

San Bernardino County Fire Protection District

(A Component Unit of San Bernardino County)

San Bernardino, California

Annual Financial Report

For the Year Ended June 30, 2024



**San Bernardino County Fire Protection District
Annual Financial Report
For the Year Ended June 30, 2024**

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Board of Directors
San Bernardino County
San Bernardino County Fire Protection District
San Bernardino, California

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Bernardino County Fire Protection District (the "District"), a component unit of San Bernardino County, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedule of the District's Proportionate Share of the Plan's Net Pension Liability, and the Schedule of the District's Contributions to the Pension Plan as listed in the table of contents, 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.

Management has omitted the Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America requires 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The Combining and Individual Nonmajor Fund Financial Statements and the Budgetary Comparison Schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2025, on our consideration of the 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 solely 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 the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.



Santa Ana, California
January 7, 2025

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**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***

Independent Auditors' Report

Board of Directors
San Bernardino County
San Bernardino County Fire Protection District
San Bernardino, California

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of the San Bernardino County Fire Protection District (the "District"), a component unit of San Bernardino County as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated January 7, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from 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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
January 7, 2025

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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San Bernardino County Fire Protection District
Statement of Net Position
June 30, 2024

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 272,704,624
Taxes and assessments receivable	1,746,676
Accounts receivable, net	4,030,867
Prepaid items	16,326,534
Lease receivable - due within one year	193,186
Total current assets	296,111,580
Non-current assets:	
Lease receivable - due in more than one year	644,569
Capital assets – not being depreciated	19,585,710
Capital assets – being depreciated or amortized, net	99,508,444
Total capital assets	119,094,154
Total non-current assets	119,738,723
Total assets	415,850,303
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	120,549,395
Total deferred outflows of resources	120,549,395
LIABILITIES	
Current liabilities:	
Accounts payable	4,966,063
Accrued salaries and benefits	9,802,942
Due to other governments	8,862,570
Advances from others	944,613
Accrued interest payable	101,071
Compensated absences – due within one year	7,377,680
Long-term debt – due within one year	1,791,357
Total current liabilities	33,846,296
Non-current liabilities:	
Compensated absences – due in more than one year	11,066,519
Long-term debt – due in more than one year	26,261,538
Net pension liability	224,430,028
Total non-current liabilities	261,758,085
Total liabilities	295,604,381
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to leases	834,525
Deferred inflows of resources related to pensions	44,526,909
Total deferred inflows of resources	45,361,434
NET POSITION	
Net investment in capital assets	91,041,259
Restricted	169,365,420
Unrestricted (deficit)	(64,972,796)
Total net position	\$ 195,433,883

San Bernardino County Fire Protection District
Statement of Activities
For the Year Ended June 30, 2024

	Governmental Activities
Expenses:	
Public safety – fire protection and emergency services:	
Salaries and benefits	\$ 229,318,587
Materials and services	51,204,967
Intergovernmental	1,661,380
Transfers to County	664,665
Depreciation and amortization expense	10,001,634
Interest expense	414,773
Total expenses	293,266,006
Program revenues:	
Charges for services	76,503,423
Intergovernmental	26,574,979
Claim cost recoveries	519,809
Operating grants and contributions	9,674,459
Total program revenues	113,272,670
Loss from operations	(179,993,336)
General revenues:	
Property taxes	142,143,191
Special assessments	49,866,549
Investment earnings	13,902,151
Loss on disposal of capital assets	(918,324)
Other revenues	2,313,614
Total general revenues	207,307,181
Change in net position	27,313,845
Net position:	
Beginning of year	168,120,038
End of year	\$ 195,433,883

FUND FINANCIAL STATEMENTS

San Bernardino County Fire Protection District
Balance Sheet
Governmental Funds
June 30, 2024

ASSETS	Special Revenue Funds			
	General Fund	Mountain Regional Service Zone	North Desert Regional Service Zone	South Desert Regional Service Zone
Cash and cash equivalents	\$ 90,405,396	\$ 11,927,251	\$ 36,697,198	\$ 22,830,006
Taxes and assessments receivable	324,407	708,789	934,904	756,017
Due from other governments	1,711,573	12,995	812	534
Accounts receivable, net	41,146	-	202,156	-
Interest receivable	-	18	905	301
Prepaid items	15,316,188	-	1,010,346	-
Lease receivable	-	120,773	409,390	59,585
Total assets	\$ 107,798,710	\$ 12,769,826	\$ 39,255,711	\$ 23,646,443
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,677,877	\$ 37,443	\$ 261,601	\$ 31,657
Accrued salaries and benefits	1,695,676	659,750	1,403,862	778,366
Due to other governments	2,455,487	571,883	342,036	322,297
Advances from others	-	-	-	-
Total liabilities	6,829,040	1,269,076	2,007,499	1,132,320
Deferred Inflows of Resources:				
Related to leases	-	119,132	412,372	60,112
Unavailable revenue	29,831	-	-	-
Total deferred inflows of resources	29,831	119,132	412,372	60,112
Fund Balances:				
Nonspendable	15,316,188	-	1,010,346	-
Restricted	-	11,381,618	35,825,494	22,454,011
Unassigned	85,623,651	-	-	-
Total fund balance	100,939,839	11,381,618	36,835,840	22,454,011
Total liabilities, deferred inflows of resources, and fund balances	\$ 107,798,710	\$ 12,769,826	\$ 39,255,711	\$ 23,646,443

(Continued)

San Bernardino County Fire Protection District
Balance Sheets (Continued)
Governmental Funds
June 30, 2024

	Special Revenue Funds		
	Valley Regional Service Zone	Other Governmental Funds	
ASSETS			
Cash and cash equivalents	\$ 82,025,502	\$ 28,819,271	\$ 272,704,624
Taxes and assessments receivable	1,285,666	21,084	4,030,867
Due from other governments	-	20,762	1,746,676
Accounts receivable, net	865,055	-	1,108,357
Interest receivable	112	-	1,336
Prepaid items	-	-	16,326,534
Lease receivable	248,007	-	837,755
Total assets	\$ 84,424,342	\$ 28,861,117	\$ 296,756,149
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 181,919	\$ 1,775,566	\$ 4,966,063
Accrued salaries and benefits	4,332,975	932,313	9,802,942
Due to other governments	3,183,577	1,987,290	8,862,570
Advances from others	933,949	10,664	944,613
Total liabilities	8,632,420	4,705,833	24,576,188
Deferred Inflows of Resources:			
Related to leases	242,909	-	834,525
Unavailable revenue	-	-	29,831
Total deferred inflows of resources	242,909	-	864,356
Fund Balances:			
Nonspendable	-	-	16,326,534
Restricted	75,549,013	24,155,284	169,365,420
Unassigned	-	-	85,623,651
Total fund balance	75,549,013	24,155,284	271,315,605
Total liabilities, deferred inflows of resources, and fund balances	\$ 84,424,342	\$ 28,861,117	\$ 296,756,149

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San Bernardino County Fire Protection District
Reconciliation of the Balance Sheets of Governmental Funds to the
Government-Wide Statement of Net Position
June 30, 2024

Fund Balances – Governmental Funds	<u>\$ 271,315,605</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Receivables are not available to pay for current period expenditures and, therefore are reported as deferred inflows of resources in the governmental funds.	29,831
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets.	119,094,154
Deferred outflows of resources related to pensions used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred outflows of resources.	120,549,395
Long-term liabilities of the District are not due and payable in the current period and are not reported as fund liabilities accordingly. All liabilities, both current and long-term, are reported in the statement of net position as follows:	
Accrued interest payable	(101,071)
Compensated absences	(18,444,199)
Long-term debt	(28,052,895)
Net pension liability	(224,430,028)
Deferred inflows of resources related to pensions used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred inflows of resources.	<u>(44,526,909)</u>
Total adjustments	<u>(75,881,722)</u>
Net Position of Governmental Activities	<u><u>\$ 195,433,883</u></u>

San Bernardino County Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	General Fund	Mountain Regional Service Zone	North Desert Regional Service Zone	South Desert Regional Service Zone
REVENUES:				
Property taxes	\$ 16,015,344	\$ 19,239,291	\$ 23,202,853	\$ 11,014,208
Special assessments	-	5,791,237	13,963,915	10,374,542
Charges for services	5,317,919	15,291	6,670,348	47,076
Intergovernmental	13,756,663	800,000	7,175,000	1,800,000
Claim cost recoveries	360,617	-	17,918	2,474
Federal assistance	4,351,785	8,500	4,000	3,500
State assistance	13,524	-	-	-
Local assistance	-	-	-	-
Investment income	4,391,456	627,422	1,986,152	1,374,852
Other revenues	291,601	332,302	257,157	27,907
Total revenues	44,498,909	26,814,043	53,277,343	24,644,559
EXPENDITURES:				
Current:				
Salaries and benefits	18,596,930	18,980,405	36,110,594	18,650,408
Materials and services	9,963,449	3,757,834	9,038,276	3,252,020
Intergovernmental	1,053,836	607,544	-	-
Transfer to County	-	-	-	-
Capital outlay	37,721,349	343,731	1,357,045	350,199
Debt service:				
Principal	812,821	175,144	100,364	93,742
Interest	139,400	189,925	-	3,346
Total expenditures	68,287,785	24,054,583	46,606,279	22,349,715
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(23,788,876)	2,759,460	6,671,064	2,294,844
OTHER FINANCING SOURCES (USES):				
Transfers in	3,613,622	-	-	-
Transfers out	(4,645,000)	(446,573)	(1,256,850)	(400,720)
Proceeds from sale of capital assets	90,500	-	-	-
Inception of finance purchase agreement	23,527,259	-	-	-
Inception of lease liability	737,264	-	-	-
Inception of subscription liability	18,799	-	-	-
Total other financing sources (uses)	23,342,444	(446,573)	(1,256,850)	(400,720)
NET CHANGES IN FUND BALANCES	(446,432)	2,312,887	5,414,214	1,894,124
FUND BALANCES:				
Beginning of year	101,386,271	9,068,731	31,421,626	20,559,887
End of year	\$ 100,939,839	\$ 11,381,618	\$ 36,835,840	\$ 22,454,011

(Continued)

San Bernardino County Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds		Total Governmental Funds
	Valley Regional Service Zone	Other Governmental Funds	
REVENUES:			
Property taxes	\$ 72,656,927	\$ 14,568	\$ 142,143,191
Special assessments	18,853,519	883,336	49,866,549
Charges for services	44,110,002	20,342,787	76,503,423
Intergovernmental	-	3,043,316	26,574,979
Claim cost recoveries	123	138,677	519,809
Federal assistance	19,500	2,703,069	7,090,354
State assistance	-	116,385	129,909
Local assistance	-	2,454,196	2,454,196
Investment income	4,216,330	1,305,939	13,902,151
Other revenues	47,841	1,356,806	2,313,614
Total revenues	139,904,242	32,359,079	321,498,175
EXPENDITURES:			
Current:			
Salaries and benefits	109,708,622	22,241,606	224,288,565
Materials and services	16,789,970	8,403,418	51,204,967
Intergovernmental	-	-	1,661,380
Transfer to County	-	664,665	664,665
Capital outlay	8,039,612	4,720,757	52,532,693
Debt service:			
Principal	305,000	421,376	1,908,447
Interest	-	19,617	352,288
Total expenditures	134,843,204	36,471,439	332,613,005
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,061,038	(4,112,360)	(11,114,830)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	4,645,000	8,258,622
Transfers out	(1,429,304)	(80,175)	(8,258,622)
Proceeds from sale of capital assets	2,900	-	93,400
Inception of finance purchase agreement	-	-	23,527,259
Inception of lease liability	-	-	737,264
Inception of subscription liability	-	-	18,799
Total other financing sources (uses)	(1,426,404)	4,564,825	24,376,722
NET CHANGES IN FUND BALANCES	3,634,634	452,465	13,261,892
FUND BALANCES:			
Beginning of year	71,914,379	23,702,819	258,053,713
End of year	\$ 75,549,013	\$ 24,155,284	\$ 271,315,605

(Concluded)

San Bernardino County Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Funds to the Government-Wide Statement of Activities
For the Year Ended June 30, 2024

Net Change in Fund Balances – Governmental Funds \$ 13,261,892

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those capitalized assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	52,532,693
Depreciation and amortization expense	(10,001,634)
Disposal of capital assets	(1,011,724)

Entering into lease agreements and subscription agreements provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.	(24,283,322)
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Some expenses reported in the statement of activities do not require the use of current financial resources. Therefore, those expenses are not reported as expenditures in governmental funds as follows:

Net change in compensated absences	(1,495,460)
Net change in net pension liability and related deferred outflows and inflows of resources	(3,534,562)
Net change in accrued interest payable	(62,485)

Principal repayment of long-term debt is reported as an expenditure in governmental funds. However, principal repayments reduce liabilities in the statement of net position and do not result in expenses in the statement of activities.

Total adjustments	<u>14,051,953</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 27,313,845</u></u>
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FIDUCIARY FUND FINANCIAL STATEMENTS

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San Bernardino County Fire Protection District
Fiduciary Activities
Statement of Fiduciary Net Position
June 30, 2024

	APSA State Surcharge Custodial Fund	CalARP State Service Fee Custodial Fund	County Fire HazMat Facility Fee Custodial Fund	County Fire HazMat Permits Custodial Fund	Hazardous Substance Storage Custodial Fund	Total
ASSETS						
Cash and cash equivalents	\$ 9,039	\$ 11,885	\$ 254,998	\$ 141	\$ 44,516	\$ 320,579
Due from other governments	90	93	1,949	-	-	2,132
Total assets	9,129	11,978	256,947	141	44,516	322,711
LIABILITIES						
Due to other governments	2,822	5,280	177,194	-	16,124	201,420
Total liabilities	2,822	5,280	177,194	-	16,124	201,420
NET POSITION						
Held for other organizations or governments	6,307	6,698	79,753	141	28,392	121,291
Total net position	\$ 6,307	\$ 6,698	\$ 79,753	\$ 141	\$ 28,392	\$ 121,291

San Bernardino County Fire Protection District
Fiduciary Activities
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024

	APSA State Surcharge Custodial Fund	CalARP State Service Fee Custodial Fund	County Fire HazMat Facility Fee Custodial Fund	County Fire HazMat Permits Custodial Fund	Hazardous Substance Storage Custodial Fund	Total
ADDITIONS:						
Trust transactions	\$ 702	\$ 100	\$ 10,069	\$ -	\$ -	\$ 10,871
Investment income	476	474	8,696	-	-	9,646
Total additions	<u>1,178</u>	<u>574</u>	<u>18,765</u>	<u>-</u>	<u>-</u>	<u>20,517</u>
DEDUCTIONS:						
Trust transactions	-	2,260	-	-	5,773	8,033
Total deductions	<u>-</u>	<u>2,260</u>	<u>-</u>	<u>-</u>	<u>5,773</u>	<u>8,033</u>
Changes in net position	1,178	(1,686)	18,765	-	(5,773)	12,484
NET POSITION:						
Beginning of year	5,129	8,384	60,988	141	34,165	108,807
End of year	<u>\$ 6,307</u>	<u>\$ 6,698</u>	<u>\$ 79,753</u>	<u>\$ 141</u>	<u>\$ 28,392</u>	<u>\$ 121,291</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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San Bernardino County Fire Protection District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

Organization and Operations of the Reporting Entity

The San Bernardino County Fire Protection District (the “District”) is a special district located within San Bernardino County (the “County”). The District was established per the San Bernardino County 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 that established the District.

The District provides services through administration of four regional service zones and maintains various service contracts. Services provided include fire management, administration, ambulance billing, vehicle maintenance, warehousing, communications, training, fire prevention, hazardous materials, household hazardous waste, information systems, human resources, and fiscal services.

The governmental reporting entity consists of administration, hazardous materials, and four regional service zones and their related ambulance programs. The District is a component unit of the County and is governed by the Board of Directors who are comprised of the County Board of Supervisors.

The four regional service zones are as follows:

Mountain Regional Service Zone

The Mountain Regional Service Zone provides full-time professional fire protection and paramedic services to the areas of Crest Forest from Stations #25 and #26, Lake Arrowhead from Stations #91, #92, and #94, and Fawnskin from Station #96. Additionally, the service zone supports three paid-call firefighter stations in Angelus Oaks (Station #98), Forest Falls (Station #99), and Green Valley Lake (Station #95). The service zone also provides advanced life support ambulance transportation to the communities of Crest Forest and Lake Arrowhead.

North Desert Regional Service Zone

The North Desert Regional Service Zone provides full-time professional fire protection and paramedic services to the areas of Spring Valley Lake from Station #22, Lucerne Valley and surrounding areas from Station #8, Silver Lakes / Helendale and surrounding areas from Station #4, Phelan and Pinon Hills from Station #10, Wrightwood Station #14, Baker and the I-15 corridor from Station #53, and the City of Hesperia and surrounding areas from Stations #302, #304, and #305, including two Community Facilities Districts in the unincorporated areas of Hesperia (CFD 94 and CFD 2005). Fire protection services are also provided to the City of Adelanto from Station #322 through a service agreement. Additionally, the service zone supports four paid-call firefighter stations in Oak Hills (Station #40), Harvard (Station #52), Hinkley (Station #56), and Trona (Station #57). The service zone also provides advanced life support ambulance transportation to the communities of Hesperia, Lucerne Valley, Searles Valley, Baker, Phelan, and Wrightwood.

South Desert Regional Service Zone

The South Desert Regional Service Zone provides full-time professional fire protection and paramedic services to the Town of Yucca Valley and surrounding areas from Stations #41 and #42, Joshua Tree from Station #36, City of Twentynine Palms and surrounding areas from Station #44, City of Needles and surrounding area from Station #32, and Havasu Landing and surrounding areas from Station #18. The service zone also provides advanced life support ambulance transportation to the Yucca Valley and Yucca Mesa areas.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Organization and Operations of the Reporting Entity (Continued)

Valley Regional Service Zone

The Valley Regional Service Zone provides full-time professional fire protection and paramedic services to the City of San Bernardino from Stations #221, #222, #224, #226, #227, #228, #229, #231, and #232, City of Upland from Stations #161, #163, and #164, Grand Terrace from Station #23, Devore and surrounding areas from Station #2, San Antonio Heights from Station #12, Muscoy from Station #75, Bloomington from Station #76, Mentone from Station #9, and Oak Glen from Station #555 through an agreement with CAL FIRE. Fire protection services are also provided through service agreements to the City of Fontana Fire Protection District from Stations #71, #72, #73, #74, #77, #78, #79, and #81, and to the San Bernardino International Airport Authority from Station #233 located on the airport grounds. Additionally, the service zone supports the volunteer Mount Baldy Station #200 and provides fire protection and paramedic services to three Community Facilities Districts (CFD) in the City of San Bernardino (CFD 1033), Lytle Creek North (CFD 2006-1), and City of Fontana (CFD 2002-2).

County-Wide

The District contracts with the City of Adelanto and with the Fontana Fire District, which include provisions for suppression staff, firefighters and administrative staff. Fire, rescue ambulance transportation, and emergency medical services are provided by full-time firefighters, and the Paid-Call Firefighter Programs.

The District also provides the administration and operation of various grant programs.

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.

Basis of Presentation

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the acknowledged standards setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

Basis of Accounting and Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the 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 identified.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the primary government. The effect of inter-fund activity has been removed from these statements and eliminations have been made to minimize the double counting of internal activities. 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.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental funds are reported using the “*current financial resources*” measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. In the fund financial statements, property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end. Property taxes are recorded as deferred inflows of resources when not received within sixty days after fiscal year-end. In the government-wide financial statements, property taxes are recorded as revenue when levied regardless of when the cash is collected. Charges for services and interest are accrued when their receipt occurs within sixty days after the end of the accounting period, and recognized as revenue.

The District considers items available if received within nine-months of year end, for voluntary non-exchange transactions such as federal and state grants and government-mandated non-exchange transactions. Expenditures are generally 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 the payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

The District reports items as deferred inflows of resources when all eligibility requirements are met except for timing requirements or resources recognized as assets that do not meet the availability criterion for recognition as revenue in governmental funds.

The District reports the following major governmental funds:

Governmental Funds:

General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Mountain Regional Service Zone is used to provide fire, emergency response, and ambulance service to its designated operational area.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Basis of Accounting and Measurement Focus (Continued)

Governmental Funds (Continued):

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

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

Valley Regional Service Zone is used to provide fire and emergency response service to its designated operational area.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The District’s Fiduciary Funds include custodial funds that are used to account for State surcharges levied to County businesses for oversight and regulatory services at the State level. These funds are accounted for using the accrual basis of accounting.

Deferred Outflows/Inflows of Resources

In accordance with U.S. GAAP, the Statement of Net Position and the Balance Sheet – Governmental Funds reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

In subsequent periods, when both revenue recognition criteria (“*measurable*” and “*available*”) are met, or when the District has a legal claim to the resources, the Deferred Inflow is removed from the balance sheet and revenue is recognized.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, and amounts deposited in the San Bernardino County Pool (County Pool). Cash and investments are shown at fair value as of June 30, 2024.

U.S. GAAP establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the statement of net position and balance sheet, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents (Continued)

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

Property Taxes and Special Assessments

Secured property taxes and special assessments are levied in two equal installments, November 1 and February 1. They become delinquent with penalties after 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 after August 31.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and accounted for as expenses when consumed rather than purchased in both the government-wide and the fund financial statements.

Leases

Lessee

The District has a policy to recognize a lease liability and a “right-to-use” lease asset (lease asset) in the financial statements with an initial, individual value of \$5,000 or more with a lease term greater than one year. Variable payments based on future performance or usage of the underlying assets are not included in the measurement of the lease liability.

At the commencement of a lease, the lease liability is measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the District has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease, plus any option periods that are reasonably certain to be exercised.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Leases (Continued)

Lessee (Continued)

- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise. The District monitors changes in circumstances that would require a remeasurement of a lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as “right-to-use” along with other capital assets and lease liabilities are reported as long-term debt on the statement of net position.

Lessor

The District is a lessor for leases of special purpose facilities, office and commercial space, and land. The District recognizes leases receivable and deferred inflows of resources in the financial Statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements (SBITAs)

The District has a policy to recognize a SBITA liability and a right-to-use subscription asset (SBITA asset) in our financial statements with an initial, individual value of \$5,000 or more with a subscription term greater than one year.

At the commencement of a subscription, when the subscription asset is placed into service, the SBITA liability is measured at the present value of payments expected to be made during the subscription term. Future subscription payments are discounted using the District's incremental borrowing rate and the District recognizes amortization of the discount on the subscription liability as interest expense in subsequent financial reporting periods.

SBITA assets are measured as the sum of the initial subscription liability, payments made to the SBITA vendor before the commencement of the lease term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized using the straight-line method over the subscription term.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

Key estimates and judgments related to SBITAs include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the period during which the District has a noncancelable right to use the underlying IT asset. The subscription term also includes periods covered by an option to extend if it is reasonably certain to be exercised.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option years that the District is reasonably certain to exercise. The District monitors changes in circumstances that would require a remeasurement of a subscription and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use subscription assets are reported along with other capital assets and subscription liabilities are reported as long-term debt on the statement of net position.

Capital Assets

Capital assets include land, buildings, improvements, and equipment, and “right-to-use” assets. Capital assets are reported under the governmental activities in the government-wide financial statements. Capital assets are defined by the District 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 or greater 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 acquisition value (an entry price) at the date of donation.

Depreciation and amortization expense is provided using the straight-line method over the estimated useful lives of the respective classes of capital assets. Equipment under capitalized leases is amortized using the straight-line method over the lesser of minimum lease terms or estimated useful lives. The estimated useful lives for computing depreciation/amortization expense are as follows:

Asset Class	Useful Lives
Structures and improvements	5 - 40 years
Equipment, software, and vehicles	4 - 15 years
Lease and subscription assets	Contract term

Compensated Absences

Accumulated vacation, holiday benefits, sick pay and compensatory time off, 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 position. In the event of retirement or termination, an employee is paid 100% of accumulated vacation pay. The District is obligated to pay for a portion or percentage of unused sick leave if an employee works ten or more years continuous District service from date of hire in a regular position and upon retirement, death, or separation.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense related to pensions, information about the fiduciary net position of the District's San Bernardino County Employees' Retirement Association ("SBCERA") plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by SBCERA. For this purpose, employer and employee contributions are recognized in the period the related salaries are earned and become measurable pursuant to formal commitments, statutory or contractual requirements, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, and investments are reported at fair value.

SBCERA

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

Fund Balance

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 – Nonspendable fund balance represents items that cannot be spent because they are not in spendable form, such as prepaid items and inventories and long term receivables, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balance encompasses the portion of net fund resources, the use of which is constrained by limitations imposed by the formal action of the government's highest level of decision making authority normally through resolutions, etc., and that remain binding unless rescinded or modified in the same manner. The Board of Supervisors is considered the highest authority for the District.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The District's policy hereby delegates the authority to assign amounts to be used for specific purposes to the County Administrative Office for the purpose of reporting these amounts in the annual financial statements.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Unassigned – 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, mandatory contingencies or the uncertainties contingencies until allocated for a specific purpose by the Board, by a four-fifths vote. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

It is the District's policy to consider committed amounts as being utilized 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.

Net Position

Net position is categorized as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by any outstanding debt outstanding against the acquisition, construction or improvement of those assets.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net amount of assets that are not included in the determination of *restricted* or *net investment in capital assets*.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in District net position during the reporting period. Actual results could differ from those estimates.

Stewardship, Compliance and Accountability

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 capital outlay 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 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.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Stewardship, Compliance and Accountability (Continued)

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 re-appropriated and honored during the subsequent year.

Implementation of New GASB Pronouncements for the Year Ended June 30, 2024

During fiscal year ended June 30, 2024, the District has implemented the following new GASB Pronouncements:

GASB Statement No. 100 - In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Implementation of this statement did not have a significant effect on the District's financial statements for the fiscal year ended June 30, 2024.

Note 2 – Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2024 consisted of the following:

<u>Description</u>	<u>Governmental Activities</u>	<u>Fiduciary Activities</u>	<u>Total</u>
Cash on hand	\$ 2,080	\$ -	\$ 2,080
Cash pooled with the San Bernardino County Treasury	272,702,544	320,579	273,023,123
Total cash and cash equivalents	\$ 272,704,624	\$ 320,579	\$ 273,025,203

Cash and cash equivalents include 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 portion or share of the County's cash and investment pool is reflected on the balance sheet and statement of net position as cash and cash equivalents. The District has no separate investments in the pool and the District's equity in the cash and investment pool is managed by the San Bernardino County Treasury. The District is a component unit of the County and is required to participate in the pool.

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 financial institutions 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.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Cash Equivalents (Continued)

San Bernardino County Treasury Pool

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 rated annually and currently has a rating of AAA/V1 from Fitch.

Deposits and withdrawals in the County Treasury are made on the basis of \$1 and not fair value. Accordingly, the District's proportionate share of investments in the County Treasury at June 30, 2024 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input. At June 30, 2024, the District's balance in the County pool was \$272,702,544 and an additional \$320,579 was held by fiduciary funds.

Note 3 – Lease Receivable

The portion of the District's property is Lease to others. Such property includes special purpose facilities, office and commercial space, and land. Lease receivable consists of agreements with other for the right-to-use of the underlying assets at various locations owned by the District. The terms of the arrangements range from 2 to 6 years. The calculated interest rates used vary depending on the length of the lease. For the fiscal year ended June 30, 2024, the District recognized \$201,295 in lease revenue and \$5,450 in interest revenue.

A summary of changes in lease receivable for the fiscal year ended June 30, 2024 is as follows:

	Balance			Balance June 30, 2024	Classification	
	July 1, 2023	Additions	Deletions		Due within One Year	Due in More Than One Year
Leases receivable	\$ -	\$ 1,036,450	\$ (198,695)	\$ 837,755	\$ 193,186	\$ 644,569

As of June 30, 2024, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 193,186	\$ 4,705	\$ 197,891
2026	188,873	3,568	192,441
2027	197,488	2,418	199,906
2028	191,254	1,232	192,486
2029	58,113	284	58,397
2030	8,841	8	8,849
Total	\$ 837,755	\$ 12,215	\$ 849,970

As of June 30, 2024, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30,	Amortization Schedule
2025	\$ 201,926
2026	201,926
2027	186,818
2028	177,119
2029	58,019
2030	8,717
Total	\$ 834,525

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 4 – Capital Assets

Changes in capital assets for the year ended June 30, 2024 were as follows:

	Balance			Transfers/	Balance
	July 1, 2023	Additions	Deletions	Reclassification	June 30, 2024
Capital assets, not being depreciated:					
Land	\$ 7,342,268	\$ -	\$ -	\$ -	\$ 7,342,268
Construction in progress	4,257,457	9,900,253	(426,379)	(1,487,889)	12,243,442
Total capital assets, not being depreciated	<u>11,599,725</u>	<u>9,900,253</u>	<u>(426,379)</u>	<u>(1,487,889)</u>	<u>19,585,710</u>
Capital assets, being depreciated:					
Improvements to land	3,495,515	1,352	(69,218)	354,727	3,782,376
Structures and improvements	54,123,862	32,132,603	(20,732)	1,100,387	87,336,120
Vehicles and heavy equipment	78,837,300	4,672,696	(670,401)	-	82,839,595
Equipment	13,616,834	5,051,811	(692,626)	32,775	18,008,794
Software	171,760	-	(13,360)	-	158,400
Total capital assets, being depreciated	<u>150,245,271</u>	<u>41,858,462</u>	<u>(1,466,337)</u>	<u>1,487,889</u>	<u>192,125,285</u>
Less: accumulated depreciation					
Improvements to land	(1,839,958)	(154,495)	7,384	-	(1,987,069)
Structures and improvements	(22,345,550)	(1,548,303)	4,483	-	(23,889,370)
Vehicles and heavy equipment	(58,569,763)	(5,592,294)	670,401	-	(63,491,656)
Equipment	(5,825,066)	(1,262,424)	190,486	-	(6,897,004)
Software	(166,638)	-	8,238	-	(158,400)
Total accumulated depreciation	<u>(88,746,975)</u>	<u>(8,557,516)</u>	<u>880,992</u>	<u>-</u>	<u>(96,423,499)</u>
Total capital assets, being depreciated, net	<u>61,498,296</u>	<u>33,300,946</u>	<u>(585,345)</u>	<u>1,487,889</u>	<u>95,701,786</u>
Lease assets - buildings and improvements	3,319,022	755,179	(1,293,195)	-	2,781,006
Less: accumulated amortization	(1,069,264)	(868,934)	1,293,195	-	(645,003)
Total lease assets, being amortized, net	<u>2,249,758</u>	<u>(113,755)</u>	<u>-</u>	<u>-</u>	<u>2,136,003</u>
Subscription assets	2,710,040	18,799	-	-	2,728,839
Less: accumulated amortization	(483,000)	(575,184)	-	-	(1,058,184)
Total subscription assets, being amortized, net	<u>2,227,040</u>	<u>(556,385)</u>	<u>-</u>	<u>-</u>	<u>1,670,655</u>
Total capital assets, net	<u>\$ 77,574,819</u>	<u>\$ 42,531,059</u>	<u>\$ (1,011,724)</u>	<u>\$ -</u>	<u>\$ 119,094,154</u>

Note 5 – Advances from Others

At June 30, 2024, the balance of advances from others consisted of the following:

Description	Amount
City of San Bernardino fire department workers' compensation claims	\$ 925,756
Hazard mitigation fees deposits	18,857
Total	<u>\$ 944,613</u>

On July 1, 2016, the City of San Bernardino Fire Department was annexed into the District. The San Bernardino Local Agency Formation Commission (LAFCO) and San Bernardino County required that the City of San Bernardino advance fund \$1,336,587 to the District for the City of San Bernardino Fire Department's workers' compensation self-insurance claims payable balance prior to the July 1, 2016 reorganization date. In 2024, \$0 of workers' compensation claims were paid, leaving a balance of \$925,756 as of June 30, 2024.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Compensated Absences

Changes in the compensated absences balance for the year ended June 30, 2024 was as follows:

Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification	
				Due within One Year	Due in More Than One Year
\$ 16,948,739	\$ 10,783,931	\$ (9,288,471)	\$ 18,444,199	\$ 7,377,680	\$ 11,066,519

Note 7 – Long-Term Debt

Changes in long-term debt payable amounts for the year ended June 30, 2024 were as follows:

	Balance July 1, 2023	Debt Issued	Debt Retired	Balance June 30, 2024	Classification	
					Due within One Year	Due in More Than One Year
Direct borrowings and placements:						
Loan payable	\$ 1,314,600	\$ -	\$ (135,000)	\$ 1,179,600	\$ 145,200	\$ 1,034,400
Finance purchase agreement	-	23,527,259	(52,483)	23,474,776	602,578	22,872,198
Lease liability	2,277,988	737,264	(1,129,704)	1,885,548	453,522	1,432,026
Subscription liability	2,085,432	18,799	(591,260)	1,512,971	590,057	922,914
Total	\$ 5,678,020	\$ 24,283,322	\$ (1,908,447)	\$ 28,052,895	\$ 1,791,357	\$ 26,261,538

Loan Payable

In August 2010, Crest Forest Fire Protection District (dissolved and annexed into the District effective July 2015) entered into a direct borrowing agreement with Municipal Finance Corporation (“MFC”) in the amount of \$2,286,000. The agreement contains (1) a provision that, in the event of default, the District shall remain liable until the amount in default has been fully paid with interest at a rate of 8% per annum, (2) a provision that, in the event of default, MFC may terminate the direct borrowing agreement. The District agrees to pay to MFC all costs, loss or damages occurring payable at the same time and in the same manner of the debt payments. There shall be no right, under any circumstances, to accelerate the debt payments to be immediately due and payable.

The annexation of the Crest Forest Fire Protection District included the assumption of an installment loan with City National Bank. The loan is secured by structures and improvements, bears interest at 5.4% and matures in fiscal year 2031. Principal and interest payments are due on August 1 and February 1. Remaining maturities are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 145,200	\$ 61,765	\$ 206,965
2026	160,500	53,719	214,219
2027	170,700	44,917	215,617
2028	185,700	35,500	221,200
2029	195,700	25,340	221,040
2030-2031	321,800	17,574	339,374
Total	\$ 1,179,600	\$ 238,815	\$ 1,418,415

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Long-Term Debt (Continued)

Finance Purchase Agreement

On December 7, 2021, the Board of Directors approved the execution of a lease agreement with Inland Valley Development Agency and Tax-Exempt Financing for a New Headquarters Facility for the District in San Bernardino. The annual lease payment of \$1,900,000 also includes recurring operating expenses and the impact of a one-time, \$8,500,000 partial prepayment of the lease payments that is allowed pursuant to the Lease Agreement. The District has set aside \$8,500,000 in a reserve fund for this purpose. Pursuant to the Lease Agreement, this prepayment must be made within 90 days of the Lease Commencement Date. The rent, paid over the 25-year lease term, plus the District's \$8,500,000 prepayment is equivalent to approximately \$55,900,000. The lease commences upon completion and acceptance of the facility, which occurred on May 6, 2024. This annual lease payment is partially offset by the reduction of costs (\$500,000) from vacating occupancy of prior facilities, for a net increase in costs of \$1,400,000 annually, funded by District revenue. Principal and interest payments are due on the 1st day of each month. Remaining maturities are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 602,578	\$ 808,710	\$ 1,411,288
2026	623,921	787,368	1,411,289
2027	646,019	765,270	1,411,289
2028	667,377	743,911	1,411,288
2029	692,537	718,752	1,411,289
2030-2034	3,847,045	3,209,397	7,056,442
2035-2039	4,578,543	2,477,899	7,056,442
2040-2044	5,448,667	1,607,774	7,056,441
2045-2049	6,368,089	570,745	6,938,834
Total	<u>\$ 23,474,776</u>	<u>\$ 11,689,826</u>	<u>\$ 35,164,602</u>

Lease Liability

The District has entered into leases for the use of equipment and buildings. The terms of the agreements range from 2 to 6 years. The calculated interest rates vary from 0.28% to 4.25% based on the length of the lease. As of June 30, 2024, the capitalized right-to-use assets related to leases were \$2,781,006 and the total lease liability was \$1,885,548, of which \$453,522 is reported as a current liability representing the amount due within the next fiscal year.

The annual debt service requirements of the lease liability are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 453,522	\$ 11,327	\$ 464,849
2026	450,052	8,669	458,721
2027	456,282	5,977	462,259
2028	323,646	3,305	326,951
2029	36,492	2,262	38,754
2030-2034	165,554	4,389	169,943
Total	<u>\$ 1,885,548</u>	<u>\$ 35,929</u>	<u>\$ 1,921,477</u>

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Long-Term Debt (Continued)

Subscription Liability

The District has entered into subscription-based information technology arrangements (SBITAs) for services related to cloud-based software applications, data storage and management services. Under the terms of these arrangements, the District does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription periods vary, with initial non-cancellable terms ranging from 2 to 5 years. The calculated interest rates vary from 0.19% to 0.55%, which is based on the length of the SBITA and date of the agreement.

As of June 30, 2024, the capitalized right-to-use assets related to SBITAs were \$2,728,839 and the total subscription liability was \$1,512,971, of which \$590,057 is reported as a current liability representing the amount due within the next fiscal year.

The annual debt service requirements of the subscription liability are as follows:

Year Ending				
June 30,	Principal	Interest	Total	
2025	\$ 590,057	\$ 19,727	\$ 609,784	
2026	560,962	10,514	571,476	
2027	361,952	2,280	364,232	
Total	<u>\$ 1,512,971</u>	<u>\$ 32,521</u>	<u>\$ 1,545,492</u>	

Note 8 – Defined Benefit Pension Plan

The District participates in the following County-Wide Retirement Plan. The District contributes to the plan an amount determined by the County.

Plan Description

The County provides pension benefits to eligible employees through a cost sharing multiple-employer defined benefit pension plan (the "Plan") administered by the San Bernardino County Employees' Retirement Association ("SBCERA").

The Plan is governed by the SBCERA Board of Retirement (Board) under the provisions of the California County Employees' Retirement Law of 1937 ("CERL") and the California Public Employees' Pension Reform Act of 2013 ("PEPRA"). The Plan's authority to establish and amend the benefit terms are set by the CERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the San Bernardino County Board of Supervisors and/or the SBCERA Board. SBCERA is a tax qualified plan under Section 401 (a) of the Internal Revenue Code.

SBCERA publishes its own annual comprehensive financial report that includes its financial statements and required supplementary information, which can be obtained by writing to SBCERA, Attention: Fiscal Services Department, 348 W. Hospitality Lane Suite 100, San Bernardino, CA 92408 or visiting their website at www.SBCERA.org.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Defined Benefit Pension Plan (Continued)

Benefits Provided

SBCERA provides retirement, disability, death and survivor benefits. SBCERA administers the Plan which provides benefits for two membership classifications, General and Safety, and those benefits are tiered based upon date of SBCERA membership. Safety membership is extended to those involved in active law enforcement and fire suppression. All other members are classified as General members. Generally, those who become members prior to January 1, 2013 are Tier 1 members. All other members are Tier 2. An employee who is appointed to a regular position, whose service is at least fifty percent of the full standard of hours required is a member of SBCERA and is provided with pension benefits pursuant to Plan requirements. The CBRL and PEPRA establish benefit terms. Retirement benefits are calculated on the basis of age, average final compensation and service credit as follows:

	General - Tier 1	General - Tier 2	Safety - Tier 1	Safety - Tier 2
Final Average Compensation	Highest 12 consecutive months	Highest 36 consecutive months	Highest 12 consecutive months	Highest 36 consecutive months
Normal Retirement Age	The later of age 55 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70	The later of age 55 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70	The later of age 50 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70	The later of age 50 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70
Early Retirement: Years of Service required and/or age eligible for	Age 70 any years 10 years age 50 30 years any age	Age 70 any years 5 years age 52 N/A	Age 70 any years 10 years age 50 20 years any age	Age 70 any years 5 years age 50 N/A
Benefit	At normal retirement age, 2.00% per year of final average compensation for every year of service credit	At age 67, 2.50% per year of final average compensation for every year of service credit	At normal retirement age, 3.00% per year of final average compensation for every year of service credit	At age 57, 2.70% per year of final average compensation for every year of service credit
Benefit Adjustments	Reduced before age 55, increased after 55 up to age 65	Reduced before age 67	Reduced before age 50	Reduced before age 57
Final Average Compensation Limitation	Internal Revenue Code Section 401(a)(17)	Government Code Section 7522.10	Internal Revenue Code Section 401(a)(17)	Government Code Section 7522.10

An automatic cost of living adjustment is provided to benefit recipients based on changes in the local region Consumer Price Index (“CPI”) up to a maximum of 2% per year. Any increase greater than 2% is banked and may be used in years where the CPI is less than 2%. There is a one-time 7% increase at retirement for members hired before August 19, 1975. The Plan also provides disability and death benefits to eligible members and their beneficiaries, respectively. For retired members, the death benefit is determined by the retirement benefit option chosen.

For all other members, the beneficiary is entitled to benefits based on the members’ years of service or if the death was caused by employment. General members are also eligible for survivor benefits which are payable upon a member's death.

Contributions

Participating employers and active members are required by statute to contribute a percentage of covered salary to the Plan. This requirement is pursuant to Government Code Sections 31453.5 and 31454 for participating employers, and Government Code Sections 31621.6, 31639.25, and 7522.30 for active members. The contribution requirements are established and may be amended by the SBCERA Board pursuant to Article I of the CERL, which is consistent with the Plan's actuarial funding policy.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Defined Benefit Pension Plan (Continued)

Contributions (Continued)

The contribution rates are adopted yearly based on an annual actuarial valuation, which is conducted by an independent actuary, that requires actuarial assumptions with regard to mortality, expected future service (including age at entry into the Plan, if applicable, and tier), and compensation increases of the members and beneficiaries. The combined active member and employer contribution rates are expected to finance the costs of benefits for employees that are allocated during the year, with an additional amount to finance any unfunded accrued liability. Participating employers may pay a portion of the active members' contributions through negotiations and bargaining agreements.

Employee and employer contribution rates for the fiscal year ended June 30, 2024 are as follows:

<u>Description</u>	<u>General - Tier 1</u>	<u>General - Tier 2</u>	<u>Safety - Tier 1</u>	<u>Safety - Tier 2</u>
Employee contribution rates	9.17% - 15.82%	9.08%	12.59% - 18.53%	15.77%
Employer contribution rates	25.54%	22.53%	61.93%	53.58%

For the year ended June 30, 2024, The District's contribution to the Plan of \$47,247,097 equaled the actuarially determined required employer contributions.

Net Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2024, The District reported a liability of \$224,430,028 for its proportionate share of the County's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the County's net pension liability was based on The District's fiscal year 2023 actual contributions to the County's pension plan relative to the total contributions of the County as a whole. At measurement date June 30, 2023, the District's proportion was 11.1669 percent, which was an increase of 0.7655 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized a pension expense of \$50,781,658.

At June 30, 2024, the District reported its proportionate share of the County's deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 47,247,097	\$ -
Changes in proportion and differences between employer contributions and proportionate share of contributions	38,011,623	31,426,668
Differences between expected and actual experience	18,462,173	3,775,773
Changes of assumptions	8,707,018	9,324,468
Net differences between projected and actual investment earnings on pension plan investments	8,121,484	-
Total deferred outflows/inflows of resources	\$ 120,549,395	\$ 44,526,909

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Defined Benefit Pension Plan (Continued)

Net Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The total amount of \$47,247,097 reported as deferred outflows of resources related to contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. The resulting net amount of \$28,775,389 reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending		Balance
June 30		
2025	\$	7,934,406
2026		(12,349,333)
2027		29,040,239
2028		3,863,957
2029		286,120
Total	\$	<u>28,775,389</u>

Discount Rate

The discount rate used to measure the Plan's total pension liability was 7.25% for the year ended June 30, 2023. The projection of cash flows used to determine the discount rate assumed employer and member contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of returns on the Plan investments of 7.25% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2023.

Actuarial Assumptions

The District's proportion of the County's total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Valuation Date	June 30, 2023
Actuarial Cost Method	Entry age actuarial cost method
Actuarial Assumptions:	
Investment rate of return	7.25%, net of pension plan investment expenses, including inflation
Inflation rate	2.50%
Real across-the-board salary	0.50%
Projected salary increases	General: 4.30% to 9.5% and Safety: 4.75% to 10.00%
Cost of living adjustments	2.00% (actual increases contingent upon CPI increases with a 2.00% maximum)
Administrative expenses	0.90% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

Mortality rates used in the June 30, 2023 actuarial valuation were based on the Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2021 projection scale. For healthy General members, the General Healthy Retiree rates (increased by 10%) were used. For disabled General members, the Non-Safety Disabled Retiree rates (decreased by 5% for females) were used. For beneficiaries not currently in Pay Status, the General Healthy Retiree rates (increased by 10%) were used. For beneficiaries currently in Pay Status, the General Contingent Survivor rates (increased by 5% for males and 15% for females) were used.

The actuarial assumptions used to determine the total pension liability as of June 30, 2023 were based on the results of the Actuarial Experience Study dated May 24, 2023, which covered the periods from July 1, 2019 through June 30, 2022. They are the same assumptions used in the June 30, 2023 actuarial valuations.

The long-term expected rate of return on the Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation, and subtracting expected investment expenses and a risk margin.

The June 30, 2023 target allocation (approved by the SBCERA Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, used in the derivation of the long-term expected investment rate of return assumption are summarized in the table as follows:

<u>Investment Type</u>	<u>Investment Classification</u>	<u>Target Allocation¹</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equity	Domestic Common and Preferred Stock	14.50%	6.00%
Small Cap U.S. Equity	Domestic Common and Preferred Stock	2.50%	6.65%
Developed International Equity	Foreign Common and Preferred Stock	7.00%	7.01%
Emerging Market Equity	Foreign Common and Preferred Stock	6.00%	8.80%
U.S. Core Fixed Income	U.S. Government and Municipals/Domestic Bonds	2.00%	1.97%
High Yield/Credit Strategies	Domestic Bonds/Foreign Bonds	13.00%	6.48%
Emerging Market Debt	Emerging Market Debt	6.00%	4.76%
Real Estate Core	Real Estate	2.50%	3.86%
Real Estate Non-Core	Real Estate	2.50%	5.40%
International Credit	Foreign Alternatives	11.00%	7.10%
Absolute Return	Domestic Alternatives/Foreign Alternatives	7.00%	7.10%
Real Assets	Domestic Alternatives/Foreign Alternatives	6.00%	10.10%
Private Equity	Domestic Alternatives/Foreign Alternatives	18.00%	9.84%
Cash and Equivalents	Short-Term Cash Investment Funds	2.00%	0.63%
Total		100.00%	

¹ For actuarial purposes, target allocations only change once every three years based on the triennial actuarial experience study.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Defined Benefit Pension Plan (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the County's net pension liability, calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the County's net pension liability would be if it were calculated using a discount rate that is 1 -percentage-point lower (6.25%) or 1 -percentage-point higher (8.25%) than the current rate:

<u>Description</u>	<u>Discount Rate - 1% 6.25%</u>	<u>Current Discount Rate 7.25%</u>	<u>Discount Rate + 1% 8.25%</u>
District's proportionate share of the net pension liability	\$ 374,472,615	\$ 224,430,028	\$ 101,723,577

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued SBCERA Annual Comprehensive Financial Report.

Note 9 – Transfers In/Out

For the year ended June 30, 2024, the District made the following inter-fund transfers in and out.

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
	Mountain Regional Service		
General Fund	Zone Special Revenue Fund	\$ 446,573	Administrative cost
	North Desert Regional Service		
General Fund	Zone Special Revenue Fund	1,256,850	Administrative cost
	South Desert Regional Service		
General Fund	Zone Special Revenue Fund	400,720	Administrative cost
	Valley Regional Service		
General Fund	Zone Special Revenue Fund	1,429,304	Administrative cost
	Hazardous Materials		
General Fund	Special Revenue Fund	80,175	Administrative cost
	Subtotal	<u>3,613,622</u>	
Emergency Medical Services			
Special Revenue Fund	General Fund	4,645,000	Reimbursement claim
	Total	<u>\$ 8,258,622</u>	

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.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Unrestricted (Deficit) Net Position

As of June 30, 2024, the District has an unrestricted net deficit of \$(64,972,796). Due to the nature of the deficit from the net pension liability of \$224,430,028, the District will continue to make its actuarial determined contributions to SBCERA and annually review its outstanding net pension obligation funding requirements for future periods to reduce the deficit position.

Note 12 – Fund Balance

The District classifies fund balances, as shown on the *Balance Sheet – Governmental Funds*, as follows as of June 30, 2024:

Description	General Fund	Mountain Regional Service Zone	North Desert Regional Service Zone	South Desert Regional Service Zone	Valley Regional Service Zone	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid items	\$ 15,316,188	\$ -	\$ 1,010,346	\$ -	\$ -	\$ -	\$ 16,326,534
Total nonspendable	15,316,188	-	1,010,346	-	-	-	16,326,534
Restricted:							
Fire protection	-	11,381,618	35,825,494	22,454,011	75,549,013	-	145,210,136
Hazardous materials	-	-	-	-	-	18,784,911	18,784,911
CFD 2002-2 pass thru	-	-	-	-	-	10,511	10,511
Emergency Medical Services	-	-	-	-	-	5,359,862	5,359,862
Total restricted	-	11,381,618	35,825,494	22,454,011	75,549,013	24,155,284	169,365,420
Unassigned	85,623,651	-	-	-	-	-	85,623,651
Total fund balance	\$ 100,939,839	\$ 11,381,618	\$ 36,835,840	\$ 22,454,011	\$ 75,549,013	\$ 24,155,284	\$ 271,315,605

Note 13 – Net Investment in Capital Assets

Net investment in capital assets as of June 30, 2024 consisted of the following:

	Governmental Activities
Net investment in capital assets:	
Capital assets, nondepreciable	\$ 19,585,710
Capital assets, depreciable/amortizable, net	99,508,444
Long-term debt:	
Loan payable	(1,179,600)
Finance purchase agreements	(23,474,776)
Lease liability	(1,885,548)
Subscription liability	(1,512,971)
Total net investment in capital assets	\$ 91,041,259

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 14 – Related Party Transactions

County Services

The District is a component unit of the County and utilizes County departments, services and employees for District operations. For the fiscal year 2024, the County General Fund subsidized the District by \$25,678,528 for its operations, reported as intergovernmental revenue, and the District paid to the County \$36,787,016 for fleet management and transportation, County Administrative Office services, County treasury functions, facility management, human resources, purchasing, risk management, real estate and surveyor services, land use, and salaries including retirement and workers' compensation programs, among others.

Consolidated Fire Agencies (“CONFIRE”)

Additionally, the District together with five other agencies participates in a joint-powers agreement (“JPA”) with the Consolidated Fire Agencies of the East Valley. CONFIRE is governed by its by-laws and has its own board of directors which consists of one representative of the governing board of its member agencies. The member agencies are responsible for providing the funds for CONFIRE's activities in the form of annual member contributions in exchange for a cost-effective cooperative program of fire protection and related functions as mutually agreed upon in the said JPA which shall remain in effect unless terminated by unanimous consent of all signatories. Upon termination the non-grant assets including any surplus cash shall be disposed of in proportion to the contributions made and any grant funded asset shall be disposed of in accordance with federal or state regulation, as applicable. The annual contribution of funds is apportioned based on the number of calls in each agency's jurisdiction over the immediately preceding two-year period. During the fiscal year ended June 30, 2024, the District contributed \$7,179,394 to CONFIRE towards its share of funds.

As of and for the year ended June 30, 2023, the latest available information, CONFIRE’s audited financial information is as follows:

Current assets	\$ 17,037,063
Noncurrent assets	2,209,757
Deferred outflows of resources	3,231,297
Total assets and deferred outflows of resources	\$ 22,478,117
Current liabilities	\$ 589,263
Noncurrent liabilities	4,288,498
Deferred inflows of resources	947,715
CONFIRE equity	16,652,641
Total liabilities, deferred inflows of resources, and CONFIRE equity	\$ 22,478,117
Total revenues	\$ 14,755,820
Total expenses	(12,509,467)
Change in net position	\$ 2,246,353

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

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San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2024

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 15,071,038	\$ 15,071,038	\$ 16,015,344	\$ 944,306
Charges for services	3,959,250	3,959,250	5,317,919	1,358,669
Intergovernmental	-	-	13,756,663	13,756,663
Claim cost recoveries	68,000	68,000	360,617	292,617
Federal assistance	1,814,942	2,841,794	4,351,785	1,509,991
State assistance	-	-	13,524	13,524
Investment income	1,320,729	1,320,729	4,391,456	3,070,727
Other revenues	-	99,999	291,601	191,602
Total revenues	<u>22,233,959</u>	<u>23,360,810</u>	<u>44,498,909</u>	<u>21,138,099</u>
EXPENDITURES:				
Current:				
Salaries and benefits	20,363,834	20,363,834	18,596,930	1,766,904
Materials and services	81,744,491	24,144,030	9,963,449	14,180,581
Intergovernmental	1,814,942	1,814,942	1,053,836	761,106
Capital outlay	11,801,946	34,619,333	37,721,349	(3,102,016)
Debt service:				
Principal	-	-	812,821	(812,821)
Interest	-	-	139,400	(139,400)
Total expenditures	<u>115,725,213</u>	<u>80,942,139</u>	<u>68,287,785</u>	<u>12,654,354</u>
REVENUES OVER (UNDER) EXPENDITURES	(93,491,254)	(57,581,329)	(23,788,876)	33,792,453
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	3,613,622	3,613,622
Transfers out	-	-	(4,645,000)	(4,645,000)
Proceeds from sale of capital assets	-	-	90,500	90,500
Inception of finance purchase agreement	-	-	23,527,259	23,527,259
Inception of lease liability	-	-	737,264	737,264
Inception of subscription liability	-	-	18,799	18,799
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>23,342,444</u>	<u>23,342,444</u>
NET CHANGE IN FUND BALANCE	<u>\$ (93,491,254)</u>	<u>\$ (57,581,329)</u>	(446,432)	<u>\$ 57,134,897</u>
FUND BALANCE:				
Beginning of year			101,386,271	
End of year			<u>\$ 100,939,839</u>	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – Mountain Regional Service Zone
For the Year Ended June 30, 2024

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 18,466,959	\$ 18,466,959	\$ 19,239,291	\$ 772,332
Special assessments	5,937,031	5,937,031	5,791,237	(145,794)
Charges for services	47,224	47,224	15,291	(31,933)
Intergovernmental	-	-	800,000	800,000
Federal assistance	-	-	8,500	8,500
Investment income	157,959	157,959	627,422	469,463
Other revenues	-	-	332,302	332,302
Total revenues	24,609,173	24,609,173	26,814,043	2,204,870
EXPENDITURES:				
Current:				
Salaries and benefits	18,980,411	19,021,449	18,980,405	41,044
Materials and services	12,989,061	6,512,103	3,757,834	2,754,269
Intergovernmental	607,544	607,544	607,544	-
Capital outlay	1,012,658	1,179,236	343,731	835,505
Debt service:				
Principal	135,000	135,000	175,144	(40,144)
Interest	121,826	189,926	189,925	1
Total expenditures	33,846,500	27,645,258	24,054,583	3,590,675
REVENUES OVER (UNDER) EXPENDITURES	(9,237,327)	(3,036,085)	2,759,460	5,795,545
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(446,573)	(446,573)
Total other financing sources (uses)	-	-	(446,573)	(446,573)
NET CHANGE IN FUND BALANCE	\$ (9,237,327)	\$ (3,036,085)	2,312,887	\$ 5,348,972
FUND BALANCE:				
Beginning of year			9,068,731	
End of year			<u>\$ 11,381,618</u>	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – North Desert Regional Service Zone
For the Year Ended June 30, 2024

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 21,438,884	\$ 21,438,884	\$ 23,202,853	\$ 1,763,969
Special assessments	13,892,691	13,892,691	13,963,915	71,224
Charges for services	7,233,228	7,233,228	6,670,348	(562,880)
Intergovernmental	-	-	7,175,000	7,175,000
Claim cost recoveries	-	-	17,918	17,918
Federal assistance	-	-	4,000	4,000
Investment income	417,542	417,542	1,986,152	1,568,610
Other revenues	64,120	64,120	257,157	193,037
Total revenues	43,046,465	43,046,465	53,277,343	10,230,878
EXPENDITURES:				
Current:				
Salaries and benefits	37,847,144	37,847,144	36,110,594	1,736,550
Materials and services	27,308,389	11,048,737	9,038,276	2,010,461
Capital outlay	12,930,183	13,440,889	1,357,045	12,083,844
Debt service:				
Principal	180,652	180,652	100,364	80,288
Total expenditures	78,266,368	62,517,422	46,606,279	15,911,143
REVENUES OVER (UNDER) EXPENDITURES	(35,219,903)	(19,470,957)	6,671,064	26,142,021
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(1,256,850)	(1,256,850)
Total other financing sources (uses)	-	-	(1,256,850)	(1,256,850)
NET CHANGE IN FUND BALANCE	\$ (35,219,903)	\$ (19,470,957)	5,414,214	\$ 24,885,171
FUND BALANCE:				
Beginning of year			31,421,626	
End of year			<u>\$ 36,835,840</u>	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – South Desert Regional Service Zone
For the Year Ended June 30, 2024

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 10,181,812	\$ 10,181,812	\$ 11,014,208	\$ 832,396
Special assessments	10,452,809	10,452,809	10,374,542	(78,267)
Charges for services	46,572	46,572	47,076	504
Intergovernmental	-	-	1,800,000	1,800,000
Claim cost recoveries	-	-	2,474	2,474
Federal assistance	-	-	3,500	3,500
Investment income	365,582	365,582	1,374,852	1,009,270
Other revenues	11,518	11,518	27,907	16,389
Total revenues	<u>21,058,293</u>	<u>21,058,293</u>	<u>24,644,559</u>	<u>3,586,266</u>
EXPENDITURES:				
Current:				
Salaries and benefits	17,841,581	18,595,020	18,650,408	(55,388)
Materials and services	13,073,137	4,165,884	3,252,020	913,864
Capital outlay	12,347,292	12,349,137	350,199	11,998,938
Debt service:				
Principal	-	-	93,742	(93,742)
Interest	-	-	3,346	(3,346)
Total expenditures	<u>43,262,010</u>	<u>35,110,041</u>	<u>22,349,715</u>	<u>12,760,326</u>
REVENUES OVER (UNDER) EXPENDITURES	(22,203,717)	(14,051,748)	2,294,844	16,346,592
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(400,720)	(400,720)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(400,720)</u>	<u>(400,720)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (22,203,717)</u>	<u>\$ (14,051,748)</u>	1,894,124	<u>\$ 15,945,872</u>
FUND BALANCE:				
Beginning of year			20,559,887	
End of year			<u>\$ 22,454,011</u>	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – Valley Regional Service Zone
For the Year Ended June 30, 2024

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 67,900,393	\$ 67,900,393	\$ 72,656,927	\$ 4,756,534
Special assessments	18,944,147	18,944,147	18,853,519	(90,628)
Charges for services	43,889,675	43,889,675	44,110,002	220,327
Claim cost recoveries	-	-	123	123
Federal assistance	-	-	19,500	19,500
Investment income	1,084,666	1,084,666	4,216,330	3,131,664
Other revenues	-	-	47,841	47,841
Total revenues	131,818,881	131,818,881	139,904,242	8,085,361
EXPENDITURES:				
Current:				
Salaries and benefits	106,670,492	110,814,607	109,708,622	1,105,985
Materials and services	56,697,822	18,945,764	16,789,970	2,155,794
Capital outlay	39,185,942	35,642,051	8,039,612	27,602,439
Debt service:				
Principal	-	-	305,000	(305,000)
Total expenditures	202,554,256	165,402,422	134,843,204	30,559,218
REVENUES OVER (UNDER) EXPENDITURES	(70,735,375)	(33,583,541)	5,061,038	38,644,579
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(1,429,304)	(1,429,304)
Proceeds from sale of capital assets	-	-	2,900	2,900
Total other financing sources (uses)	-	-	(1,426,404)	(1,426,404)
NET CHANGE IN FUND BALANCE	\$ (70,735,375)	\$ (33,583,541)	3,634,634	\$ 37,218,175
FUND BALANCE:				
Beginning of year			71,914,379	
End of year			<u>\$ 75,549,013</u>	

San Bernardino County Fire Protection District
Schedule of the District's Proportionate Share of the Plan's Net Pension Liability
Last Ten-Year Schedules

Fiscal Year:	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Measurement Date:	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Proportion of the net pension liability	11.1669%	10.4014%	11.9500%	8.5900%	9.5100%
Proportionate share of the net pension liability	\$ 224,430,028	\$ 202,196,491	\$ 127,608,880	\$ 285,901,347	\$ 211,214,403
Covered payroll	\$ 87,207,260	\$ 78,471,576	\$ 71,454,275	\$ 70,310,560	\$ 67,556,285
Proportionate share of the net pension liability as a percentage of covered payroll	257.35%	257.67%	178.59%	406.63%	312.65%
Plan fiduciary net position as a percentage of the total pension liability	85.50%	85.12%	91.19%	71.96%	79.61%
Fiscal Year:	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement Date:	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Proportion of the net pension liability	9.6500%	9.0700%	7.4800%	7.4974%	7.1200%
Proportionate share of the net pension liability	\$ 199,406,747	\$ 197,830,431	\$ 153,455,263	\$ 121,705,250	\$ 102,437,673
Covered payroll	\$ 64,246,603	\$ 57,656,164	\$ 46,035,323	\$ 43,114,236	\$ 40,957,686
Proportionate share of the net pension liability as a percentage of covered payroll	310.38%	343.12%	333.34%	282.29%	250.11%
Plan fiduciary net position as a percentage of the total pension liability	79.89%	77.90%	76.86%	80.98%	82.47%

In 2024, the actuarial assumptions used in the June 30, 2023 valuation were based on the results of the 2020 Triennial Actuarial Experience Study, which covered the period from July 1, 2019 through June 30, 2022. Amounts reported in 2024 primarily reflect a decrease of 0.25% for inflation rate, an increase of 0.05% of payroll for administrative expenses, and adjustments of projected salary increases and mortality rates to more closely reflect actual experience. Mortality rates used in the June 30, 2023 actuarial valuation were based on the Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2021 projection scale rather than MP-2019 projection scale.

In 2023, there were no changes of assumptions. Amounts reported in 2023 primarily reflect the -2.37% return on the market value of assets during 2021-2022 that was lower than the assumed return of 7.25%. Additionally, the results of the Board adopted Resolution 2020-5 in this valuation reflect the refunds of member contributions previously paid in conjunction with certain pay items for inclusion in compensation earnable, which increased the net pension liability by \$12.3 million.

In 2022, there were no changes of assumptions. Amounts reported in 2022 primarily reflect the 32.61% return on the market value of assets during 2020-2021 that was higher than the assumed return of 7.25% and the changes in benefit terms based on a decision in the Alameda County Deputy Sheriffs' Assn. et al. v. Alameda County Employees' Retirement Assn. litigation issued by the California Supreme Court on July 30, 2020. The Board of Retirement adopted Resolution 2020-5, which detailed the implementation of the Alameda decision including reclassifying certain pay items for inclusion in compensation aimable. The results in this valuation reflect the reclassification of those pay codes, which reduced the Plan's net pension liability by \$132.8 million.

In 2021, the actuarial assumptions used in the June 30, 2020 valuation were based on the results of the actuarial experience study for the period from July 1, 2016 through June 30, 2019. Amounts reported in 2021 primarily reflect a decrease of 0.25% inflation rate, an increase of 0.15% payroll for administrative expenses, and adjustments of projected salary increases and mortality rates to more closely reflect actual experience. Mortality rates were based on the Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2019 projection scale.

In 2019 and 2020, there were no changes of assumptions. In 2018, the actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the three year period of July 1, 2013 through June 30, 2016. Amounts reported in 2018 primarily reflect a decrease of 0.25% for both the investment rate of return and inflation rate, an increase of 0.1% of payroll for administrative expenses, and adjustments of projected salary increases and mortality rates to more closely reflect actual experience. Mortality rates used in the June 30, 2017 actuarial valuation were based on the Headcount-Weighted RP 2014 Healthy Annuitant Mortality Table rather than on the RP-2000 Combined Healthy Mortality Table, which was used to determine amounts reported prior to 2018.

San Bernardino County Fire Protection District
Schedule of the District's Contributions to the Pension Plan
Last Ten-Year Schedules

Fiscal Year:	<u>June 30, 2024</u>	<u>June 30, 2023²</u>	<u>June 30, 2022</u>	<u>June 30, 2021¹</u>	<u>June 30, 2020</u>
Actuarially determined contributions	\$ 47,247,097	\$ 43,440,481	\$ 40,244,266	\$ 34,570,231	\$ 32,684,024
Contributions in relation to the actuarially determined contributions	\$ (47,247,097)	\$ (43,440,481)	\$ (40,244,266)	\$ (34,570,231)	\$ (32,684,024)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 93,010,564	\$ 87,207,260	\$ 78,471,576	\$ 71,454,275	\$ 70,310,560
Contributions as a percentage of the covered payroll	50.80%	49.81%	51.29%	48.38%	46.49%

Fiscal Year:	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Actuarially determined contributions	\$ 32,181,381	\$ 27,562,873	\$ 25,267,220	\$ 19,304,654	\$ 16,151,746
Contributions in relation to the actuarially determined contributions	\$ (32,181,381)	\$ (27,562,873)	\$ (25,267,220)	\$ (19,304,654)	\$ (16,151,746)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 67,556,285	\$ 64,246,603	\$ 57,656,164	\$ 46,035,323	\$ 43,114,236
Contributions as a percentage of the covered payroll	47.64%	42.90%	43.82%	41.93%	37.46%

¹2021 Contributions has been revised due to the Plan corrected an error on the 415 replacement benefit plan adjustment.

²2023 Contributions has been revised due to the Plan wrote off memo adjustment.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

Hazardous Materials Special Revenue Fund – to account for all services related to oversight and regulation of commercial hazardous materials and household hazardous wastes to all businesses in all cities within the County.

State Homeland Security Grant Special Revenue Fund – to account for State Homeland Security grant transactions. The fund was closed and its activities were transferred to the County on July 1, 2023.

Office of Emergency Services Special Revenue Fund – effective 07/01/2019, OES activity moved to San Bernardino County. The fund remains to account for residual activity for the Office of Emergency Services shown on the San Bernardino County Fire Protection Districts' Report. The fund was closed and its activities were transferred to the County on July 1, 2023.

Public Safety Power Shutoff Special Revenue Fund – to account for funds from the California Governor's Office of Emergency Services (Cal OES) public power shutoff transactions. The fund was closed and its activities were transferred to the County on July 1, 2023.

Community Facility District 2002-2 Pass Thru Special Revenue Fund – to account for funds received from special assessments on property owners to provide fire, emergency response, and ambulance services in CFD 2002-2.

Emergency Medical Services Special Revenue Fund – to account for funds related to emergency medical services, emergency ambulance services, and medical supply distribution.

San Bernardino County Fire Protection District
Combining Balance Sheets
Nonmajor Special Revenue Funds
June 30, 2024

	Hazardous Materials	State Homeland Security Grant	Office of Emergency Services	Public Safety Power Shutoff
ASSETS				
Assets:				
Cash and cash equivalents	\$ 20,119,937	\$ -	\$ -	\$ -
Taxes and assessments receivable	21,084	-	-	-
Due from other governments	20,762	-	-	-
Total assets	\$ 20,161,783	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 921,065	\$ -	\$ -	\$ -
Accrued salaries and benefits	377,967	-	-	-
Due to other governments	67,176	-	-	-
Advances from others	10,664	-	-	-
Total liabilities	1,376,872	-	-	-
Fund Balances:				
Restricted	18,784,911	-	-	-
Total fund balance	18,784,911	-	-	-
Total liabilities and fund balances	\$ 20,161,783	\$ -	\$ -	\$ -

San Bernardino County Fire Protection District
Combining Balance Sheets (Continued)
Nonmajor Special Revenue Funds
June 30, 2024

	Community Facility District 2002-2 Pass Thru	Emergency Medical Services	Total
ASSETS			
Assets:			
Cash and cash equivalents	\$ 10,511	\$ 8,688,823	\$ 28,819,271
Taxes and assessments receivable	-	-	21,084
Due from other governments	-	-	20,762
Total assets	\$ 10,511	\$ 8,688,823	\$ 28,861,117
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 854,501	\$ 1,775,566
Accrued salaries and benefits	-	554,346	932,313
Due to other governments	-	1,920,114	1,987,290
Advances from others	-	-	10,664
Total liabilities	-	3,328,961	4,705,833
Fund Balances:			
Restricted	10,511	5,359,862	24,155,284
Total fund balance	10,511	5,359,862	24,155,284
Total liabilities and fund balances	\$ 10,511	\$ 8,688,823	\$ 28,861,117

San Bernardino County Fire Protection District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

	Hazardous Materials	State Homeland Security Grant	Office of Emergency Services	Public Safety Power Shutoff
REVENUES:				
Property taxes	\$ 14,568	\$ -	\$ -	\$ -
Special assessments	597,597	-	-	-
Charges for services	9,336,364	-	-	-
Intergovernmental	-	-	-	-
Claim cost recoveries	138,677	-	-	-
Federal assistance	7,500	-	-	-
State assistance	116,385	-	-	-
Local assistance	2,454,196	-	-	-
Investment income	1,075,146	-	-	-
Other revenues	1,325,856	-	-	-
Total revenues	15,066,289	-	-	-
EXPENDITURES:				
Current:				
Salaries and benefits	9,677,680	-	-	-
Materials and services	3,559,641	-	-	-
Intergovernmental	-	-	-	-
Transfers to County	-	138,365	29,863	496,437
Capital outlay	807,492	-	-	-
Debt service:				
Principal	421,376	-	-	-
Interest	19,617	-	-	-
Total expenditures	14,485,806	138,365	29,863	496,437
REVENUES OVER (UNDER) EXPENDITURES	580,483	(138,365)	(29,863)	(496,437)
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
Transfers out	(80,175)	-	-	-
Total other financing sources	(80,175)	-	-	-
NET CHANGE IN FUND BALANCES	500,308	(138,365)	(29,863)	(496,437)
FUND BALANCES:				
Beginning of year	18,284,603	138,365	29,863	496,437
End of year	<u>\$ 18,784,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

San Bernardino County Fire Protection District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

	Community Facility District 2002-2 Pass Thru	Emergency Medical Services	Total
REVENUES:			
Property taxes	\$ -	\$ -	\$ 14,568
Special assessments	285,739	-	883,336
Charges for services	-	11,006,423	20,342,787
Intergovernmental	-	3,043,316	3,043,316
Claim cost recoveries	-	-	138,677
Federal assistance	-	2,695,569	2,703,069
State assistance	-	-	116,385
Local assistance	-	-	2,454,196
Investment income	3,541	227,252	1,305,939
Other revenues	-	30,950	1,356,806
Total revenues	289,280	17,003,510	32,359,079
EXPENDITURES:			
Current:			
Salaries and benefits	-	12,563,926	22,241,606
Materials and services	287,837	4,555,940	8,403,418
Intergovernmental	-	-	-
Transfers to County	-	-	664,665
Capital outlay	-	3,913,265	4,720,757
Debt service:			
Principal	-	-	421,376
Interest	-	-	19,617
Total expenditures	287,837	21,033,131	36,471,439
REVENUES OVER (UNDER) EXPENDITURES	1,443	(4,029,621)	(4,112,360)
OTHER FINANCING SOURCES:			
Transfers in	-	4,645,000	4,645,000
Transfers out	-	-	(80,175)
Total other financing sources	-	4,645,000	4,564,825
NET CHANGE IN FUND BALANCES	1,443	615,379	452,465
FUND BALANCES:			
Beginning of year	9,068	4,744,483	23,702,819
End of year	<u>\$ 10,511</u>	<u>\$ 5,359,862</u>	<u>\$ 24,155,284</u>

San Bernardino County Fire Protection District
Budgetary Comparison Schedule – Hazardous Materials Fund
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ -	\$ -	\$ 14,568	\$ 14,568
Special assessments	589,393	589,393	597,597	8,204
Charges for services	10,201,000	10,201,000	9,336,364	(864,636)
Claim cost recoveries	155,000	155,000	138,677	(16,323)
Federal assistance	-	-	7,500	7,500
State assistance	125,605	125,605	116,385	(9,220)
Local assistance	2,580,184	2,580,184	2,454,196	(125,988)
Investment income	296,794	296,794	1,075,146	778,352
Other revenues	504,000	504,000	1,325,856	821,856
Total revenues	<u>14,451,976</u>	<u>14,451,976</u>	<u>15,066,289</u>	<u>614,313</u>
EXPENDITURES:				
Current:				
Salaries and benefits	10,612,063	10,612,063	9,677,680	934,383
Materials and services	20,290,220	5,493,280	3,559,641	1,933,639
Capital outlay	769,000	1,382,724	807,492	575,232
Debt service:				
Principal	469,648	469,648	421,376	48,272
Interest	1,562	1,562	19,617	(18,055)
Total expenditures	<u>32,142,493</u>	<u>17,959,277</u>	<u>14,485,806</u>	<u>3,473,471</u>
REVENUES OVER (UNDER) EXPENDITURES	(17,690,517)	(3,507,301)	580,483	4,087,784
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(80,175)	(80,175)
Total other financing sources(uses)	<u>-</u>	<u>-</u>	<u>(80,175)</u>	<u>(80,175)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (17,690,517)</u>	<u>\$ (3,507,301)</u>	500,308	<u>\$ 4,007,609</u>
FUND BALANCE:				
Beginning of year			18,284,603	
End of year			<u>\$ 18,784,911</u>	

San Bernardino County Fire Protection District
Budgetary Comparison Schedule – Community Facilities District 2002-2 Pass Thru
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

	<u>Adopted Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Special assessments	\$ 362,379	\$ 362,379	\$ 285,739	\$ (76,640)
Investment income	712	712	3,541	2,829
Total revenues	<u>363,091</u>	<u>363,091</u>	<u>289,280</u>	<u>(73,811)</u>
EXPENDITURES:				
Current:				
Materials and services	<u>373,364</u>	<u>309,500</u>	<u>287,837</u>	<u>21,663</u>
Total expenditures	<u>373,364</u>	<u>309,500</u>	<u>287,837</u>	<u>21,663</u>
NET CHANGE IN FUND BALANCE	<u>\$ (10,273)</u>	<u>\$ 53,591</u>	1,443	<u>\$ (52,148)</u>
FUND BALANCE:				
Beginning of year			<u>9,068</u>	
End of year			<u>\$ 10,511</u>	

San Bernardino County Fire Protection District
Budgetary Comparison Schedule – Emergency Medical Services
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ 8,925,798	\$ 8,925,798	\$ 11,006,423	\$ 2,080,625
Intergovernmental	-	-	3,043,316	3,043,316
Federal assistance	2,236,112	2,236,112	2,695,569	459,457
Investment income	44,144	44,144	227,252	183,108
Other revenues	-	-	30,950	30,950
Total revenues	11,206,054	11,206,054	17,003,510	5,797,456
EXPENDITURES:				
Current:				
Salaries and benefits	12,480,883	11,707,213	12,563,926	(856,713)
Materials and services	6,968,662	5,655,198	4,555,940	1,099,258
Capital outlay	3,645,000	4,826,000	3,913,265	912,735
Total expenditures	23,094,545	22,188,411	21,033,131	1,155,280
REVENUES OVER (UNDER) EXPENDITURES	(11,888,491)	(10,982,357)	(4,029,621)	6,952,736
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	4,645,000	4,645,000
Total other financing sources(uses)	-	-	4,645,000	4,645,000
NET CHANGE IN FUND BALANCE	\$ (11,888,491)	\$ (10,982,357)	615,379	\$ 11,597,736
FUND BALANCE:				
Beginning of year			4,744,483	
End of year			\$ 5,359,862	