

San Bernardino County Fire Protection District

(A Component Unit of the County of San Bernardino)

San Bernardino, California

Annual Financial Report

For the Year Ended June 30, 2017



**San Bernardino County Fire Protection District
Annual Financial Report
For the Year Ended June 30, 2017**

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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 (District), a component unit of the County of San Bernardino, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and 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 on pages 43 through 49 and 50 through 51, respectively, 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 fund financial statements, the budgetary comparison schedules for the nonmajor special revenue funds, the schedule of revenues, expenditures and changes in ambulance activities by zone, and the schedule of revenues, expenditures and changes in special assessment taxes activities by zone as listed in the table of contents 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 for the nonmajor special revenue funds 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 fund financial statements and the budgetary comparison schedules for the nonmajor special revenue funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The schedule of revenues, expenditures and changes in ambulance activities and the schedule of revenues, expenditures and changes in special assessment taxes activities have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2017, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or 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.

The PwC Group, LLP

Santa Ana, California
December 20, 2017

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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 Supervisors
County of San Bernardino
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 San Bernardino County Fire Protection District (District), a component unit of the County of San Bernardino as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated December 20, 2017.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. 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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Board of Supervisors
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San Bernardino, California

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 Peris Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
December 20, 2017

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, 2017

<u>ASSETS</u>	<u>Governmental Activities</u>
Current assets:	
Cash and cash equivalents (Note 2)	\$ 62,261,124
Interest receivable	200,390
Accounts receivable, net	529,774
Taxes and assessments receivable	1,435,859
Due from other governments	14,151,041
Total current assets	<u>78,578,188</u>
Non-current assets:	
Capital assets – not being depreciated (Note 4)	3,032,898
Capital assets – being depreciated, net (Note 4)	38,311,893
Total non-current assets	<u>41,344,791</u>
Total assets	<u>119,922,979</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows of resources related to pensions (Note 7)	77,229,283
Total deferred outflows of resources	<u>77,229,283</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	4,124,453
Accrued salaries and benefits	8,311,224
Due to other governments	5,257,177
Advances from others (Note 3)	829,110
Accrued interest payable	43,850
Long-term liabilities – due in one year:	
Compensated absences (Note 5)	3,903,642
Loan payable (Note 6)	86,800
Total current liabilities	<u>22,556,256</u>
Non-current liabilities:	
Long-term liabilities – due in more than one year:	
Compensated absences	5,855,464
Loan payable (Note 6)	1,862,100
Net pension liability (Note 7)	153,455,263
Total non-current liabilities	<u>161,172,827</u>
Total liabilities	<u>183,729,083</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows of resources related to pensions (Note 7)	26,827,742
Total deferred inflows of resources	<u>26,827,742</u>
<u>NET POSITION</u>	
Net investment in capital assets (Note 8)	39,395,891
Restricted	42,888,011
Unrestricted (deficit) (Note 9)	(95,688,465)
Total net position	<u>\$ (13,404,563)</u>

San Bernardino County Fire Protection District
Statement of Activities
For the Year Ended June 30, 2017

	Governmental Activities
EXPENSES:	
Public safety – fire protection and emergency services:	
Salaries and benefits	\$ 132,325,645
Materials and services	44,666,990
Intergovernmental	16,300,724
Depreciation expense	5,445,686
Interest expense	106,625
Total expenses	198,845,670
PROGRAM REVENUES:	
Charges for services	69,308,099
Intergovernmental	37,513,115
Claim cost recoveries	344,689
Operating grants and contributions	6,661,584
Capital grants and contributions	4,917,270
Total program revenues	118,744,757
Net program expense	(80,100,913)
GENERAL REVENUES:	
Property taxes	71,970,029
Special assessments	14,122,035
Investment earnings	178,305
Gain from sale of capital assets	21,250
Other revenues	1,969,533
Total general revenues	88,261,152
CHANGE IN NET POSITION	8,160,239
NET POSITION:	
Beginning of year (deficit)	(21,564,802)
End of year (deficit)	\$ (13,404,563)

FUND FINANCIAL STATEMENTS

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San Bernardino County Fire Protection District
Balance Sheet
Governmental Funds
June 30, 2017

<u>ASSETS</u>	<u>Special Revenue Funds</u>				
	<u>General Fund</u>	<u>Hazardous Materials</u>	<u>Mountain Regional Service Zone</u>	<u>North Desert Regional Service Zone</u>	<u>South Desert Regional Service Zone</u>
Assets:					
Cash and cash equivalents	\$ 18,666,695	\$ 10,347,311	\$ 3,784,754	\$ 5,099,053	\$ 1,747,567
Interest receivable	82,663	41,237	15,253	15,883	8,163
Accounts receivable, net	145,974	177,347	59,905	68,471	48,803
Taxes and assessments receivable	189,778	-	362,164	226,009	246,649
Due from other governments	6,075,138	-	1,757,507	2,496,317	2,355,603
Due from other funds (Note 10)	7,433,299	22,456	208,791	803,135	1,586,351
Advances to other funds (Note 11)	840,280	-	-	-	-
Total assets	<u>\$ 33,433,827</u>	<u>\$ 10,588,351</u>	<u>\$ 6,188,374</u>	<u>\$ 8,708,868</u>	<u>\$ 5,993,136</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 3,700,378	\$ 9,203	\$ 190,290	\$ 56,288	\$ -
Accrued salaries and benefits	1,199,582	305,428	819,264	1,937,513	640,527
Due to other governments	3,363,016	8,649	130,134	71,567	77,217
Due to other funds (Note 10)	8,002,638	417	19,550	1,438,816	1,415,855
Advances from others (Note 3)	-	9,939	-	-	-
Advances from other funds (Note 11)	-	-	-	-	-
Total liabilities	<u>16,265,614</u>	<u>333,636</u>	<u>1,159,238</u>	<u>3,504,184</u>	<u>2,133,599</u>
Deferred Inflows of Resources:					
Unavailable revenue	29,832	-	-	-	-
Total deferred inflows of resources	<u>29,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances: (Note 12)					
Nonspendable	840,280	-	-	-	-
Restricted	-	10,254,715	5,029,136	5,204,684	3,859,537
Unassigned	16,298,101	-	-	-	-
Total fund balances	<u>17,138,381</u>	<u>10,254,715</u>	<u>5,029,136</u>	<u>5,204,684</u>	<u>3,859,537</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,433,827</u>	<u>\$ 10,588,351</u>	<u>\$ 6,188,374</u>	<u>\$ 8,708,868</u>	<u>\$ 5,993,136</u>

San Bernardino County Fire Protection District
Balance Sheets (Continued)
Governmental Funds
June 30, 2017

<u>ASSETS</u>	<u>Special Revenue Funds</u>			<u>Total Governmental Funds</u>
	<u>Valley Regional Service Zone</u>	<u>State Homeland Security Grant</u>	<u>Other Governmental Funds</u>	
Assets:				
Cash and cash equivalents	\$ 12,408,211	\$ 430,310	\$ 9,777,223	\$ 62,261,124
Interest receivable	33,080	751	3,360	200,390
Accounts receivable, net	-	-	29,274	529,774
Taxes and assessments receivable	394,150	-	17,109	1,435,859
Due from other governments	98,500	949,072	418,904	14,151,041
Due from other funds (Note 10)	9,292,725	34,934	263,153	19,644,844
Advances to other funds (Note 11)	-	-	-	840,280
Total assets	<u>\$ 22,226,666</u>	<u>\$ 1,415,067</u>	<u>\$ 10,509,023</u>	<u>\$ 99,063,312</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 50,797	\$ -	\$ 117,497	\$ 4,124,453
Accrued salaries and benefits	3,214,378	-	194,532	8,311,224
Due to other governments	1,080,615	435,773	90,206	5,257,177
Due to other funds (Note 10)	8,548,896	142,483	76,189	19,644,844
Advances from others (Note 3)	819,171	-	-	829,110
Advances from other funds (Note 11)	-	500,000	340,280	840,280
Total liabilities	<u>13,713,857</u>	<u>1,078,256</u>	<u>818,704</u>	<u>39,007,088</u>
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	29,832
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,832</u>
Fund Balances: (Note 12)				
Nonspendable	-	-	-	840,280
Restricted	8,512,809	336,811	9,690,319	42,888,011
Unassigned	-	-	-	16,298,101
Total fund balances	<u>8,512,809</u>	<u>336,811</u>	<u>9,690,319</u>	<u>60,026,392</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,226,666</u>	<u>\$ 1,415,067</u>	<u>\$ 10,509,023</u>	<u>\$ 99,063,312</u>

San Bernardino County Fire Protection District
Reconciliation of the Balance Sheet of Governmental Funds to the
Government-Wide Statement of Net Position
June 30, 2017

Fund Balances – Governmental Funds	<u>\$ 60,026,392</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.	29,832
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.	41,344,791
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.	77,229,283
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position as follows:	
Accrued interest payable	(43,850)
Compensated absences	(9,759,106)
Loan payable	(1,948,900)
Net pension liability	(153,455,263)
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>(26,827,742)</u>
Total adjustments	<u>(73,430,955)</u>
Net Position of Governmental Activities	<u><u>\$ (13,404,563)</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, 2017

	<u>Special Revenue Funds</u>				
	<u>General Fund</u>	<u>Hazardous Materials</u>	<u>Mountain Regional Service Zone</u>	<u>North Desert Regional Service Zone</u>	<u>South Desert Regional Service Zone</u>
Revenues:					
Property taxes	\$ 8,929,755	\$ -	\$ 13,113,292	\$ 7,345,433	\$ 6,254,996
Special assessments	-	-	695,385	1,227,257	2,731,213
Charges for services	2,916,365	6,953,307	1,862,125	28,852,347	2,062,816
Intergovernmental	14,502,287	131,818	1,437,083	9,308,904	6,033,295
Claim cost recoveries	37,642	157,084	4,648	94,603	15,503
Federal assistance	358,820	-	368,044	642,379	745,022
State assistance	-	-	-	-	-
Local assistance	-	-	-	-	-
Investment earnings	92,329	69,534	9,306	2,566	(2,132)
Other revenues	742,211	799,758	2,501	58,751	42,116
Total revenues	<u>27,579,409</u>	<u>8,111,501</u>	<u>17,492,384</u>	<u>47,532,240</u>	<u>17,882,829</u>
Expenditures:					
Current:					
Salaries and benefits	10,905,713	5,169,094	12,704,186	35,061,393	11,509,791
Materials and services	10,063,094	2,010,921	3,896,624	9,687,530	3,219,663
Intergovernmental	3,192,991	4,324,262	163,216	929,218	2,046,608
Capital outlay	2,779,033	29,918	215,651	394,108	220,202
Debt service:					
Principal	-	-	76,100	-	-
Interest	-	-	108,338	-	-
Total expenditures	<u>26,940,831</u>	<u>11,534,195</u>	<u>17,164,115</u>	<u>46,072,249</u>	<u>16,996,264</u>
Excess of revenues over (under) expenditures	<u>638,578</u>	<u>(3,422,694)</u>	<u>328,269</u>	<u>1,459,991</u>	<u>886,565</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	-	-	13,750	7,500	-
Transfers in (Note 13)	289,236	19,017	84,308	369,757	961,396
Transfers (out) (Note 13)	(4,261,150)	(575,000)	(500,000)	(1,289,997)	(1,056,936)
Total other financing sources(uses)	<u>(3,971,914)</u>	<u>(555,983)</u>	<u>(401,942)</u>	<u>(912,740)</u>	<u>(95,540)</u>
Net change in fund balance	<u>(3,333,336)</u>	<u>(3,978,677)</u>	<u>(73,673)</u>	<u>547,251</u>	<u>791,025</u>
Fund balance:					
Beginning of year	20,471,717	14,233,392	5,102,809	4,657,433	3,068,512
End of year	<u>\$ 17,138,381</u>	<u>\$ 10,254,715</u>	<u>\$ 5,029,136</u>	<u>\$ 5,204,684</u>	<u>\$ 3,859,537</u>

San Bernardino County Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2017

	<u>Special Revenue Funds</u>			Total Governmental Funds
	Valley Regional Service Zone	State Homeland Security Grant	Other Governmental Funds	
Revenues:				
Property taxes	\$ 36,315,495	\$ -	\$ 11,058	\$ 71,970,029
Special assessments	8,609,055	-	859,125	14,122,035
Charges for services	26,445,274	-	215,865	69,308,099
Intergovernmental	4,198,500	-	1,901,228	37,513,115
Claim cost recoveries	35,209	-	-	344,689
Federal assistance	-	1,442,664	875,626	4,432,555
State assistance	-	-	202,119	202,119
Local assistance	-	-	2,026,910	2,026,910
Investment earnings	2,036	982	3,684	178,305
Other revenues	150,494	-	173,702	1,969,533
Total revenues	<u>75,756,063</u>	<u>1,443,646</u>	<u>6,269,317</u>	<u>202,067,389</u>
Expenditures:				
Current:				
Salaries and benefits	55,688,562	242,558	3,516,531	134,797,828
Materials and services	11,262,395	434,248	2,868,966	43,443,441
Intergovernmental	5,094,231	550,198	-	16,300,724
Capital outlay	455,704	-	274,100	4,368,716
Debt service:				
Principal	-	-	-	76,100
Interest	-	-	-	108,338
Total expenditures	<u>72,500,892</u>	<u>1,227,004</u>	<u>6,659,597</u>	<u>199,095,147</u>
Excess of revenues over (under) expenditures	<u>3,255,171</u>	<u>216,642</u>	<u>(390,280)</u>	<u>2,972,242</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	21,250
Transfers in (Note 13)	3,685,247	-	8,541,427	13,950,388
Transfers (out) (Note 13)	(6,267,305)	-	-	(13,950,388)
Total other financing sources(uses)	<u>(2,582,058)</u>	<u>-</u>	<u>8,541,427</u>	<u>21,250</u>
Net change in fund balance	673,113	216,642	8,151,147	2,993,492
Fund balance:				
Beginning of year	7,839,696	120,169	1,539,172	57,032,900
End of year	<u>\$ 8,512,809</u>	<u>\$ 336,811</u>	<u>\$ 9,690,319</u>	<u>\$ 60,026,392</u>

San Bernardino County Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017

Net Change in Fund Balances – Governmental Funds	<u>\$ 2,993,492</u>
Amounts reported for governmental activities in the statement of activities is different because:	
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	(1,282,132)
Net change in pension expense	3,754,315
Net change in accrued interest payable	1,713
Construction-in-process projects not capitalized to capital assets	(1,223,549)
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	4,368,716
Depreciation expense	(5,445,686)
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.	
	76,100
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	
	<u>4,917,270</u>
Total adjustments	<u>5,166,747</u>
Change in Net Position of Governmental Activities	<u><u>\$ 8,160,239</u></u>

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

Organization and Operations of the Reporting Entity

The San Bernardino County Fire Protection District (District) is a special district located within the County of San Bernardino (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, fiscal and the office of emergency services.

The governmental reporting entity consists of administration, hazardous materials, office of emergency services, and four regional service zones and their related ambulance programs. The District is a blended 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 fire protection services to the areas of Angelus Oaks (Station 98), Fawnskin (Station 96), Forest Falls (Station 99), Green Valley Lake (Station 95), and Lake Arrowhead (Stations 91, 92, 93, 94). This Service Zone supports the eight fire stations' administrative staff and their Limited Term and Paid-Call Firefighter Programs. This Service Zone also provides fire protection services to the former communities within the Crest Forest Fire Protection District through annexation (Stations 24, 25, 26, 28, 29 and 30). Ambulance transportation and paramedic services are also provided to the Crest Forest and Lake Arrowhead communities.

North Desert Regional Service Zone

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

South Desert Regional Service Zone

The South Desert Regional Service Zone provides fire protection services to the areas of Big River (Station 17), Black Meadow Landing (Station 55), Havasu Landing (Station 18), Johnson Valley (Station 43), Joshua Tree (Station 36), Landers (Station 19), Needles (Station 32), Panorama Heights (Station 35), Parker Strip (Station 21), Twentynine Palms (Station 44) and Yucca Valley (Stations 41, 42). This Service Zone supports the twelve fire stations' administrative staff and their Limited Term and Paid-Call Firefighter Programs. Ambulance transportation and paramedic services are provided to the communities of Havasu, and Yucca Valley.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

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 fire protection and paramedic services to the areas of San Bernardino (Stations 221, 222, 224, 225, 226, 227, 228, 229, 231 and 232) Colton, Devore (Station 2), San Antonio Heights (Station 12), Lytle Creek (Station 20), Mt. Baldy (Station 200), Muscoy (Station 75), Bloomington (Station 76), Loma Linda, Grand Terrace (Station 23), Mentone (Station 9), Oak Glen, and Highland. This Service Zone supports eighteen fire stations and two communities contracted to outside agencies, Limited Term and Paid-Call Firefighter Programs.

County-wide

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

The District also provides the administration and operation of various grants including Homeland Security Grant Programs and Pre-Disaster Mitigation for Wood Roof Replacement Grants.

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

Basis of Presentation

The District's financial statements are prepared in conformity with 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 satisfied.

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, 2017

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:

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

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

Basis of Accounting and Measurement Focus (Continued)

Governmental Funds:

General Fund (FPD) 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.

Hazardous Materials Fund (FHZ) is used to account for all services related to oversight and regulation of commercial hazardous materials and wastes to all businesses in all cities within the County.

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

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

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

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

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

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

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 cash equivalents are shown at fair value as of June 30, 2017.

U.S. GAAP, defines fair value, 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.

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.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

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

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either – Due to/from other funds (e.g., the current portion of inter-fund loans) or – Advances to/from other funds (e.g., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as – Due to/from other funds. All accounts receivable are shown net of an allowance for uncollectible when applicable.

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.

Capital Assets

Capital assets, which include property, plant, equipment, and structures and improvements, 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 are considered capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Useful Lives
Structures and improvements	5-40 years
Equipment and vehicles	4-15 years

Deferred Outflows/Inflows of Resources

In accordance with U.S. GAAP, the Statement of Net Position 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 position) 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 position) 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.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

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

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.

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 (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, 2015
Measurement date	June 30, 2016
Measurement period	July 1, 2015 to June 30, 2016

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 retired) as of the beginning of the measurement period.

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 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*.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

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

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 fixed assets within each fund.

Stewardship, Compliance and Accountability (Continued)

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

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.

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 Fund Balance - Amounts cannot be spent because they are: (a) not in spendable form or (b) legally or contractually required to be maintained intact. Due to the nature or form of the resources, they generally cannot be expected to be converted into cash or a spendable form.

Restricted Fund Balance - Amounts are restricted by external parties, i.e., creditors, grantors, contributors, or laws/regulations of other governments or restricted by law through constitutional provisions or enabling legislation.

Committed Fund Balance - Amounts can only be used for a specific purpose pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Board of Directors). The formal action must occur prior to the end of the reporting period, however, the amount may be determined in the subsequent period. These are self-imposed limitations on available resources. These committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same level of action it employed to previously commit those amounts. These committed amounts would be approved and adopted by formal action of the Board of Supervisors.

Assigned Fund Balance - Amounts are constrained by the government's intent to be used for specific purposes that are neither restricted nor committed. The intent will be expressed by the body or official to which the governing body has delegated the authority, i.e. the County Administrative Office. The County Administrative Office will assign fund balance for specific departmental projects through the use of the respective department's general fund savings. Such projects would not normally be feasible for the department without reserving funding over a multiple year period.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

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

Fund Balance (Continued)

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

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.

Note 2 – Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2017 consisted of the following:

Description	Balance
Cash on hand	\$ 4,355
Cash in financial institutions	699,900
Cash pooled with the County of San Bernardino Treasury	61,556,869
Total cash and cash equivalents	\$ 62,261,124

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 County of San Bernardino 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 a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2017 the book balance of the District's deposit of \$699,900 was entirely insured and collateralized as described above.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

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. The weighted average maturity of the investments in the County pool was 0.91 years at June 30, 2017.

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, 2017 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input. At June 30, 2017, the District's balance in the County pool was \$61,556,869.

Note 3 – Advances from Others

At June 30, 2017, the balance consisted of the following:

Description	Balance
City of San Bernardino fire department workers' compensation claims	\$ 819,171
Charges for services	9,939
Total	\$ 829,110

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 the County of San Bernardino required that the City of San Bernardino transfer \$1,336,587 to the District for the City of San Bernardino Fire Department's workers' compensation self-insurance claims outstanding balance prior to the July 1, 2016 reorganization date. In 2017, \$517,416 of workers' compensation claims were paid leaving a balance of \$819,171 as of June 30, 2017.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 4 – Capital Assets

Changes in capital assets for the year ended June 30, 2017 were as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Contributions</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2017</u>
Non-depreciable capital assets:					
Land	\$ 1,543,747	\$ -	\$ 1,229,389	\$ (16,259)	\$ 2,756,877
Construction-in-process	1,371,933	237,433	-	(1,333,345)	276,021
Total non-depreciable capital assets	<u>2,915,680</u>	<u>237,433</u>	<u>1,229,389</u>	<u>(1,349,604)</u>	<u>3,032,898</u>
Depreciable capital assets:					
Improvements to land	2,190,694	218,882	-	101,675	2,511,251
Structures and improvements	27,345,708	241,514	6,825,696	(416,437)	33,996,481
Vehicles and heavy equipment	55,762,160	3,095,344	-	(2,368,441)	56,489,063
Equipment	7,746,785	575,543	-	(1,214,896)	7,107,432
Software	24,500	-	-	-	24,500
Total depreciable capital assets	<u>93,069,847</u>	<u>4,131,283</u>	<u>6,825,696</u>	<u>(3,898,099)</u>	<u>100,128,727</u>
Accumulated depreciation:					
Improvements to land	(975,345)	(98,224)	-	6,780	(1,066,789)
Structures and improvements	(9,679,549)	(841,744)	(3,137,815)	434,037	(13,225,071)
Vehicles and heavy equipment	(42,007,501)	(3,775,187)	-	2,368,441	(43,414,247)
Equipment	(4,570,592)	(730,531)	-	1,214,896	(4,086,227)
Software	(24,500)	-	-	-	(24,500)
Total accumulated depreciation	<u>(57,257,487)</u>	<u>(5,445,686)</u>	<u>(3,137,815)</u>	<u>4,024,154</u>	<u>(61,816,834)</u>
Total depreciable capital assets, net	<u>35,812,360</u>	<u>(1,314,403)</u>	<u>3,687,881</u>	<u>126,055</u>	<u>38,311,893</u>
Total capital assets, net	<u>\$ 38,728,040</u>	<u>\$ (1,076,970)</u>	<u>\$ 4,917,270</u>	<u>\$ (1,223,549)</u>	<u>\$ 41,344,791</u>

Note 5 – Compensated Absences

Changes in the compensated absences balance for the year ended June 30, 2017 was as follows:

<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$ 8,476,974	\$ 7,254,720	\$ (5,972,588)	\$ 9,759,106	\$ 3,903,642	\$ 5,855,464

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Loan Payable

Changes in the loan payable balance for the year ended June 30, 2017 was as follows:

<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 2,025,000	\$ -	\$ (76,100)	\$ 1,948,900	\$ 86,800	\$ 1,862,100

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:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 86,800	\$ 104,085	\$ 190,885
2019	92,300	99,325	191,625
2020	97,900	94,265	192,165
2021	108,500	88,838	197,338
2022	119,100	82,836	201,936
2023-2027	741,100	305,856	1,046,956
2028-2031	703,200	78,414	781,614
Total	<u>\$ 1,948,900</u>	<u>\$ 853,619</u>	<u>\$ 2,802,519</u>

Note 7 – Net Pension Liability and 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 (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), 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 County of San Bernardino 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 comprehensive annual financial report that includes its financial statements and required supplementary information, which can be obtained by writing to SBCERA at 348 W. Hospitality Lane, Third Floor, San Bernardino, CA 92415-0014 or visiting the website www.SBCERA.org

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 7 – Net Pension Liability and 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 or contract 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:

<u>Description</u>	<u>General - Tier 1</u>	<u>General - Tier 2</u>	<u>Safety - Tier 1</u>	<u>Safety - Tier 2</u>
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:	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 percent per year of service for retirement age	At normal retirement age, 2.00% per year of the 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 the 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	IRS Code 401(a)(17)	Govt Code 7522.10	IRS Code 401(a)(17)	Govt Code 7522.10

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 7 – Net Pension Liability and Pension Plan (Continued)

Benefits Provided (Continued)

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. 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, 2017 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	7.89% to 14.86%	7.73% to 8.37%	10.63% to 17.60%	13.56% to 14.03%
Employer contribution rates	22.33%	19.20%	50.98%	42.91%

For the year ended June 30, 2017, the District's contribution to the Plan of \$25,267,220 equaled the actuarially determined required employer contributions. Employer contributions paid by the employee are classified as employer contributions for purposes of allocating the net pension liability and are included as part of the actuarially determined contribution by the Plan starting the year ended June 30, 2015. Previously, these amounts were excluded from the allocation.

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

At June 30, 2017, the District reported a liability of \$153,455,263 for its proportionate share of the County's net pension liability. The net pension liability was measured as of June 30, 2016, 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 2016 actual contributions to the County's pension plan relative to the total contributions of the County as a whole. At June 30, 2016, the District's proportion was 7.4809 percent, which was a decrease of 0.0165 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$21,512,905.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 7 – Net Pension Liability and Pension Plan (Continued)

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

At June 30, 2017, 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:

Type of Account	Balance as of June 30, 2017
Deferred Outflows of Resources:	
Pension contributions subsequent to the measurement date	\$ 25,267,220
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,123,612
Net differences between projected and actual investment earnings on pension plan investments	33,241,709
Changes of assumptions	10,596,742
Total deferred outflows of resources	\$ 77,229,283
Type of Account	Balance as of June 30, 2017
Deferred Inflows of Resources:	
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 3,595,622
Differences between expected and actual experience	23,232,120
Total deferred inflows of resources	\$ 26,827,742

The total amount of \$25,267,220 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 ended June 30, 2018. The resulting net amount of \$25,134,321 reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Amortization Year Ended June 30	Balance
2018	\$ 1,877,434
2019	7,263,316
2020	11,758,495
2021	6,785,559
2022	(2,079,719)
Thereafter	(470,764)
Total	\$ 25,134,321

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 7 – Net Pension Liability and Pension Plan (Continued)

Actuarial Assumptions

The District's proportion of the County's total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Valuation Date	June 30, 2016
Actuarial Cost Method	Entry age actuarial cost method
Actuarial Assumptions:	
Investment rate of return	7.50%
Inflation	3.25%
Projected salary increases	General: 4.60% to 13.75%; Safety: 4.55% to 13.75%
Cost of living adjustments	CPI with a 2% maximum
Administrative expenses	0.60% of payroll

Mortality rates used in the June 30, 2016 actuarial valuation were based on the RP-2000 Combined Healthy Mortality Table projected 20 years to 2020 using Projection Scale BB. For healthy General members, no adjustments are made. For healthy Safety members, ages are set back two years for males and one year for females. For disabled General members, ages are set forward seven years for males and set forward eight years for females. For disabled Safety members, ages are set forward two years for males and females. Beneficiaries are assumed to have the same mortality as a General member of the opposite sex who is receiving a service (non-disability) retirement.

The actuarial assumptions used to determine the total pension liability as of June 30, 2016 were based on the results of the June 30, 2016 Review of Economic Assumptions and Actual Experience Study, which covered the period from July 1, 2010 through June 30, 2013. They are the same assumptions used in the June 30, 2016 actuarial valuation.

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.

San Bernardino County Fire Protection District
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 7 – Net Pension Liability and Pension Plan (Continued)

Actuarial Assumptions (Continued)

The June 30, 2016 target allocation (approved by the SBCERA Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, 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>
U.S. Large Cap Equity	Domestic Common and Preferred Stock	5.00%	5.94%
U.S. Small Cap Equity	Domestic Common and Preferred Stock	2.00%	6.50%
Developed International Equity	Foreign Common and Preferred Stock	6.00%	6.87%
Emerging Market Equity	Foreign Common and Preferred Stock	6.00%	8.06%
U.S. Core Fixed Income	U.S. Government and Agency/ Corporate Bonds	2.00%	0.69%
High Yield /Credit Strategies	Corporate Bonds/Foreign Bonds	13.00%	3.10%
Global Core Fixed Income	Foreign Bonds	1.00%	0.30%
Emerging Market Debt	Emerging Market Debt	6.00%	4.16%
Real Estate	Real Estate	9.00%	4.96%
Cash & Equivalents	Short-Term Cash Investment Funds	2.00%	-0.03%
International Credit	Foreign Alternatives	10.00%	6.76%
Absolute Return	Domestic Alternatives/Foreign Alternatives	13.00%	2.88%
Real Assets	Domestic Alternatives/Foreign Alternatives	6.00%	6.85%
Long/Short Equity	Domestic Alternatives/Foreign Alternatives	3.00%	4.86%
Private Equity	Domestic Alternatives/Foreign Alternatives	16.00%	9.64%
		<u>100.00%</u>	

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

Discount Rate

The discount rate used to measure the Plan's total pension liability was 7.50%. 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 return on the Plan investments of 7.50% was applied to all periods of projected benefit payments to determine the total pension liability.

San Bernardino County Fire Protection District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 7 – Net Pension Liability and 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 7.50%, 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 (6.50%) or 1 -percentage-point higher (8.50%) than the current rate:

<u>Description</u>	<u>Discount Rate - 1% 6.50%</u>	<u>Current Discount Rate 7.5%</u>	<u>Discount Rate + 1% 8.50%</u>
District's proportionate share of the net pension liability	\$ 225,730,951	\$ 153,455,263	\$ 93,563,690

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued SBCERA comprehensive annual financial report.

Note 8 – Net Investment in Capital Assets

Net investment in capital assets as of June 30, 2017 consisted of the following:

<u>Description</u>	<u>Balance</u>
Capital assets – not being depreciated	\$ 3,032,898
Capital assets – being depreciated, net	38,311,893
Loan payable – current portion	(86,800)
Loan payable – noncurrent portion	(1,862,100)
Total net investment in capital assets	\$ 39,395,891

Note 9 – Unrestricted (Deficit) Net Position

As of June 30, 2017, the District has an unrestricted net position deficit of (\$95,688,465). Due to the nature of the deficit from the net pension liability of \$153,455,263, the District will continue to make its annual required contributions to SBCERA and annually review its outstanding net pension obligation funding requirements for future periods to reduce the deficit position.

San Bernardino County Fire Protection District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 10 – Due To/From Other Funds

The short-term inter-fund receivables and payables at June 30, 2017 were as follows:

<u>Fund Name</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General	\$ 7,433,299	\$ 8,002,638
Hazardous materials	22,456	417
Mountain Regional service zone	208,791	19,550
North Desert Regional service zone	803,135	1,438,816
South Desert Regional service zone	1,586,351	1,415,855
Valley Regional service zone	9,292,725	8,548,896
State Homeland security grant	34,934	142,483
Other governmental funds	263,153	76,189
Total	<u>\$ 19,644,844</u>	<u>\$ 19,644,844</u>

The balance of \$19,644,844 of inter-fund receivables and payables represents reimbursements within the funds for shared costs of salaries and benefits, services and supplies occurring due to movement of firefighters between zones, capital assets and/or coverage of a fund's shortfall for operations.

Note 11 – Advances To/From Other Funds

The long-term inter-fund receivables and payables at June 30, 2017 were as follows:

<u>Fund Name</u>	<u>Advances From Other Funds</u>	<u>Advances To Other Funds</u>
General	\$ 840,280	\$ -
State Homeland security grant	-	500,000
Other governmental funds	-	340,280
Total	<u>\$ 840,280</u>	<u>\$ 840,280</u>

The General Fund has advanced \$500,000 to the State Homeland Security Grant Fund for cash flow purposes until the grant funds are received. Also, the general fund has advanced \$340,280 to the Office of Emergency Services Fund for cash flow purposes until the grant funds are received. Grant funding is normally received within a period of 18-20 months and repaid to the general fund.

San Bernardino County Fire Protection District
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 12 – Fund Balance

Fund balance classifications as of June 30, 2017 are as follows:

Description	General Fund	Hazardous Materials	Fire Regional Service Zones	State Homeland Security Grant	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Advances to other funds	\$ 840,280	\$ -	\$ -	\$ -	\$ -	\$ 840,280
Restricted:						
Hazardous materials	-	10,254,715	-	-	-	10,254,715
Fire protection	-	-	22,606,166	-	-	22,606,166
State Homeland security grant	-	-	-	336,811	-	336,811
Office of Emergency Services	-	-	-	-	1,190,319	1,190,319
Capital projects	-	-	-	-	8,500,000	8,500,000
Total restricted	-	10,254,715	22,606,166	336,811	9,690,319	42,888,011
Unassigned	16,298,101	-	-	-	-	16,298,101
Total fund balances	<u>\$ 17,138,381</u>	<u>\$ 10,254,715</u>	<u>\$ 22,606,166</u>	<u>\$ 336,811</u>	<u>\$ 9,690,319</u>	<u>\$ 60,026,392</u>

Note 13 – Transfers In/Out

Inter-fund transfers are transactions used to close out a fund, reimburse an operating fund, and transfer cash between operating funds and capital projects funds. For the year ended June 30, 2017, the District made the following inter-fund transfers in and out.

Fund Name	Transfers In	Transfers Out
General	\$ 289,236	\$ 4,261,150
Hazardous materials	19,017	575,000
Mountain Regional service zone	84,308	500,000
North Desert Regional service zone	369,757	1,289,997
South Desert Regional service zone	961,396	1,056,936
Valley Regional service zone	3,685,247	6,267,305
Other governmental funds	8,541,427	-
Total	<u>\$ 13,950,388</u>	<u>\$ 13,950,388</u>

Note 14 – 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 Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 15 – 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 2017, the County general fund subsidized the District by \$37,513,115 for its operations, reported as intergovernmental revenue, and the District paid to the County \$16,300,724 for fleet management and transportation, County Administrative Office services, County treasury functions, facility management, risk management, real estate and surveyor services, land use, and salaries including retirement and workers compensation programs, among others.

Consolidated Fire Agencies of the East Valley (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). 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 fires in each agency's jurisdiction over the immediate preceding two year period. During the fiscal year ended June 30, 2017, the District contributed \$8,824,051 to CONFIRE towards its share of funds.

Note 16 – Commitments and Contingencies

As of June 30, 2017, in the opinion of the District administration, there are no outstanding matters which would have a significant effect on the financial position of the District.

Note 17 – Subsequent Events

Annexation of the City of Upland Fire Department and San Antonio Heights to Service Zone FP-5

Approval of the City of Upland's fire protection and emergency medical services reorganization in 2017 annexed to the San Bernardino County Fire Protection District (SBCFPD) the City of Upland fire protection and emergency services and the community known as San Antonio Heights to SBCFPD's Service Zone FP-5, and the formation of FP-5 West Valley Regional Service Zone. The annexation to Service Zone FP-5 includes special tax for funding of fire protection and emergency medical services effective July 25, 2017. This special tax includes an annual inflationary rate of up to a maximum 3% increase. The special tax rate budgeted for 2017-18 is \$152.68 per parcel. Services are provided through Fire Stations 161, 163, 164 in Upland and Fire Station 12 in San Antonio Heights

REQUIRED SUPPLEMENTARY INFORMATION

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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, 2017

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 9,268,929	\$ 9,268,929	\$ 8,929,755	\$ (339,174)
Charges for services	3,191,216	3,191,216	2,916,365	(274,851)
Intergovernmental	-	14,502,287	14,502,287	-
Claim cost recoveries	5,000	5,000	37,642	32,642
Federal assistance	147,358	147,358	358,820	211,462
State assistance	100,000	100,000	-	(100,000)
Local assistance	50,000	50,000	-	(50,000)
Investment earnings	71,002	44,416	92,329	47,913
Other revenues	642,356	642,356	742,211	99,855
Total revenues	13,475,861	27,951,562	27,579,409	(372,153)
EXPENDITURES:				
Current:				
Salaries and benefits	11,777,166	12,066,402	10,905,713	1,160,689
Materials and services	4,755,942	10,082,260	10,063,094	19,166
Intergovernmental	-	3,192,991	3,192,991	-
Capital outlay	3,445,322	6,372,690	2,779,033	3,593,657
Total expenditures	19,978,430	31,714,343	26,940,831	4,773,512
REVENUES OVER(UNDER)EXPENDITURES	(6,502,569)	(3,762,781)	638,578	4,401,359
OTHER FINANCING SOURCES(USES):				
Transfers in	9,813,365	1,076,014	289,236	(786,778)
Transfers (out)	(3,780,960)	(4,954,019)	(4,261,150)	692,869
Total other financing sources(uses)	6,032,405	(3,878,005)	(3,971,914)	(93,909)
NET CHANGE IN FUND BALANCES	\$ (470,164)	\$ (7,640,786)	(3,333,336)	\$ 4,307,450
FUND BALANCES:				
Beginning of year			20,471,717	
End of year			<u>\$ 17,138,381</u>	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – Hazardous Materials
For the Year Ended June 30, 2017

	<u>Adopted Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Charges for services	\$ 6,650,340	\$ 6,650,340	\$ 6,953,307	\$ 302,967
Intergovernmental	-	131,818	131,818	-
Claim cost recoveries	101,551	101,551	157,084	55,533
Investment earnings	55,225	55,225	69,534	14,309
Other revenues	310,100	310,100	799,758	489,658
Total revenues	<u>7,117,216</u>	<u>7,249,034</u>	<u>8,111,501</u>	<u>862,467</u>
EXPENDITURES:				
Current:				
Salaries and benefits	5,370,532	5,389,549	5,169,094	220,455
Materials and services	2,480,594	2,514,594	2,010,921	503,673
Intergovernmental	-	4,324,262	4,324,262	-
Capital outlay	47,975	63,132	29,918	33,214
Total expenditures	<u>7,899,101</u>	<u>12,291,537</u>	<u>11,534,195</u>	<u>757,342</u>
REVENUES OVER(UNDER)EXPENDITURES	(781,885)	(5,042,503)	(3,422,694)	1,619,809
OTHER FINANCING SOURCES(USES):				
Transfers in	1,210,681	1,147,037	19,017	(1,128,020)
Transfers (out)	(3,037,365)	(3,616,260)	(575,000)	3,041,260
Total other financing sources(uses)	<u>(1,826,684)</u>	<u>(2,469,223)</u>	<u>(555,983)</u>	<u>1,913,240</u>
NET CHANGE IN FUND BALANCES	<u>\$ (2,608,569)</u>	<u>\$ (7,511,726)</u>	<u>(3,978,677)</u>	<u>\$ 3,533,049</u>
FUND BALANCES:				
Beginning of year			<u>14,233,392</u>	
End of year			<u>\$ 10,254,715</u>	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – Mountain Regional – Service Zone
For the Year Ended June 30, 2017

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 13,144,672	\$ 13,144,672	\$ 13,113,292	\$ (31,380)
Special assessments	776,351	776,351	695,385	(80,966)
Charges for services	1,139,479	1,139,479	1,862,125	722,646
Intergovernmental	-	1,437,083	1,437,083	-
Claim cost recoveries	-	-	4,648	4,648
Federal assistance	418,980	418,980	368,044	(50,936)
Investment earnings	8,134	8,134	9,306	1,172
Other revenues	250	250	2,501	2,251
Total revenues	15,487,866	16,924,949	17,492,384	567,435
EXPENDITURES:				
Current:				
Salaries and benefits	12,443,752	13,128,060	12,704,186	423,874
Materials and services	4,532,381	4,424,043	3,896,624	527,419
Intergovernmental	-	163,216	163,216	-
Capital outlay	1,499,230	1,070,537	215,651	854,886
Debt service:				
Principal	76,100	76,100	76,100	-
Interest	-	108,338	108,338	-
Total expenditures	18,551,463	18,970,294	17,164,115	1,806,179
REVENUES OVER(UNDER)EXPENDITURES	(3,063,597)	(2,045,345)	328,269	2,373,614
OTHER FINANCING SOURCES(USES):				
Proceeds from sale of capital assets	-	-	13,750	13,750
Transfers in	2,793,693	1,440,918	84,308	(1,356,610)
Transfers (out)	(1,454,826)	(1,856,610)	(500,000)	1,356,610
Total other financing sources(uses)	1,338,867	(415,692)	(401,942)	13,750
NET CHANGE IN FUND BALANCES	\$ (1,724,730)	\$ (2,461,037)	(73,673)	\$ 2,387,364
FUND BALANCES:				
Beginning of year			5,102,809	
End of year			<u>\$ 5,029,136</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, 2017

	<u>Adopted Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Property taxes	\$ 7,319,119	\$ 7,319,119	\$ 7,345,433	\$ 26,314
Special assessments	1,158,509	1,185,509	1,227,257	41,748
Charges for services	27,901,273	28,403,474	28,852,347	448,873
Intergovernmental	-	9,308,904	9,308,904	-
Claim cost recoveries	-	-	94,603	94,603
Federal assistance	723,805	723,805	642,379	(81,426)
Investment earnings	17,049	(12,951)	2,566	15,517
Other revenues	43,000	43,000	58,751	15,751
Total revenues	<u>37,162,755</u>	<u>46,970,860</u>	<u>47,532,240</u>	<u>561,380</u>
EXPENDITURES:				
Current:				
Salaries and benefits	34,763,167	35,660,128	35,061,393	598,735
Materials and services	10,320,774	10,271,274	9,687,530	583,744
Intergovernmental	-	929,218	929,218	-
Capital outlay	577,609	697,109	394,108	303,001
Total expenditures	<u>45,661,550</u>	<u>47,557,729</u>	<u>46,072,249</u>	<u>1,485,480</u>
REVENUES OVER(UNDER)EXPENDITURES	(8,498,795)	(586,869)	1,459,991	2,046,860
OTHER FINANCING SOURCES(USES):				
Proceeds from sale of capital assets	-	-	7,500	7,500
Transfers in	8,662,743	853,923	369,757	(484,166)
Transfers (out)	(673,057)	(1,801,163)	(1,289,997)	511,166
Total other financing sources(uses)	<u>7,989,686</u>	<u>(947,240)</u>	<u>(912,740)</u>	<u>34,500</u>
NET CHANGE IN FUND BALANCES	<u>\$ (509,109)</u>	<u>\$ (1,534,109)</u>	<u>547,251</u>	<u>\$ 2,081,360</u>
FUND BALANCES:				
Beginning of year			<u>4,657,433</u>	
End of year			<u>\$ 5,204,684</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, 2017

	<u>Adopted Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Property taxes	\$ 6,195,457	\$ 6,384,668	\$ 6,254,996	\$ (129,672)
Special assessments	2,387,493	2,387,493	2,731,213	343,720
Charges for services	2,271,120	1,761,610	2,062,816	301,206
Intergovernmental	-	6,033,295	6,033,295	-
Claim cost recoveries	14,500	14,500	15,503	1,003
Federal assistance	921,093	-	745,022	745,022
Investment earnings	36,843	32,843	(2,132)	(34,975)
Other revenues	12,628	32,628	42,116	9,488
Total revenues	<u>11,839,134</u>	<u>16,647,037</u>	<u>17,882,829</u>	<u>1,235,792</u>
EXPENDITURES:				
Current:				
Salaries and benefits	11,886,828	12,041,288	11,509,791	531,497
Materials and services	3,972,955	3,879,155	3,219,663	659,492
Intergovernmental	-	2,046,608	2,046,608	-
Capital outlay	131,500	241,300	220,202	21,098
Total expenditures	<u>15,991,283</u>	<u>18,208,351</u>	<u>16,996,264</u>	<u>1,212,087</u>
REVENUES OVER(UNDER)EXPENDITURES	(4,152,149)	(1,561,314)	886,565	2,447,879
OTHER FINANCING SOURCES(USES):				
Transfers in	4,199,091	763,185	961,396	198,211
Transfers (out)	(213,342)	(1,129,663)	(1,056,936)	72,727
Total other financing sources(uses)	<u>3,985,749</u>	<u>(366,478)</u>	<u>(95,540)</u>	<u>270,938</u>
NET CHANGE IN FUND BALANCES	<u>\$ (166,400)</u>	<u>\$ (1,927,792)</u>	791,025	<u>\$ 2,718,817</u>
FUND BALANCES:				
Beginning of year			<u>3,068,512</u>	
End of year			<u>\$ 3,859,537</u>	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – Valley Regional – Service Zone
For the Year Ended June 30, 2017

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 30,917,216	\$ 30,917,216	\$ 36,315,495	\$ 5,398,279
Special assessments	8,590,368	8,675,430	8,609,055	(66,375)
Charges for services	26,084,700	26,084,700	26,445,274	360,574
Intergovernmental	-	4,198,500	4,198,500	-
Claim cost recoveries	-	-	35,209	35,209
Investment earnings	(51,179)	(12,179)	2,036	14,215
Other revenues	1,839,330	1,839,330	150,494	(1,688,836)
Total revenues	67,380,435	71,702,997	75,756,063	4,053,066
EXPENDITURES:				
Current:				
Salaries and benefits	55,265,104	56,402,046	55,688,562	713,484
Materials and services	10,010,096	11,133,796	11,262,395	(128,599)
Intergovernmental	-	5,094,231	5,094,231	-
Capital outlay	338,626	6,058,110	455,704	5,602,406
Total expenditures	65,613,826	78,688,183	72,500,892	6,187,291
REVENUES OVER(UNDER)EXPENDITURES	1,766,609	(6,985,186)	3,255,171	10,240,357
OTHER FINANCING SOURCES(USES):				
Transfers in	98,500	4,482,164	3,685,247	(796,917)
Transfers (out)	(207,432)	(7,149,285)	(6,267,305)	881,980
Total other financing sources(uses)	(108,932)	(2,667,121)	(2,582,058)	85,063
NET CHANGE IN FUND BALANCES	\$ 1,657,677	\$ (9,652,307)	673,113	\$ 10,325,420
FUND BALANCES:				
Beginning of year			7,839,696	
End of year			\$ 8,512,809	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – State Homeland Security Grant
For the Year Ended June 30, 2017

	<u>Adopted Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Federal assistance	\$ 4,390,392	\$ 4,390,392	\$ 1,442,664	\$ (2,947,728)
Investment earnings	2,000	2,000	982	(1,018)
Total revenues	<u>4,392,392</u>	<u>4,392,392</u>	<u>1,443,646</u>	<u>(2,948,746)</u>
EXPENDITURES:				
Current:				
Salaries and benefits	863,960	863,960	242,558	621,402
Materials and services	2,418,826	2,418,826	434,248	1,984,578
Intergovernmental	-	550,198	550,198	-
Capital outlay	110,000	110,000	-	110,000
Total expenditures	<u>3,392,786</u>	<u>3,942,984</u>	<u>1,227,004</u>	<u>2,715,980</u>
REVENUES OVER(UNDER)EXPENDITURES	999,606	449,408	216,642	(232,766)
OTHER FINANCING SOURCES(USES):				
Transfers (out)	(999,606)	(449,408)	-	449,408
Total other financing sources(uses)	<u>(999,606)</u>	<u>(449,408)</u>	<u>-</u>	<u>449,408</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	216,642	<u>\$ 216,642</u>
FUND BALANCES:				
Beginning of year			<u>120,169</u>	
End of year			<u>\$ 336,811</u>	

San Bernardino County Fire Protection District
Required Supplementary Information (Unaudited)
Schedule of the District's Proportionate Share of the Plan's Net Pension Liability
For the Year Ended June 30, 2017

Last Ten Fiscal Years

San Bernardino County Employees Retirement Association— Cost Sharing Defined Benefit Plan

Fiscal Year:	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement Date:	<u>June 30, 2016¹</u>	<u>June 30, 2015¹</u>	<u>June 30, 2014¹</u>
District's Proportion of the Net Pension Liability	<u>7.48%</u>	<u>7.50%</u>	<u>7.12%</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 153,455,263</u>	<u>\$ 121,705,250</u>	<u>\$ 102,437,673</u>
District's Covered Payroll ²	<u>\$ 46,035,323</u>	<u>\$ 43,114,236</u>	<u>\$ 40,957,686</u>
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ²	<u>333.34%</u>	<u>282.29%</u>	<u>250.11%</u>
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	<u>76.86%</u>	<u>80.98%</u>	<u>82.47%</u>

Notes to Schedule:

¹ Historical information is presented only for measurement periods for which GASB No. 68 is applicable.

² Restatement of covered-employee payroll to covered payroll that includes only pensionable earnings pursuant to the provisions of GASB Statement No. 82

**San Bernardino County Fire Protection District
 Required Supplementary Information (Unaudited)
 Schedule of the District's Contributions to the Pension Plan
 For the Year Ended June 30, 2017**

Last Ten Fiscal Years

San Bernardino County Employees Retirement Association– Cost Sharing Defined Benefit Plan

Fiscal Year:	<u>2016-17¹</u>	<u>2015-16¹</u>	<u>2014-15¹</u>
Contractually Required Contribution	\$ 25,267,220	\$ 19,304,654	\$ 16,151,746
Contribution in Relation to the Contractually Required Contribution	<u>(25,267,220)</u>	<u>(19,304,654)</u>	<u>(16,151,746)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll ²	<u>\$ 57,656,164</u>	<u>\$ 46,035,323</u>	<u>\$ 43,114,236</u>
Contributions as a Percentage of Covered Payroll ²	<u>43.82%</u>	<u>41.93%</u>	<u>37.46%</u>

Notes to Schedule:

¹ Historical information is presented only for measurement periods for which GASB No. 68 is applicable.

² Restatement of covered-employee payroll to covered payroll that includes only pensionable earnings pursuant to the provisions of GASB Statement No. 82

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SUPPLEMENTARY INFORMATION

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San Bernardino County Fire Protection District
Combining Balance Sheets
Nonmajor Governmental Funds
June 30, 2017

ASSETS	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds
Assets:			
Cash and cash equivalents	\$ 1,277,223	\$ 8,500,000	\$ 9,777,223
Interest receivable	3,360	-	3,360
Accounts receivable, net	29,274	-	29,274
Taxes receivable	17,109	-	17,109
Due from other governments	418,904	-	418,904
Due from other funds	263,153	-	263,153
Total assets	\$ 2,009,023	\$ 8,500,000	\$ 10,509,023
BALANCES			
Liabilities:			
Accounts payable	\$ 117,497	\$ -	\$ 117,497
Accrued salaries and benefits	194,532	-	194,532
Due to other governments	90,206	-	90,206
Due to other funds	76,189	-	76,189
Advances from other funds	340,280	-	340,280
Total liabilities	818,704	-	818,704
Fund Balances:			
Restricted	1,190,319	8,500,000	9,690,319
Total fund balance	1,190,319	8,500,000	9,690,319
Total liabilities and fund balance	\$ 2,009,023	\$ 8,500,000	\$ 10,509,023

San Bernardino County Fire Protection District
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue Funds	Capital Projects Funds	Total Other Governmental Funds
REVENUES:			
Property taxes	\$ 11,058	\$ -	\$ 11,058
Special assessments	859,125	-	859,125
Charges for services	215,865	-	215,865
Intergovernmental	1,901,228	-	1,901,228
Federal assistance	875,626	-	875,626
State assistance	202,119	-	202,119
Local assistance	2,026,910	-	2,026,910
Investment earnings	4,597	(913)	3,684
Other revenues	173,702	-	173,702
Total revenues	6,270,230	(913)	6,269,317
EXPENDITURES:			
Current:			
Salaries and benefits	3,516,531	-	3,516,531
Materials and services	2,868,966	-	2,868,966
Capital outlay	274,100	-	274,100
Total expenditures	6,659,597	-	6,659,597
EXCESS OF REVENUES OVER(UNDER) EXPENDITURES	(389,367)	(913)	(390,280)
OTHER FINANCING SOURCES(USES):			
Transfers in	41,427	8,500,000	8,541,427
Total other financing sources(uses)	41,427	8,500,000	8,541,427
NET CHANGES IN FUND BALANCE	(347,940)	8,499,087	8,151,147
FUND BALANCE:			
Beginning of year	1,538,259	913	1,539,172
End of year	<u>\$ 1,190,319</u>	<u>\$ 8,500,000</u>	<u>\$ 9,690,319</u>

San Bernardino County Fire Protection District
Combining Balance Sheets
Nonmajor Special Revenue Funds
June 30, 2017

ASSETS	Office of Emergency Services	Household Hazardous Waste	Community Facility District 2002-2 Pass Thru	Total
Assets:				
Cash and cash equivalents	\$ 83,667	\$ 1,175,978	\$ 17,578	\$ 1,277,223
Interest receivable	769	2,282	309	3,360
Accounts receivable, net	-	29,274	-	29,274
Taxes receivable	-	17,109	-	17,109
Due from other governments	352,344	66,560	-	418,904
Due from other funds	242,769	20,384	-	263,153
Total assets	\$ 679,549	\$ 1,311,587	\$ 17,887	\$ 2,009,023
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 52,428	\$ 65,069	\$ -	\$ 117,497
Accrued salaries and benefits	117,543	76,989	-	194,532
Due to other governments	87,008	3,198	-	90,206
Due to other funds	70,360	5,829	-	76,189
Advances from other funds	340,280	-	-	340,280
Total liabilities	667,619	151,085	-	818,704
Fund Balances:				
Restricted	11,930	1,160,502	17,887	1,190,319
Total fund balance	11,930	1,160,502	17,887	1,190,319
Total liabilities and fund balance	\$ 679,549	\$ 1,311,587	\$ 17,887	\$ 2,009,023

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, 2017

	Office of Emergency Services	Household Hazardous Waste	Community Facility District 2002-2 Pass Thru	Total
REVENUES:				
Property taxes	\$ -	\$ 11,058	\$ -	\$ 11,058
Special assessments	-	573,386	285,739	859,125
Charges for services	10,668	205,197	-	215,865
Intergovernmental	1,901,228	-	-	1,901,228
Federal assistance	875,626	-	-	875,626
State assistance	-	202,119	-	202,119
Local assistance	-	2,026,910	-	2,026,910
Investment earnings	849	3,392	356	4,597
Other revenues	43,425	130,277	-	173,702
Total revenues	2,831,796	3,152,339	286,095	6,270,230
EXPENDITURES:				
Current:				
Salaries and benefits	1,675,266	1,841,265	-	3,516,531
Materials and services	1,432,519	1,159,140	277,307	2,868,966
Capital outlay	237,255	36,845	-	274,100
Total expenditures	3,345,040	3,037,250	277,307	6,659,597
EXCESS OF REVENUES OVER(UNDER) EXPENDITURES	(513,244)	115,089	8,788	(389,367)
OTHER FINANCING SOURCES(USES):				
Transfers in	21,043	20,384	-	41,427
Total other financing sources(uses)	21,043	20,384	-	41,427
NET CHANGES IN FUND BALANCE	(492,201)	135,473	8,788	(347,940)
FUND BALANCE:				
Beginning of year	504,131	1,025,029	9,099	1,538,259
End of year	<u>\$ 11,930</u>	<u>\$ 1,160,502</u>	<u>\$ 17,887</u>	<u>\$ 1,190,319</u>

San Bernardino County Fire Protection District
Balance Sheet
Nonmajor Capital Projects Fund
June 30, 2017

<u>ASSETS</u>	<u>Headquarters Building</u>
Assets:	
Cash and cash equivalents	\$ 8,500,000
Total assets	<u>\$ 8,500,000</u>
 <u>BALANCES</u>	
Liabilities:	
Accounts payable	\$ -
Total liabilities	<u>-</u>
 Fund Balances:	
Restricted	8,500,000
Total fund balance	<u>8,500,000</u>
Total liabilities and fund balance	<u>\$ 8,500,000</u>

San Bernardino County Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Fund
For the Year Ended June 30, 2017

	Headquarters Building
REVENUES:	
Investment earnings	\$ (913)
Total revenues	(913)
EXPENDITURES:	
Current:	
Materials and services	-
Total expenditures	-
EXCESS OF REVENUES OVER(UNDER) EXPENDITURES	(913)
OTHER FINANCING SOURCES(USES):	
Transfers in	8,500,000
Total other financing sources(uses)	8,500,000
NET CHANGES IN FUND BALANCE	8,499,087
FUND BALANCE:	
Beginning of year	913
End of year	\$ 8,500,000

San Bernardino County Fire Protection District
Budgetary Comparison Schedule – Office of Emergency Services
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	<u>Adopted Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Charges for services	\$ 55,000	\$ 55,000	\$ 10,668	\$ (44,332)
Intergovernmental	-	1,901,228	1,901,228	-
Federal assistance	838,535	1,009,515	875,626	(133,889)
Investment earnings	4,984	4,984	849	(4,135)
Other revenues	6,267	41,267	43,425	2,158
Total revenues	<u>904,786</u>	<u>3,011,994</u>	<u>2,831,796</u>	<u>(180,198)</u>
EXPENDITURES:				
Current:				
Salaries and benefits	1,078,123	1,699,166	1,675,266	23,900
Materials and services	1,725,511	1,693,925	1,432,519	261,406
Intergovernmental	-	237,255	237,255	-
Capital outlay	108,000	108,311	-	108,311
Total expenditures	<u>2,911,634</u>	<u>3,738,657</u>	<u>3,345,040</u>	<u>393,617</u>
REVENUES OVER(UNDER)EXPENDITURES	(2,006,848)	(726,663)	(513,244)	213,419
OTHER FINANCING SOURCES(USES):				
Transfers in	1,901,228	21,043	21,043	-
Total other financing sources(uses)	<u>1,901,228</u>	<u>21,043</u>	<u>21,043</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (105,620)</u>	<u>\$ (705,620)</u>	(492,201)	<u>\$ 213,419</u>
FUND BALANCES:				
Beginning of year			504,131	
End of year			<u>\$ 11,930</u>	

San Bernardino County Fire Protection District
Budgetary Comparison Schedule – Household Hazardous Waste
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2017

	Adopted Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ -	\$ -	\$ 11,058	\$ 11,058
Special assessments	411,509	411,509	573,386	161,877
Charges for services	201,000	201,000	205,197	4,197
State assistance	250,000	250,000	202,119	(47,881)
Local assistance	2,037,449	2,037,449	2,026,910	(10,539)
Investment earnings	5,799	5,799	3,392	(2,407)
Other revenues	124,000	124,000	130,277	6,277
Total revenues	<u>3,029,757</u>	<u>3,029,757</u>	<u>3,152,339</u>	<u>122,582</u>
EXPENDITURES:				
Current:				
Salaries and benefits	1,966,690	1,987,074	1,841,265	145,809
Materials and services	1,220,239	1,220,239	1,159,140	61,099
Capital outlay	76,000	106,000	36,845	69,155
Total expenditures	<u>3,262,929</u>	<u>3,313,313</u>	<u>3,037,250</u>	<u>276,063</u>
REVENUES OVER(UNDER)EXPENDITURES	(233,172)	(283,556)	115,089	398,645
OTHER FINANCING SOURCES(USES):				
Transfers in	233,172	283,556	20,384	(263,172)
Total other financing sources(uses)	<u>233,172</u>	<u>283,556</u>	<u>20,384</u>	<u>(263,172)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	135,473	<u>\$ 135,473</u>
FUND BALANCES:				
Beginning of year			<u>1,025,029</u>	
End of year			<u>\$ 1,160,502</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, 2017

	<u>Adopted Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Special assessments	\$ 300,000	\$ 300,000	\$ 285,739	\$ (14,261)
Investment earnings	200	200	356	156
Total revenues	<u>300,200</u>	<u>300,200</u>	<u>286,095</u>	<u>(14,105)</u>
EXPENDITURES:				
Current:				
Materials and services	<u>300,200</u>	<u>300,200</u>	<u>277,307</u>	<u>22,893</u>
Total expenditures	<u>300,200</u>	<u>300,200</u>	<u>277,307</u>	<u>22,893</u>
REVENUES OVER(UNDER)EXPENDITURES	<u>-</u>	<u>-</u>	<u>8,788</u>	<u>8,788</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>8,788</u>	<u>\$ 8,788</u>
FUND BALANCES:				
Beginning of year			<u>9,099</u>	
End of year			<u>\$ 17,887</u>	

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OTHER INFORMATION

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San Bernardino County Fire Protection District
Other Information (Unaudited)
Schedule of Revenues, Expenditures, and Changes in Ambulance Activities
For the Year Ended June 30, 2017

	Mountain Regional Service Zone	North Desert Regional Service Zone		
	Lake Arrowhead Ambulance Activity	Lucerne Valley Ambulance Activity	Searles Valley Ambulance Activity	Wrightwood Ambulance Activity
REVENUES:				
Charges for services	\$ 1,483,526	\$ 424,120	\$ 29,592	\$ 1,125,676
Charges for services – GEMT	293,975	83,919	6,971	200,115
Federal assistance – IGT	368,044	179,124	19,884	443,370
Total revenues	2,145,545	687,163	56,447	1,769,161
EXPENDITURES:				
Current:				
Salaries and benefits	2,197,923	1,289,524	63,616	2,714,130
Materials and services – IGT	206,820	103,410	10,341	248,184
Materials and services – (Less IGT)	1,020,059	169,632	48,133	459,367
Capital outlay	11,213	26,777	-	2,859
Total expenditures	3,436,015	1,589,343	122,090	3,424,540
REVENUES OVER(UNDER)EXPENDITURES	(1,290,470)	(902,180)	(65,643)	(1,655,379)
NET CHANGE IN CURRENT YEAR ACTIVITY	\$ (1,290,470)	\$ (902,180)	\$ (65,643)	\$ (1,655,379)

San Bernardino County Fire Protection District
Other Information (Unaudited)
Schedule of Revenues, Expenditures, and Changes in Ambulance Activities (Continued)
For the Year Ended June 30, 2017

	South Desert Regional Service Zone		Total
	Havasu Lake Ambulance Activity	Yucca Valley Ambulance Activity	
REVENUES:			
Charges for services	\$ 37,655	\$ 1,637,666	\$ 4,738,235
Charges for services – GEMT	-	262,732	847,712
Federal assistance – IGT	-	745,022	1,755,444
Total revenues	<u>37,655</u>	<u>2,645,420</u>	<u>7,341,391</u>
EXPENDITURES:			
Current:			
Salaries and benefits	153,112	3,402,070	9,820,375
Materials and services – IGT	-	465,345	1,034,100
Materials and services – (Less IGT)	45,164	430,115	2,172,470
Capital outlay	-	-	40,849
Total expenditures	<u>198,276</u>	<u>4,297,530</u>	<u>13,067,794</u>
REVENUES OVER(UNDER)EXPENDITURES	<u>(160,621)</u>	<u>(1,652,110)</u>	<u>(5,726,403)</u>
NET CHANGE IN CURRENT YEAR ACTIVITY	<u>\$ (160,621)</u>	<u>\$ (1,652,110)</u>	<u>\$ (5,726,403)</u>

San Bernardino County Fire Protection District
Other Information (Unaudited)
Schedule of Revenues, Expenditures, and Changes in Special Assessment Taxes Activities
For the Year Ended June 30, 2017

	<u>Mountain Regional Service Zone</u>		<u>North Desert Regional Service Zone</u>			
	<u>PM1 Lake Arrowhead Paramedic</u>	<u>PM4 Crest Forest Paramedic</u>	<u>FP1 Red Mountain</u>	<u>FP2 Windy Acres</u>	<u>FP3 El Mirage</u>	<u>FP5 Helendale / Silver Lake</u>
Revenues:						
Property taxes	\$ 8,090	\$ 13,816	\$ 1,720	\$ 545	\$ 2,166	\$ 40,839
Special assessments	255,431	439,954	14,659	9,992	32,743	1,129,025
Claim cost recoveries	-	-	-	-	-	3,403
Other revenues	-	-	-	-	-	935
Total revenues	<u>263,521</u>	<u>453,770</u>	<u>16,379</u>	<u>10,537</u>	<u>34,909</u>	<u>1,174,202</u>
Expenditures						
Current:						
Salaries and benefits	302,122	518,727	-	-	21,158	2,229,559
Materials and services	9,081	9,296	404,123	402,008	18,282	138,062
Capital outlay	-	-	-	-	-	52,895
Operating transfers out	-	-	-	-	-	-
Total expenditures	<u>311,203</u>	<u>528,023</u>	<u>404,123</u>	<u>402,008</u>	<u>39,440</u>	<u>2,420,516</u>
Revenues over/(under) expenditures	<u>(47,682)</u>	<u>(74,253)</u>	<u>(387,744)</u>	<u>(391,471)</u>	<u>(4,531)</u>	<u>(1,246,314)</u>
Net change in current year activity	<u>\$ (47,682)</u>	<u>\$ (74,253)</u>	<u>\$ (387,744)</u>	<u>\$ (391,471)</u>	<u>\$ (4,531)</u>	<u>\$ (1,246,314)</u>

San Bernardino County Fire Protection District

Other Information (Unaudited)

Schedule of Revenues, Expenditures, and Changes in Special Assessment Taxes Activities (Continued) For the Year Ended June 30, 2017

	South Desert Regional Service Zone				Valley Regional Service Zone	
	FP4	FP5	FP5	FP6	FP5	CFD 1033
	Wonder Valley	Needles	Twentynine Palms	Havasu Lake	San Bernardino	San Bernardino City
Revenues:						
Property taxes	\$ 12,051	\$ -	\$ -	\$ 3,853	\$ -	\$ -
Special assessments	158,749	371,438	2,019,452	181,574	7,281,525	919,839
Claim cost recoveries	2,806	9,023	-	-	-	-
Other revenues	-	1,333	6,320	-	-	1,945
Total revenues	173,606	381,794	2,025,772	185,427	7,281,525	921,784
Expenditures						
Current:						
Salaries and benefits	1,151,423	1,931,299	1,621,332	166,950	-	-
Materials and services	129,997	26,463	285,720	64,430	-	-
Capital outlay	-	-	-	-	-	-
Operating transfers out	-	-	-	-	6,561,564	920,385
Total expenditures	1,281,420	1,957,762	1,907,052	231,380	6,561,564	920,385
Revenues over/(under) expenditures	(1,107,814)	(1,575,968)	118,720	(45,953)	719,961	1,399
Net change in current year activity	\$ (1,107,814)	\$ (1,575,968)	\$ 118,720	\$ (45,953)	\$ 719,961	\$ 1,399

San Bernardino County Fire Protection District

Other Information (Unaudited)

Schedule of Revenues, Expenditures, and Changes in Special Assessment Taxes Activities (Continued) For the Year Ended June 30, 2017

Valley Regional Service Zone

	PM2 Highland	PM3 Yucaipa	CFD 2006-1A	Total
Revenues:				
Property taxes	\$ 1,970	\$ 74	\$ 310,143	\$ 395,267
Special assessments	104,994	8,910	293,787	13,222,072
Claim cost recoveries	-	-	-	15,232
Other revenues	-	-	-	10,533
Total revenues	106,964	8,984	603,930	13,643,104
Expenditures				
Current:				
Salaries and benefits	-	-	519,090	8,461,660
Materials and services	872	45,086	20,888	1,554,308
Capital outlay	-	-	-	52,895
Operating transfers out	-	-	-	7,481,949
Total expenditures	872	45,086	539,978	17,550,812
Revenues over/(under) expenditures	106,092	(36,102)	63,952	(3,907,708)
Net change in current year activity	\$ 106,092	\$ (36,102)	\$ 63,952	\$ (3,907,708)

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