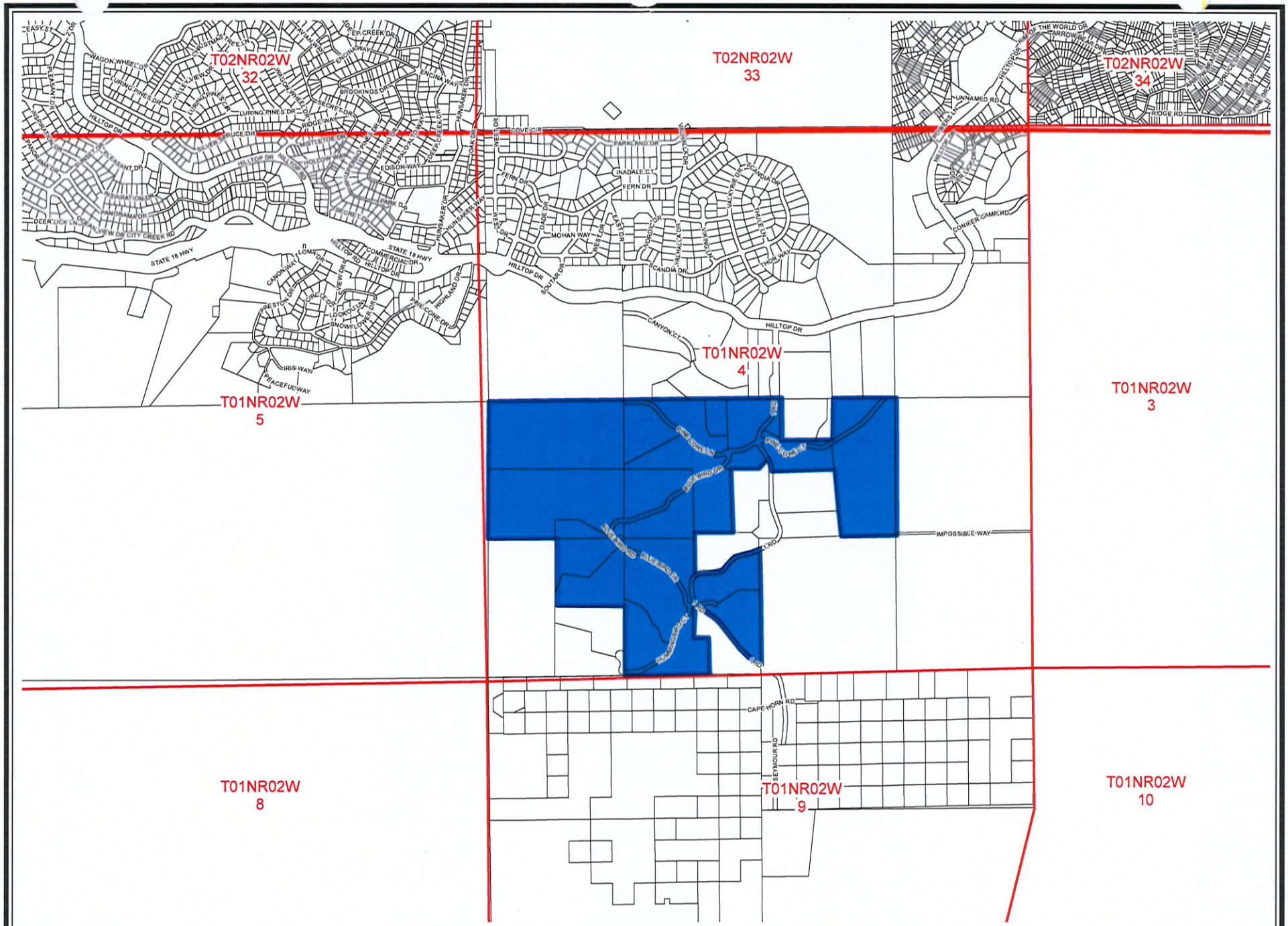


Date Created: Apr 23, 2008
(Map Printed Date)

CSA 70 R-16 - Running Springs Tract 12602

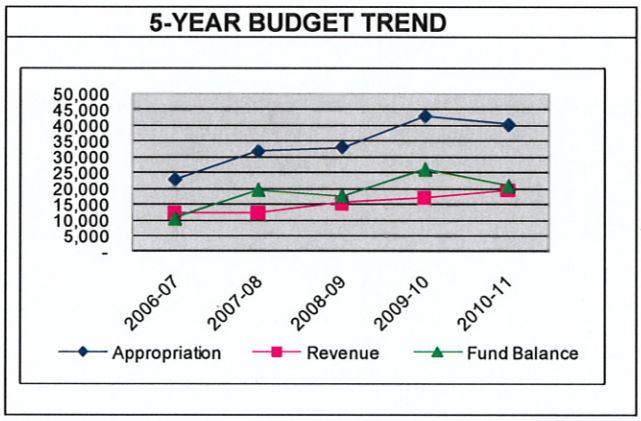
CSA 70 R-16 Boundary

CSA 70 R-16 Running Springs

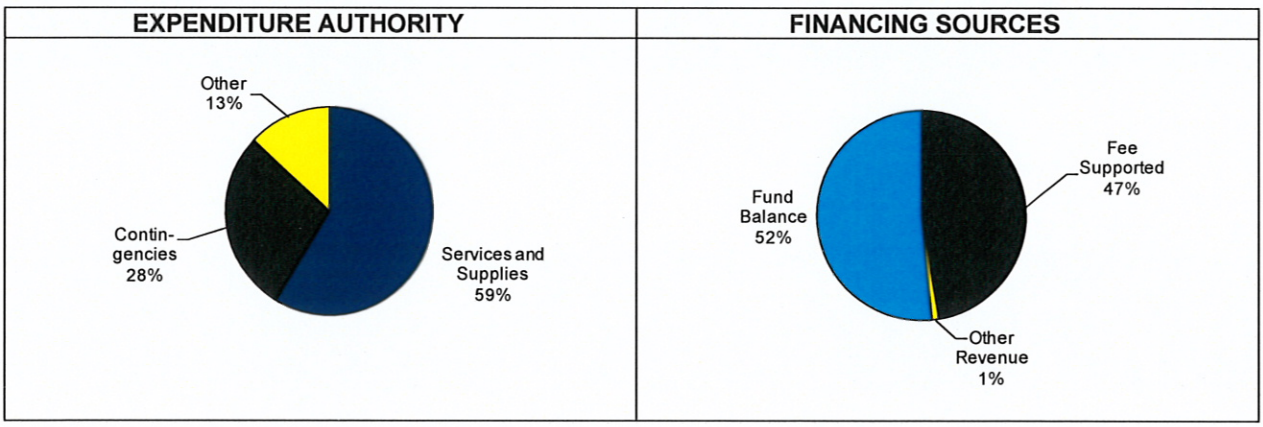
DESCRIPTION OF MAJOR SERVICES

County Service Area (CSA) 70, Improvement Zone R-16 was established by an act of the County of San Bernardino Board of Supervisors on May 14, 1984 to maintain 1 mile of paved roads in the community of Running Springs. This Road District receives a $600 special tax on each of 25 parcels of land to fund road maintenance and snow removal services. This District does not utilize an Advisory Commission or Municipal Advisory Council. Meetings are held with residents as needed.

BUDGET HISTORY



2010-11 BUDGET



ANALYSIS OF ADOPTED BUDGET

GROUP: Operations and Community Services
DEPARTMENT: Special Districts
FUND: CSA 70 R-16 Running Springs

BUDGET UNIT: SOJ 285
FUNCTION: Operating
ACTIVITY: Road

	2006-07 Actual	2007-08 Actual	2008-09 Actual	2009-10 Actual	2009-10 Current Budget	2010-11 Adopted Budget	Change From 2009-10 Current Budget
Appropriation							
Services and Supplies	2,714	4,172	8,586	13,031	13,031	23,520	**10,489**
Other Charges	4,250	5,097	403	104	4,435	-	**(4,435)**
Transfers	2,052	2,722	3,880	4,648	4,648	5,264	**616**
Contingencies	-	-	-	-	20,764	11,379	**(9,385)**
Total Appropriation	9,016	11,991	12,869	17,783	42,878	40,163	**(2,715)**
Departmental Revenue							
Use of Money and Prop	632	873	634	286	228	420	**192**
Current Services	17,320	17,363	16,076	16,730	16,731	19,007	**2,276**
Other Revenue	27	(8,147)	4,473	-	-	-	**-**
Total Revenue	17,979	10,089	21,183	17,016	16,959	19,427	**2,468**
				Fund Balance	25,919	20,736	**(5,183)**

Services and supplies of $23,520 represent road maintenance costs and auditing and is increasing by $10,489 primarily due to anticipated maintenance requirements.

Other charges are being eliminated due to the final payment on CSA revolving loan in 2009-10.

Transfers of $5,264 represents costs for salaries and benefits and services and supplies support from CSA 70 Countywide and is increasing by $616.

Contingencies of $11,379 are decreasing by $9,385 to fund current year operations and due to less fund balance available.

Departmental revenue of $19,427 represents annual special taxes, delinquent special taxes, and interest and is increasing by $2,468 due to higher anticipated delinquent special tax revenues collected.

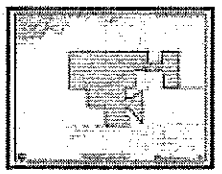
COUNTY OF SAN BERNARDINO
SPECIAL DISTRICTS DEPARTMENT

ROADS

County Service Area 70, Improvement Zone R-16 Running Springs School House Road

Running Springs School House Road is located in the 3rd Supervisorial District in the Running Springs area of San Bernardino County. This district consists of 4,000 feet of paved roads. Snow removal is provided to this district by a contractor. The revenue is derived from a $280 service charge levied on each parcel of land.

Questions regarding Running Springs Schoolhouse Road district may be directed to Pam Vandervoort at (909) 387-6067 or she can be reached by **email**. In the event of an emergency and/or snow removal concerns on weekends, holidays or after business hours, please contact (909) 356-3805.



The roads maintained by this district are:

Blue Bird Drive
Pine Cone Lane
Pine Cone Court
Humming Bird Court
Snow Cactus Court

Running Springs Road Districts (Snow Removal)
County Service Area 70, Zone R-16 - Running Springs (Schoolhouse Road)

Street	Length (ft)	Tributary Area
Blue Bird Drive	2645	389 D1
Pine Cone Lane	1145	389 D1
Pine Cone Court	820	389 D1
Humming Bird Court	549	389 D1
Snow Cactus Court	560	389 D1

Total Miles of Roadway	1.75
Snow Removal Equipment:	1 Truck and 1 Loader
Plowed:	Contractor
Plowing Schedule:	Every 12 Hours

COUNTY OF SAN BERNARDINO
SPECIAL DISTRICTS
COUNTY SERVICE AREA No. 70
ZONE R-16 - RUNNING SPRINGS

FINANCIAL STATEMENTS

JUNE 30, 2010

County of San Bernardino Special Districts
County Service Area No. 70
Zone R-16 - Running Springs
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Board of Supervisors
County of San Bernardino
County of San Bernardino Special
District County Service Area
No. 70 - Zone R-16 - Running Springs

ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying financial statements of the governmental activities and the major fund of the County of San Bernardino Special District County Service Area No. 70 - Zone R-16 - Running Springs (CSA) as of and for the year ended June 30, 2010, 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. 70 - Zone R-16 - Running Springs 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 30, 2010

MEMBERS

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CALIFORNIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

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Exhibit "A"

County of San Bernardino Special Districts
County Service Area No. 70 - Zone R-16 - Running Springs
Statement of Net Assets
June 30, 2010

ASSETS	
Cash and cash equivalents	$ 20,679
Interest receivable	58
Capital assets, net of depreciation	33,623
Total Assets	54,360
LIABILITIES	-
NET ASSETS	
Invested in capital assets	33,623
Unrestricted	20,737
Total Net Assets	$ 54,360

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

Exhibit "B"

County of San Bernardino Special Districts
County Service Area No. 70 - Zone R-16 - Running Springs
Statement of Activities
For the Year Ended June 30, 2010

EXPENSES		
Salaries and benefits	$	3,293
Services and supplies		14,386
Interest on debt		9
Depreciation		1,293
Total Program Expenses		18,981
PROGRAM REVENUE		
Charges for services		16,201
Net Program Expense		(2,780)
GENERAL REVENUES		
Property taxes		530
Investment earnings		199
Total General Revenues		729
Change in Net Assets		(2,051)
Net Assets - beginning		56,411
Net Assets - ending	$	54,360

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

Exhibit "C"

County of San Bernardino Special Districts
County Service Area No. 70 - Zone R-16 - Running Springs
Balance Sheet
Governmental Fund
June 30, 2010

	SPECIAL REVENUE FUND General (SOJ)
ASSETS	
Cash and cash equivalents	$ 20,679
Interest receivable	58
Total Assets	$ 20,737
LIABILITIES AND FUND BALANCES	
Liabilities:	$ -
Fund Balance:	
Unreserved:	
Undesignated	20,737
Total Fund Balance	20,737
Total Liabilities and Fund Balance	$ 20,737
Total Fund Balance-Governmental Fund	$ 20,737
Amounts reported for *governmental activities* in the statement of net assets (Exhibit "A") are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	33,623
Net Assets of Governmental Activities	$ 54,360

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

Exhibit "D"

County of San Bernardino Special Districts
County Service Area No. 70 - Zone R-16 - Running Springs
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2010

	SPECIAL REVENUE FUND General (SOJ)
REVENUES	
Property taxes	$ 530
Special assessments	16,201
Investment earnings	199
Total Revenues	16,930
EXPENDITURES	
Salaries and benefits	3,293
Services and supplies	14,386
Debt service:	
Interest	104
Total Expenditures	17,783
Net Change in Fund Balance	(853)
Fund Balance - beginning	21,590
Fund Balance - ending	$ 20,737

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

Exhibit "E"

County of San Bernardino Special Districts
County Service Area No. 70 - Zone R-16 - Running Springs
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2010

Net Change in Fund Balance - Total Governmental Fund	$ (853)
Amounts reported for *governmental activities* in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense ($1,293) exceeded capital outlay ($-0-) in the current period.	(1,293)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	
Decrease in interest payable	95
Change in Net Assets of Governmental Activities	$ (2,051)

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

The County Service Area (CSA) No. 70 R-16 was established by an act of the Board of Supervisors of the County of San Bernardino (the County) on May 14, 1984 under Section 4700 of the State Health & Safety Code to maintain one mile of paved roads in the community of Running Springs.

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. 70 R-16 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, 2010.

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.

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 fund:

> 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.

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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

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.

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 CSA 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.

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 CSA's account based upon the CSA's average daily deposit balance during the allocation period. Cash and cash equivalents are shown at the fair value as of June 30, 2010.

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: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, being depreciated:				
Improvements to land	$ 38,795	$ -	$ -	$ 38,795
Total capital assets, being depreciated	38,795	-	-	38,795
Less accumulated depreciation for:				
Improvements to land	(3,879)	(1,293)	-	(5,172)
Total accumulated depreciation	(3,879)	(1,293)	-	(5,172)
Total capital assets, being depreciated, net	$ 34,916	$ (1,293)	$ -	$ 33,623

NOTE 4: 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 (SCAQMD), San Bernardino Associated Governments (SANBAG), Local Agency Formation Commission (LAFCO), San Bernardino County Law Library, Barstow Fire Protection District, Hesperia Recreation and Parks District, SBCERA, City of Chino Hills, Crest Forest Fire District, Mojave Desert Air Quality Management District (MDAQMD), California Electronic Recording Transaction Network Authority (CERTNA), Inland Valley Development Agency (IVDA), San Bernardino International Airport Authority (SBIAA), the San Bernardino County Superior Court Inland Library System (ILS) and Rim of the World Recreation and Parks District (RIM-REC) were later included, along with the County, and are collectively referred to as the "Participating Members." The plan is governed by the SBCERA 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, 2010.

Funding Policy

Participating members are required by statute (Sections 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 7.42% - 12.96% and safety members 9.52% - 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 2010, the County's annual pension cost of $197,097,000 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 Sections 31453 of the 1937 Act.

NOTE 4: RETIREMENT PLAN (continued)

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, 2010, were as follows (in thousands):

Annual Required Contribution (County fiscal year basis)	$	197,097
Interest on Pension Assets		(4,131)
Adjustment to the Annual Required Contribution		32,488
Annual Pension Cost		225,454
Annual Contributions Made		197,097
Increase/(Decrease) in Pension Assets		(28,357)
Pension Assets, Beginning of Year		769,745
Pension Assets, End of Year	$	741,388

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) SBCERA		County		Percentage Contributed
2008	$	241,721	$	203,712	100%
2009		246,232		200,300	100%
2010		243,773		197,097	100%

The County, along with the SCAQMD, 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 SCAQMD 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, 2010 is $423,652,000.

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, 2010 is $294,515,000.

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, 2010 is $158,327,000.

NOTE 5: 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 6: 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 combination of insurance policies as recommended by AON Risk Services, Broker of Record, as follows: Primary Liability coverage $25 million excess of $2.5 million SIR with CV Starr/Everest; Excess Liability coverage of $10 million, excess of $25 million with Allied World Insurance Company (AWAC); and Excess Liability coverage $15 million, excess of $35 million with Great American Insurance Company of New York. 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.

The County supplements its self-insurance for medical malpractice claims with Steadfast 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 1.70%. It is Risk Management's practice to obtain actuarial studies on an annual basis.

The total claims liability of $145.4 million reported at June 30, 2010 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.

NOTE 6: RISK MANAGEMENT (continued)

Changes in the claims liability amount in fiscal years 2009 and 2010 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)
2008-09	$ 149,321	$ 32,909	$ (32,289)	$ 149,941
2009-10	$ 149,941	$ 37,441	$ (45,000)	$ 142,382

NOTE 7: CONTINGENCIES

As of June 30, 2010, 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.

Schedule One

Required Supplementary Information
County of San Bernardino Special Districts
County Service Area No. 70 - Zone R-16 - Running Springs
Budgetary Comparison Schedule - Special Revenue Fund (General)
For the Year Ended June 30, 2010

	Special Revenue Fund General (SOJ)			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 823	$ 530	$ 530	$ -
Special assessments	13,301	16,201	16,201	-
Investment earnings	600	228	199	(29)
Total Revenues	14,724	16,959	16,930	(29)
EXPENDITURES				
Salaries and benefits	3,579	3,293	3,293	-
Services and supplies	21,317	18,617	14,386	4,231
Debt service:				
Interest	204	204	104	100
Reserves and contingencies	15,544	20,764	-	20,764
Total Expenditures	40,644	42,878	17,783	25,095
Net Change in Fund Balance	$ (25,920)	$ (25,919)	(853)	$ 25,066
Fund Balance - beginning			21,590	
Fund Balance - ending			$ 20,737	

MINUTES OF THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA

June 4, 1984

2723
Rigney

FROM: VERNON G. KNOUREK, Assistant Administrative Officer for SPECIAL DISTRICTS

SUBJECT: Public Hearing to consider formation of County Service Area 70 Improvement Zone R-16 in Running Springs tract #12602

RECOMMENDATION:
Conduct a Public Hearing and adopt appropriate resolution to approve the formation of County Service Area 70 Improvement Zone R-16 for tract #12602 in Running Springs for the purpose of providing road maintenance and snow removal services. On call of the Chairman, no opposition, oral or in writing, is presented.

BACKGROUND:

The Special Districts Department has been approached by the property owners and developers in the Running Springs area of proposed tract #12602, for the purpose of forming a road maintenance district to maintain approximately 4000 feet of paved roadway. The formation of a road maintenance district for this tract is a condition of recordation set by the Subdivision Review Committee to insure that the roads are maintained within the tract.

Currently there are seven (7) parcels within the proposed boundaries. When development of the tract is complete, it will consist of twenty (20) parcels. Fifteen (15) of which are within the proposed boundaries of CSA 70 R-16. The signed petition represents one hundred percent (100%) of the property owners who are in favor of this proposal, and all are aware that the only way to finance the district would be through levy of annual assessments.

The tract is currently under construction and is estimated to be complete in late 1984. The current property owners within CSA 70 R-16 have indicated that they are willing to deposit the sum of $4,200.00 to insure that the roads within CSA 70 R-16 will be maintained as needed throughout fiscal year 1984-85.

RESOLUTION NO. 84-193

cc: Special Dists. w/res.
County Counsel w/res.
Registrar of Voters w/res.
St. Board Equal. (res. & check)
Surveyor w/res.
Auditor w/res.
Assessor w/res.
Recorder w/res.
File w/res.

Action of the Board of Supervisors

APPROVED BOARD OF SUPERVISORS
COUNTY OF SAN BERNARDINO

MOTION	M	X	X	X	S
	1	2	3	4	5

MARTHA M. SEKERAK, CLERK OF THE BOARD
BY Shelley Maloney
DATED: JUN 0 4 1984

14-9507-000
Rev. 10/81

///

RESOLUTION NO. 84-193

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, APPROVING FORMATION OF IMPROVEMENT ZONE R-16 (RUNNING SPRINGS TRACT 12602) OF COUNTY SERVICE AREA NO. 70

On Monday, June 4, 1984, on motion of Supervisor Joyner, duly seconded by Supervisor Hammock, and carried, the following resolution is adopted:

SECTION 1. The Board of Supervisors of the County of San Bernardino, as the governing body of County Service Area No. 70 hereby finds and determines:

(a) That County Service Area No. 70 is organized and operated under the authority of Chapter 2.2 of Division 2, Title 3 of the Government Code (commencing with Section 25210.1) of the State of California, and is authorized to provide road services, among other services;

(b) That proceedings for formation of certain described territory into an Improvement Zone of County Service Area No. 70, to be known as Improvement Zone R-16, were initiated by affected property owners;

(c) That the exterior boundaries of the territory proposed to be formed into the said Improvement Zone are as set forth in Exhibit "A", attached hereto and incorporated herein by reference;

(d) That the territory hereinabove described is in need of road services and will benefit thereby, that said services should be extended to such territory, and that said services can most conveniently be provided to such territory by formation of said Improvement Zone;

(e) That the County Surveyor and the County Assessor have reviewed the proposed boundary description pursuant to Chapter 3 of Division 2 of Title 6 of the Government Code (commencing with Section 58850) of the State of California. Their report states that the boundaries are definite and certain as described in the attached legal description; boundaries do not

COUNSEL
385 NORTH ARROWHEAD AVENUE
SAN BERNARDINO, CA 92415-0140

split any lines of ownership as shown on the last equalized assessment roll or by documents of record.

SECTION 2. The Board proceeded as follows:

(a) On May 14, 1984, the Board adopted a resolution which called for a public hearing on the proposed formation to be held on June 4, 1984, at 10:00 a.m. at the Chambers of the Board of Supervisors, County Civic Building, 175 West Fifth Street, San Bernardino, California, and directed the Clerk of the Board of Supervisors to give proper legal notice of the hearing;

(b) That required notice was duly and properly given; that said hearing was held before the Board of Supervisors on June 4, 1984; that all persons desiring to be heard were heard; and that testimony and evidence for and against the proposed formation were duly considered.

(c) That the Environmental Hearing Officer of the County of San Bernardino properly found and determined that the proposed formation will not have a significant adverse effect on the environment because of imposed mitigative measures and the Mitigative Negative Declaration issued by said officer is hereby approved and adopted and the Clerk of the Board of Supervisors is hereby directed to file a Notice of Determination in connection herewith.

SECTION 3. The Board of Supervisors of the County of San Bernardino, as the governing body of County Service Area No. 70, therefore hereby resolves and orders:

(a) That the territory hereinbefore described should be, and it hereby is, ordered formed into Improvement Zone R-16 with the power to provide road services therein;

(b) The Clerk of the Board of Supervisors is hereby ordered to certify to the passage of this resolution and to file copies of this resolution and a map or plat indicating the boundaries with the County Assessor and the State Board of Equalization as required by Section 54902 of the Government Code; to request the recordation of this resolution in the official

COUNTY COUNSEL
385 NORTH ARROWHEAD AVENUE
SAN BERNARDINO, CA 92415-0140

3579-161 Rev. 5/84

records of San Bernardino County; and to forward copies of this resolution and a map or plat indicating the boundaries to the following: Registrar of Voters, Surveyor, Auditor, and Special Districts Department of the County of San Bernardino;

(c) There will be no exchange of property tax revenue between the affected taxing agencies as a result of this formation.

PASSED AND ADOPTED by the Board of Supervisors of San Bernardino County, State of California, by the following vote:

AYES: Supervisors: Joyner, Riordan, Townsend, Hammock, and McElwain

NOES: Supervisors: None

ABSENT: Supervisors: None

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

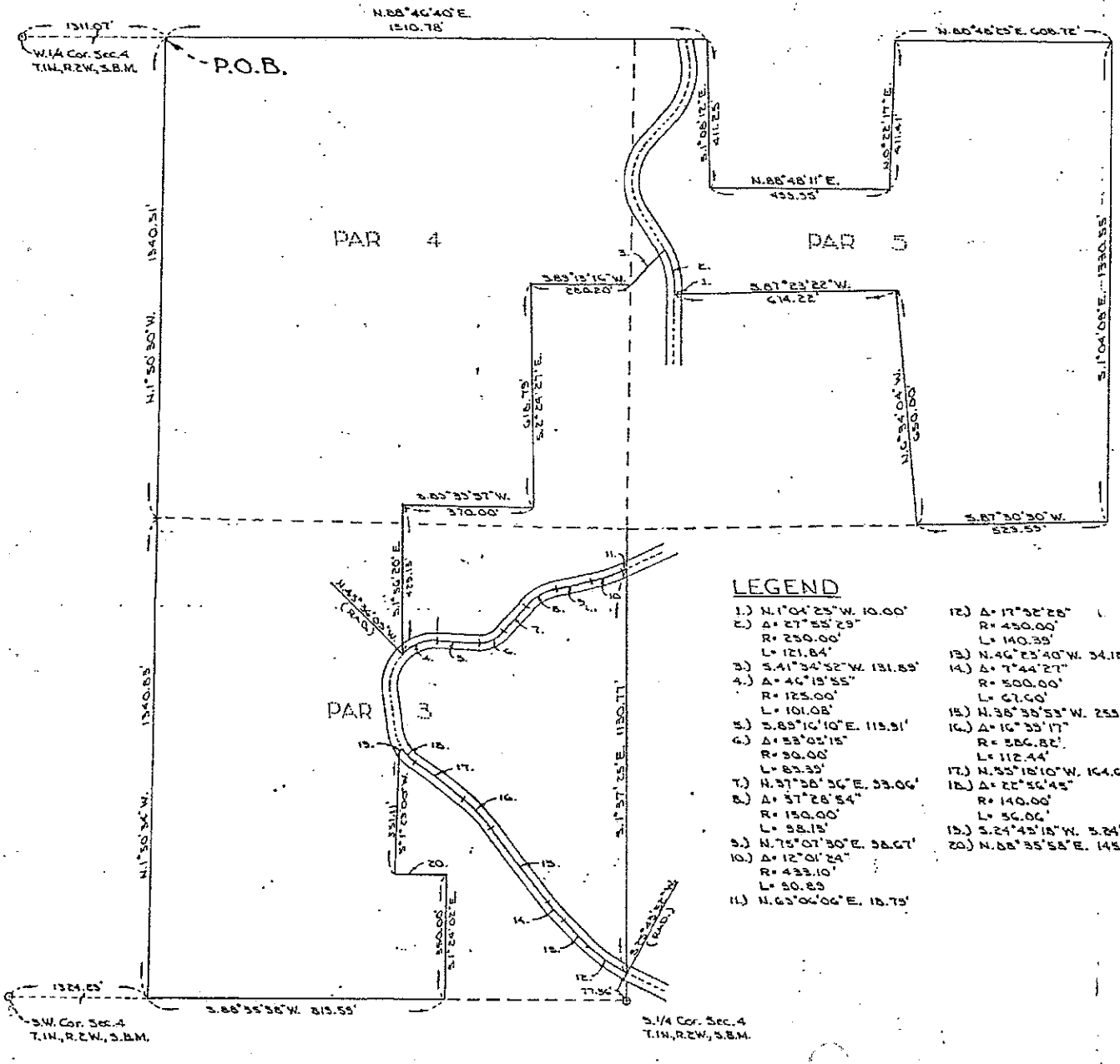
I, MARTHA M. SEKERAK, Clerk of the Board of Supervisors of San Bernardino County, California, hereby certify the foregoing to be a full, true and correct copy of the record of the action as the same appears in the Official Minutes of said Board at its meeting of June 4, 1984.

MARTHA M. SEKERAK, Clerk of the Board of Supervisors of San Bernardino County

By Kelly Mabery
Deputy

COUNTY COUNSEL
385 NORTH ARROWHEAD AVENUE
SAN BERNARDINO, CA 92415-0140

IMP. ZONE "R-16", C.S.A. 70



LEGEND

1.) N.1°04'25"W. 10.00'
2.) Δ= 27°55'29"
R= 250.00'
L= 121.84'
3.) S.41°34'52"W. 131.89'
4.) Δ= 46°19'55"
R= 125.00'
L= 101.08'
5.) S.89°16'10"E. 113.91'
6.) Δ= 53°05'15"
R= 90.00'
L= 83.39'
7.) N.37°38'36"E. 93.06'
8.) Δ= 37°28'54"
R= 150.00'
L= 98.15'
9.) N.75°07'30"E. 98.67'
10.) Δ= 12°01'24"
R= 433.10'
L= 90.89
11.) N.63°06'06"E. 18.79'
12.) Δ= 17°32'28"
R= 450.00'
L= 140.39'
13.) N.46°23'40"W. 34.18'
14.) Δ= 7°44'27"
R= 500.00'
L= 67.60'
15.) N.38°38'53"W. 253.91'
16.) Δ= 16°39'17"
R= 386.82'
L= 112.44'
17.) N.55°18'10"W. 164.69'
18.) Δ= 22°56'45"
R= 140.00'
L= 56.06'
19.) S.24°45'18"W. 5.24'
20.) N.88°35'58"E. 145.00'

SCALE 1" = 200'

SAN BERNARDINO COUNTY SURVE
385 N. ARROWHEAD, S.B., CAL. 32

Formation of DATE 3-27
Improve 1 Zone "R-16"
to Coun rvice Area 70

G.E.N. LOC 'N Running Sprin