

**SAN BERNARDINO COUNTY
FIRE PROTECTION DISTRICT
(A Component Unit of the County of
San Bernardino)**

Annual Financial Report

Year Ended June 30, 2012



Certified Public Accountants.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Year Ended June 30, 2012

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Year Ended June 30, 2012**

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Sacramento

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Board of Supervisors
County of San Bernardino
San Bernardino County Fire Protection District

INDEPENDENT AUDITOR'S REPORT

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, 2012, 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 standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. 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, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2012, on our consideration of the San Bernardino County Fire Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 33 - 39 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 as a whole. 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.

Macias Fini & O'Connell LLP

Los Angeles, California
December 28, 2012

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT

Statement of Net Assets

June 30, 2012

	Governmental Activities	Business-type Activities	Total
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 52,210,429	\$ -	\$ 52,210,429
Accounts receivable, net	471,997	-	471,997
Taxes receivable	1,246,238	-	1,246,238
Due from other governments	1,552,224	-	1,552,224
Prepaid items	51,134	-	51,134
Capital assets, net of depreciation	29,394,372	-	29,394,372
	<u>84,926,394</u>	<u>-</u>	<u>84,926,394</u>
Total assets			
Liabilities			
Current liabilities:			
Accounts payable	575,908	-	575,908
Salaries and benefits payable	3,408,051	-	3,408,051
Interest payable	23,096	-	23,096
Due to other governments	3,215,984	-	3,215,984
Unearned revenue	255,443	-	255,443
Compensated absences payable, current	2,963,289	-	2,963,289
Capital lease payable, current	250,475	-	250,475
	<u>10,692,246</u>	<u>-</u>	<u>10,692,246</u>
Total current liabilities			
Noncurrent liabilities:			
Compensated absences payable	4,444,934	-	4,444,934
Capital lease payable	528,019	-	528,019
	<u>4,972,953</u>	<u>-</u>	<u>4,972,953</u>
Total noncurrent liabilities			
Total liabilities	<u>15,665,199</u>	<u>-</u>	<u>15,665,199</u>
Net Assets			
Invested in capital assets, net of related debt	28,615,878	-	28,615,878
Unrestricted	40,645,317	-	40,645,317
	<u>\$ 69,261,195</u>	<u>\$ -</u>	<u>\$ 69,261,195</u>
Total net assets			

See accompanying notes to the financial statements.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT

**Statement of Activities
Year Ended June 30, 2012**

	Governmental Activities	Business-type Activities	Total
Expenses			
Salaries and benefits	\$ 87,643,177	\$ -	\$ 87,643,177
Services and supplies	25,200,410	-	25,200,410
Depreciation	3,858,739	-	3,858,739
Interest	130,535	-	130,535
Total expenses	<u>116,832,861</u>	<u>-</u>	<u>116,832,861</u>
Program Revenues			
Charges for services	57,423,168	-	57,423,168
Operating grants and contributions	8,833,014	-	8,833,014
Total program revenues	<u>66,256,182</u>	<u>-</u>	<u>66,256,182</u>
Net program expense	<u>(50,576,679)</u>	<u>-</u>	<u>(50,576,679)</u>
General Revenues (Expenses)			
Property taxes	32,957,379	-	32,957,379
Other taxes	184,585	-	184,585
Fines, forfeitures and penalties	38,503	-	38,503
State assistance	3,163,295	-	3,163,295
Investment earnings	285,032	-	285,032
Intergovernmental	12,098,940	-	12,098,940
Gain on sale of capital assets	7,532	-	7,532
Other	1,208,622	-	1,208,622
Transfers - Internal Activities	<u>1,963,302</u>	<u>(1,963,302)</u>	<u>-</u>
Total general revenues (expenses) and transfers	<u>51,907,190</u>	<u>(1,963,302)</u>	<u>49,943,888</u>
Change in net assets	1,330,511	(1,963,302)	(632,791)
Net assets - beginning, as restated	<u>67,930,684</u>	<u>1,963,302</u>	<u>69,893,986</u>
Net assets - ending	<u>\$ 69,261,195</u>	<u>\$ -</u>	<u>\$ 69,261,195</u>

See accompanying notes to the financial statements

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SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT

**Balance Sheet
Governmental Funds
June 30, 2012**

	Special Revenue Funds			
	General Fund	Hazardous Materials	Mountain Regional Service Zone	North Desert Regional Service Zone
Assets				
Cash and cash equivalents	\$ 21,873,017	\$ 10,393,828	\$ 3,261,548	\$ 3,509,496
Accounts receivable, net	45,940	41,116	31,389	64,749
Taxes receivable	376,596	-	249,660	203,544
Due from other funds	976,228	185,958	3,973	1,351,404
Due from other governments	298,131	-	14,015	64,507
Prepaid items	-	-	-	-
Total assets	\$ 23,569,912	\$ 10,620,902	\$ 3,560,585	\$ 5,193,700
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	248,701	9,440	-	-
Salaries and benefits payable	587,238	184,332	252,436	1,089,485
Due to other funds	2,542,545	38,389	17,277	393,726
Due to other governments	1,908,620	29,492	42,787	110,184
Deferred revenue	4,309	-	-	200,000
Total liabilities	5,291,413	261,653	312,500	1,793,395
Fund balances:				
Nonspendable	-	-	-	-
Restricted for:	-	-	-	-
Public safety	-	10,359,249	3,248,085	3,400,305
Unassigned	18,278,499	-	-	-
Total fund balances	18,278,499	10,359,249	3,248,085	3,400,305
Total liabilities and fund balances	\$ 23,569,912	\$ 10,620,902	\$ 3,560,585	\$ 5,193,700

See accompanying notes to the financial statements.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Balance Sheet
Governmental Funds
June 30, 2012

Special Revenue Funds

South Desert Regional Service Zone	Valley Regional Service Zone	General Reserve	CFD Termination Benefits	State Homeland Security Grant	Other Governmental Funds	Total Governmental Funds
\$ 1,088,513	\$ 4,877,039	\$ -	\$ -	\$ 116,289	\$ 7,090,699	\$ 52,210,429
28,512	254,957	-	-	-	5,333	471,996
182,572	233,866	-	-	-	-	1,246,238
41,266	693,823	-	-	-	339,378	3,592,030
80,600	-	-	-	368,226	726,745	1,552,224
-	51,134	-	-	-	-	51,134
<u>\$ 1,421,463</u>	<u>\$ 6,110,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 484,515</u>	<u>\$ 8,162,155</u>	<u>\$ 59,124,051</u>
-	89,271	-	-	-	228,496	575,908
276,361	873,581	-	-	-	144,617	3,408,050
31,264	408,418	-	-	147,947	12,464	3,592,030
1,309	356,657	-	-	259,697	507,238	3,215,984
-	51,134	-	-	-	-	255,443
<u>308,934</u>	<u>1,779,061</u>	<u>-</u>	<u>-</u>	<u>407,644</u>	<u>892,815</u>	<u>11,047,415</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,112,529	4,331,758	-	-	76,871	7,269,340	29,798,137
-	-	-	-	-	-	18,278,499
<u>1,112,529</u>	<u>4,331,758</u>	<u>-</u>	<u>-</u>	<u>76,871</u>	<u>7,269,340</u>	<u>48,076,636</u>
<u>\$ 1,421,463</u>	<u>\$ 6,110,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 484,515</u>	<u>\$ 8,162,155</u>	<u>\$ 59,124,051</u>

See accompanying notes to the financial statements.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Reconciliation of Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2012

Fund balances of governmental funds	\$ 48,076,636
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds	29,394,372
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	(7,408,223)
Capital leases payable	(778,494)
Accrued interest payable for current portion of interest due on debt service has not been reported in the governmental fund activity.	<u>(23,096)</u>
Net assets of governmental activities	<u><u>\$ 69,261,195</u></u>

See accompanying notes to the financial statements.

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SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2012

	Special Revenue Funds				
	General Fund	Hazardous Materials	Mountain Regional Service Zone	North Desert Regional Service Zone	South Desert Regional Service Zone
Revenues					
Property taxes	\$ 6,343,598	\$ -	\$ 8,056,297	\$ 6,010,716	\$ 5,176,043
Service fees	1,127,609	7,365,885	306,589	25,266,847	1,119,827
Special assessments	-	-	255,025	983,573	286,689
Other taxes	36,374	-	46,750	61,046	-
Fines, forfeitures and penalties	371	22,715	-	-	-
Federal assistance	232,551	1,168	10,898	23,724	5,597
State assistance	332,830	292	200,590	99,460	126,395
Investment earnings	92,788	38,383	29,167	35,692	13,300
Intergovernmental	11,298,762	318,043	46,709	132,916	-
Other	547,919	360,526	2,127	45,411	13,349
Total revenues	<u>20,012,802</u>	<u>8,107,012</u>	<u>8,954,152</u>	<u>32,659,385</u>	<u>6,741,200</u>
Expenditures					
Salaries and benefits	6,772,673	5,489,705	7,496,677	31,311,571	8,311,183
Services and supplies	1,586,179	1,241,526	1,516,523	6,291,137	1,647,823
Intergovernmental	-	-	-	-	740
Capital outlay	908,516	2,044	483,380	616,110	231,097
Debt service:					
Principal	-	-	-	-	80,453
Interest	10,975	-	11,492	18,465	22,110
Total expenditures	<u>9,278,343</u>	<u>6,733,275</u>	<u>9,508,072</u>	<u>38,237,283</u>	<u>10,293,406</u>
Excess of revenues over (under) expenditures	<u>10,734,459</u>	<u>1,373,737</u>	<u>(553,920)</u>	<u>(5,577,898)</u>	<u>(3,552,206)</u>
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	27,184	10,652	-	10,197	10,583
Transfers in	18,596,692	9,154,156	2,699,558	12,157,398	4,713,864
Transfers out	<u>(22,739,647)</u>	<u>(179,296)</u>	<u>-</u>	<u>(2,793,762)</u>	<u>(158,059)</u>
Total other financing sources (uses)	<u>(4,115,771)</u>	<u>8,985,512</u>	<u>2,699,558</u>	<u>9,373,833</u>	<u>4,566,388</u>
Net change in fund balances	6,618,688	10,359,249	2,145,638	3,795,935	1,014,182
Fund balances (deficit) - beginning, as restated	<u>11,659,811</u>	<u>-</u>	<u>1,102,447</u>	<u>(395,630)</u>	<u>98,347</u>
Fund balances - ending	<u>\$ 18,278,499</u>	<u>\$ 10,359,249</u>	<u>\$ 3,248,085</u>	<u>\$ 3,400,305</u>	<u>\$ 1,112,529</u>

See accompanying notes to the financial statements.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2012

Special Revenue Funds					
Valley Regional Service Zone	General Reserve	CFD Termination Benefits	State Homeland Security Grant	Other Governmental Funds	Total Governmental Funds
\$ 7,370,726	\$ -	\$ -	\$ -	\$ -	\$ 32,957,380
19,559,633	-	-	-	184,846	54,931,236
323,851	-	-	-	642,793	2,491,931
40,415	-	-	-	-	184,585
-	-	-	-	15,417	38,503
5,708	-	-	3,741,039	4,812,329	8,833,014
119,051	-	-	-	2,284,677	3,163,295
35,473	-	-	3,340	36,889	285,032
38,164	-	-	-	-	11,834,594
125,709	-	-	-	113,581	1,208,622
<u>27,618,730</u>	<u>-</u>	<u>-</u>	<u>3,744,379</u>	<u>8,090,532</u>	<u>115,928,192</u>
24,017,950	-	-	789,551	3,721,457	87,910,767
4,276,067	-	-	1,831,603	4,655,282	23,046,140
4,759	-	-	959,614	1,189,157	2,154,270
61,359	-	-	213,424	548,535	3,064,465
237,768	-	-	-	-	318,221
44,397	-	-	-	-	107,439
<u>28,642,300</u>	<u>-</u>	<u>-</u>	<u>3,794,192</u>	<u>10,114,431</u>	<u>116,601,302</u>
(1,023,570)	-	-	(49,813)	(2,023,899)	(673,110)
1,405	-	-	-	4,030	64,051
6,375,676	9,021	-	-	2,006,084	55,712,449
(855,734)	(18,483,496)	(5,693,376)	-	(2,845,777)	(53,749,147)
<u>5,521,347</u>	<u>(18,474,475)</u>	<u>(5,693,376)</u>	<u>-</u>	<u>(835,663)</u>	<u>2,027,353</u>
4,497,777	(18,474,475)	(5,693,376)	(49,813)	(2,859,562)	1,354,243
(166,019)	18,474,475	5,693,376	126,684	10,128,902	46,722,393
<u>\$ 4,331,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,871</u>	<u>\$ 7,269,340</u>	<u>\$ 48,076,636</u>

See accompanying notes to the financial statements.

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
Year Ended June 30, 2012

Net Change in Fund Balances - Total Governmental Funds	\$ 1,354,243
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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 (\$3,858,739) exceeded capital outlay (\$3,064,465) and donated assets of (\$264,345) in the current period.</p>	(529,929)
<p>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.</p>	
Principal payment on capital leases	318,221
<p>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.</p>	
Decrease in compensated absences payable	267,591
Increase in interest payable capital lease	(23,096)
<p>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.</p>	<u>(56,519)</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 1,330,511</u></u>

See accompanying notes to the financial statements.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2012

	ENTERPRISE FUNDS
	Ambulances
Assets	
Current Assets:	
Cash and cash equivalents	\$ -
Total Current Assets	-
Total Assets	-
Liabilities	-
Net Assets	
Unrestricted	-
Total Net Assets	\$ -

See accompanying notes to the financial statements.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
Year Ended June 30, 2012

	ENTERPRISE FUNDS
	Ambulances
Operating Revenues	
Charges for services	\$ -
Operating Expenses	
Salaries and benefits	\$ -
Operating income	-
Transfers out	(1,963,302)
Change in net assets	(1,963,302)
Net assets - beginning	1,963,302
Net assets - ending	\$ -

See accompanying notes to the financial statements.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2012

	ENTERPRISE FUNDS
	Ambulances
Cash Flows from Operating Activities	
Receipts from customers	\$ -
Net Cash Provided by Operating Activities	-
Cash Flows from Noncapital Financing Activities	
Transfers to other funds	(330,444)
Net Cash Used for Noncapital Financing Activities	(330,444)
Net decrease in cash and cash equivalents	(330,444)
Cash and Cash Equivalents - beginning	330,444
Cash and Cash Equivalents - ending	\$ -
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Decrease in due from other funds	-
Increase in accounts receivable, net	-
Decrease in due to other funds	-
Net cash provided by operating activities	\$ -

See accompanying notes to the financial statements.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2012

Assets

Cash and cash equivalents	<u>\$ 726,812</u>
Total assets	<u><u>\$ 726,812</u></u>

Liabilities

Due to State of California	<u>\$ 726,812</u>
Total liabilities	<u><u>\$ 726,812</u></u>

See accompanying notes to the financial statements.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements
Year Ended June 30, 2012

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 County). The District was established per Local Agency Formation Commission (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, hazardous materials, office of emergency services, four regional service zones and their related ambulances. 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, 93, 94). This Service Zone supports the above seven fire stations administrative staff, Limited Term and Paid-Call Firefighter Programs. Ambulance transportation and paramedic services are also provided to the Lake Arrowhead community.

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 administrative staff, Limited Term and Paid-Call Firefighter Programs. Ambulance transportation and paramedic services are provided to the communities of Lucerne Valley, Searles Valley and Wrightwood.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements (Continued)
Year Ended June 30, 2012

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. Ambulance transportation and paramedic services are provided to the communities of Havasu, and Yucca Valley.

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.

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 properly not included among program revenues are reported instead as *general revenues*.

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.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements (Continued)
Year Ended June 30, 2012

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 *General Fund (FPD)* 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 *Hazardous Materials Fund (FHZ)* is a new fund set up in 2011-12 and is used to account for all services related to oversight and regulation of commercial hazardous materials and wastes to all businesses in all cities within the County.

The *Mountain Regional Service Fund (FMZ)* is used to provide fire, emergency response, and ambulance service to its designated operational area.

The *North Desert Regional Service Zone (FNZ)* is used to provide fire, emergency response, and ambulance service to its designated operational area.

The *South Desert Regional Service Zone (FSZ)* is used to provide fire, emergency response, and ambulance service to its designated operational area.

The *Valley Regional Service Zone (FVZ)* is used to provide fire, emergency response, and ambulance service to its designated operational area.

The *General Reserve Fund (SKK)* was used for the replacement of all fire equipment. As part of the fire protection zone's reorganization this fund was closed as of July 1, 2011.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements (Continued)
Year Ended June 30, 2012

The *CFD Termination Benefits Fund (SKL)* was used to account for the District's termination benefits. As part of the fire protection zone's reorganization this fund was closed as of July 1, 2011.

The *State Homeland Security Grant Fund (SME)* is used to account for State Homeland Security grant transactions.

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.

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 District'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, and demand deposits. Cash and cash equivalents are shown at fair value as of June 30, 2012.

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."

All accounts receivable are shown net of an allowance for uncollectibles when applicable. The accounts receivable balances of at June 30, 2012 are considered fully collectible.

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 1, the lien date and become delinquent with penalties on August 31.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements (Continued)
Year Ended June 30, 2012

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 one year. 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.

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

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Types Definitions*, 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.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements (Continued)
Year Ended June 30, 2012

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.

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 District's policy to use restricted resources first, then unrestricted resources as they are needed. It is the District'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 paid on the fund statements but recorded when earned by the employee on the statement of net assets. Compensated absences liability is recorded as a noncurrent liability. In the event of retirement or termination, an employee is paid 100% of accumulated vacation pay. The District is not obligated to pay for unused sick leave if an employee terminates or retires.

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.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements (Continued)
Year Ended June 30, 2012

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.

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

There are no deficit fund balances as of June 30, 2012.

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.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements (Continued)
Year Ended June 30, 2012

NOTE 2 - RESTATEMENT OF FUND BALANCES AND NET ASSETS

In the year ending June 30, 2010 the District recorded several intergovernmental receivables and intergovernmental liabilities in error. These amounts were written off in 2012. The following represents the restated fund balances at July 1, 2011:

	Mountain Regional Service Zone (FMZ)	South Desert Regional Service Zone (FSZ)	General Reserve (SKK)	Commu- nication Center
Fund balance (deficit) as of				
June 30, 2011, as originally reported	\$ 2,669,275	\$ 238,189	\$ 16,613,540	\$ (457,904)
Intergovernmental receivable writeoff	(1,566,828)	(139,842)	-	-
Intergovernmental liability writeoff	<u>-</u>	<u>-</u>	<u>1,860,935</u>	<u>458,483</u>
Fund balance as of June 30, 2011, as restated	<u>\$ 1,102,447</u>	<u>\$ 98,347</u>	<u>\$ 18,474,475</u>	<u>\$ 579</u>

The change in fund balances resulted in a change in net assets of governmental activities as of June 30, 2011:

Net assets governmental activities as of June 30, 2011, as originally reported	\$ 67,317,936
Intergovernmental receivable and liability writeoff	<u>612,748</u>
Net assets governmental activities as of June 30, 2011, as restated	<u>\$ 67,930,684</u>

NOTE 3 - CASH AND INVESTMENTS

Cash and cash equivalents are considered to be cash on hand and demand deposits. Cash includes the cash balances 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.

The District pools its cash and investments with the County. The District's position or share of the County's cash and investment pool is reflected on the balance sheet and statement of net assets as cash and cash equivalents. The District has no separate bank accounts or investments in the pool and the District's equity in the cash and investment pool is managed by the County of San Bernardino Treasury. The District is a component unit of the County and is required to participate in the pool. Cash and cash equivalents are shown at fair value as of June 30, 2012.

Cash and investment as of June 30, 2012 consist of the following:

Cash pooled with the County of San Bernardino Treasury	\$ 52,936,448
Cash on hand and in banks	<u>793</u>
	<u>\$ 52,937,241</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements (Continued)
Year Ended June 30, 2012

NOTE 3 - CASH AND INVESTMENTS (Continued)

Pooled Cash

California Law and San Bernardino County Treasury Pool Investment Policy (where more restrictive) place limitations on the purchase of investments in the County Pool. The District's investment in the County pool is unrated and has a fair value of \$52,936,448. The weighted average maturity of the District's investments in the County pool was 0.78 year at June 30, 2012.

Custodial Credit Risk

Custodial Credit Risk for Deposits exists when, in the event of a depository financial institution failure, a government may be unable to recover deposits, or recover collateral securities that are in the possession of an outside party. The District does not have a deposit policy for custodial credit risk. However, the *California Government Code* requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2012 the book balance of the District's deposit of \$793 was entirely insured and collateralized as described above.

NOTE 4 - ACCOUNTS RECEIVABLE

At June 30, 2012, accounts receivables were composed of the following:

	Governmental Activities
Accounts receivable	\$ 471,997
Less: allowance for uncollectible	-
Total accounts receivable, net	\$ 471,997

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements (Continued)
Year Ended June 30, 2012

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Balance on July 1, 2011</u>	<u>Reorganization Transfers</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance on June 30, 2012</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 1,050,647	\$ -	\$ 151,792	\$ -	\$ 1,202,439
Construction in progress	866,580	-	669,406	(297)	1,535,689
Total capital assets, not being depreciated	<u>1,917,227</u>	<u>-</u>	<u>821,198</u>	<u>(297)</u>	<u>2,738,128</u>
Capital assets, being depreciated:					
Improvements to land	1,765,071	-	38,164	-	1,803,235
Structures and improvements	21,317,492	-	-	(90,974)	21,226,518
Vehicles & heavy equipment	38,645,803	1,387,849	2,273,075	(717,470)	41,589,257
Equipment	5,917,974	(244,269)	196,373	(48,794)	5,821,284
Heavy equipment	1,363,501	(1,363,501)	-	-	-
Software	24,500	-	-	-	24,500
Total capital assets, being depreciated	<u>69,034,341</u>	<u>(219,921)</u>	<u>2,507,612</u>	<u>(857,238)</u>	<u>70,464,794</u>
Less accumulated depreciation for:					
Improvements to land	(445,612)	-	(73,984)	-	(519,596)
Structures and improvements	(4,371,107)	(39,544)	(557,260)	-	(4,967,911)
Vehicles & heavy equipment	(33,287,853)	(80,941)	(2,750,219)	801,016	(35,317,997)
Equipment	(2,765,593)	240,640	(472,376)	-	(2,997,329)
Heavy equipment	(99,766)	99,766	-	-	-
Software	(817)	-	(4,900)	-	(5,717)
Total accumulated depreciation	<u>(40,970,748)</u>	<u>219,921</u>	<u>(3,858,739)</u>	<u>801,016</u>	<u>(43,808,550)</u>
Total capital assets, being depreciated, net	<u>28,063,593</u>	<u>-</u>	<u>(1,351,127)</u>	<u>(56,222)</u>	<u>26,656,244</u>
Governmental activities capital assets, net	<u>\$ 29,980,820</u>	<u>\$ -</u>	<u>\$ (529,929)</u>	<u>\$ (56,519)</u>	<u>\$ 29,394,372</u>

Depreciation expense for the year ended June 30, 2012 is \$3,858,739.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements (Continued)
Year Ended June 30, 2012

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at June 30, 2012 are as follows:

Due to:	Due From:			
	General (FPD)	Hazardous Materials (FHZ)	Mountain Regional Service Zone (FMZ)	North Desert Regional Service Zone (FNZ)
General (FPD)	\$ -	\$ 185,958	\$ -	\$ 1,293,833
Hazardous Materials (FHZ)	8,615	-	-	19,491
Mountain Regional Service Zone (FMZ)	4,253	-	-	11,960
North Desert Regional Service Zone (FNZ)	391,847	-	1,879	-
South Desert Regional Service Zone (FSZ)	17,413	-	2,094	11,757
Valley Regional Service Zone (FVZ)	394,055	-	-	14,363
State Homeland Security Grant (SME)	147,947	-	-	-
Other Governmental Funds	12,098	-	-	-
Total	<u>\$ 976,228</u>	<u>\$ 185,958</u>	<u>\$ 3,973</u>	<u>\$ 1,351,404</u>

Due to:	Due From:			
	South Desert Regional Service Zone (FSZ)	Valley Regional Service Zone (FVZ)	Other Governmental Funds	Total
General (FPD)	\$ 40,202	\$ 693,823	\$ 328,729	\$ 2,542,545
Hazardous Materials (FHZ)	-	-	10,283	38,389
Mountain Regional Service Zone (FMZ)	1,064	-	-	17,277
North Desert Regional Service Zone (FNZ)	-	-	-	393,726
South Desert Regional Service Zone (FSZ)	-	-	-	31,264
Valley Regional Service Zone (FVZ)	-	-	-	408,418
State Homeland Security Grant (SME)	-	-	-	147,947
Other Governmental Funds	-	-	366	12,464
Total	<u>\$ 41,266</u>	<u>\$ 693,823</u>	<u>\$ 339,378</u>	<u>\$ 3,592,030</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements (Continued)
Year Ended June 30, 2012

NOTE 7 - 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. For the year ended June 30, 2012, the District made the following interfund transfers in and out.

<u>Transfers out:</u>	Transfers in:			
	General (FPD)	Hazardous Materials (FHZ)	Mountain Regional Service Zone (FMZ)	North Desert Regional Service Zone (FNZ)
General (FPD)	\$ -	\$ 7,396,085	\$ 258,759	\$ 6,713,526
Hazardous Materials (FHZ)	170,275	-	-	-
North Desert Regional Service Zone (FNZ)	1,642,068	-	-	1,151,694
South Desert Regional Service Zone (FSZ)	53,713	-	-	-
Valley Regional Service Zone (FVZ)	554,828	-	-	-
General Reserve (FVZ)	9,605,336	98,577	2,010,660	2,984,807
CFD Termination Benefits (SKL)	5,693,376	-	-	-
NonMajor Governmental	877,096	1,659,494	44,662	200,399
NonMajor Enterprise	-	-	385,477	1,106,972
	<u>\$ 18,596,692</u>	<u>\$ 9,154,156</u>	<u>\$ 2,699,558</u>	<u>\$ 12,157,398</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements (Continued)
Year Ended June 30, 2012

Transfers in:				
South Desert Regional Service Zone (FSZ)	Valley Regional Service Zone (FVZ)	General Reserve (SKK)	Nonmajor Governmental Funds	Total
\$ 3,577,698	\$ 2,787,495	\$ -	\$ 2,006,084	\$ 22,739,647
-	-	9,021	-	179,296
-	-	-	-	2,793,762
104,346	-	-	-	158,059
-	300,906	-	-	855,734
528,000	3,256,116	-	-	18,483,496
-	-	-	-	5,693,376
32,967	31,159	-	-	2,845,777
470,853	-	-	-	1,963,302
\$ 4,713,864	\$ 6,375,676	\$ 9,021	\$ 2,006,084	\$ 55,712,449

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements (Continued)
Year Ended June 30, 2012

NOTE 8 - LONG TERM DEBT

Long-term liability activity for the year ended June 30, 2012, was as follows:

	Balance on July 1, 2011	Additions	Deletions	Balance on June 30, 2012	Due Within One Year
Governmental activities:					
Capital leases	\$ 1,096,715	\$ -	\$ (318,221)	\$ 778,494	\$ 250,475
Compensated absences	7,675,814	4,505,111	(4,772,702)	7,408,223	2,963,289
	<u>\$ 8,772,529</u>	<u>\$ 4,505,111</u>	<u>\$ (5,090,923)</u>	<u>\$ 8,186,717</u>	<u>\$ 3,213,764</u>

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 with the final payment scheduled for fiscal year 2012. During the fiscal year 2010-11, the District entered into two additional lease agreements as lessee for financing and acquisition of three Rosenbauer Gladiators with Bankers First Corporation. These leases are currently held by Wells Fargo Equipment Finance. 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.

	Balance on July 1, 2011	Additions	Deletions	Balance on June 30, 2012	Due in One Year
KME Fire Truck Fiscal 06/07 - 11/12	\$ 76,357	\$ -	\$ (76,357)	\$ -	\$ -
2 Rosenbauer Pumpers Lease Holder Wells Fargo dated August 20, 2010 5 annual payments of \$185,653 through 2014	680,948	-	(161,411)	519,537	167,157
1 Rosenbauer Pumper Lease Holder Wells Fargo Dated August 26, 2010 5 annual payments of \$92,537 through 2014	339,410	-	(80,453)	258,957	83,318
Ending balance June 30, 2012	<u>\$ 1,096,715</u>	<u>\$ -</u>	<u>\$ (318,221)</u>	<u>\$ 778,494</u>	<u>\$ 250,475</u>

The future minimum lease payments as of June 30 are as follows:

Year Ended June 30,	Amount
2013	\$ 278,190
2014	278,190
2015	278,190
Total payments	834,570
Less Interest portion	(56,076)
Principal balance at June 30, 2012	<u>\$ 778,494</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements (Continued)
Year Ended June 30, 2012

NOTE 9 - RETIREMENT PLAN

The District participates in the following County-Wide Retirement Plan. Information and amounts indicated below are for the entire County of which the District is only a single component unit. The District contributes to the plan an amount determined by the County.

Plan Description

The District participates in the San Bernardino County Employees' Retirement Association (SCBERA) which is a cost-sharing multiple-employer public employee 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. 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. General members are eligible for retirement benefits upon completion of ten years of service credit and attaining age 50, upon completion of 30 years of service credit regardless of age, or age 70 regardless of years of service credit. Safety members (law enforcement and fire suppression employees) have the same eligibility requirements as general members except they are required to complete twenty years of service credit, regardless of age. Retirement benefits are calculated at 2% for general members and 3% for safety members of final compensation, as defined in Government Code sections 31462.1, 31676.15 and 31664.1 of the 1937 Act, for each completed year of service based on a normal retirement age of 55 for general members and 50 for safety members.

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 7.77% - 13.51% and safety members 10.11% - 15.91% of their annual covered salaries, of which the County pays approximately 8%. The County of San Bernardino employer contribution rates are as follows: County General 17.12%, County Safety 36.39%. All employers combined are required to contribute 21.03% of the current year covered payroll. 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.

Annual Pension Cost

The County allocated a portion of its annual pension cost to the District based upon the number of employees assigned to the District. The District paid \$10,421,588 as its share of the pension cost for the year ended June 30, 2012.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Notes to the Financial Statements (Continued)
Year Ended June 30, 2012

NOTE 9 - RETIREMENT PLAN (Continued)

Annual Pension Cost (Continued)

Year Ended June 30,	Annual Required Contribution	Annual Contribution Made	Percentage Contributed
2010	\$ 9,520,072	\$ 9,520,072	100%
2011	9,746,696	9,746,696	100%
2012	10,421,588	10,421,588	100%

Funded Status of the Plan

The SBCERA issues a publicly available financial report that includes complete disclosure and required supplementary information on the funded status of the plan. The report may be obtained from the SBCERA 348 West Hospitality Lane, Third Floor, San Bernardino, CA 92415.

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, general liabilities, workers' compensation, injuries, to employees and others and natural disasters. Through the County, internal service funds are utilized where assets are set aside for claim settlements up to certain limits and the County has obtained excess liability coverage through a combination of insurance policies. No claim settlements have exceeded insurance coverage in any of the past three years.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2012, 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 12 – RELATED PARTY TRANSACTIONS

The District is a component unit of the County and utilizes County service units as well as other County support services for District operations. The District paid to the County approximately \$1,487,275 for fiscal year 2012.

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2012

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 7,042,506	\$ 6,386,941	\$ 6,343,598	\$ (43,343)
Service fees	1,112,522	1,103,149	1,127,609	24,460
Other taxes	-	-	36,374	36,374
Fines, forfeitures and penalties	-	371	371	-
Federal assistance	196,679	317,927	232,551	(85,376)
State assistance	-	73,464	332,830	259,366
Investment earnings	280,000	105,818	92,788	(13,030)
Intergovernmental	-	87,374	11,298,762	11,211,388
Other	15,000	543,901	547,919	4,018
Total revenues	<u>8,646,707</u>	<u>8,618,945</u>	<u>20,012,802</u>	<u>11,393,857</u>
Expenditures				
Salaries and benefits	11,467,528	10,468,202	6,772,673	3,695,529
Services and supplies	2,960,860	2,441,304	1,586,179	855,125
Capital outlay	9,717,305	441,440	908,516	(467,076)
Debt service:				
Interest	-	-	10,975	(10,975)
Reserves and contingencies	3,405,616	13,735,781	-	13,735,781
Total expenditures	<u>27,551,309</u>	<u>27,086,727</u>	<u>9,278,343</u>	<u>17,808,384</u>
Excess of revenues over (under) expenditures	<u>(18,904,602)</u>	<u>(18,467,782)</u>	<u>10,734,459</u>	<u>29,202,241</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	27,184	27,184
Transfers in	28,510,739	29,071,494	18,596,692	(10,474,802)
Transfers out	(19,085,066)	(20,082,641)	(22,739,647)	(2,657,006)
Total other financing sources (uses)	<u>9,425,673</u>	<u>8,988,853</u>	<u>(4,115,771)</u>	<u>(13,104,624)</u>
Net change in fund balances	<u>\$ (9,478,929)</u>	<u>\$ (9,478,929)</u>	6,618,688	<u>\$ 16,097,617</u>
Fund balance - beginning			<u>11,659,811</u>	
Fund balance - ending			<u>\$18,278,499</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Hazardous Materials Fund
Year Ended June 30, 2012

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Hazardous Materials Fund			
	Original Budget	Final Budget	Actual	
Revenues				
Service fees	\$ 7,017,817	\$ 7,365,887	\$ 7,365,885	\$ (2)
Fines, forfeitures and penalties	13,437	800	22,715	21,915
Federal assistance	-	1,169	1,168	(1)
State assistance	-	293	292	(1)
Investment earnings	15,500	23,746	38,383	14,637
Intergovernmental	-	-	318,043	318,043
Other	259,642	300,527	360,526	59,999
Total revenues	<u>7,306,396</u>	<u>7,692,422</u>	<u>8,107,012</u>	<u>414,590</u>
Expenditures				
Salaries and benefits	6,317,140	5,525,114	5,489,705	35,409
Services and supplies	1,405,817	1,241,211	1,241,526	(315)
Capital outlay	6,076,295	213,441	2,044	211,397
Contingencies	-	6,607,727	-	6,607,727
Total expenditures	<u>13,799,252</u>	<u>13,587,493</u>	<u>6,733,275</u>	<u>6,854,218</u>
Deficit of revenues under expenditures	<u>(6,492,856)</u>	<u>(5,895,071)</u>	<u>1,373,737</u>	<u>7,268,808</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	10,652	10,652
Transfers in	12,989,038	11,901,492	9,154,156	(2,747,336)
Transfers out	(6,496,182)	(6,006,421)	(179,296)	5,827,125
Total other financing sources (uses)	<u>6,492,856</u>	<u>5,895,071</u>	<u>8,985,512</u>	<u>3,090,441</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	10,359,249	<u>\$ 10,359,249</u>
Fund balance - beginning			-	
Fund balance - ending			<u>\$10,359,249</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Mountain Regional Service Zone
Year Ended June 30, 2012

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Mountain Regional Service Zone			
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 8,210,988	\$ 8,094,148	\$ 8,056,297	\$ (37,851)
Service fees	848,294	706,511	306,589	(399,922)
Special assessments	-	-	255,025	255,025
Other taxes	-	-	46,750	46,750
Federal assistance	-	54,808	10,898	(43,910)
State assistance	-	200,591	200,590	(1)
Investment earnings	12,000	13,059	29,167	16,108
Intergovernmental	-	-	46,709	46,709
Other	-	-	2,127	2,127
Total revenues	<u>9,071,282</u>	<u>9,069,117</u>	<u>8,954,152</u>	<u>(114,965)</u>
Expenditures				
Salaries and benefits	7,744,688	7,492,966	7,496,677	(3,711)
Services and supplies	1,769,573	1,533,676	1,516,523	17,153
Capital outlay	1,851,659	64,403	483,380	(418,977)
Interest	-	-	11,492	(11,492)
Contingencies	2,513,203	4,664,147	-	4,664,147
Total expenditures	<u>13,879,123</u>	<u>13,755,192</u>	<u>9,508,072</u>	<u>4,247,120</u>
Deficit of revenues under expenditures	<u>(4,807,841)</u>	<u>(4,686,075)</u>	<u>(553,920)</u>	<u>4,132,155</u>
Other financing sources (uses)				
Transfers in	2,464,270	2,992,249	2,699,558	(292,691)
Transfers out	(144,000)	(63,597)	-	63,597
Total other financing sources (uses)	<u>2,320,270</u>	<u>2,928,652</u>	<u>2,699,558</u>	<u>(229,094)</u>
Net change in fund balance	<u>\$ (2,487,571)</u>	<u>\$ (1,757,423)</u>	2,145,638	<u>\$ 3,903,061</u>
Fund balance - beginning, as restated			<u>1,102,447</u>	
Fund balance - ending			<u>\$ 3,248,085</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - North Desert Regional Service Zone
Year Ended June 30, 2012

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	North Desert Regional Service Zone			
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 6,190,534	\$ 6,071,638	\$ 6,010,716	\$ (60,922)
Service fees	27,719,217	26,905,060	25,266,847	(1,638,213)
Special assessments	-	-	983,573	983,573
Other taxes	-	-	61,046	61,046
Federal assistance	-	156,646	23,724	(132,922)
State assistance	-	99,462	99,460	(2)
Investment earnings	25,000	34,189	35,692	1,503
Intergovernmental	-	-	132,916	132,916
Other	40,000	(21,846)	45,411	67,257
Total revenues	<u>33,974,751</u>	<u>33,245,149</u>	<u>32,659,385</u>	<u>(585,764)</u>
Expenditures				
Salaries and benefits	32,752,962	32,043,768	31,311,571	732,197
Services and supplies	7,306,409	6,374,277	6,291,137	83,140
Capital outlay	2,862,516	1,235,000	616,110	618,890
Interest	-	-	18,465	(18,465)
Contingencies	399,654	3,004,052	-	3,004,052
Total expenditures	<u>43,321,541</u>	<u>42,657,097</u>	<u>38,237,283</u>	<u>4,419,814</u>
Deficit of revenues under expenditures	<u>(9,346,790)</u>	<u>(9,411,948)</u>	<u>(5,577,898)</u>	<u>3,834,050</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	10,197	10,197
Transfers in	10,059,308	9,876,800	12,157,398	2,280,598
Transfers out	(1,399,000)	(1,151,694)	(2,793,762)	(1,642,068)
Total other financing sources	<u>8,660,308</u>	<u>8,725,106</u>	<u>9,373,833</u>	<u>648,727</u>
Net change in fund balance	<u>\$ (686,482)</u>	<u>\$ (686,842)</u>	3,795,935	<u>\$ 4,482,777</u>
Fund balance - beginning			(395,630)	
Fund balance - ending			<u>\$ 3,400,305</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - South Desert Regional Service Zone
Year Ended June 30, 2012

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	South Desert Regional Service Zone			
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 5,418,397	\$ 5,172,461	\$ 5,176,043	\$ 3,582
Service fees	1,879,136	1,633,130	1,119,827	(513,303)
Special assessments	-	-	286,689	286,689
Federal assistance	-	61,004	5,597	(55,407)
State assistance	-	70,989	126,395	55,406
Investment earnings	56,849	49,771	13,300	(36,471)
Other	12,318	(19,309)	13,349	32,658
Total revenues	<u>7,366,700</u>	<u>6,968,046</u>	<u>6,741,200</u>	<u>(226,846)</u>
Expenditures				
Salaries and benefits	8,160,624	8,329,895	8,311,183	18,712
Services and supplies	2,049,756	1,739,563	1,647,823	91,740
Intergovernmental	-	-	740	(740)
Capital outlay	793,716	254,783	231,097	23,686
Principal	-	-	80,453	(80,453)
Interest	-	-	22,110	(22,110)
Contingencies	432,981	1,198,168	-	1,198,168
Total expenditures	<u>11,437,077</u>	<u>11,522,409</u>	<u>10,293,406</u>	<u>1,229,003</u>
Excess of revenues over (under) expenditures	<u>(4,070,377)</u>	<u>(4,554,363)</u>	<u>(3,552,206)</u>	<u>1,002,157</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	10,583	10,583
Transfers in	3,854,638	4,301,174	4,713,864	412,690
Transfers out	(142,537)	(105,087)	(158,059)	(52,972)
Total other financing sources (uses)	<u>3,712,101</u>	<u>4,196,087</u>	<u>4,566,388</u>	<u>370,301</u>
Net change in fund balance	<u>\$ (358,276)</u>	<u>\$ (358,276)</u>	1,014,182	<u>\$ 1,372,458</u>
Fund balance - beginning, as restated			<u>98,347</u>	
Fund balance - ending			<u>\$ 1,112,529</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Valley Regional Service Zone
Year Ended June 30, 2012

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Valley Regional Service Zone			
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 7,612,765	\$ 7,156,913	\$ 7,370,726	\$ 213,813
Service fees	19,499,251	20,061,418	19,559,633	(501,785)
Special assessments	-	-	323,851	323,851
Other taxes	-	-	40,415	40,415
Federal assistance	-	31,712	5,708	(26,004)
State assistance	-	93,050	119,051	26,001
Investment earnings	20,000	16,270	35,473	19,203
Intergovernmental	-	-	38,164	38,164
Other	-	151,853	125,709	(26,144)
Total revenues	<u>27,132,016</u>	<u>27,511,216</u>	<u>27,618,730</u>	<u>107,514</u>
Expenditures				
Salaries and benefits	20,988,332	21,487,401	24,017,950	(2,530,549)
Services and supplies	8,445,158	7,546,625	4,276,067	3,270,558
Intergovernmental	-	-	4,759	(4,759)
Capital outlay	704,769	1,042,429	61,359	981,070
Debt service:				
Principal	-	-	237,768	(237,768)
Interest	-	-	44,397	(44,397)
Contingencies	331,111	615,712	-	615,712
Total expenditures	<u>30,469,370</u>	<u>30,692,167</u>	<u>28,642,300</u>	<u>2,049,867</u>
Deficit of revenues under expenditures	<u>(3,337,354)</u>	<u>(3,180,951)</u>	<u>(1,023,570)</u>	<u>2,157,381</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	1,405	1,405
Transfers in	3,170,594	2,983,960	6,375,676	3,391,716
Transfers out	(142,537)	(112,306)	(855,734)	(743,428)
Total other financing sources	<u>3,028,057</u>	<u>2,871,654</u>	<u>5,521,347</u>	<u>2,649,693</u>
Net change in fund balance	<u>\$ (309,297)</u>	<u>\$ (309,297)</u>	4,497,777	<u>\$ 4,807,074</u>
Fund balance - beginning			(166,019)	
Fund balance - ending			<u>\$ 4,331,758</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - State Homeland Security Grant Fund
Year Ended June 30, 2012

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	State Homeland Security Grant Fund			
	Original Budget	Final Budget	Actual	
Revenues				
Federal assistance	\$ 5,711,596	\$ 3,741,039	\$ 3,741,039	\$ -
Investment earnings	-	-	3,340	3,340
Other	-	2,471	-	(2,471)
Total revenues	<u>5,711,596</u>	<u>3,743,510</u>	<u>3,744,379</u>	<u>869</u>
Expenditures				
Salaries and benefits	410,643	217,767	789,551	(571,784)
Services and supplies	3,398,849	2,713,141	1,831,603	881,538
Intergovernmental	-	-	959,614	(959,614)
Capital outlay	-	-	213,424	(213,424)
Contingencies	188,129	56,196	-	56,196
Total expenditures	<u>3,997,621</u>	<u>2,987,104</u>	<u>3,794,192</u>	<u>(807,088)</u>
Excess of revenues over (under) expenditures	<u>1,713,975</u>	<u>756,406</u>	<u>(49,813)</u>	<u>(806,219)</u>
Other financing sources (uses)				
Transfers out	<u>(1,839,836)</u>	<u>(882,267)</u>	-	882,267
Total other financing sources (uses)	<u>(1,839,836)</u>	<u>(882,267)</u>	-	882,267
Net change in fund balance	<u>\$ (125,861)</u>	<u>\$ (125,861)</u>	<u>\$ (49,813)</u>	<u>\$ 76,048</u>
Fund balance - beginning			<u>126,684</u>	
Fund balance - ending			<u>\$ 76,871</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combined Balance Sheet - Nonmajor Governmental Funds
June 30, 2012

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Other Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 1,012,151	\$ 6,078,548	\$ 7,090,699
Accounts receivable	5,333	-	5,333
Due from other funds	339,378	-	339,378
Due from other governments	726,745	-	726,745
Total assets	<u>\$ 2,083,607</u>	<u>\$ 6,078,548</u>	<u>\$ 8,162,155</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	228,496	-	228,496
Salaries and benefits payable	144,617	-	144,617
Due to other funds	12,464	-	12,464
Due to other governments	507,238	-	507,238
Total liabilities	<u>892,815</u>	<u>-</u>	<u>892,815</u>
Fund balances:			
Restricted for:			
Public safety	1,190,792	6,078,548	7,269,340
Total fund balances	<u>1,190,792</u>	<u>6,078,548</u>	<u>7,269,340</u>
Total liabilities and fund balances	<u>\$ 2,083,607</u>	<u>\$ 6,078,548</u>	<u>\$ 8,162,155</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2012

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds
Revenues			
Service fees	\$ 184,846	\$ -	\$ 184,846
Special assessments	642,793	-	642,793
Fines, forfeitures and penalties	15,417	-	15,417
Federal assistance	4,812,329	-	4,812,329
State assistance	2,284,677	-	2,284,677
Investment earnings	6,314	30,575	36,889
Other	113,581	-	113,581
Total revenues	<u>\$ 8,059,957</u>	<u>\$ 30,575</u>	<u>\$ 8,090,532</u>
Expenditures			
Salaries and benefits	3,721,457	-	3,721,457
Services and supplies	4,655,282	-	4,655,282
Capital outlay	196,456	352,079	548,535
Intergovernmental	301,304	887,853	1,189,157
Total expenditures	<u>8,874,499</u>	<u>1,239,932</u>	<u>10,114,431</u>
Excess of revenues over (under) expenditures	<u>(814,542)</u>	<u>(1,209,357)</u>	<u>(2,023,899)</u>
Other financing sources (uses)			
Proceeds from sale of capital assets	4,030	-	4,030
Transfers in	2,006,084	-	2,006,084
Transfers out	(2,833,981)	(11,796)	(2,845,777)
Total other financing sources (uses)	<u>(823,867)</u>	<u>(11,796)</u>	<u>(835,663)</u>
Net change in fund balances	(1,638,409)	(1,221,153)	(2,859,562)
Fund balances - beginning, as restated	<u>2,829,201</u>	<u>7,299,701</u>	<u>10,128,902</u>
Fund balances - ending	<u>\$ 1,190,792</u>	<u>\$ 6,078,548</u>	<u>\$ 7,269,340</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2012

	Offices of Emergency Services	Household Hazardous Waste	Admin Penalties
Assets			
Cash and cash equivalents	\$ 357,426	\$ 205,473	\$ 15,968
Accounts receivable	-	5,333	-
Due from other funds	269,304	68,486	-
Due from other governments	288,319	66,560	-
Total assets	<u>\$ 915,049</u>	<u>\$ 345,852</u>	<u>\$ 15,968</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	-	117,782	-
Salaries and benefits payable	47,586	55,280	-
Due to other funds	1,275	4,930	-
Due to other governments	82,189	2,918	-
Deferred revenue	-	-	-
Total liabilities	<u>131,050</u>	<u>180,910</u>	<u>-</u>
Fund balances:			
Restricted for:			
Public safety	<u>783,999</u>	<u>164,942</u>	<u>15,968</u>
Total fund balances	<u>783,999</u>	<u>164,942</u>	<u>15,968</u>
Total liabilities and fund balances	<u>\$ 915,049</u>	<u>\$ 345,852</u>	<u>\$ 15,968</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2012

<u>Oil Recycle</u>	<u>Violation Penalties</u>	<u>Communication Center</u>	<u>Service Zone Red Mtn</u>	<u>Yucaipa Paramedic</u>	<u>Service Mirage</u>
\$ -	\$ -	\$ 163,840	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	-	-	-
-	-	3,750	-	-	-
-	-	154,848	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>158,598</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	5,242	-	-	-
-	-	5,242	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2012

	Service Highland Parm	Service Havasu Lake	Office Justice Program	Fuels Mod Program	Service Windy Acres
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ 29	\$ 820	\$ -
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ 820</u>	<u>\$ -</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	-	-	-	-	-
Salaries and benefits payable	-	-	-	-	-
Due to other funds	-	-	29	820	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>29</u>	<u>820</u>	<u>-</u>
Fund balances:					
Restricted for:					
Public safety	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ 820</u>	<u>\$ -</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2012

Service Wonder Valley	Highland/ Silver Lakes	Tree Removal Grant	Buffer Zone Grant	ARRA Stimulus Grant	Service Lake Arrowhead	Total
\$ -	\$ -	\$ 267,036	\$ 864	\$ 695	\$ -	\$ 1,012,151
-	-	-	-	-	-	5,333
-	-	1,222	-	366	-	339,378
-	-	230,185	140,514	1,167	-	726,745
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 498,443</u>	<u>\$ 141,378</u>	<u>\$ 2,228</u>	<u>\$ -</u>	<u>\$ 2,083,607</u>
-	-	110,714	-	-	-	228,496
-	-	41,751	-	-	-	144,617
-	-	1,660	-	-	-	12,464
-	-	124,983	140,514	1,786	-	507,238
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>279,108</u>	<u>140,514</u>	<u>1,786</u>	<u>-</u>	<u>892,815</u>
-	-	219,335	864	442	-	1,190,792
-	-	219,335	864	442	-	1,190,792
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 498,443</u>	<u>\$ 141,378</u>	<u>\$ 2,228</u>	<u>\$ -</u>	<u>\$ 2,083,607</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2012

	Offices of Emergency Services	Household Hazardous Waste	Admin Penalties	Oil Recycle
Revenues				
Service fees	\$ -	\$ 185,879	\$ -	\$ -
Special assessments	-	356,425	-	-
Fines, forfeitures and penalties	-	-	15,417	-
Federal assistance	349,675	-	-	-
State assistance	3,259	2,281,418	-	-
Investment earnings	1,466	3,105	551	-
Other	(22,206)	136,046	-	-
Total revenues	<u>332,194</u>	<u>2,962,873</u>	<u>15,968</u>	<u>-</u>
Expenditures				
Salaries and benefits	1,075,635	1,579,562	-	-
Services and supplies	342,479	1,148,300	-	-
Capital outlay	8,016	-	-	-
Intergovernmental	-	-	-	-
Total expenditures	<u>1,426,130</u>	<u>2,727,862</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(1,093,936)</u>	<u>235,011</u>	<u>15,968</u>	<u>-</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	3,310	-	-
Transfers in	1,877,935	128,149	-	-
Transfers out	-	(201,528)	-	(2)
Total other financing sources (uses)	<u>1,877,935</u>	<u>(70,069)</u>	<u>-</u>	<u>(2)</u>
Net change in fund balances	783,999	164,942	15,968	(2)
Fund balances - beginning, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Fund balances - ending	<u>\$ 783,999</u>	<u>\$ 164,942</u>	<u>\$ 15,968</u>	<u>\$ -</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2012

Violation Penalties	Communication Center	Service Zone Red Mtn	Yucaipa Paramedic	Service Mirage
\$ -	\$ -	\$ -	\$ -	\$ -
-	286,368	-	-	-
-	-	-	-	-
-	-	-	-	-
-	239	-	-	-
-	-	-	-	-
-	286,607	-	-	-
-	-	-	-	-
2,730	281,944	18	15	40
-	-	-	-	-
-	-	-	-	-
2,730	281,944	18	15	40
(2,730)	4,663	(18)	(15)	(40)
-	-	-	-	-
-	-	-	-	-
(1,659,493)	-	(6,798)	(5,279)	(9,968)
(1,659,493)	-	(6,798)	(5,279)	(9,968)
(1,662,223)	4,663	(6,816)	(5,294)	(10,008)
1,662,223	579	6,816	5,294	10,008
\$ -	\$ 5,242	\$ -	\$ -	\$ -

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2012

	Service Highland Park	Service Havasu Lake	Office Justice Program	Fuels Mod Program	Service Windy Acres
Revenues					
Service fees	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Federal assistance	-	-	-	-	-
State assistance	-	-	-	-	-
Investment earnings	-	-	-	1,485	-
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,485</u>	<u>-</u>
Expenditures					
Salaries and benefits	-	-	-	-	-
Services and supplies	21	138	7	-	57
Capital outlay	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Total expenditures	<u>21</u>	<u>138</u>	<u>7</u>	<u>-</u>	<u>57</u>
Excess of revenues over (under) expenditures	<u>(21)</u>	<u>(138)</u>	<u>(7)</u>	<u>1,485</u>	<u>(57)</u>
Other financing sources (uses)					
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(25,880)	(15,356)	(29)	(475,539)	(8,992)
Total other financing sources (uses)	<u>(25,880)</u>	<u>(15,356)</u>	<u>(29)</u>	<u>(475,539)</u>	<u>(8,992)</u>
Net change in fund balances	(25,901)	(15,494)	(36)	(474,054)	(9,049)
Fund balances - beginning, as restated	<u>25,901</u>	<u>15,494</u>	<u>36</u>	<u>474,054</u>	<u>9,049</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2012

Service Wonder Valley	Highland/Sil ver Lakes	Tree Removal Grant	Buffer Zone Grant	ARRA Stimulus Grant	Service Lake Arrowhead	Total
\$ -	\$ -	\$ (1,033)	\$ -	\$ -	\$ -	\$ 184,846
-	-	-	-	-	-	642,793
-	-	-	-	-	-	15,417
-	-	3,184,946	140,514	1,137,194	-	4,812,329
-	-	-	-	-	-	2,284,677
-	-	-	16	(406)	(142)	6,314
-	-	127	-	(386)	-	113,581
-	-	<u>3,184,040</u>	<u>140,530</u>	<u>1,136,402</u>	<u>(142)</u>	<u>8,059,957</u>
-	-	1,044,105	-	22,155	-	3,721,457
96	716	1,858,402	-	1,020,319	-	4,655,282
-	-	188,440	-	-	-	196,456
-	-	58,192	140,514	102,598	-	301,304
<u>96</u>	<u>716</u>	<u>3,149,139</u>	<u>140,514</u>	<u>1,145,072</u>	<u>-</u>	<u>8,874,499</u>
<u>(96)</u>	<u>(716)</u>	<u>34,901</u>	<u>16</u>	<u>(8,670)</u>	<u>(142)</u>	<u>(814,542)</u>
-	-	720	-	-	-	4,030
-	-	-	-	-	-	2,006,084
<u>(17,611)</u>	<u>(174,640)</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>(32,866)</u>	<u>(2,833,981)</u>
<u>(17,611)</u>	<u>(174,640)</u>	<u>720</u>	<u>-</u>	<u>(200,000)</u>	<u>(32,866)</u>	<u>(823,867)</u>
(17,707)	(175,356)	35,621	16	(208,670)	(33,008)	(1,638,409)
<u>17,707</u>	<u>175,356</u>	<u>183,714</u>	<u>848</u>	<u>209,112</u>	<u>33,008</u>	<u>2,829,201</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,335</u>	<u>\$ 864</u>	<u>\$ 442</u>	<u>\$ -</u>	<u>\$ 1,190,792</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Balance Sheet - Nonmajor Capital Project Funds
June 30, 2012

	<u>FireStation #22</u>	<u>Firestation #32</u>	<u>Ludlow Firestation</u>	<u>Firestation #98</u>
Assets				
Cash and cash equivalents	\$ 1,700	\$ 2,377	\$ 12,854	\$ 83
Total assets	<u>\$ 1,700</u>	<u>\$ 2,377</u>	<u>\$ 12,854</u>	<u>\$ 83</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted for:				
Public safety	1,700	2,377	12,854	83
Total fund balances	<u>1,700</u>	<u>2,377</u>	<u>12,854</u>	<u>83</u>
Total liabilities and fund balances	<u>\$ 1,700</u>	<u>\$ 2,377</u>	<u>\$ 12,854</u>	<u>\$ 83</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Balance Sheet - Nonmajor Capital Project Funds
June 30, 2012

	FS #96 Bay Ext	FS #80 San Sev	Training Tower	Capital Projects Total
Assets				
Cash and cash equivalents	\$ -	\$ 5,593,343	\$ 468,191	\$ 6,078,548
Total Assets	\$ -	\$ 5,593,343	\$ 468,191	\$ 6,078,548
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
Fund Balances:				
Restricted for:				
Public safety	-	5,593,343	468,191	6,078,548
Total Fund Balances	-	5,593,343	468,191	6,078,548
Total Liabilities and Fund Balances	\$ -	\$ 5,593,343	\$ 468,191	\$ 6,078,548

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended June 30, 2012

	FireStation #22	Firestation #32	Ludlow Firestation	Firestation #98
Revenues				
Investment earnings	\$ 643	\$ 2,291	\$ 635	\$ 162
Total revenues	<u>643</u>	<u>2,291</u>	<u>635</u>	<u>162</u>
Expenditures				
Capital outlay	155,795	153,975	-	42,606
Intergovernmental	229,539	398,791	203,000	56,523
Total expenditures	<u>385,334</u>	<u>552,766</u>	<u>203,000</u>	<u>99,129</u>
Excess of revenues over (under) expenditures	<u>(384,691)</u>	<u>(550,475)</u>	<u>(202,365)</u>	<u>(98,967)</u>
Other financing sources (uses)				
Transfers out	-	-	-	(3,454)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,454)</u>
Net change in fund balances	(384,691)	(550,475)	(202,365)	(102,421)
Fund balances - beginning	<u>386,391</u>	<u>552,852</u>	<u>215,219</u>	<u>102,504</u>
Fund balances - ending	<u>\$ 1,700</u>	<u>\$ 2,377</u>	<u>\$ 12,854</u>	<u>\$ 83</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended June 30, 2012

	Firestation #96	Firestation #80	Training Tower	Capital Projects Total
Revenues				
Investment earnings	\$ (75)	\$ 24,841	\$ 2,078	\$ 30,575
Total Revenues	<u>(75)</u>	<u>24,841</u>	<u>2,078</u>	<u>30,575</u>
Expenditures				
Capital outlay	-	(297)	-	352,079
Intergovernmental	-	-	-	887,853
Total Expenditures	<u>-</u>	<u>(297)</u>	<u>-</u>	<u>1,239,932</u>
Excess of revenues over (under) expenditures	<u>(75)</u>	<u>25,138</u>	<u>2,078</u>	<u>(1,209,357)</u>
Other financing sources (uses)				
Transfers out	(8,342)	-	-	(11,796)
Total other financing sources (uses)	<u>(8,342)</u>	<u>-</u>	<u>-</u>	<u>(11,796)</u>
Net Change in Fund Balances	(8,417)	25,138	2,078	(1,221,153)
Fund Balances - beginning	<u>8,417</u>	<u>5,568,205</u>	<u>466,113</u>	<u>7,299,701</u>
Fund Balances - ending	<u>\$ -</u>	<u>\$5,593,343</u>	<u>\$ 468,191</u>	<u>\$ 6,078,548</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Balance Sheets - Enterprise Funds
June 30, 2012

	<u>Lake Arrowhead</u>	<u>Lucerne Valley</u>	<u>Searles Valley</u>	<u>Wrightwood</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets				
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Balance Sheets - Enterprise Funds
June 30, 2012

	Havasu	Yucca Valley	Enterprise Funds Total
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Total assets	\$ -	\$ -	\$ -
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	-	-	-
Net Assets			
Unrestricted	-	-	-
Total net assets	\$ -	\$ -	\$ -

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Statement of Revenues, Expenses and Changes in Net Assets
Enterprise Funds
Year Ended June 30, 2012

	<u>Lake Arrowhead</u>	<u>Lucerne Valley</u>	<u>Searles Valley</u>	<u>Wrightwood</u>
Operating Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Operating Expenses				
Salaries and benefits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Operating Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers out	<u>(385,477)</u>	<u>(172,465)</u>	<u>(22,712)</u>	<u>(911,795)</u>
Change in net assets	(385,477)	(172,465)	(22,712)	(911,795)
Net assets - beginning	<u>385,477</u>	<u>172,465</u>	<u>22,712</u>	<u>911,795</u>
Net assets - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Combining Statement of Revenues, Expenses and Changes in Net Assets
Enterprise Funds
Year Ended June 30, 2012

	<u>Havasu</u>	<u>Yucca Valley</u>	<u>Enterprise Funds Total</u>
Revenues			
Property taxes	\$ -	\$ -	\$ -
Expenses			
Salaries and benefits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Operating Income	<u>-</u>	<u>-</u>	<u>-</u>
Transfers out	<u>(27,686)</u>	<u>(443,167)</u>	<u>(1,963,302)</u>
Change in net assets	(27,686)	(443,167)	(1,963,302)
Net assets - beginning	<u>27,686</u>	<u>443,167</u>	<u>1,963,302</u>
Net assets - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Emergency Services
Year Ended June 30, 2012

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Emergency Services			
	Original Budget	Final Budget	Actual	
Revenues				
Federal assistance	\$ -	\$ 328,623	\$ 349,675	\$ 21,052
State assistance	-	3,259	3,259	-
Investment earnings	-	831	1,466	635
Other	-	(22,204)	(22,206)	(2)
Total revenues	<u>-</u>	<u>310,509</u>	<u>332,194</u>	<u>21,685</u>
Expenditures				
Salaries and benefits	991,463	968,054	1,075,635	(107,581)
Services and supplies	330,499	574,726	342,479	232,247
Capital outlay	-	8,025	8,016	9
Contingencies	201,334	-	-	-
Total expenditures	<u>1,523,296</u>	<u>1,550,805</u>	<u>1,426,130</u>	<u>124,675</u>
Excess of revenues over (under) expenditures	<u>(1,523,296)</u>	<u>(1,240,296)</u>	<u>(1,093,936)</u>	<u>146,360</u>
Other financing sources (uses)				
Transfers in	<u>1,523,296</u>	<u>1,240,296</u>	<u>1,877,935</u>	<u>637,639</u>
Total other financing sources (uses)	<u>1,523,296</u>	<u>1,240,296</u>	<u>1,877,935</u>	<u>637,639</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	783,999	<u>\$ 783,999</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ 783,999</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Household Hazardous Waste Fund
Year Ended June 30, 2012

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Household Hazardous Waste Fund			
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ -	\$ 1	\$ -	\$ (1)
Service fees	-	-	185,879	185,879
Special assessments	314,000	528,362	356,425	(171,937)
State assistance	2,216,207	2,225,280	2,281,418	56,138
Investment earnings	-	1,884	3,105	1,221
Other	452,664	130,156	136,046	5,890
Total revenues	<u>2,982,871</u>	<u>2,885,683</u>	<u>2,962,873</u>	<u>77,190</u>
Expenditures				
Salaries and benefits	1,707,030	1,592,189	1,579,562	12,627
Services and supplies	1,273,537	1,140,338	1,148,300	(7,962)
Capital outlay	72,250	-	-	-
Contingencies	-	226,412	-	226,412
Total expenditures	<u>3,052,817</u>	<u>2,958,939</u>	<u>2,727,862</u>	<u>231,077</u>
Excess of revenues over (under) expenditures	<u>(69,946)</u>	<u>(73,256)</u>	<u>235,011</u>	<u>308,267</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	3,310	3,310	-
Transfers in	69,946	69,946	128,149	58,203
Transfers out	-	-	(201,528)	(201,528)
Total other financing sources (uses)	<u>69,946</u>	<u>73,256</u>	<u>(70,069)</u>	<u>(143,325)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	164,942	<u>\$ 164,942</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ 164,942</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Administrative Penalties Fund
Year Ended June 30, 2012

	Special Revenue Fund			
	Administrative Penalties Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 15,417	\$ 15,417
Investment earnings	-	-	551	551
Total revenues	<u>-</u>	<u>-</u>	<u>15,968</u>	<u>15,968</u>
Expenditures				
Capital outlay	600,000	600,000	-	600,000
Total expenditures	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Excess of revenues over (under) expenditures	<u>(600,000)</u>	<u>(600,000)</u>	<u>15,968</u>	<u>615,968</u>
Other financing sources (uses)				
Transfers in	600,000	600,000	-	(600,000)
Total other financing sources (uses)	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>(600,000)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	15,968	<u>\$ 15,968</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ 15,968</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Communication Center Fund
Year Ended June 30, 2012

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Communication Center Fund			
	Original Budget	Final Budget	Actual	
Revenues				
Special assessments	\$ 285,343	\$ 285,343	\$ 286,368	\$ 1,025
Investment earnings	-	-	239	239
Total revenues	<u>285,343</u>	<u>285,343</u>	<u>286,607</u>	<u>1,264</u>
Expenditures				
Services and supplies	285,343	285,343	281,944	3,399
Total expenditures	<u>285,343</u>	<u>285,343</u>	<u>281,944</u>	<u>3,399</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>4,663</u>	<u>4,663</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	4,663	<u>\$ 4,663</u>
Fund balance - beginning, as restated			<u>579</u>	
Fund balance - ending			<u>\$ 5,242</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Tree Removal Grant Fund
Year Ended June 30, 2012

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Tree Removal Grant Fund			
	Original Budget	Final Budget	Actual	
Revenues				
Service fees	\$ -	\$ (1,033)	\$ (1,033)	\$ -
Federal assistance	5,483,189	3,184,947	3,184,946	(1)
Investment earnings	-	(187)	-	187
Other	-	173	127	(46)
Total revenues	<u>5,483,189</u>	<u>3,183,900</u>	<u>3,184,040</u>	<u>140</u>
Expenditures				
Salaries and benefits	1,778,575	1,095,325	1,044,105	51,220
Services and supplies	1,955,554	1,882,740	1,858,402	24,338
Capital outlay	-	-	188,440	(188,440)
Intergovernmental	-	-	58,192	(58,192)
Contingencies	394,672	155,030	-	155,030
Total expenditures	<u>4,128,801</u>	<u>3,133,095</u>	<u>3,149,139</u>	<u>(16,044)</u>
Excess of revenues over (under) expenditures	<u>1,354,388</u>	<u>50,805</u>	<u>34,901</u>	<u>(15,904)</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	721	720	(1)
Transfers out	<u>(1,361,055)</u>	<u>(58,193)</u>	<u>-</u>	<u>58,193</u>
Total other financing sources (uses)	<u>(1,361,055)</u>	<u>(57,472)</u>	<u>720</u>	<u>58,192</u>
Net change in fund balance	<u>\$ (6,667)</u>	<u>\$ (6,667)</u>	35,621	<u>\$ 42,288</u>
Fund balance - beginning			<u>183,714</u>	
Fund balance - ending			<u>\$ 219,335</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Buffer Zone Grant Fund
Year Ended June 30, 2012

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Buffer Zone Grant Fund			
	Original Budget	Final Budget	Actual	
Revenues				
Federal assistance	\$ 35,660	\$ 172,480	\$ 140,514	\$ (31,966)
Investment earnings	-	43	16	(27)
Total revenues	<u>35,660</u>	<u>172,523</u>	<u>140,530</u>	<u>(31,993)</u>
Expenditures				
Services and supplies	14,238	14,238	-	14,238
Intergovernmental	-	-	140,514	(140,514)
Total expenditures	<u>14,238</u>	<u>14,238</u>	<u>140,514</u>	<u>(126,276)</u>
Excess of revenues over (under) expenditures	<u>21,422</u>	<u>158,285</u>	<u>16</u>	<u>(158,269)</u>
Other financing sources (uses)				
Transfers out	<u>(21,422)</u>	<u>(158,285)</u>	-	<u>158,285</u>
Total other financing sources (uses)	<u>(21,422)</u>	<u>(158,285)</u>	-	<u>158,285</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	16	<u>\$ 16</u>
Fund balance - beginning			<u>848</u>	
Fund balance - ending			<u>\$ 864</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Stimulus Grant Fund
Year Ended June 30, 2012

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Stimulus Grant Fund			
	Original Budget	Final Budget	Actual	
Revenues				
Federal assistance	\$ 1,201,765	\$ 1,201,765	\$ 1,137,194	\$ (64,571)
Investment earnings	-	(351)	(406)	(55)
Other	-	(386)	(386)	-
Total revenues	<u>1,201,765</u>	<u>1,201,028</u>	<u>1,136,402</u>	<u>(64,626)</u>
Expenditures				
Salaries and benefits	98,765	21,504	22,155	(651)
Services and supplies	759,413	1,064,399	1,020,319	44,080
Intergovernmental	-	-	102,598	(102,598)
Contingencies	207,969	20,495	-	20,495
Total expenditures	<u>1,066,147</u>	<u>1,106,398</u>	<u>1,145,072</u>	<u>(38,674)</u>
Excess of revenues over (under) expenditures	<u>135,618</u>	<u>94,630</u>	<u>(8,670)</u>	<u>(103,300)</u>
Other financing sources (uses)				
Transfers out	<u>(343,587)</u>	<u>(302,599)</u>	<u>(200,000)</u>	<u>102,599</u>
Total other financing sources (uses)	<u>(343,587)</u>	<u>(302,599)</u>	<u>(200,000)</u>	<u>102,599</u>
Net change in fund balance	<u>\$ (207,969)</u>	<u>\$ (207,969)</u>	(208,670)	<u>\$ (701)</u>
Fund balance - beginning			<u>209,112</u>	
Fund balance - ending			<u>\$ 442</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Fire Station # 22 Fund
Year Ended June 30, 2012

	Capital Project Fund			Variance with Final Budget Positive (Negative)
	Fire Station #22 Fund			
	Original Budget	Final Budget	Actual	
Revenues				
Investment earnings	\$ -	\$ -	\$ 643	\$ 643
Total revenues	<u>-</u>	<u>-</u>	<u>643</u>	<u>643</u>
Expenditures				
Capital outlay	385,335	155,796	155,795	1
Intergovernmental	-	-	229,539	(229,539)
Total expenditures	<u>385,335</u>	<u>155,796</u>	<u>385,334</u>	<u>(229,538)</u>
Excess of revenues over (under) expenditures	<u>(385,335)</u>	<u>(155,796)</u>	<u>(384,691)</u>	<u>(228,895)</u>
Other financing sources (uses)				
Transfers out	-	(229,539)	-	229,539
Total other financing sources (uses)	<u>-</u>	<u>(229,539)</u>	<u>-</u>	<u>229,539</u>
Net change in fund balance	<u>\$ (385,335)</u>	<u>\$ (385,335)</u>	(384,691)	<u>\$ 644</u>
Fund balance - beginning			<u>386,391</u>	
Fund balance - ending			<u>\$ 1,700</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Fire Station # 32 Fund
Year Ended June 30, 2012

	Capital Project Fund			Variance with Final Budget Positive (Negative)
	Fire Station #32 Fund			
	Original Budget	Final Budget	Actual	
Revenues				
Investment earnings	\$ -	\$ -	\$ 2,291	\$ 2,291
Total revenues	<u>-</u>	<u>-</u>	<u>2,291</u>	<u>2,291</u>
Expenditures				
Capital outlay	522,766	153,975	153,975	-
Intergovernmental	-	-	398,791	(398,791)
Total expenditures	<u>522,766</u>	<u>153,975</u>	<u>552,766</u>	<u>(398,791)</u>
Excess of revenues over (under) expenditures	<u>(522,766)</u>	<u>(153,975)</u>	<u>(550,475)</u>	<u>(396,500)</u>
Other financing sources (uses)				
Transfers out	-	(398,791)	-	398,791
Total other financing sources (uses)	<u>-</u>	<u>(398,791)</u>	<u>-</u>	<u>398,791</u>
Net change in fund balance	<u>\$ (522,766)</u>	<u>\$ (552,766)</u>	(550,475)	<u>\$ 2,291</u>
Fund balance - beginning			<u>552,852</u>	
Fund balance - ending			<u>\$ 2,377</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Ludlow Fire Station Fund
Year Ended June 30, 2012

	Capital Project Fund			Variance with Final Budget Positive (Negative)
	Ludlow Fire Station Fund			
	Original Budget	Final Budget	Actual	
Revenues				
Investment earnings	\$ -	\$ -	\$ 635	\$ 635
Total revenues	<u>-</u>	<u>-</u>	<u>635</u>	<u>635</u>
Expenditures				
Capital outlay	203,322	322	-	322
Intergovernmental	-	-	203,000	(203,000)
Total expenditures	<u>203,322</u>	<u>322</u>	<u>203,000</u>	<u>(202,678)</u>
Excess of revenues over (under) expenditures	<u>(203,322)</u>	<u>(322)</u>	<u>(202,365)</u>	<u>(202,043)</u>
Other financing sources (uses)				
Transfers out	-	(203,000)	-	203,000
Total other financing sources (uses)	<u>-</u>	<u>(203,000)</u>	<u>-</u>	<u>203,000</u>
Net change in fund balance	<u>\$ (203,322)</u>	<u>\$ (203,322)</u>	(202,365)	<u>\$ 957</u>
Fund balance - beginning			<u>215,219</u>	
Fund balance - ending			<u>\$ 12,854</u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Fire Station # 98 Fund
Year Ended June 30, 2012

	Capital Project Fund			Variance with Final Budget Positive (Negative)
	Fire Station #98 Fund			
	Original Budget	Final Budget	Actual	
Revenues				
Investment earnings	\$ -	\$ -	\$ 162	\$ 162
Total revenues	<u>-</u>	<u>-</u>	<u>162</u>	<u>162</u>
Expenditures				
Capital outlay	3,101,179	57,221	42,606	14,615
Intergovernmental	-	-	56,523	(56,523)
Total expenditures	<u>3,101,179</u>	<u>57,221</u>	<u>99,129</u>	<u>(41,908)</u>
Excess of revenues over (under) expenditures	<u>(3,101,179)</u>	<u>(57,221)</u>	<u>(98,967)</u>	<u>(41,746)</u>
Other financing sources (uses)				
Transfers in	3,000,000	16,042	-	(16,042)
Transfers out	-	(60,000)	(3,454)	56,546
Total other financing sources (uses)	<u>3,000,000</u>	<u>(43,958)</u>	<u>(3,454)</u>	<u>40,504</u>
Net change in fund balance	<u><u>\$ (101,179)</u></u>	<u><u>\$ (101,179)</u></u>	(102,421)	<u><u>\$ (1,242)</u></u>
Fund balance - beginning			<u>102,504</u>	
Fund balance - ending			<u><u>\$ 83</u></u>	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Fire Station # 80 Fund
Year Ended June 30, 2012

	Capital Project Fund			Variance with Final Budget Positive (Negative)
	Fire Station #80 Fund			
	Original Budget	Final Budget	Actual	
Revenues				
Investment earnings	\$ -	\$ -	\$ 24,841	\$ 24,841
Total revenues	-	-	24,841	24,841
Expenditures				
Capital outlay	5,557,985	5,557,985	(297)	5,558,282
Total expenditures	5,557,985	5,557,985	(297)	5,558,282
Excess of revenues over (under) expenditures	(5,557,985)	(5,557,985)	25,138	5,583,123
Net change in fund balance	\$ (5,557,985)	\$ (5,557,985)	25,138	\$ 5,583,123
Fund balance - beginning			5,568,205	
Fund balance - ending			\$ 5,593,343	

SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
Budgetary Comparison Schedule - Training Tower Fund
Year Ended June 30, 2012

	Capital Project Fund			Variance with Final Budget Positive (Negative)
	Training Tower Fund			
	Original Budget	Final Budget	Actual	
Revenues				
Investment earnings	\$ -	\$ -	\$ 2,078	\$ 2,078
Total revenues	<u>-</u>	<u>-</u>	<u>2,078</u>	<u>2,078</u>
Expenditures				
Capital outlay	465,666	465,666	-	465,666
Total expenditures	<u>465,666</u>	<u>465,666</u>	<u>-</u>	<u>465,666</u>
Excess of revenues over (under) expenditures	<u>(465,666)</u>	<u>(465,666)</u>	<u>2,078</u>	<u>467,744</u>
Net change in fund balance	<u>\$ (465,666)</u>	<u>\$ (465,666)</u>	<u>2,078</u>	<u>\$ 467,744</u>
Fund balance - beginning			<u>466,113</u>	
Fund balance - ending			<u>\$ 468,191</u>	

Sacramento

Walnut Creek

Oakland

Newport Beach

San Diego

Seattle

Board of Supervisors
County of San Bernardino
San Bernardino County Fire Protection District

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

We have audited the financial statements of the County of San Bernardino County Fire Protection District (the District), a component unit of the County of San Bernardino (County), as of and for the year ended June 30, 2012, and have issued our report thereon dated December 28, 2012. Our report included an explanatory paragraph indicating that the Authority omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Macias Fini & O'Connell LLP

Los Angeles, California
December 28, 2012