

Roseland Fire Protection District

**Annual Report
For the Fiscal Year Ended
June 30, 2010, and 2009**



DONNA DUNK
Interim Auditor-Controller
Treasurer-Tax Collector

Roseland Fire Protection District

**Basic Financial Statements
For the Fiscal Year Ended
June 30, 2010, and 2009**

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TREASURER -TAX COLLECTOR

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JONATHAN KADLEC
ASSISTANT
TREASURER

Board of Directors
Roseland Fire Protection District
Rancho Adobe, CA

Auditor-Controller's Report

We have audited the accompanying financial statements of the Roseland Fire Protection District (the District), as of and for the year ended June 30, 2010, and 2009 which collectively comprise the basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on the 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 misstatements. 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 District as of June 30, 2010, and 2009, and the respective changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note IV.B of the Notes to the Basic Financial Statements, the Auditor-Controller is mandated by various statutes within the California Government Code to perform certain accounting, auditing, and financial reporting functions. These activities, in themselves, necessarily impair the auditor's independence. However, we believe adequate safeguards and divisions of responsibility exist. We also believe that subject to this qualification, the information in the audit report can be relied upon.

The District's management has not presented the management's discussion and analysis information that the Government Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

Sonoma County Auditor-Controller

June 8, 2011

Roseland Fire Protection District
Statement of Net Assets
June 30, 2010

Assets

Cash and investments	\$ 185,453
Capital assets (net of accumulated depreciation)	
Land	10,000
Building and improvements	<u>18,890</u>
Total assets	<u>214,343</u>

Net Assets

Invested in capital assets, net of related debt	28,890
Unrestricted	<u>185,453</u>
Total net assets	<u>\$ 214,343</u>

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

Roseland Fire Protection District
Statement of Net Assets
June 30, 2009

Assets

Cash and investments	\$ 214,895
Capital assets (net of accumulated depreciation)	
Land	10,000
Building and improvements	<u>18,890</u>
Total assets	<u>243,785</u>

Net Assets

Invested in capital assets, net of related debt	28,890
Unrestricted	<u>214,895</u>
Total net assets	<u>\$ 243,785</u>

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

Roseland Fire Protection District
Statement of Activities
For the Fiscal Year Ended June 30, 2010

Program Expenses

Public safety - fire prevention	\$ 3,687
Salaries and employee benefits	504,673
Services and supplies	<u>508,360</u>
Total program expenses	<u>508,360</u>

Program Revenues

Intergovernmental revenue	<u>6,348</u>
Net program revenues (expenses)	<u>(502,012)</u>

General Revenues

Property taxes	470,427
Investment earnings	<u>2,143</u>
Total general revenues	<u>472,570</u>

Change in net assets	(29,442)
Net assets, beginning of year	<u>243,785</u>
Net assets, end of year	<u>\$ 214,343</u>

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

Roseland Fire Protection District
Statement of Activities
For the Fiscal Year Ended June 30, 2009

Program Expenses

Public safety - fire prevention	\$ 3,538
Salaries and employee benefits	542,594
Services and supplies	546,132
Total program expenses	<u>546,132</u>

Program Revenues

Intergovernmental revenue	7,126
Miscellaneous	<u>285</u>
Total program revenues	<u>7,411</u>
Net program revenues (expenses)	<u>(538,721)</u>

General Revenues

Property taxes	511,355
Investment earnings	<u>6,262</u>
Total general revenues	<u>517,617</u>

Change in net assets	(21,104)
Net assets, beginning of year	<u>264,889</u>
Net assets, end of year	<u>\$ 243,785</u>

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

**Roseland Fire Protection District
Balance Sheet
Governmental Fund
June 30, 2010**

Assets

Cash and investments	\$	185,453
		<u> </u>
Total assets	\$	<u>185,453</u>
Fund balance:		
Unreserved	\$	185,453
		<u> </u>
Total liabilities and fund balance	\$	<u>185,453</u>

Reconciliation of Balance Sheet to Statement of Net Assets

Fund balance - total government funds	\$	185,453
Amount reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		28,890
Net assets of governmental activities	\$	<u>214,343</u>

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

**Roseland Fire Protection District
Balance Sheet
Governmental Fund
June 30, 2009**

Assets

Cash and investments	\$ <u>214,895</u>
Total assets	\$ <u><u>214,895</u></u>

Fund balance:

Unreserved	\$ <u>214,895</u>
Total liabilities and fund balance	\$ <u><u>214,895</u></u>

Reconciliation of Balance Sheet to Statement of Net Assets

Fund balance - total government funds	\$ 214,895
Amount reported for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>28,890</u>
Net assets of governmental activities	\$ <u><u>243,785</u></u>

Roseland Fire Protection District
Statement of Revenues, Expenditures and
Changes in Fund Balance
Governmental Fund
For the Fiscal Year Ended June 30, 2010

Revenues

Property taxes	\$ 470,427
Investment earnings	2,143
Intergovernmental revenue	<u>6,348</u>
Total revenues	<u>478,918</u>

Expenditures

Current:

Salaries and employee benefits	3,687
Services and supplies	<u>504,673</u>
Total expenditures	<u>508,360</u>

Excess (deficiency) of revenues over (under) expenditures	<u>(29,442)</u>
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Net change in fund balance	(29,442)
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Fund balance, beginning of year	<u>214,895</u>
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Fund balance, end of year	<u>\$ 185,453</u>
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The notes to the basic financial statements are an integral part of this statement.

**Roseland Fire Protection District
Statement of Revenues, Expenditures and
Changes in Fund Balance
Governmental Fund
For the Fiscal Year Ended June 30, 2009**

Revenues

Property taxes	\$ 511,355
Investment earnings	6,262
Intergovernmental revenue	7,126
Miscellaneous	285
	525,028
Total revenues	525,028

Expenditures

Current:

Salaries and employee benefits	3,538
Services and supplies	542,594
	546,132
Total expenditures	546,132

Excess (deficiency) of revenues over (under) expenditures	(21,104)
Net change in fund balance	(21,104)
Fund balance, beginning of year	235,999
Fund balance, end of year	\$ 214,895

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

Roseland Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgets and Actual
General Fund
For the Fiscal Year Ended June 30, 2010

Revenues	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Property taxes	\$ 380,700	\$ 380,700	\$ 470,427	\$ 89,727
Investment earnings	5,700	5,700	2,143	(3,557)
Intergovernmental revenue	7,000	7,000	6,348	(652)
Total revenues	393,400	393,400	478,918	85,518
 Expenditures				
Current:				
Salaries and employee benefits	7,200	7,200	3,687	3,513
Services and supplies	488,125	488,125	504,673	(16,548)
Capital outlay	30,000	30,000	0	30,000
Appropriations for contingency	49,500	49,500	0	49,500
Total expenditures	574,825	574,825	508,360	66,465
Excess (deficiency) of revenues over (under) expenditures	(181,425)	(181,425)	(29,442)	151,983
Net change in fund balance	(181,425)	(181,425)	(29,442)	151,983
Fund balance, beginning of year	214,895	214,895	214,895	0
Fund balance, end of year	\$ 33,470	\$ 33,470	\$ 185,453	\$ 151,983

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

Roseland Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budgets and Actual
General Fund
For the Fiscal Year Ended June 30, 2009

Revenues	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Property taxes	\$ 451,705	\$ 451,705	\$ 511,356	\$ 59,651
Investment earnings	9,700	9,700	6,262	(3,438)
Intergovernmental revenue	7,500	7,500	7,125	(375)
Miscellaneous	0	0	285	285
Total revenues	<u>468,905</u>	<u>468,905</u>	<u>525,028</u>	<u>56,123</u>
 Expenditures				
Current:				
Salaries and employee benefits	7,200	7,200	3,538	3,662
Services and supplies	574,734	574,734	542,594	32,140
Capital outlay	40,000	40,000	0	40,000
Appropriations for contingency	49,500	49,500	0	49,500
Total expenditures	<u>671,434</u>	<u>671,434</u>	<u>546,132</u>	<u>125,302</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(202,529)</u>	<u>(202,529)</u>	<u>(21,104)</u>	<u>181,425</u>
Net change in fund balance	(202,529)	(202,529)	(21,104)	181,425
Fund balance, beginning of year	<u>235,999</u>	<u>235,999</u>	<u>235,999</u>	<u>0</u>
Fund balance, end of year	<u>\$ 33,470</u>	<u>\$ 33,470</u>	<u>\$ 214,895</u>	<u>\$ 181,425</u>

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

Roseland Fire Protection District
Notes to the Basic Financial Statements
June 30, 2010, and 2009

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Roseland Fire Protection District (the District) was formed by resolution of the Board of Supervisors of the County of Sonoma on July 18, 1946 as a fire protection District under and pursuant to provisions of the Health and Safety Code of the State of California. The District receives fire protection, emergency medical service, rescue and hazardous materials response service from the City of Santa Rosa. These services have been provided by the Santa Rosa Fire Department to the Fire District since 1983 under a contractual agreement.

The District's station is located on Burbank Avenue, in the unincorporated area of Roseland, and is the primary fire station which serves the area. The Fire District owns the fire station. The fire apparatus, firefighting and paramedic force assigned to the station is provided by the Santa Rosa Fire Department.

The Roseland Fire District is governed by a three member Board of Directors, which is elected by the voters who reside within the District. On behalf of the District, the Board is responsible to manage the contract with the Santa Rosa Fire Department.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately.

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 section and 2) grants and contributions that are restricted to meeting 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. Major individual governmental funds are reported as separate columns in the fund financial statements.

Roseland Fire Protection District
Notes to the Basic Financial Statements
June 30, 2010, and 2009

C. 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 the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Taxes, interest, and charges for services are accrued when receipt occurs within 365 days of the end of the accounting period so as to be both measurable and available. Licenses, permits, fines, forfeitures, and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Property taxes are accrued when their receipt occurs within sixty days of the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Investments

The District adopted the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, which require governmental entities, including governmental external investment pools, to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred. In accordance with GASB Statement No. 31, the District has stated certain investments at fair value.

The District maintains a federally insured account with Exchange Bank for the purpose of keeping petty cash.

Roseland Fire Protection District
Notes to the Basic Financial Statements
June 30, 2010, and 2009

2. Receivables and Payables

a. Property Taxes

The County of Sonoma is responsible for assessing, collecting and distributing property taxes in accordance with state law. Liens on real property are established January 1 for the ensuing fiscal year. The property

tax is levied as of July 1 on all taxable property located in the County of Sonoma. Secured property taxes are due in two installments, on November 1 and February 1, and are delinquent after December 10 and April 10, respectively. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction

Since the passage of California's Proposition 13, beginning with fiscal year 1978/1979, general property taxes are based either on a flat 1% rate applied to the 1975/1976 full value, or on 1% of the sales price of the property on sales transactions and construction after the 1975/1976 valuation. Taxable values on properties (exclusive of increases related to sales and construction) can rise at a maximum of 2% per year.

Included within the property tax revenue is \$306,652 in Benefit Assessments collected. Benefit Assessments are a type of flat charge applied to each parcel of property within the District, exclusive of the property value.

On June 30, 1993, the Board of Supervisors adopted the "Teeter" Method of property tax allocation. This method allocates property taxes based on the total property tax billed. At year-end, the County advances cash to each taxing jurisdiction equal to its current year delinquent property taxes. In exchange, the County receives the penalties and interest on delinquent taxes when collected. The penalties and interest are used to pay the interest cost of borrowing the cash used for the advances.

3. Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in

**Roseland Fire Protection District
Notes to the Basic Financial Statements
June 30, 2010, and 2009**

excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. 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. Buildings and improvements and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	5-50
Vehicles and equipment	5-20

4. Net Assets

Net assets are classified into two components – invested in capital assets (net of related debt), and unrestricted. These classifications are defined as follows:

- Invested in capital assets – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of capital leases.
- Unrestricted net assets – This component of net assets consists of net assets that are not restricted for any project or other purpose.

5. 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.

6. 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 during the reporting period. Actual results could differ from those estimates.

**Roseland Fire Protection District
Notes to the Basic Financial Statements
June 30, 2010, and 2009**

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgetary revenue estimates represent original estimates modified for any authorized adjustment which was contingent upon new or additional revenue sources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. All budgets are adopted on a non-GAAP basis. Annual appropriations that have not been encumbered lapse at year-end.

Annual budgets are adopted on a basis which differs from generally accepted accounting principles (GAAP) in that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase for the purpose of a budgetary presentation. Actual GAAP expenditures have been adjusted to exclude current year encumbrances and to include expenditures against prior year encumbrances. This allows a comparison of a fiscal year's expenditures and commitments with related appropriations.

III. Detailed Notes

A. Cash and Investments

	<u>2010</u>	<u>2009</u>
Cash and investments with County Treasury	\$184,953	\$214,395
Petty cash with Exchange Bank	500	500
	<u>\$ 185,453</u>	<u>\$214,895</u>

Investment in the Sonoma County Treasurer's Investment Pool

As authorized by Health and Safety Code 13854 (a) the District's cash is pooled with the Sonoma County Treasurer, who acts as a disbursing agent for the District. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Interest earned on investments pooled with the County is allocated quarterly to the appropriate fund

based on its respective average daily balance for that quarter. The Treasury Oversight Committee has regulatory oversight for all monies deposited into the Treasury Pool.

Roseland Fire Protection District
Notes to the Basic Financial Statements
June 30, 2010, and 2009

Investment Guidelines

The District's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity and maximum rate of return. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

A copy of the Treasury Pool investment policy is available upon request from the Sonoma County Treasurer at 585 Fiscal Drive, Room 100-F, Santa Rosa, California, 95403-2871.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways that the

Treasury Pool manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of June 30, 2010, approximately 65 percent of the securities in the Treasury Pool had maturities of one year or less. Of the remainder, only 6 percent had a maturity of more than five years.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Treasury Pool does not have a rating provided by a nationally recognized statistical rating organization.

Roseland Fire Protection District
Notes to the Basic Financial Statements
June 30, 2010, and 2009

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Treasury Pool's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions:

- The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by depository regulated under stated law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.
- The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Treasury Pool).

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. For a listing of investments in any one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represent 5% or more of total County investments, refer to the 2010 Sonoma County CAFR.

Roseland Fire Protection District
Notes to the Basic Financial Statements
June 30, 2010, and 2009

B. Capital assets

Capital asset activity for the year ended June 30, 2010 & 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers & Adjustments</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 10,000	\$	\$	\$	\$ 10,000
Total capital assets, not being depreciated	<u>10,000</u>				<u>10,000</u>
Capital assets, being depreciated:					
Buildings and improvements	188,897				188,897
Total capital assets, being depreciated	<u>188,897</u>				<u>188,897</u>
Less accumulated depreciation for:					
Buildings and improvements	(170,007)				(170,007)
Total accumulated depreciation	<u>(170,007)</u>				<u>(170,007)</u>
Total capital assets, being depreciated, net	<u>18,890</u>				<u>18,890</u>
Capital assets, net	<u>\$ 28,890</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 28,890</u>

There was no depreciation expense charged to functions/programs of the District.

IV. Other Information

A. Risk Management

The District receives automobile and general liability coverage as a member of the Fire Agencies Insurance Risk Authority (FAIRA). The District is also a member of the Fire Districts Association of California-Fire Association Self Insurance System (FDAC-FASIS) through which it receives workers' compensation coverage.

As a member of a public entity risk pool, the District is responsible for appointing an employee as a liaison between the District and the system, implementing all policies of the system, promptly paying all contributions, and cooperating with the system and any insurer of the system. The system is responsible for providing insurance coverage as agreed upon, assisting the District with implementation, providing claims adjusting and defense of any civil action brought against an officer of the system.

**Roseland Fire Protection District
Notes to the Basic Financial Statements
June 30, 2010, and 2009**

B. Auditor Independence

As required by various statutes within the California Government Code, County Auditor-Controllers are mandated to perform certain accounting, auditing and financial reporting functions. These activities, in themselves, necessarily impair the auditor's independence. Specifically, "Auditors should not audit their own work or provide non-audit services in situations where the amounts or services involved are significant or material to the subject matter of the audit." Although the office of the Auditor-Controller is statutorily obligated to maintain accounts of departments, districts or funds that are contained within the County Treasury, we believe that adequate safeguards and divisions of responsibility exist. Therefore, we believe that subject to this qualification and disclosure, the reader can rely on the auditor's opinion contained in this report.

C. Proposition 1A Borrowing by the State of California

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the Roseland Fire Protection District was \$36,352.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities.

Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The Roseland Fire Protection District participated in the securitization program and accordingly property taxes have been recorded in the same

Roseland Fire Protection District
Notes to the Basic Financial Statements
June 30, 2010, and 2009

manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

D. New Accounting Pronouncements

Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, issued in February 2009. This Statement establishes accounting and financial reporting standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. GASB Statement No. 54 is effective for financial statements for fiscal years beginning after June 15, 2010.

The impact on the basic financial statements of the County of these pronouncements which have been issued, but not yet adopted, is unknown at this time.

**Roseland Fire Protection District
Roster of Board Members**

As of June 30, 2010, the District Board consisted of the following members:

<u>Directors</u>	<u>Office</u>	<u>Term Expires</u>
Renee Milligan	Chair	November, 2014
Alice Petty	Director.....	November, 2012
Sandra Bassignani.....	Director.....	November, 2012
Vacant		
Vacant		

Regular Meetings:

The regular meeting of the Board of Directors is held at 5:00 P.M. on the second Monday of each month at the Roseland Fire Station, 830 Burbank Avenue, Santa Rosa, CA. (707) 994-0315.