CAW)	Ludlow/Amboy Fire Station (CDI)	Fire Station #8 (CFZ)	Fire Station #32 Needles (CAX)	Fire Station #80 Remodel (CNI)	
\$ 385,609	\$ 214,783	\$ -	\$ 552,852	\$ 5,556,924	\$ 7,305,994
782	436	-	-	11,281	13,745
<u>\$ 386,391</u>	<u>\$ 215,219</u>	<u>\$ -</u>	<u>\$ 552,852</u>	<u>\$ 5,568,205</u>	<u>\$ 7,319,739</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,501
-	-	-	-	-	14,537
-	-	-	-	-	20,038
-	-	-	-	5,568,205	5,568,205
386,391	215,219	-	552,852	-	1,256,966
-	-	-	-	-	474,530
<u>386,391</u>	<u>215,219</u>	<u>-</u>	<u>552,852</u>	<u>5,568,205</u>	<u>7,299,701</u>
<u>\$ 386,391</u>	<u>\$ 215,219</u>	<u>\$ -</u>	<u>\$ 552,852</u>	<u>\$ 5,568,205</u>	<u>\$ 7,319,739</u>

**San Bernardino County  
Fire Protection District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended June 30, 2011**

	ADMINISTRATIVE	MOUNTAIN REGIONAL SERVICE ZONE		NORTH DESERT REGIONAL SERVICE ZONE
	Fire Training Tower (CRE)	Fire Station #91/#92 Remodel (CGB)	Fire Station #98 Remodel (CDN)	Land Design Tri-Communities (CAU)
<b>REVENUES</b>				
State assistance	\$ -	\$ -	\$ 3,385	\$ -
Investment earnings	3,802	451	447	-
Other	-	-	-	-
<b>Total Revenues</b>	<b>3,802</b>	<b>451</b>	<b>3,832</b>	<b>-</b>
<b>EXPENDITURES</b>				
Services and supplies	-	-	-	974
Capital outlay:				
Structures and improvements	-	72,782	24,189	-
Intergovernmental	-	-	-	2,343
<b>Total Expenditures</b>	<b>-</b>	<b>72,782</b>	<b>24,189</b>	<b>3,317</b>
Excess of Revenues Over (Under) Expenditures	3,802	(72,331)	(20,357)	(3,317)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	80,500	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>80,500</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>3,802</b>	<b>8,169</b>	<b>(20,357)</b>	<b>(3,317)</b>
<b>Fund Balances - beginning</b>	<b>462,311</b>	<b>248</b>	<b>122,861</b>	<b>3,317</b>
<b>Fund Balances - ending</b>	<b>\$ 466,113</b>	<b>\$ 8,417</b>	<b>\$ 102,504</b>	<b>\$ -</b>

Schedule Fourteen

NORTH DESERT REGIONAL SERVICE ZONE			SOUTH DESERT REGIONAL SERVICE ZONE	VALLEY REGIONAL SERVICE ZONE	Total Nonmajor Capital Projects Funds (see Schedule Ten)
Land Aquis./ Design SLV (CAW)	Ludlow/Amboy Fire Station (CDI)	Fire Station #8 (CFZ)	Fire Station #32 Needles (CAX)	Fire Station #80 Remodel (CNI)	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,385
3,496	2,204	462	1,605	45,406	57,873
-	-	-	116,379	-	116,379
<u>3,496</u>	<u>2,204</u>	<u>462</u>	<u>117,984</u>	<u>45,406</u>	<u>177,637</u>
-	-	-	-	-	974
-	2,353	-	36,132	-	135,456
-	-	-	-	-	2,343
-	<u>2,353</u>	-	<u>36,132</u>	-	<u>138,773</u>
<u>3,496</u>	<u>(149)</u>	<u>462</u>	<u>81,852</u>	<u>45,406</u>	<u>38,864</u>
-	-	-	471,000	-	551,500
-	-	(108,902)	-	-	(108,902)
-	-	<u>(108,902)</u>	<u>471,000</u>	-	<u>442,598</u>
3,496	(149)	(108,440)	552,852	45,406	481,462
<u>382,895</u>	<u>215,368</u>	<u>108,440</u>	<u>-</u>	<u>5,522,799</u>	<u>6,818,239</u>
<u>\$ 386,391</u>	<u>\$ 215,219</u>	<u>\$ -</u>	<u>\$ 552,852</u>	<u>\$ 5,568,205</u>	<u>\$ 7,299,701</u>

**San Bernardino County  
Fire Protection District  
Combining Statement of Net Assets  
Enterprise Funds  
June 30, 2011**

	MOUNTAIN REGIONAL SERVICE ZONE	NORTH DESERT REGIONAL SERVICE ZONE	
	Lake Arrowhead Ambulance (EGM)	Lucerne Valley Ambulance (EAJ)	Searles Valley Ambulance (EGE)
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 62,404	\$ 30,790	\$ 12,545
Accounts receivable, net	207,831	141,570	10,167
Interest receivable	242	105	-
Due from other funds	115,000	-	-
Total Current Assets	<u>385,477</u>	<u>172,465</u>	<u>22,712</u>
Total Assets	<u>385,477</u>	<u>172,465</u>	<u>22,712</u>
<b>LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>			
Unrestricted	<u>385,477</u>	<u>172,465</u>	<u>22,712</u>
Total Net Assets	<u>\$ 385,477</u>	<u>\$ 172,465</u>	<u>\$ 22,712</u>

NORTH DESERT REGIONAL SERVICE ZONE	SOUTH DESERT REGIONAL SERVICE ZONE		Total Enterprise Funds (see Exhibit "F")
	Wrightwood Ambulance (EBD)	Havasu Ambulance (EHA)	
\$ 97,101	\$ 10,909	\$ 116,695	\$ 330,444
526,174	16,777	326,151	1,228,670
520	-	321	1,188
288,000	-	-	403,000
<u>911,795</u>	<u>27,686</u>	<u>443,167</u>	<u>1,963,302</u>
911,795	27,686	443,167	1,963,302
-	-	-	-
<u>911,795</u>	<u>27,686</u>	<u>443,167</u>	<u>1,963,302</u>
<u>\$ 911,795</u>	<u>\$ 27,686</u>	<u>\$ 443,167</u>	<u>\$ 1,963,302</u>

**San Bernardino County  
Fire Protection District  
Combining Statement of Revenues, Expenses and  
Changes in Net Assets  
Enterprise Funds  
For the Year Ended June 30, 2011**

	MOUNTAIN REGIONAL SERVICE ZONE	NORTH DESERT REGIONAL SERVICE ZONE	
	Lake Arrowhead Ambulance (EGM)	Lucerne Valley Ambulance (EAJ)	Searles Valley Ambulance (EGE)
<b>OPERATING REVENUES</b>			
Service Fees	\$ 669,244	\$ 317,404	\$ 36,851
Total Operating Revenues	<u>669,244</u>	<u>317,404</u>	<u>36,851</u>
<b>OPERATING EXPENSES</b>			
Professional services	51,657	32,852	6,791
Services and supplies	6,928	-	-
Bad debt expense	76,060	22,576	9,588
Total Operating Expenses	<u>134,645</u>	<u>55,428</u>	<u>16,379</u>
Operating Income	<u>534,599</u>	<u>261,976</u>	<u>20,472</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	657	187	83
Other	-	-	-
Total Nonoperating Revenues (Expenses)	<u>657</u>	<u>187</u>	<u>83</u>
Income Before Transfers	535,256	262,163	20,555
<b>TRANSFERS</b>			
Transfers in	130,000	-	-
Transfers out	(439,291)	(162,264)	(15,498)
Total Transfers	<u>(309,291)</u>	<u>(162,264)</u>	<u>(15,498)</u>
Change in Net Assets	225,965	99,899	5,057
<b>Net Assets - beginning</b>	<u>159,512</u>	<u>72,566</u>	<u>17,655</u>
<b>Net Assets - ending</b>	<u>\$ 385,477</u>	<u>\$ 172,465</u>	<u>\$ 22,712</u>

NORTH DESERT REGIONAL SERVICE ZONE	SOUTH DESERT REGIONAL SERVICE ZONE		Total Enterprise Funds (see Exhibit "G")
Wrightwood Ambulance (EBD)	Havasu Ambulance (EHA)	Yucca Valley Ambulance (EGP)	
\$ 1,395,264	\$ 32,937	\$ 1,072,098	\$ 3,523,798
<u>1,395,264</u>	<u>32,937</u>	<u>1,072,098</u>	<u>3,523,798</u>
85,357	4,704	93,725	275,086
13,864	-	6,937	27,729
<u>76,708</u>	<u>-</u>	<u>65,105</u>	<u>250,037</u>
<u>175,929</u>	<u>4,704</u>	<u>165,767</u>	<u>552,852</u>
<u>1,219,335</u>	<u>28,233</u>	<u>906,331</u>	<u>2,970,946</u>
799	26	1,028	2,780
<u>1,329</u>	<u>-</u>	<u>47</u>	<u>1,376</u>
<u>2,128</u>	<u>26</u>	<u>1,075</u>	<u>4,156</u>
1,221,463	28,259	907,406	2,975,102
288,000	-	-	418,000
<u>(884,529)</u>	<u>(22,747)</u>	<u>(613,138)</u>	<u>(2,137,467)</u>
<u>(596,529)</u>	<u>(22,747)</u>	<u>(613,138)</u>	<u>(1,719,467)</u>
624,934	5,512	294,268	1,255,635
<u>286,861</u>	<u>22,174</u>	<u>148,899</u>	<u>707,667</u>
<u>\$ 911,795</u>	<u>\$ 27,686</u>	<u>\$ 443,167</u>	<u>\$ 1,963,302</u>

**San Bernardino County  
Fire Protection District  
Combining Statement of Cash Flows  
Enterprise Funds  
For the Year Ended June 30, 2011**

	MOUNTAIN REGIONAL SERVICE ZONE	NORTH DESERT REGIONAL SERVICE ZONE	
	Lake Arrowhead Ambulance (EGM)	Lucerne Valley Ambulance (EAJ)	Searles Valley Ambulance (EGE)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 492,344	\$ 252,849	\$ 33,343
Payments to suppliers	(163,947)	(87,323)	(14,239)
Net Cash Provided by Operating Activities	<u>328,397</u>	<u>165,526</u>	<u>19,104</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	130,000	-	-
Transfers to other funds	(439,291)	(162,264)	(15,498)
Net Cash Used for Noncapital Financing Activities	<u>(309,291)</u>	<u>(162,264)</u>	<u>(15,498)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Other income	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings	<u>678</u>	<u>209</u>	<u>83</u>
Net increase in cash and cash equivalents	19,784	3,471	3,689
<b>Cash and Cash Equivalents - beginning of the year</b>	<u>42,620</u>	<u>27,319</u>	<u>8,856</u>
<b>Cash and Cash Equivalents - end of the year</b>	<u>\$ 62,404</u>	<u>\$ 30,790</u>	<u>\$ 12,545</u>

NORTH DESERT REGIONAL SERVICE ZONE	SOUTH DESERT REGIONAL SERVICE ZONE		Total Enterprise Funds (see Exhibit "H")
Wrightwood Ambulance (EBD)	Havasu Ambulance (EHA)	Yucca Valley Ambulance (EGP)	
\$ 931,884 (326,330)	\$ 37,257 (10,658)	\$ 937,412 (270,342)	\$ 2,685,089 (872,839)
<u>605,554</u>	<u>26,599</u>	<u>667,070</u>	<u>1,812,250</u>
288,000 (884,529)	- (22,747)	- (613,138)	418,000 (2,137,467)
<u>(596,529)</u>	<u>(22,747)</u>	<u>(613,138)</u>	<u>(1,719,467)</u>
<u>1,329</u>	<u>-</u>	<u>47</u>	<u>1,376</u>
<u>994</u>	<u>26</u>	<u>1,143</u>	<u>3,133</u>
11,348	3,878	55,122	97,292
<u>85,753</u>	<u>7,031</u>	<u>61,573</u>	<u>233,152</u>
<u>\$ 97,101</u>	<u>\$ 10,909</u>	<u>\$ 116,695</u>	<u>\$ 330,444</u>

**San Bernardino County  
Fire Protection District  
Combining Statement of Cash Flows  
Enterprise Funds  
For the Year Ended June 30, 2011**

	MOUNTAIN REGIONAL SERVICE ZONE	NORTH DESERT REGIONAL SERVICE ZONE	
	Lake Arrowhead Ambulance (EGM)	Lucerne Valley Ambulance (EAJ)	Searles Valley Ambulance (EGE)
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 534,599	\$ 261,976	\$ 20,472
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Increase in due from other funds	(115,000)	-	-
(Increase) decrease in accounts receivable, net	14,160	(41,979)	6,080
Decrease in due to other funds	<u>(105,362)</u>	<u>(54,471)</u>	<u>(7,448)</u>
 Net Cash Provided by Operating Activities	 <u>\$ 328,397</u>	 <u>\$ 165,526</u>	 <u>\$ 19,104</u>

NORTH DESERT REGIONAL SERVICE ZONE	SOUTH DESERT REGIONAL SERVICE ZONE		Total Enterprise Funds (see Exhibit "H")
Wrightwood Ambulance (EBD)	Havasu Ambulance (EHA)	Yucca Valley Ambulance (EGP)	
\$ 1,219,335	\$ 28,233	\$ 906,331	\$ 2,970,946
(288,000)	-	-	(403,000)
(98,672)	4,320	(69,581)	(185,672)
<u>(227,109)</u>	<u>(5,954)</u>	<u>(169,680)</u>	<u>(570,024)</u>
<u>\$ 605,554</u>	<u>\$ 26,599</u>	<u>\$ 667,070</u>	<u>\$ 1,812,250</u>

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