

FOOTHILL FIRE PROTECTION DISTRICT

**FINANCIAL STATEMENTS
And
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2011 and 2010



FOOTHILL FIRE PROTECTION DISTRICT

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Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Foothill Fire Protection District
Valley Springs, CA

We have audited the accompanying financial statements of the governmental activities and fund information which comprises the basic financial statements of Foothill Fire Protection District as of and for the fiscal years ended June 30, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion the financial statements referred to above present fairly, in all material respect the financial position of the governmental activities of the Foothill Fire Protection District as of June 30, 2011 and 2010 and the changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Foothill Fire Protection District has not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The required supplementary information other than MD&A, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Blomberg & Griffin A.C.
October 19, 2011

FOOTHILL FIRE PROTECTION DISTRICT
Statement of Net Assets
For the Fiscal Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
Assets:		
Current Assets:		
Cash and Investments	\$ 174,444	\$ 187,156
Prepaid Insurance	3,425	3,244
Grant Receivable	2,668	-
	<u>180,537</u>	<u>190,400</u>
Capital Assets:		
Land	19,673	19,673
Buildings and Improvements	273,200	273,200
Equipment	574,828	777,227
Less: Accumulated Depreciation	(326,258)	(332,053)
	<u>541,443</u>	<u>738,047</u>
Total Capital Assets	<u>541,443</u>	<u>738,047</u>
Total Assets	<u><u>721,980</u></u>	<u><u>928,447</u></u>
Liabilities:		
Current Liabilities:		
Sales Tax Payable	51	30
Accounts Payable	18,474	5,360
Accrued Interest	-	1,953
	<u>18,525</u>	<u>7,343</u>
Total Current Liabilities	<u>18,525</u>	<u>7,343</u>
Long-Term Liabilities:		
Due Within One Year	-	40,093
Due in More Than One Year	-	46,449
	<u>-</u>	<u>46,449</u>
Total Liabilities	<u>18,525</u>	<u>93,885</u>
Net Assets:		
Invested in Capital Assets/Committed	541,443	649,552
Reserved/Committed	4,464	4,464
Unreserved-Designated/Unassigned	157,548	180,546
	<u>703,455</u>	<u>834,562</u>
Total Net Assets	<u><u>\$ 703,455</u></u>	<u><u>\$ 834,562</u></u>

The notes to the financial statements are an integral part of this statement

FOOTHILL FIRE PROTECTION DISTRICT
Statement of Activities
For the Fiscal Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Governmental Activities:		
Program Revenues		
Charges for Service	\$ 10,285	\$ 11,908
Operating Grants, Contributions, and Other Revenues	<u>15,120</u>	<u>4</u>
Total Charge for Service and Operating Grants	<u>25,405</u>	<u>11,912</u>
 Expense:		
Public Safety	274,955	262,851
Interest Expense	<u>3,429</u>	<u>4,628</u>
Total Expenses	<u>278,384</u>	<u>267,479</u>
 Net Program Expenses	(252,979)	(255,567)
 General Revenues:		
Property Tax	156,949	192,342
Investment Income	2,197	2,242
Sale of Surplus Property	<u>(37,274)</u>	<u>(42,379)</u>
Total General Revenues	<u>121,872</u>	<u>152,205</u>
 Net Change in Assets	(131,107)	(103,362)
 Contributed Capital-Fire Engine	-	100,000
 Net Assets - Beginning of Year	<u>834,562</u>	<u>837,924</u>
 Net Assets - End of Year	<u><u>\$ 703,455</u></u>	<u><u>\$ 834,562</u></u>

The notes to the financial statement are an integral part of this statement

FOOTHILL FIRE PROTECTION DISTRICT
Governmental Funds
Balance Sheet
For the Fiscal Years Ended June 30, 2011 and 2010

	<u>2011 General Fund</u>	<u>2010 General Fund</u>
Assets:		
Cash and Investments	\$ 174,444	\$ 187,156
Prepaid Insurance	3,425	3,244
Grant Receivable	<u>2,668</u>	<u>-</u>
Total Assets	<u><u>180,537</u></u>	<u><u>190,400</u></u>
Liabilities and Fund Balances:		
Liabilities:		
Sales Tax Payable	51	30
Accounts Payable	<u>18,474</u>	<u>5,360</u>
Total Liabilities	<u>18,525</u>	<u>5,390</u>
Fund Balance:		
Fund Balances:		
Reserved/Committed	4,464	4,464
Unreserved, Designated for Subsequent Years Expenditures/Unassigned	<u>157,548</u>	<u>180,546</u>
Total Fund Balance	<u>162,012</u>	<u>185,010</u>
Total Liabilities and Fund Balance	<u><u>\$ 180,537</u></u>	<u><u>\$ 190,400</u></u>

The notes to the financial statements are an integral part of this statement

FOOTHILL FIRE PROTECTION DISTRICT
 Reconciliation of the Statement of Net Assets
 of Governmental Funds to the Balance Sheet
 For the Fiscal Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Fund Balance of Governmental Funds	\$ 162,012	\$ 185,010
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds	541,443	738,047
Long - term liabilities including capital leases and accrued interest are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds	<u>-</u>	<u>(88,495)</u>
Net assets of governmental activities	<u>\$ 703,455</u>	<u>\$ 834,562</u>

The notes to the financial statements are an integral part of this statement

FOOTHILL FIRE PROTECTION DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
	<u>General</u>	<u>General</u>
	<u>Fund</u>	<u>Fund</u>
Revenues:		
Property Taxes	\$ 156,949	\$ 192,342
Intergovernmental Revenues	2,754	4,787
Use of Money and Property	2,197	2,242
Charges for Services	10,285	7,096
Other Revenues	12,367	10,278
Sale of Assets	94,273	-
	<u>278,825</u>	<u>216,745</u>
Total Revenues		
Expenditures:		
Current:		
Public Safety-Fire	193,033	160,337
Debt Service		
Principal	86,542	38,377
Interest	5,404	5,623
Capital Outlay	16,844	2,236
	<u>301,823</u>	<u>206,573</u>
Total Expenditures		
Net Change in Fund Balance	(22,998)	10,172
Fund Balance, July 1	<u>185,010</u>	<u>174,838</u>
Fund Balance, June 30	<u><u>\$ 162,012</u></u>	<u><u>\$ 185,010</u></u>

The notes to the financial statements are an integral part of this statement

FOOTHILL FIRE PROTECTION DISTRICT
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Fiscal Years Ended June 30, 2011 and 2010

	2011	2010
Net Changes in Fund Balance - Total Governmental Funds	\$ (22,998)	\$ 10,172
<p>Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures and Changes in Fund Balance because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization amount.</p>		
Cost of assets capitalized	16,844	102,056
Depreciation expense	(81,901)	(77,699)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	86,542	38,377
Sale of Surplus Property in the Statement of Activities, but not reported in the governmental funds.	(37,274)	(42,397)
Accrued interest reported in the statement of activities does not require the use of current financial resources and therefore is not reported as expenditures in the governmental funds.	1,953	(33,871)
Sale of Assets reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance but not in the Statement of Activities.	(94,273)	-
Contribution of Fire Engine to the District reported on the Statement of Activities but not in Revenue, Expenditure and Changes in Fund Balance of governmental funds	-	(100,000)
Change in Net Assets of Governmental Activities	\$ (131,107)	\$ (103,362)

The notes to the financial statements are an integral part of this statement

FOOTHILL FIRE PROTECTION DISTRICT

Notes to the Financial Statements

June 30, 2011 and 2010

Note 1: Summary of Significant Accounting Policies

The Foothill Fire Protection District was formed on July 1, 2000 for the purpose of providing fire protection to property within the District. The District acts and operates under, and is governed by, the statutory authority known as the Health and Safety Code, State of California, Fire Protection District Law.

The District's revenue is generated by levying taxes upon all taxable property within its boundaries for general purposes. The assessed valuation of the District is determined by the assessor of the County of Calaveras and the assessments are collected by the tax collector.

The financial statements of the District are prepared on the accrual basis of accounting. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The District has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America, which provide guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit, or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the higher level of government, or a jointly appointed board.

Based on the aforementioned oversight criteria, there are no component units in accordance with Governmental Accounting Standards Board Statement No. 14.

B. Implementation of Governmental Accounting Standards Board Statements

In June 1999 and June 2001 the Governmental Accounting Standards Board (GASB) unanimously approved GASB No. 34, Basic Financial Statements - and Management Discussion and Analysis - for State and Local Governments and Statement No. 37, Basic Financial Statements -and Management's Discussion and Analysis - for State and Local Governments - Omnibus, respectively. These statements provide for the most significant change in financial reporting in over twenty years and are scheduled for a phased implementation (based on the size of the government) starting with fiscal year ending 2002.

FOOTHILL FIRE PROTECTION DISTRICT

Notes to the Financial Statements

June 30, 2011 and 2010

Note I: Summary of Significant Accounting Policies (Continued)

B. Implantation of Governmental Accounting Standards Board Statements (Continued)

Certain of the significant changes in the Statement include the following:

Beginning in the fiscal year ended June 30, 2004, these financial statements include:

- Basic financial statements which include the Government-wide financial statements, statement of net assets and statement of activities.
- Required Supplementary Information for budgetary comparison schedules.

C. Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or as a reservation of fund balance. The District considers property taxes available if they are collected within sixty-days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as compensated absences and claims and judgments are recorded only when payment is due. General capital acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

The financial statements of the District are presented on the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred.

D. Non-Current Governmental Assets/Liabilities

GASB Statement 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information in the government-wide statement of net assets.

FOOTHILL FIRE PROTECTION DISTRICT

Notes to the Financial Statements

June 30, 2011 and 2010

Note I: Summary of Significant Accounting Policies (Continued)

E. Basis of Presentation

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The District's resources are accounted for in these individual funds based on the purposes for which they are to be spent and the means by which spending activity is controlled. For financial reporting, these funds have been grouped into the fund type discussed below.

Governmental Fund Type

Governmental funds are used to account for the District's expendable financial resources and related liabilities (except those accounted for in proprietary and similar trust funds). The measurement focus is based upon determination of changes in financial position. The following are the District's governmental funds:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government type activities.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

G. Restricted Assets

Restricted assets are financial resources generated for a specific purpose such as construction of improvements and financing of debt obligations. These amounts are restricted, as their use is limited by applicable bond covenants or other external requirements.

H. Fund Equity

Reservations of fund balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures.

FOOTHILL FIRE PROTECTION DISTRICT

Notes to the Financial Statements

June 30, 2011 and 2010

Note I: Summary of Significant Accounting Policies (Continued)

I. Property Taxes

The District receives property taxes from Calaveras County, which has been assigned the responsibility for assessment, collections, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are levied on January 1 for the following fiscal year and on which date it becomes a lien on real property. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively, for the secured roll. Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District, eliminating the need for an allowance for uncollectible. The County, in return, receives all penalties and interest. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

J. Capital Assets

Capital assets, recorded at historical cost or estimated historical cost if actual historical cost is not available, are reported in governmental activities column of the government-wide financial statements. Contributed fixed assets are valued at their estimated fair market value. Capital assets include land, buildings and building improvements and equipment. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation is recorded in the government-wide financial statements on the straight-line basis over the useful life of the assets as follows:

<u>Assets</u>	<u>Useful Life</u>
Buildings	30 years
Building improvements	10-20 years
Site improvements	10-20 years
Equipment and machinery	5 to 20 years



FOOTHILL FIRE PROTECTION DISTRICT

Notes to the Financial Statements

June 30, 2011 and 2010

Note 2: Cash and Investments

Cash at June 30 consisted of the following:

	<u>2011</u>	<u>2010</u>
Cash with County	\$ 172,444	\$ 185,156
General Checking-Imprest	<u>2,000</u>	<u>2,000</u>
Total	<u>\$ 174,444</u>	<u>\$ 187,156</u>

The District maintains a checking account with Central State Credit Union for an imprest cash account for the District. At June 30, 2011 the District's bank balance was \$2,000 and the carrying amount was \$2,000. At June 30, 2010 the District's bank balance was \$2,000 and the carrying amount was \$2,000. The District maintains a petty cash fund.

The District maintains its general cash account with Calaveras County Treasurer's office. The County maintains the cash of the District in a "pooled" cash fund for special districts. The cash maintained in the "pooled" cash fund with Calaveras County at June 30, 2011 was \$172,444 and at June 30, 2010 was \$185,156.

California Government Code authorizes the Treasurer of the County to invest excess funds in the following list of eligible securities:

- a) Obligations of the U.S. Treasury, agencies and instrumentality's.
- b) Bankers acceptances eligible for purchase by the Federal Reserve System,
- c) Commercial paper with A-1 rating by Moody's Investors Service or a P-1 rating by standard and Poor's Corporation.
- d) Repurchase agreements or reverse repurchase agreements.
- e) Medium-term notes with a five-year maximum maturity from corporations operating within the United States and rated in the top three rating categories by Moody's Investment Service and Standard and Poor's Corporation.
- f) Shares of beneficial interest issued by the diversified management companies (money market funds) investing in securities and obligations as outlined in (a through f) above. Certain security rankings and/or organizational requirements apply to this investment.

The District is a participant in the Calaveras County Investment Pool (Pool) under the oversight of the Treasurer of the Calaveras County, as required by California Government Code Section 27134. At June 30, 2011, the District's investment in the Pool was \$174,444. At June 30, 2010 was \$ 187,156. The District's investment is presented at fair value in accordance with GASB No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". However, the value of the pool shares in the County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District's portion in the pool.

FOOTHILL FIRE PROTECTION DISTRICT

Notes to the Financial Statements

June 30, 2011 and 2010

Note 3: Property Plant and Equipment

Activity for general fixed assets capitalized by the District is summarized below:

	<u>Balance 7/1/2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2010</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 19,673	\$ -	\$ -	\$ 19,673
Capital assets, being depreciated:				
Buildings and improvements	273,200			273,200
Equipment	<u>777,227</u>	<u>16,844</u>	<u>(219,243)</u>	<u>574,828</u>
Total capital assets, being depreciated	<u>1,050,427</u>	<u>16,844</u>	<u>(219,243)</u>	<u>848,028</u>
Less accumulated depreciation for:				
Building and improvements	(43,626)	(9,246)	-	(52,872)
Equipment	<u>(288,427)</u>	<u>(72,655)</u>	<u>87,696</u>	<u>(273,386)</u>
Total accumulated depreciation	<u>(332,053)</u>	<u>(81,901)</u>	<u>87,696</u>	<u>(326,258)</u>
 Total capital assets, being depreciated net	 <u>718,374</u>	 <u>(65,057)</u>	 <u>-</u>	 <u>521,770</u>
 Governmental activities capital assets, net	 <u>\$ 738,047</u>	 <u>\$ (65,057)</u>	 <u>\$ -</u>	 <u>\$ 541,443</u>

Note 4: Long-Term Debt

General Long-Term Debt Account Group:

A summary of the changes in the District's general long-term debt during the fiscal year is as follows:

	<u>Balance 7/1/2010</u>	<u>Add</u>	<u>Deduct</u>	<u>Balance 6/30/2011</u>	<u>Due Within One Year</u>
Leases Payable	<u>\$ 87,223</u>	<u>\$ -</u>	<u>\$ (87,223)</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ 87,223</u>	<u>\$ -</u>	<u>\$ (87,223)</u>	<u>\$ -</u>	<u>\$ -</u>

Lease Payable

On February 8, 2002, the District obtained financing from Westamerica Bank for two fire trucks and other equipment. The lease calls for annual payments ranging from \$26,000 to \$49,000, including interest, and matures December 2011. Interest rates on the capital lease are fixed at 4.50%. However, the District elected to fully pay the remaining liability in the fiscal year ended June 30, 2011. The District no longer has any incurred long term liabilities.

FOOTHILL FIRE PROTECTION DISTRICT

Notes to the Financial Statements

June 30, 2011 and 2010

Note 5: Related Party Transaction

The District uses Calaveras County as its fiscal officer and the Calaveras County acts as the tax collector and depository for the District.

Note 6: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to cover the risk of loss. The \$1,000,000 per occurrence and \$3,000,000 aggregate covers general liability. The District also purchases auto liability, property liability and management liability. The District pays an annual premium for its general insurance coverage.

Note 7: Gann Limit

	<u>2011</u>	<u>2010</u>
Proceeds subject to the limit for 2010-2011 & 2009-2010	\$ 159,703	\$ 197,129
Amount of limit for 2010-2011 & 2009-2010	<u>850,657</u>	<u>875,133</u>
Amount (under)/over limit	<u>\$ (690,954)</u>	<u>\$ (678,004)</u>



FOOTHILL FIRE PROTECTION DISTRICT

Notes to the Financial Statements

June 30, 2011 and 2010

Note 8: Commitments and Contingencies

The District receives federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. District management believes such disallowances, if any, would be insignificant. In the normal course of business, the District may be a defendant in lawsuits. Defense of lawsuits are handled by the District's insurance carrier and losses, if any, would be expected to be covered by insurance. District officials are of the opinion that lawsuits, if any, will not have a material adverse effect on the District's financial position.

Note 9: FUND BALANCE CLASSIFICATIONS

In pursuant of GASB 54, District procedures to classify fund balance are as follows:

- Restricted
- Nonspendable
- Committed
- Assigned
- Unassigned

In the Governmental Fund Balance Sheet and the Statement of Net Assets, the District has two classifications for fund balance: Committed and Unassigned. The District has classified committed fund balance to fund balance that is either restricted by the Board of Directors or it relates to capital assets of the District. The unassigned fund balance is used to classify the fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose.



FOOTHILL FIRE PROTECTION DISTRICT

Statement of Revenues, Expenditures and

Changes in Fund Balance

Budget and Actual - General Fund

For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues:				
Property Taxes	\$ 172,042	\$ 172,042	\$ 156,949	\$ (15,093)
Intergovernmental Revenues	3,200	3,200	2,754	(446)
Use of Money and Property	1,500	1,500	2,197	697
Charges for Services	1,500	1,500	10,285	8,785
Other Revenues	1,950	7,423	12,367	4,944
Sale of Assets	2,500	2,500	94,273	91,773
	<u>182,692</u>	<u>188,165</u>	<u>278,825</u>	<u>90,660</u>
Total Revenues				
Expenditures:				
Salaries and Benefits	56,500	56,500	49,697	6,803
Services and Supplies	110,631	136,104	143,336	(7,232)
Debt Service				
Principal	44,200	24,200	86,542	(62,342)
Interest	-	-	5,404	(5,404)
Capital Outlay	4,000	17,000	16,844	156
	<u>215,331</u>	<u>233,804</u>	<u>301,823</u>	<u>(68,019)</u>
Total Expenditures				
Net Change in Fund Balance	<u>\$ (32,639)</u>	<u>\$ (45,639)</u>	(22,998)	<u>\$ 22,641</u>
Fund Balance, July 1, 2010			<u>185,010</u>	
Fund Balance, June 30, 2011			<u>\$ 162,012</u>	

The accompanying note to the required supplementary information is an integral part of this statement

FOOTHILL FIRE PROTECTION DISTRICT

Statement of Revenues, Expenditures and

Changes in Fund Balance

Budget and Actual - General Fund

For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 202,640	\$ 199,314	\$ 192,342	\$ (6,972)
Intergovernmental Revenues	3,323	4,053	4,787	734
Use of Money and Property	2,900	2,900	2,242	(658)
Charges for Services	7,300	7,450	7,096	(354)
Other Revenues	8,000	8,000	10,278	2,278
	<u>224,163</u>	<u>221,717</u>	<u>216,745</u>	<u>(4,972)</u>
Expenditures:				
Salaries and Benefits	77,000	61,456	61,493	(37)
Services and Supplies	99,051	116,325	98,844	17,481
Debt Service				
Principal	38,377	38,377	38,377	-
Interest	5,623	5,623	5,623	-
Capital Outlay	4,000	3,185	2,236	949
Loan to State	-	17,499	-	17,499
	<u>224,051</u>	<u>242,465</u>	<u>206,573</u>	<u>35,892</u>
Net Change in Fund Balance	<u>\$ 112</u>	<u>\$ (20,748)</u>	<u>10,172</u>	<u>\$ 30,920</u>
Fund Balance, July 1, 2009			<u>174,838</u>	
Fund Balance, June 30, 2010			<u>\$ 185,010</u>	

The accompanying note to the required supplementary information is an integral part of this statement

FOOTHILL FIRE PROTECTION DISTRICT
Note to the Required Supplementary Information
June 30, 2011 and 2010

Note 1. Budgets and Budgetary Accounting

As required by State law the District prepares and legally adopts a final operating budget. Public hearings were conducted on the proposed and final budget to review all appropriations and the sources of financing.

The budget for the general fund is adopted on the modified cash basis of accounting. The budget for the general fund is the only legally adopted budgets.

At the object level, actual expenditures cannot exceed budgeted appropriations. Management can transfer budgeted amounts between expenditure accounts within an object without the approval of the Board of Directors. Significant amendments and appropriation transfers between objects or funds must be approved by the Board of Directors. Appropriations lapse at fiscal year end.

The budgetary data presented in the accompanying financial statements includes all revisions approved by the Board of Directors.





Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

We have audited the financial statements of the Foothill Fire Protection District as of and for the fiscal years ended June 30, 2011 and 2010 and have issued our report thereon dated October 19, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Foothill Fire Protection District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The results of our tests disclosed no reportable or material weakness.

A material weakness is a reportable condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, the Calaveras County Auditor Controllers Office and the Controller's Office of the State of California.

Blomberg & Griffin A.C.
October 19, 2011