

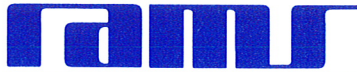
**COUNTY OF SAN BERNARDINO
SPECIAL DISTRICTS
COUNTY SERVICE AREA No. 30
RED MOUNTAIN**

FINANCIAL STATEMENTS

JUNE 30, 2009

County of San Bernardino Special Districts
County Service Area No. 30
Red Mountain
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District County Service Area
No. 30 – Red Mountain

ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying financial statements of the governmental activities and each major fund of the County of San Bernardino Special District County Service Area No. 30 – Red Mountain (CSA) as of and for the year ended June 30, 2009, which collectively comprise the CSA's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the CSA.

A review consists principally of inquiries of CSA personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The budgetary comparison information on page 16 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

The County of San Bernardino Special District County Service Area No. 30 – Red Mountain has not presented the *Management's Discussion and Analysis* that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Rogers, Anderson, Malody & Scott, LLP

November 15, 2009

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County of San Bernardino Special Districts
County Service Area No. 30 - Red Mountain
Statement of Net Assets
June 30, 2009

ASSETS

Cash and cash equivalents	\$ 15,203
Taxes receivable	14,183
	<hr/>

Total Assets	29,386
	<hr/>

LIABILITIES

	-
	<hr/>

NET ASSETS

Unrestricted	29,386
	<hr/>

Total Net Assets	\$ 29,386
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.
See accompanying accountant's report.

**County of San Bernardino Special Districts
County Service Area No. 30 - Red Mountain
Statement of Activities
For the Year Ended June 30, 2009**

EXPENSES	
Salaries and benefits	\$ 581
Services and supplies	2,808
Total Program Expenses	<u>3,389</u>
PROGRAM REVENUE	
Net Program Expenses	<u>-</u> <u>(3,389)</u>
GENERAL REVENUES	
Property taxes	31,700
Other taxes	83
State assistance	35
Investment earnings	4
SPECIAL ITEM	
Transfer to San Bernardino County Fire Protection District	<u>(3,612)</u>
Total General Revenues and Special Item	<u>28,210</u>
Change in Net Assets	24,821
Net Assets - beginning	<u>4,565</u>
Net Assets - ending	<u><u>\$ 29,386</u></u>

The accompanying notes are an integral part of these financial statements.
See accompanying accountant's report.

**County of San Bernardino Special Districts
County Service Area No. 30 - Red Mountain
Balance Sheet
Governmental Funds
June 30, 2009**

	SPECIAL REVENUE FUNDS		Total Governmental Funds
	General (SGJ)	Fire (SGM)	
ASSETS			
Cash and cash equivalents	\$ 15,203	\$ -	\$ 15,203
Taxes receivable	14,183	-	14,183
	<u>\$ 29,386</u>	<u>\$ -</u>	<u>\$ 29,386</u>
LIABILITIES AND FUND BALANCES			
Liabilities	\$ -	\$ -	\$ -
Fund Balances:			
Unreserved:			
Undesignated	29,386	-	29,386
Total Fund Balances	29,386	-	29,386
Total Liabilities and Fund Balances	<u>\$ 29,386</u>	<u>\$ -</u>	
Amounts reported for <i>governmental activities</i> in the statement of net assets (Exhibit A) are different because:			
None			-
Net Assets of Governmental Activities			<u>\$ 29,386</u>

The accompanying notes are an integral part of these financial statements.
See accompanying accountant's report.

County of San Bernardino Special Districts
County Service Area No. 30 - Red Mountain
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	SPECIAL REVENUE FUNDS		Total Governmental Funds
	General (SGJ)	Fire (SGM)	
REVENUES			
Property taxes	\$ 31,700	\$ -	\$ 31,700
Other taxes	83	-	83
State assistance	35	-	35
Investment earnings	4	-	4
	<u>31,822</u>	<u>-</u>	<u>31,822</u>
Total Revenues			
	31,822	-	31,822
EXPENDITURES			
Salaries and benefits	581	-	581
Services and supplies	2,808	-	2,808
	<u>3,389</u>	<u>-</u>	<u>3,389</u>
Total Expenditures			
	3,389	-	3,389
Excess of Revenues Over (Under) Expenditures	<u>28,433</u>	<u>-</u>	<u>28,433</u>
SPECIAL ITEM			
Transfer to San Bernardino County Fire Protection District	<u>-</u>	<u>(3,612)</u>	<u>(3,612)</u>
Net Change in Fund Balances	28,433	(3,612)	24,821
Fund Balances - beginning	<u>953</u>	<u>3,612</u>	<u>4,565</u>
Fund Balances - ending	<u>\$ 29,386</u>	<u>\$ -</u>	<u>\$ 29,386</u>

The accompanying notes are an integral part of these financial statements.
See accompanying accountant's report.

County of San Bernardino Special Districts
County Service Area No. 30 - Red Mountain
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2009

Net Change in Fund Balances - Total Governmental Funds	\$ 24,821
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
None	-
Change in Net Assets of Governmental Activities	<u>\$ 24,821</u>

The accompanying notes are an integral part of these financial statements.
 See accompanying accountant's report.

**County of San Bernardino Special Districts
County Service Area No. 30 - Red Mountain
Notes to Financial Statements
June 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

The County Service Area (CSA) No. 30 was established by an act of the Board of Supervisors of the County of San Bernardino (the County) on December 30, 1964 to provide financing for maintenance and operations of 26 streetlights in the community of Red Mountain. On September 26, 1995, the Board of Supervisors approved a contract with the Kern County Fire Department to provide fire protection services to the Community of Red Mountain. The CSA is under the administrative direction of the County Fire Department.

The CSA is a component unit of the County of San Bernardino and is governed by the actions of the County Board of Supervisors.

The accompanying financial statements reflect only the accounts of the County Service Area No. 30 of the County of San Bernardino and are not intended to present the financial position of the County taken as a whole.

Because the CSA meets the reporting entity criteria established by the Governmental Accounting Standards Board (GASB), the CSA's financial statements have also been included in the Comprehensive Annual Financial Report of the County as a "component unit" for the fiscal year ended June 30, 2009.

Government-wide and fund financial statements

The government-wide financial statements (e.g., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Currently, the CSA does not have any proprietary or fiduciary fund types. Major individual governmental funds are reported as separate columns in the fund financial statements.

**County of San Bernardino Special Districts
County Service Area No. 30 - Red Mountain
Notes to Financial Statements
June 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *special revenue fund* labeled "General" is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *special revenue fund* labeled "Fire" provides fire protection services for the community of Red Mountain through a contract with Kern County approved by the Board on September 26, 1995. Current year activity in this fund was transferred to San Bernardino County Fire Protection District as part of the reorganization. (See Note 7)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

**County of San Bernardino Special Districts
County Service Area No. 30 - Red Mountain
Notes to Financial Statements
June 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Deposits and investments

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (e.g., the current portion of interfund loans) or "advances to/from other funds" (e.g., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Currently, the CSA does not have any business-type activities.

Property taxes

Secured property taxes are levied in two equal installments, November 1 and February 1. They become delinquent with penalties on December 10 and April 10, respectively. The lien date is January 1 of each year. Unsecured property taxes are due on March 1st and become delinquent with penalties on August 31st.

Inventories and prepaid items

Inventories, if any, are valued at cost using the first-in/first-out method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (for improvements to land and structures and equipment) and have an estimated useful life in excess of two years. 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.

**County of San Bernardino Special Districts
County Service Area No. 30 - Red Mountain
Notes to Financial Statements
June 30, 2009**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the government is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	40 - 60
Structures and improvements	5 - 40
Equipment and vehicles	4 - 15

Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of estimates

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

Stewardship, compliance and accountability

A. Budgetary information

In accordance with provisions of Section 29000 - 29143 of the Government code of the State of California, commonly known as the County Budget Act, the District prepares and adopts a budget on or before August 30 for each fiscal year.

Budgets are prepared on the modified accrual basis of accounting. The legal level of budgetary control is the object level and the sub-object level for fixed assets within each fund.

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

B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitment will be reappropriated and honored during the subsequent year.

**County of San Bernardino Special Districts
County Service Area No. 30 - Red Mountain
Notes to Financial Statements
June 30, 2009**

NOTE 2: CASH AND DEPOSITS

Cash and cash equivalents includes the cash balance 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. Cash and cash equivalents are shown at the fair value as of June 30, 2009.

See the County of San Bernardino's Comprehensive Annual Financial Report (CAFR) for details of their investment policy and disclosures related to investment credit risk, concentration of credit risk, interest rate risk and custodial credit risk, as required by GASB Statement No. 40.

NOTE 3: RETIREMENT PLAN

Plan Description

The San Bernardino County Employees' Retirement Association (SBCERA) is a cost-sharing multiple-employer defined benefit pension plan (the Plan) operating under the California County Employees' Retirement Act of 1937 (1937 Act). It provides retirement, death, and disability benefits to members. Although legally established as a single employer plan, the City of Big Bear Lake, California State Association of Counties, South Coast Air Quality Management District (AQMD), San Bernardino Associated Governments (SANBAG), Local Agency Formation Commission (LAFCO), San Bernardino County Law Library, Barstow Fire Protection District, Hesperia Parks and Recreation, San Bernardino County Employees' Retirement Association (SBCERA), City of Chino Hills, Crest Forest Fire District, Mojave Desert Air Quality Management District (MDAQMD), California Electronic Recording Transaction Authority (CERTNA), Inland Valley Development Agency (IVDA), San Bernardino International Airport Authority (SBIAA), and the Superior Courts were later included, along with the County of San Bernardino (the County), and are collectively referred to as the "Participating Members." The plan is governed by the San Bernardino Board of Retirement under the 1937 Act. Employees become eligible for membership on their first day of regular employment and become fully vested after 5 years. SBCERA issues a stand-alone financial report, which may be obtained by contacting the Board of Retirement, 348 W Hospitality Lane - 3rd floor, San Bernardino, California 92415-0014.

Fiduciary Responsibility

SBCERA is controlled by its own board, the Retirement Board, which acts as a fiduciary agent for the accounting and control of member and employee contributions and investment income. SBCERA publishes its own Comprehensive Annual Financial Report and receives a separate independent audit. SBCERA is also a legally separate entity from the County and not a component unit. For these reasons, the County's Comprehensive Annual Financial Report excludes SBCERA pension trust fund as of June 30, 2009.

**County of San Bernardino Special Districts
County Service Area No. 30 - Red Mountain
Notes to Financial Statements
June 30, 2009**

NOTE 3: RETIREMENT PLAN (continued)

Funding Policy

Participating members are required by statute (Sections 31621, 31621.6 and 31639.25 of the California Government Code) to contribute a percentage of covered salary based on certain actuarial assumptions and their age at entry to the Plan. Employee contribution rates vary according to age and classification (general or safety). General members are required to contribute 7.68% - 12.96% and safety members 9.85% - 15.29% of their annual covered salaries, of which the County pays approximately 7%. County of San Bernardino employer contribution rates are as follows: County General 11.25%, County Safety 24.46%. All employers combined are required to contribute 13.95% of the current year covered payroll. For 2009, the County's annual pension cost of \$200,300,000 was equal to the County's required and actual contributions. Employee contribution rates are established and may be amended pursuant to Articles 6 and 6.8 of the 1937 Act. Employer rates are determined pursuant to Section 31453 of the 1937 Act.

The County's annual pension cost and prepaid asset, computed in accordance with GASB 27, Accounting for Pensions by State and Local Governmental Employers, for the year ended June 30, 2009, were as follows (in thousands):

Annual Required Contribution (County fiscal year basis)	\$	200,300
Interest on Pension Assets		(7,834)
Adjustment to the Annual Required Contribution		51,805
Annual Pension Cost		244,271
Annual Contributions Made		200,300
Increase/(Decrease) in Pension Assets		(43,971)
Pension Assets, Beginning of Year		813,716
Pension Assets, End of Year	\$	769,745

The following table shows the County's required contributions and percentage contributed for the current year and two preceding years:

Year Ended June 30,	Annual Contributions Made (in thousands)		Percentage Contributed
	SBCERA	County	
2007	\$ 239,857	\$ 194,130	100%
2008	\$ 241,721	\$ 203,712	100%
2009	\$ 246,232	\$ 200,300	100%

**County of San Bernardino Special Districts
County Service Area No. 30 - Red Mountain
Notes to Financial Statements
June 30, 2009**

NOTE 3: RETIREMENT PLAN (continued)

The County, along with the AQMD, issued Pension Refunding Bonds (the Bonds) in November 1995 with an aggregate amount of \$420,527,000. These Bonds were issued to allow the County and the AQMD to refinance each of their unfunded accrued actuarial liabilities with respect to retirement benefits for their respective employees. The Bonds are the obligations of the employers participating in the Plan, and the assets of the Plan do not secure the Bonds.

The County's portion of the bond issuance was \$386,266,000. The outstanding liability at June 30, 2009 is \$430,784,000.

On June 24, 2004, the County issued its County of San Bernardino Pension Obligation Bonds, Series 2004 A (Fixed Rate Bonds), its County of San Bernardino Pension Obligation Bonds, Series 2004 B (Auction Rate Bonds), and its County of San Bernardino Pension Obligation Bonds, Series 2004 C (Index Bonds) in respective aggregate principal amounts of \$189,070,000, \$149,825,000 and \$125,000,000. The Bonds were issued to finance the County's share of the unfunded accrued actuarial liability of the SBCERA. In April 2008, the County refunded all of the 2004 Series B. The outstanding liability at June 30, 2009 is \$301,595,000.

In April 2008, the County of San Bernardino issued its \$160,900,000 in Pension Obligation Refunding Bonds (POB), Series 2008 (the Series 2008 Bonds). The outstanding liability at June 30, 2009 is \$158,889,000.

NOTE 4: FEDERAL AND STATE GRANTS

From time to time the CSA may receive funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although the CSA expects such amounts, if any, to be immaterial.

NOTE 5: RISK MANAGEMENT

The County has self-insurance programs for public liability, property damage, unemployment insurance, employee dental insurance, hospital and medical malpractice liability, and workers' compensation claims. Public liability claims are self-insured for up to \$2 million per occurrence. Excess insurance coverage over the Self-Insured Retention (SIR) up to \$50 million is provided through a Risk Pool Agreement with California State Association of Counties (CSAC) Excess Insurance Authority (EIA) Liability Program II. Workers' compensation claims are self-insured up to \$5 million per occurrence, and covered by Arch Ins. Co. for up to \$3 million for employer's liability, and up to statutory limits for workers' compensation per occurrence. Property damage claims are insured on an occurrence basis over a \$25 thousand deductible, and insured with several insurers like Lexington Ins. Co., Affiliated FM, and Lloyd's of London, among others.

**County of San Bernardino Special Districts
County Service Area No. 30 - Red Mountain
Notes to Financial Statements
June 30, 2009**

NOTE 5: RISK MANAGEMENT (continued)

The County supplements its self-insurance for medical malpractice claims with Zurich Ins. Co., which provides annual coverage on a per claim basis with an SIR of \$2 million for each claim. Maximum coverage under the policy is \$25 million in limits per claim provided by Illinois Union Ins. Co.

All public officials and County employees are insured under a blanket Comprehensive Disappearance, Destruction, and Dishonesty policy covering County monies and securities, with National Union Fire Ins. Co. of Pittsburgh with a \$100 thousand deductible, and excess limits up to \$10 million per occurrence.

The activities related to such programs are accounted for in Risk Management except for unemployment insurance, and employee dental insurance, which are accounted for in the General Fund. The IBNR (Incurred But Not Reported) and IBNS (Incurred But Not Settled) liabilities stated on Risk Management's balance sheet are based upon the results of actuarial studies, and include amounts for allocated and unallocated loss adjustment expenses. The liabilities for these claims are reported using a discounted rate of 2.75%. It is the Risk Management's practice to obtain actuarial studies on an annual basis.

The total claims liability of \$149.9 million reported at June 30, 2009 is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated.

Changes in the claims liability amount in fiscal years 2008 and 2009 were:

Fiscal Year	Beginning of Fiscal Year Liability (in thousands)	Current Year Claims and Changes in Estimates (in thousands)	Claims Payments (in thousands)	End of Fiscal Year Liability (in thousands)
2007-08	\$ 129,683	\$ 51,702	\$ (32,064)	\$ 149,321
2008-09	\$ 149,321	\$ 32,909	\$ (32,289)	\$ 149,941

NOTE 6: CONTINGENCIES

As of June 30, 2009, in the opinion of the CSA Administration, there are no outstanding matters, which would have a significant effect on the financial position of the CSA.

**County of San Bernardino Special Districts
County Service Area No. 30 - Red Mountain
Notes to Financial Statements
June 30, 2009**

NOTE 7: REORGANIZATION

On January 16, 2008, the Local Agency Formation Commission of the County of San Bernardino approved Resolution No. 2989, which reorganized the County of San Bernardino's Fire Districts, County Service Areas (CSA) and Special Assessment Zones. This resolution took effect on July 1, 2008, and detached, dissolved or renamed the specific Fire Districts, CSAs and Special Assessment Zones related to the reorganization into the San Bernardino County Fire Protection District.

The purpose of the reorganization was to continue to provide a financial means to maintain current and meet future levels of service to those areas within the County of San Bernardino. Prior to the reorganization, some of the Districts and CSAs were beginning to fail financially, and were in danger of not being able to maintain the current required level of service. With the reorganization, County Fire was able to better consolidate resources by geographic regions in order to continue the ability to provide a consistent level of service to those areas.

In the reorganization, the applicable property taxes remained in the established regions in which the original Districts, CSAs and Special Assessment Zones are located. Additionally, this reorganization binds the new entities to the original budgets approved by the Board of Supervisors.

The activity in the major special revenue fund labeled Fire (SGM) was transferred to San Bernardino County Fire Protection District in the current year. No budget vs. actual schedule was prepared for this fund.

Required Supplementary Information
County of San Bernardino Special Districts
County Service Area No. 30 - Red Mountain
Budgetary Comparison Schedule - Special Revenue Funds (General/Fire)
For the Year Ended June 30, 2009

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	General (SGJ)			
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes	\$ 3,099	\$ 3,099	\$ 31,700	\$ 28,601
Other taxes	214	214	83	(131)
State assistance	-	-	35	35
Investment earnings	10	10	4	(6)
Total Revenues	<u>3,323</u>	<u>3,323</u>	<u>31,822</u>	<u>28,499</u>
EXPENDITURES				
Salaries and benefits	581	581	581	-
Services and supplies	3,396	3,396	2,808	588
Reserves and contingencies	298	298	-	298
Total Expenditures	<u>4,275</u>	<u>4,275</u>	<u>3,389</u>	<u>886</u>
Net Change in Fund Balances	<u>\$ (952)</u>	<u>\$ (952)</u>	28,433	<u>\$ 29,385</u>
Fund Balances - beginning			<u>953</u>	
Fund Balances - ending			<u>\$ 29,386</u>	

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