

AUTHORITY FOR THE HANDICAPPED OF SAN BERNARDINO COUNTY



FINANCIAL STATEMENTS

AND

AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2009



SMITH MARION & CO.
CERTIFIED PUBLIC ACCOUNTANTS

AUTHORITY FOR THE HANDICAPPED OF SAN BERNARDINO COUNTY
FINANCIAL STATEMENTS AND AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2009

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Statement of Net Assets	2
Statement of Revenues, Expenses and Changes in Net Assets - Budget and Actual	3
Statement of Cash Flows	4
Notes to Financial Statements	5-6

Board of Directors
Authority for the Handicapped
of San Bernardino County
San Bernardino, CA

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of net assets of the Authority for the Handicapped of San Bernardino County as of June 30, 2009 and the related statement of revenues, expenditures, and changes in net assets - budget and actual and cash flows for the year then ended. These financial statements are the responsibility of the Organization'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 that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority for the Handicapped of San Bernardino County as of June 30, 2009 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management Discussion and Analysis (MD&A) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. The management of the Authority of the Handicapped has elected to omit this information.


September 22, 2009

AUTHORITY FOR THE HANDICAPPED OF SAN BERNARDINO COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2009

ASSETS

Current Assets

Cash - held in trust	\$ 73,036
Cash - designated	31,964
Total cash	<u>105,000</u>

Prepaid insurance	12,279
Fixed Assets (Net)	34,624
TOTAL ASSETS	<u><u>151,903</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities

Due to other governments:	
City of San Bernardino	\$ 42,621
County of San Bernardino	8,355
Deferred revenue	11,980
Total Current Liabilities	<u>62,956</u>

Net Assets

Investment in capital assets, net of related debt	34,624
Unrestricted -Designated	31,964
Unrestricted	22,359
Total Net Assets	<u><u>\$ 88,947</u></u>

AUTHORITY FOR THE HANDICAPPED OF SAN BERNARDINO COUNTY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	BUDGET JULY 08-JUNE 09	ACTUAL JULY 08-JUNE 09	VARIANCE WITH BUDGET POSITIVE (NEGATIVE)
Operating Revenues			
Rents			
Center for Individual Development	\$ 122,040	122,040	\$ -
North Norton Facility	31,056	31,056	-
Total Operating Revenues	<u>153,096</u>	<u>153,096</u>	<u>-</u>
Operating Expenses			
Maintenance/Custodial	40,300	31,713	8,587
Utilities:			
Gas	21,525	19,480	2,045
Electric	53,530	44,841	8,689
Water/sewer	27,600	29,235	(1,635)
Refuse	2,530	2,293	237
Security	3,210	2,880	330
Insurance	22,510	19,917	2,593
Receptionist	2,000	2,000	-
Auditing of Joint Powers	2,370	2,370	-
Pool	-	564	(564)
Depreciation	-	2,803	(2,803)
Total Operating Expenses	<u>175,575</u>	<u>158,096</u>	<u>17,479</u>
Operating Income (Loss)	<u>(22,479)</u>	<u>(5,000)</u>	<u>17,479</u>
Nonoperating Revenues (Expenses)			
County Counsel fees	(500)	-	500
Interest	3,200	3,370	170
Unrealized (gain)/ loss on investment	-	757	757
Total Nonoperating Revenues (Expense)	<u>2,700</u>	<u>4,127</u>	<u>1,427</u>
Change in Net Assets	<u>\$ (19,779)</u>	<u>(873)</u>	<u>\$ 18,906</u>
Beginning Net Assets		89,820	
Ending Net Assets		<u>\$ 88,947</u>	

AUTHORITY FOR THE HANDICAPPED OF SAN BERNARDINO COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from services	\$ 154,113
Cash payments from suppliers of goods and services	(134,623)
Audit charges	(2,370)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>17,120</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	3,370
Net increase (decrease) in fair value of investments	757
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>4,127</u>

Net increase (decrease) in cash and cash equivalents 21,247

Cash at beginning of year 83,753
Cash at end of year \$ 105,000

Reconciliation of change in net assets from operating activities to net cash provided (used) by operating activities:

\$ (5,000)

Adjustment to reconcile excess (deficit) of revenues over expenditures to net cash provided (used) by operating activities:

Depreciation 2,803

Net (increase) decrease in due from other governments 1,017

(Increase) decrease in prepaid insurance 5,182

Net increase (decrease) in due to other governments 13,118

Net Cash Provided (Used) by Operating Activities \$ 17,120

AUTHORITY FOR THE HANDICAPPED OF SAN BERNARDINO COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

1. **NATURE OF THE AUTHORITY**

The Authority for the Handicapped of San Bernardino County was formed pursuant to a joint powers agreement dated October 16, 1978 between the City and County of San Bernardino. The purpose of the Authority is to provide for maintenance, utilities and other costs of the Center for Individual Development and the North Norton Facility through rental agreements with the City and County of San Bernardino.

These financial statements include only the financial transactions related to the Authority as it pertains to the maintenance, utilities, and related costs. The Center for Individual Development is an autonomous nonprofit corporation and maintains its own financial records for general operating activities. In addition, the City of San Bernardino and or the County of San Bernardino may grant funds for special projects or services. Payment for such projects or services are paid directly by each respective granting agency and accordingly, is accounted for by those agencies.

2. **SUMMARY OF ACCOUNTING POLICIES**

The accounting policies of the Authority for the Handicapped conform to generally accepted accounting principles as applicable to government units. The following is a summary of significant policies:

A. **Accounting Method**

The financial statements of the Authority for the Handicapped are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The authority reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

B. **Budgetary Accounting**

During the fiscal year, a budget is adopted by the Board of Directors as a management control device. It is prepared on a basis consistent with generally accepted accounting principles.

C. **Cash**

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety (90) days of purchase.

D. **Estimates**

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

E. **Cash and Investments**

Investments are reported in the accompanying balance sheet at fair value.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

F. **Fixed Assets**

Fixed assets costs are stated at cost. Depreciation is recorded using the straight-line method over the estimated useful life of the asset. Estimated useful lives range from 5-25 years. Fixed assets that cost \$5,000 or more are capitalized.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. **DESIGNATED CASH**

The Authority has designated \$31,964 for future repairs and maintenance to the buildings.

4. **FIXED ASSETS**

A summary of the fixed assets for the year ended June 30, 2009 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Equipment	\$ 46,705	\$ -	\$ -	\$ 46,705
Accumulated depreciation	(9,278)	(2,803)	-	(12,081)
Total	<u>\$ 37,427</u>	<u>\$ (2,803)</u>	<u>\$ -</u>	<u>\$ 34,624</u>

The depreciation expense for the year ended June 30, 2009 was \$2,803.

5. **PREPAID INSURANCE**

A summary of the Prepaid Insurance for the year ended June 30, 2009 is as follows:

Center for Individual Development (July 1, 2009 - April 30, 2010)	\$ 9,946
North Norton (July 1, 2009 - April 30, 2010)	2,333
Total	<u>\$ 12,279</u>

6. **DUE TO OTHER GOVERNMENTS**

A summary of the Due to other governments for the year ended June 30, 2009 is as follows:

Due to City of San Bernardino:

Center for Individual Development utility and maintenance expense April-June 2009	\$ 19,896
North Norton utility and maintenance expense April-June 2009	14,370
FY 03-04 rents in excess of utility charges	8,355
Total due to City of San Bernardino	<u>\$ 42,621</u>

Due to County of San Bernardino:

FY 03-04 rents in excess of utility charges	\$ 8,355
Balance Due to Other Governments as of June 30, 2009	<u><u>\$ 50,976</u></u>

7. **SUBSEQUENT EVENTS**

Accounting standards require that Authority for the Handicapped of San Bernardino County assess and disclose the date and the basis for that date through which potential subsequent events have been evaluated. The date represents the date the financial statements were issued or were available to be issued. The Organization evaluated all potential subsequent events as of September 22, 2009 when the financial statements were authorized and available to be issued. No subsequent events or transactions were identified after the balance sheet date or as of September 22, 2009 that require disclosure in the financial statements.