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Citizens' Oversight Committee and City Council
 City of San Bernardino, California

**Independent Auditors' Report on the
 Measure Z Public Safety Tax (Measure Z)**

We have audited the accompanying schedule of revenues and expenditures of the Measure Z Public Safety Tax (Measure Z) of the City of San Bernardino for the period from inception (April 1, 2007) to June 30, 2007. This financial statement is the responsibility of the City of San Bernardino, California's management. Our responsibility is to express an opinion on this financial statement 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 our audit to obtain reasonable assurance about whether the schedule of revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule of revenues and expenditures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedule of revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying schedule of revenues and expenditures presents only the revenues and expenditures of the Measure Z Public Safety Tax (Measure Z) of the City of San Bernardino.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and expenditures of the Measure Z Public Safety Tax (Measure Z) of the City of San Bernardino for the period from inception (April 1, 2007) to June 30, 2007 in conformity with accounting principles generally accepted in the United States of America.

Rogers, Anderson, Malody & Scott, LLP

January 22, 2008

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CITY OF SAN BERNARDINO
 Measure Z Public Safety Tax (Measure Z)
 For the period from inception (April 1, 2007) to June 30, 2007

Beginning Balance - April 1, 2007	\$	-
Revenues:		
Sales tax (0.25%)		1,162,882
Expenditures:		
Salaries and benefits		547,909
Maintenance and operations		52,079
Contractural services		331,448
Internal services		37,800
Capital outlay		81,282
Total expenditures		1,050,518
Ending Balance - June 30, 2007	\$	112,364*

* The ending balance of \$112,364 at June 30, 2007 does not reflect the following carryovers from fiscal year 2006/07 to fiscal year 2007/08, approved by the City Council in December, 2007:

Continuing Appropriations	\$	318,300
Encumbrances		128,200
Total	\$	446,500



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Citizen's Oversight Committee and City Council
City of San Bernardino, California

**Additional Information Regarding the Audit of the
Measure Z Public Safety Tax (Measure Z) of the City of San Bernardino**

Our audit of the Measure Z Public Safety Tax (Measure Z) of the City of San Bernardino included the procedures identified below, as well as other procedures performed in connection with our audit of the financial statements of the City of San Bernardino (the City) for the period from inception (April 1, 2007) to June 30, 2007 which resulted in our unqualified opinion that the financial statements of the City were fairly stated in accordance with generally accepted accounting principles. This information regarding our audit of the Measure Z Public Safety Tax (Measure Z) has been provided to communicate to the Citizens' Oversight Committee the results of the audit procedures identified below:

1. We analyzed the following documents in order to gain an understanding of the requirements stated in Measure Z:
 - Ordinance No. MC-1229
 - Resolution 2006-286
 - Resolution 2006-287
 - Resolution 2006-288
 - Resolution 2006-289

Results: We noted that the City Council placed before the voters of the City of San Bernardino a Public Safety Transactions and Use Tax Ordinance (the Ordinance) relating to the imposition of a one-quarter of one percent (0.25%) transactions and use tax to fund public safety operation. The election on the Measure was held on November 7, 2006 at which time the voters were asked whether or not the City should implement a quarter-cent sales tax for 15 years to improve public safety, fund anti-gang and anti-crime operations, and fund supervised after-school youth activities. The Measure presented to the voters provided that such funds would be utilized with the creation of a citizen's oversight committee and independent financial audits. At the election on November 7, 2006, the voters passed the Ordinance, identified as Measure Z on the ballot.

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2. We obtained and reviewed a summary revenue detail report from the City's general ledger for Measure Z Public Safety Tax for the period from inception (April 1, 2007) to June 30, 2007. We reviewed supporting cash receipts to test whether the City had properly recorded receipts of the voter approved transaction and use tax in the amount of one-quarter of one percent (0.25% sales tax) in the general fund of the City.

Results: We noted no exceptions as a result of our procedures. All receipts of the voter approved transaction and use tax in the amount of one-quarter of one percent (0.25% sales tax) were properly recorded in the general fund of the City for the period from inception (April 1, 2007) to June 30, 2007.

3. We obtained and reviewed a summary expenditure detail from the City's general ledger for Measure Z Public Safety Tax for the period from inception (April 1, 2007) to June 30, 2007. We selected individually significant invoices listed in this expenditure detail report and tested whether adequate supporting documentation (vendor/supplier invoices, receipts, etc.) existed and whether the expenditure related to the specific projects stated in the Measure. We also examined the supporting documentation to test whether the amounts agreed to the City's general ledger and that no unallowable costs were charged to Measure Z Public Safety Tax.

Results: We noted no exceptions as a result of our procedures. Adequate supporting documentation existed for selected items and the expenditures related to the specific projects stated in the Measure. In addition, amounts on the supporting documentation agreed to the City's general ledger and no unallowable costs to Measure Z Public Safety Tax were detected by our testing.

4. We obtained and reviewed selected journal entries to test whether the allocation of salaries to Measure Z Public Safety Tax were reasonable. We obtained an understanding from the City of the methodology used to allocate salaries, as well as reviewed documentation supporting these allocations to Measure Z Public Safety Tax. In addition, we inquired selected employees charged to the Fund to determine if the salaries allocated were reasonable based upon duties performed.

Results: We noted no exceptions as a result of our procedures. Salaries charged to Measure Z Public Safety Tax were reasonable in relation to the activities and duties performed by the related personnel.

This report is intended solely for the information and use of the City Council, management of the City of San Bernardino and the Citizens' Oversight Committee and is not intended to be and should not be used by anyone other than these specified parties. However, this limitation is not meant to limit the distribution of this report which is a matter of public record.

Rogers, Amburn, Maloy & Scott, LLP

January 22, 2008