CITY OF SAN BERNARDINO, CALIFORNIA

Comprehensive Annual Financial Report

Year Ended June 30, 2010

PREPARED BY

FINANCE DEPARTMENT

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City of San Bernardino
Comprehensive Annual Financial Report
Year Ended June 30, 2010

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www.sbcity.org

April 9, 2011

To the Mayor, Members of the City Council and Citizens of the City of San Bernardino:

It is the policy of the City of San Bernardino to annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of San Bernardino ("the City") for the fiscal year ended June 30, 2010.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by ROGERS, ANDERSON, MALODY & SCOTT, L.L.P., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2010 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principals used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon that audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2010, were fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City's internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of San Bernardino, incorporated as a Charter City in 1854, is located in Southern California, approximately 60 miles east of Los Angeles and 55 miles west of Palm Springs. The City has a land area of approximately 59.3 square miles and population of over 205,000. The City is the County Seat of San Bernardino County, the largest county in the nation. Along with adjacent Riverside County, these two counties comprise what is called the "Inland Empire," so-named because it formerly was a vast agriculture domain (primarily citrus). This area is immediately east of the Los Angeles/Orange County metropolitan area and has one of the fastest growing populations in the United States, a trend that is expected to continue through the next decade.

The City operates under a hybrid Mayor-Council-City Manager form of government. The Mayor is elected by the voters at large, and is the City's Chief Executive Officer. Each of the seven members of the City Council is elected by voters in their respective wards. The Mayor and Councilmembers serve four-year terms. Under the supervision of the Mayor, the City Manager is the Chief Administrative Officer. The City Manager directs most City Departments, other than those governed by separate boards (Water Dept., Civil Service, Library) and the offices of elected officials. The City Manager's office, in addition to assisting the Mayor and Council in policy formation, focuses on special projects. The City of San Bernardino also has an elected City Attorney, City Treasurer and City Clerk.

The City provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets and other infrastructure; and recreational activities and cultural events. The City is financially accountable for a redevelopment agency and financing authority, both of which are reported separately within the City's financial statements. Additional information regarding all three of these legally separate entities can be found in the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, this comparison is presented as part of the required supplementary information in the accompanying financial statements. For governmental funds that have appropriated annual budgets, other than the general fund and major special revenue funds, this comparison is presented in the supplementary section of the accompanying financial statements.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy. The housing market and related industries have been major sources of growth in the local economy for several years. Now that the downturn in the housing market has resulted in an extended recession, the local economy has been affected more than most areas of the country. As an example, the Inland Empire has experienced rates of home foreclosures and levels of unemployment that are higher than other areas of the country. The recession has impacted many industries across the region resulting in a reduction in sales tax revenues to the City. This is of particular concern to the City because economic experts believe the Inland Empire will recover from the recession more slowly than other areas of the country and sales tax revenues have been the largest revenues of the City. In addition, because the value of real estate in the area has decreased, property tax revenues have now also decreased and are expected to continue to decrease over the next few years.

Cash management policies and practices. Cash temporarily idle during the year was invested by the City Treasurer in authorized investments including obligations of the U.S. Treasury, corporate bonds, investment contracts, and the State Treasurer's investment pool. The maturities of the investments range from current to 5 years, with average days to maturity of 871 at June 30, 2010. The average yield on investments was 2.97 percent. Investment income includes changes in the fair value of investments. Changes in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the City intends to hold to maturity.

Risk management. The City of San Bernardino is self-insured for workers' compensation and liability. The unpaid claims and judgments payable as of June 30, 2010 for these activities is $13,976,125. Third-party coverage is currently maintained from the CSAC Excess Insurance Authority and ACE American Insurance Company for workers' compensation claims in excess of $1 million, with limits of $50 million. Third-party coverage is currently maintained from the Big Independent Cities Excess Pool (BICEP) for liability coverage in excess of $1 million with limits of $25 million. Additional information on the City's risk management activity can be found in the notes to the financial statements.

Pension and other postemployment benefits. The City contributes to the California Public Employees Retirement System, an agent multiple-employer public employee defined benefit pension plan for its employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As of June 30, 2009 (the most recent year for which the calculation is available), the City of San Bernardino has succeeded in funding 85.3% of the present value of the projected benefits earned by employees.

The City also provides postretirement health and dental care benefits for certain retirees and their dependents which are financed on a pay-as-you-go basis. The actuarially determined unfunded annual required contribution for current benefits is included on the government wide financial statements in accordance with GAAP.

Additional information regarding the City's pension arrangements and postemployment benefits can be found in the notes to the financial statements.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of San Bernardino for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. This was the sixth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department, especially Kate Myers, Accounting Manager, who coordinated the preparation of this report. Credit also must be given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Barbara S. Pachon
Finance Director

CITY OF SAN BERNARDINO, CALIFORNIA

ROSTER OF CITY OFFICIALS

JUNE 30, 2010

LEGISLATIVE OFFICIALS

Patrick J. Morris	Mayor*
Virginia Marquez	Member of Common Council-Ward 1*
Jason Desjardins.	Member of Common Council-Ward 2*
Tobin Brinker	Member of Common Council-Ward 3*
Fred Shorett.	Member of Common Council-Ward 4*
Chas Kelley.	Member of Common Council-Ward 5*
Rikke Van Johnson.	Member of Common Council-Ward 6*
Wendy J. McCammack	Member of Common Council-Ward 7*

CHIEF ADMINISTRATIVE OFFICERS

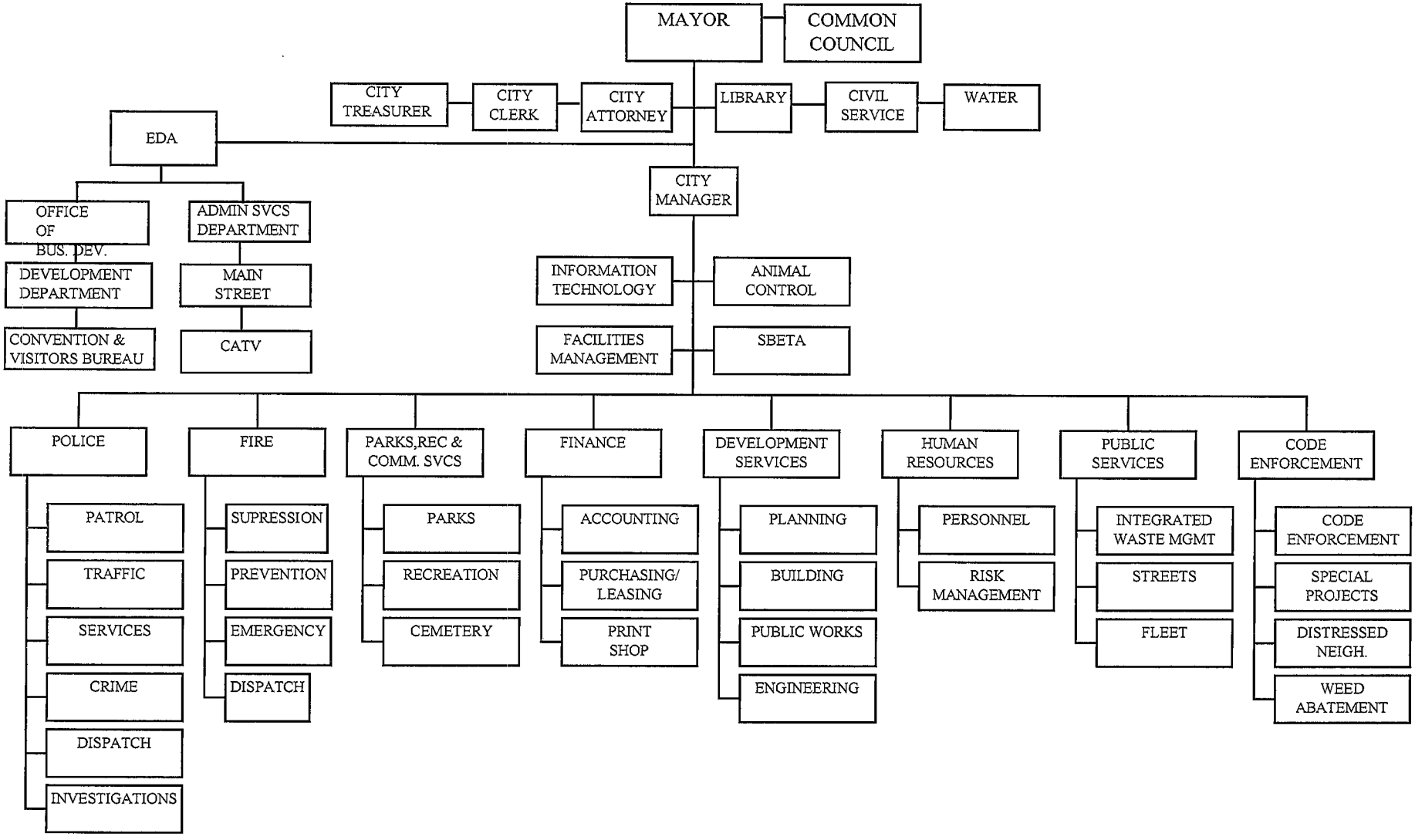
Charles McNeely.	City Manager
Emil Marzullo	Executive Director, Economic Development Agency
Stacey Aldstadt	General Manager, San Bernardino Municipal Water Department

DEPARTMENT HEADS

Rachel Clark	City Clerk*
James F. Penman	City Attorney*
David Kennedy	City Treasurer*
Barbara Pachon	Director of Finance
Valerie Ross	Development Services
Keith Kilmer	Chief of Police
Michael Conrad	Fire Chief
Kevin Hawkins.	Parks and Recreation Director
Deborah Clark	Interim Library Director
Ernest Dowdy	Executive Director (Federal Programs)
Randy Kuettle	Acting Public Services Director
Linn Livingston	Human Resources Director

*Elected Officials

CITY OF SAN BERNARDINO



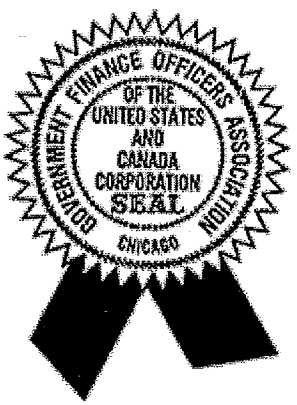
Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of San Bernardino California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS

ROBERT B. MEMORY, C.P.A. (1945-2009)

OF COUNSEL
JAY H. ZERCHER, C.P.A.

PHILLIP H. WALLER, C.P.A.
BRENDA L. ODLE, C.P.A.
TERRY P. SHEA, C.P.A.
KIRK A. FRANKS, C.P.A.
MATTHEW B. WILSON, C.P.A.
SCOTT W. MANNO, C.P.A.
LEENA SHANBHAG, C.P.A.

NANCY O'RAFFERTY, C.P.A.
BRADFERD A. WELEBIR, C.P.A.
JENNY LIU, C.P.A.
KATIE L. MILLSOM, C.P.A.
JONATHAN R. KUHN, C.P.A.
PAPA MATAR THIAW, C.P.A.
MAYA S. IVANOVA, C.P.A.
CHRISTOPHER MONTOYA, C.P.A.
DANIELLE E. ODGERS, C.P.A.
TRAVIS C. HICKEY, C.P.A.
WILLIAM C. CLAYTON, C.P.A.

The Honorable Mayor and Council Members City
of San Bernardino, California

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Bernardino, California, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of San Bernardino's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the water and sewer funds, which are major funds and 96%, 99% and 62%, respectively, of the assets, net assets, and revenues of the business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the business-type activities and proprietary fund financial statements, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Bernardino, California, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

MEMBERS

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CERTIFIED PUBLIC ACCOUNTANTS

PCPS THE AICPA ALLIANCE FOR CPA FIRMS

CALIFORNIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

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In accordance with *Government Auditing Standards,* we have also issued a report dated March 28, 2011 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The information identified in the accompanying table of contents as *management's discussion and analysis* and *required supplementary information* are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of San Bernardino's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, the budgetary comparison schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the primary government basic financial statements. The combining, individual nonmajor fund financial statements and the budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to, the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Rogers Anderson Malody & Scott, LLP

March 28, 2011

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance of the City of San Bernardino (the City) provides an overview of the City's financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the transmittal letter and financial statements identified in the accompanying table of contents.

Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Also included in the accompanying report are fund financial statements. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements, required supplementary information,* and an optional section that presents *combining statements* for non-major governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.

- The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City's operations in *more detail* than the government-wide statements.

    - The *governmental funds* statements tell how *general government* user services like public safety were financed in the *short-term* as well as what remains for future spending.

    - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates like businesses, such as the water and sewer system.

    - *Fiduciary fund* statements provide information about the fiduciary relationships – like the agency funds of the City – in which the City acts solely as *agent* or *trustee* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that provided additional financial and budgetary information.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1
Major Features of the City's Government-wide and Fund Financial Statements

	Government-wide Statements	Government Funds	Proprietary Funds
Scope	Entire City Government (except Fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses
Required financial statements	- Statement of net assets - Statement of activities	- Balance sheet - Statement of revenues, expenditures and changes in fund balances	- Statement of net assets - Statement of revenues, expenses and changes in net assets - Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Reporting the City as a Whole

The accompanying **government-wide financial statements** include two statements that present financial data for the City of San Bernardino as a whole. One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting,* which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. You can think of the City's net assets – the difference between assets and liabilities – as one way to measure the City's financial health, or *financial position*. Over time, *increases and decreases* in the City's net assets are one indicator or whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here. Sales taxes, property taxes, other taxes, state subventions, and other revenues finance most of these activities.

- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of the services accounted for in these funds.

Reporting the City's Most Significant Funds

The **fund financial statements** provide detailed information about the City's most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for using certain taxes, grants, or other money (like grants received). The City's two kinds of funds – *governmental and proprietary* – use different accounting approaches.

- *Governmental Funds* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *current financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship or differences between *governmental activities* (reported in the Statement of Net Assets and the Statement of Activities) and *governmental funds* in reconciliations following each of the fund financial statements, respectively.
- *Proprietary funds* – When the city charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

A Summary of the government-wide *statement of net assets* follows:

Table 1
Net assets
June 30, 2010 and 2009
(in millions)

	2010			2009		
	Govt activities	Bus-type activities	Total	Govt activities	Bus-type activities	Total
Current and other assets	$ 251.6	$ 134.2	$ 385.8	$ 234.6	$ 140.8	$ 375.4
Capital assets	464.2	258.0	722.2	474.8	254.6	729.4
Total assets	715.8	392.2	1,108.0	709.4	395.4	1,104.8
Long-term debt	285.2	68.7	353.9	260.7	61.1	321.8
Other liabilities	44.9	70.8	115.7	38.6	82.9	121.5
Total liabilities	330.1	139.5	469.6	299.3	144.0	443.3
Net assets:						
Invested in capital assets, net of debt	417.6	201.0	618.6	456.8	197.0	653.8
Restricted	188.9	12.0	200.9	206.1	19.8	225.9
Unrestricted	(220.8)	39.7	(181.1)	(252.8)	34.6	(218.2)
Total net assets	$ 385.7	$ 252.7	$ 638.4	$ 410.1	$ 251.4	$ 661.5

A summary of the government-wide *statement of activities* follows:

Table 2
Changes in net assets
For the years ended June 30, 2010 and 2009
(in millions)

	2010			2009		
Revenues	Govt activities	Bus-type activities	Total	Govt activities	Bus-type activities	Total
Program revenues:						
Charges for services	$ 27.1	$ 76.2	$ 103.3	$ 27.7	$ 73.6	$ 101.3
Operating contributions and grants	29.8	1.9	31.7	30.3	2.0	32.3
Capital contributions and grants	8.1	6.3	14.4	-	5.2	5.2
General revenue:						
Sales tax	25.6	-	25.6	29.6	-	29.6
Property tax	63.6	-	63.6	74.7	-	74.7
Other taxes	31.1	-	31.1	33.4	-	33.4
Other general	16.3	2.8	19.1	19.8	3.4	23.2
Total revenues	201.6	87.2	288.8	215.5	84.2	299.7
Program expenses:						
General government	30.1	-	30.1	31.9	-	31.9
Public safety	96.1	-	96.1	100.5	-	100.5
Streets	26.4	-	26.4	28.5	-	28.5
Culture and recreation	5.7	-	5.7	7.1	-	7.1
Community development	30.0	-	30.0	12.2	-	12.2
Economic development	18.3	-	18.3	22.3	-	22.3
Community service	9.1	-	9.1	4.2	-	4.2
Integrated Waste	-	23.8	23.8	-	23.7	23.7
Water	-	32.6	32.6	-	33.2	33.2
Sewer	-	26.0	26.0	-	24.2	24.2
Interest on long-term debt	13.8	-	13.8	14.0	-	14.0
Total expenses	229.5	82.4	311.9	220.7	81.1	301.8
Excess (deficiency before transfer	(27.9)	4.8	(23.1)	(5.2)	3.1	(2.1)
Transfers	3.5	(3.5)	-	2.8	(2.8)	-
Increase (decrease) in net assets	(24.4)	1.3	(23.1)	(2.4)	0.3	(2.1)
Beginning net assets	410.1	251.4	661.5	412.5	251.1	663.6
Ending net assets	$ 385.7	$ 252.7	$ 638.4	$ 410.1	$ 251.4	$ 661.5

The increase or decrease in net assets can provide an indication as to whether the overall financial position of the City improved or deteriorated during the year. Net assets of the City's governmental activities decreased by 5.9 percent ($385.7 million compared to $410.1 million). Revenue and expense fluctuations are described below for the governmental and business-type activities of the City. *Unrestricted* net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was $220.8 million deficit at the end of this year. The net assets of the City's business-type activities increased by .5 percent ($252.7 million compared to $251.4 million).

Governmental Activities

The cost of all *governmental* activities this year was $229.5 million. As shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through City taxes and other sources was only $164.4 million because some of the cost was paid by those who directly benefited from the programs ($27.1 million) or by other governments and organizations that subsidized certain programs with grants and contributions ($37.9 million). Overall, the City's governmental program revenues, including intergovernmental aid and fees for services were $65.0 million. The City paid for the remaining "public benefit" portion of governmental activities with $136.6 million in taxes (some of which could only be used for certain programs) and with other revenues, such as interest and general entitlements.

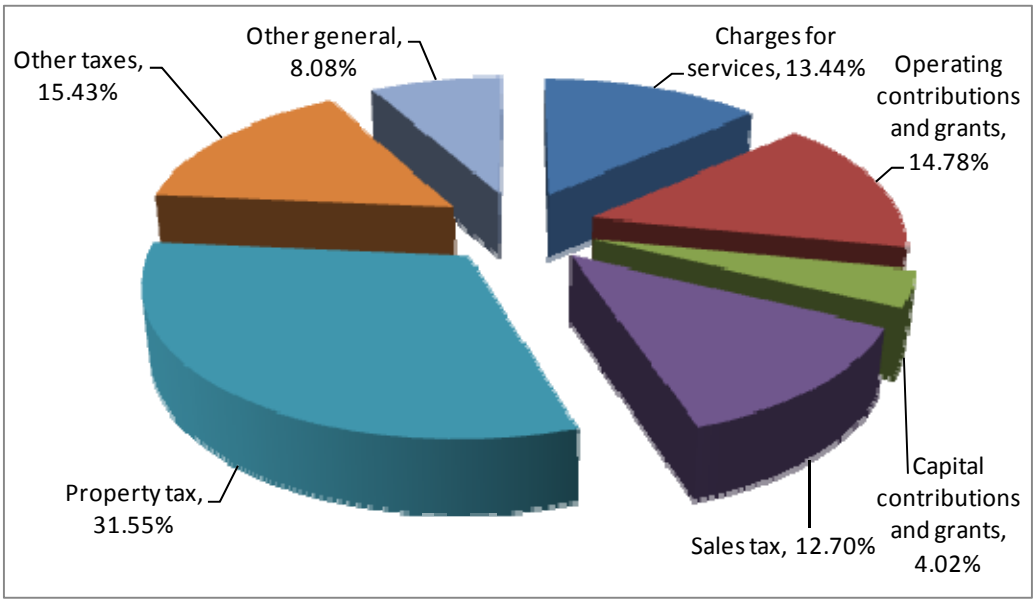
The reasons for significant changes in the revenues and expenses of the City's governmental activities presented above are as follows:

- Total revenues in governmental activities decreased by 6.4% ($201.6 million in 2010 vs. $215.5 million in 2009). This was primarily due to a $11.1 million decrease in property taxes which was a result of decreased property values due to the downturn in the local economy.

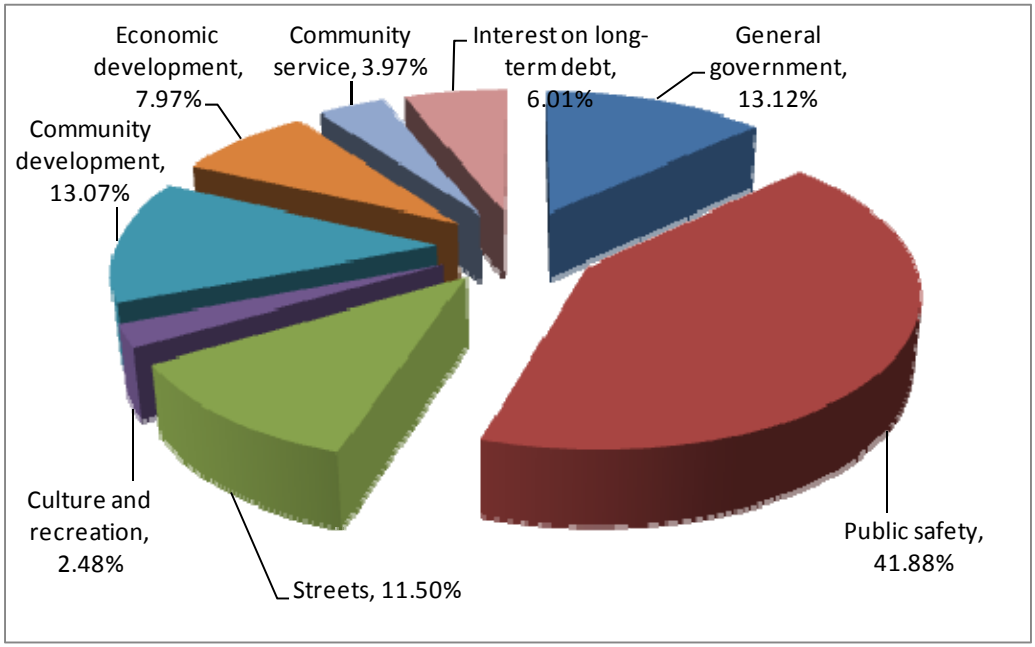
- The cost of governmental functions/programs increased by $8.7 million. The largest increases were due to increased Community Development and Community Service activity.

- The overall decrease in net assets for governmental activities was $24.4 million in 2009-10.

Revenue by Source – Governmental Activities



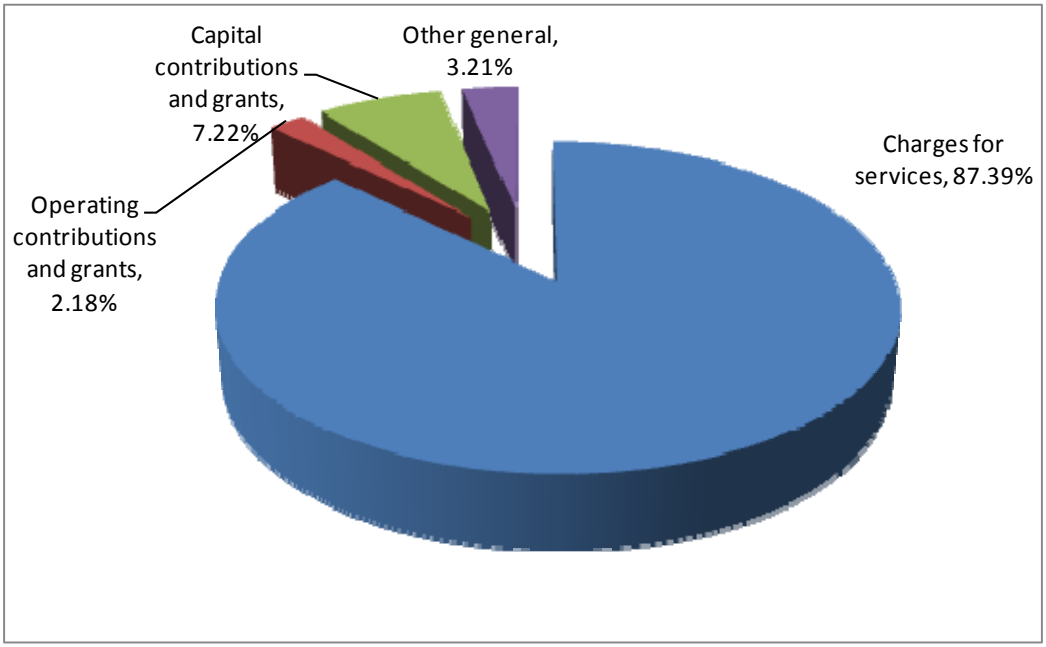
Expenses by Function – Governmental Activities



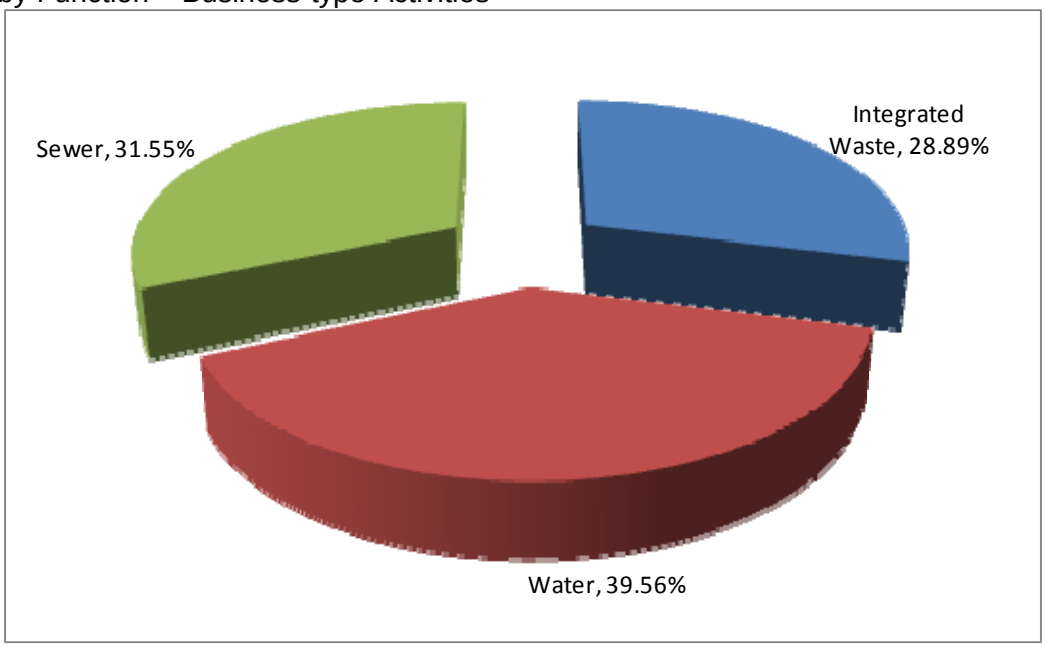
Business-Type Activities

Current years' operating revenues of the City's business-type activities increased by 3.9% for Integrated Waste, 1.6% for the Water, and 5.7% for Sewer. Capital Contributions in Water and Sewer were equal to 21.1 and 2.2 percent of operating revenues, respectively. Net assets increased by 2.4 percent for Water. Integrated Waste and Sewer net assets for the year decreased by $841,256 and $1,573,634 after non-operating revenues and expenses and transfers.

Revenue by Source – Business-type Activities



Expenses by Function – Business-type Activities



MAJOR FUNDS

As noted earlier, the City uses fund accounting to provide proper financial management of the City's resources and to demonstrate compliance with finance-related legal requirements.

Major Governmental Funds. The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, there was a negative $(696,939) unreserved and undesignated fund balance in the general fund, and no designated budget reserve, while total fund balance decreased by $2.3 million to $.4 million. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents .3 percent of total general fund expenditures.

The reasons for significant changes in the revenues and expenditures of the City's' General Fund from the prior year are as follows:

- Overall, General Fund revenues decreased by $10.0 million, with the largest decrease in Taxes ($10.5 million).

- Total expenditures in the General Fund decreased by $13 million (9.0 percent). The largest decreases were in Public Safety ($11.5 million) and in Culture and Recreation ($1.5 million).

- The change in fund balance in the General Fund (including transfers) was a decrease of $2.3 million in 2009/10.

The reasons for significant changes in the **Economic Development Agency** Major Funds from the prior year are as follows:

- Special Revenue Fund - Fund balance increased by $3.7 million due to an increase in intergovernmental revenues.

- Debt Service Fund – Fund balance increased by $.03 million due primarily from an increase in investment income of $.6 million.

- Capital Projects Fund – Fund balance decreased by $11.1 million. Tax increment revenue decreased by $7.1 and project costs increased by $11.7 million, and these were offset by a decrease in transfers out of $7.3 million over the prior year.

Major Enterprise Funds. At year-end unrestricted net assets of the **Sewer Fund** were $23.5 million, $11.6 million for the **Water Fund** and $4.6 million for the **Integrated Waste Fund.** The change in net assets for the funds was a decrease of $1.6 million, an increase of $3.7 million and a decrease of $.8 million for each of the three funds, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGET

Differences between the original budget and the final amended budget for appropriations of the General Fund were $54,700. The primary reasons for these differences can be briefly summarized as follows:

- Appropriations were increased by $823,500 for encumbrance and continuing appropriation carryovers.
- Appropriations were decreased by $806,200 for budget-balancing measures that were instituted during the year.

Major deviations between the final total budget of the General Fund and its actual operating results were as follows:

- Property Tax was $.7 million and total taxes were $1.3 million less than budget
- Sales Tax was $.5 million less than budget
- Total Revenues were $4.1 million less than budget
- Total expenditures were $5.8 million less than budget
- Public Safety expenditures were $3.4 million less than budget
- General Government expenditures were $1.5 million less than budget

These deviations did not significantly affect the City's liquidity or ability to provide future government services.

CAPITAL ASSETS

Capital assets
(net of depreciation)
June 30, 2010 and 2009
(in millions)

	2010			2009		
	Govt activities	Bus-type activities	Total	Govt activities	Bus-type activities	Total
Land	$ 125.5	$ 15.4	$ 140.9	$ 126.0	$ 15.4	$ 141.4
Infrastructure	277.0	-	277.0	288.1	-	288.1
Systems, pumping, wells	-	124.6	124.6	-	126.0	126.0
Buildings and improvements	26.4	72.5	98.9	28.8	76.4	105.2
Machinery and equipment	15.1	17.7	32.8	16.7	16.8	33.5
Construction in progress	20.2	27.8	48.0	15.2	20.0	35.2
Totals	$ 464.2	$ 258.0	$ 722.2	$ 474.8	$ 254.6	$ 729.4

The major additions to capital assets during the year ended June 30, 2010 were as follows:

- $2.7 million increase in infrastructure assets and $5.0 million increase in construction in process for Governmental activities.
- $7.9 million increase in construction in process for Business-type activities.

Additional information on the City's capital assets can be found in the Capital Assets Note 4 in the accompanying financial statements as listed in the table of contents.

LONG-TERM DEBT

At the end of the current fiscal year, the City had bonded debt outstanding of $223.1 million and additional debt of $130.8 million. Of the bonded indebtedness, $131.7 million relates to tax allocation bonds, $47.9 is pension obligation bonds, $12.5 million is revenue bonds, $30.9 million is certificates of participation, and $.1 million is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment.

Outstanding debt
June 30, 2010 and 2009
(in millions)

	2010			2009		
	Govt activities	Bus-type activities	Total	Govt activities	Bus-type activities	Total
Tax allocation bonds	$ 131.7	$ -	$ 131.7	$ 138.1	$ -	$ 138.1
Revenue bonds	12.4	0.1	12.5	13.6	0.1	13.7
Notes payable	15.9	27.9	43.8	12.7	30.9	43.6
Certificates of participation	11.4	19.5	30.9	11.9	21.7	33.6
Pension obligation bonds	47.9	-	47.9	48.6	-	48.6
Assessment district bonds	0.1	-	0.1	0.3	-	0.3
Other	65.8	21.2	87.0	62.7	18.4	81.1
Totals	$ 285.2	$ 68.7	$ 353.9	$ 287.9	$ 71.1	$ 359.0

The City's total debt decreased by $5.1 million (1.4 percent) during the current fiscal year.

State statutes limit the amount of general obligation debt a city may issue to 15 percent of its total assessed valuation. The current debt limitation for the City is $204,238,085 which is significantly in excess of the City's outstanding general obligation debt of $71,762,051.

Additional information on the City's long-term debt can be found in the Long-Term Liabilities Note 5 in the accompanying financial statements as listed in the table of contents.

Contacting the City's Financial Management

This financial report is designed to provide out citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the Finance Director, City of San Bernardino at 300 N. "D" St. San Bernardino, California 92418.

BASIC FINANCIAL STATEMENTS

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City of San Bernardino
Statement of Net Assets
June 30, 2010
(with prior year data for comparative purposes only)

	Governmental Activities	Business-type Activities	Totals 2010	Totals 2009
ASSETS				
Cash and investments	$ 68,600,304	$ 72,739,538	$ 141,339,842	$ 172,098,319
Cash and investments with fiscal agents	29,546,401	3,597,721	33,144,122	33,409,419
Receivables, net:				
Accounts	1,587,501	12,266,046	13,853,547	12,988,967
Interest	157,617	127,989	285,606	787,642
Notes	44,821,904	3,445	44,825,349	25,413,078
Other	17,968,448	-	17,968,448	650,989
Deposits	322,000	-	322,000	-
Inventory	481,676	1,622,670	2,104,346	2,045,921
Prepaids	199,846	38,775,590	38,975,436	40,541,400
Internal balances	(860,048)	860,048	-	-
Due from other governments	16,428,738	3,401,264	19,830,002	18,141,109
Property held for resale	71,260,653	-	71,260,653	64,104,285
Deferred charges	863,133	-	863,133	919,307
Other assets	293,631	818,652	1,112,283	4,302,102
Capital assets:				
Land, improvements and construction in progress	145,618,161	43,264,625	188,882,786	176,537,921
Other capital assets, net of depreciation	318,584,821	214,811,824	533,396,645	552,869,341
Total assets	715,874,786	392,289,412	1,108,164,198	1,104,809,800
LIABILITIES				
Accounts payable and accrued expenses	5,204,004	7,562,737	12,766,741	13,749,824
Accrued interest	3,703,327	684,952	4,388,279	4,559,063
Retentions payable	208,067	-	208,067	62,861
Deposits payable	5,040	3,442,608	3,447,648	3,380,459
Unearned revenue	19,375,199	59,147,525	78,522,724	62,764,599
Due to other governments	182,870	-	182,870	181,300
Short-term note payable	16,250,000	-	16,250,000	-
Noncurrent liabilities:				
Due within one year	28,733,084	10,392,985	39,126,069	36,399,240
Due in more than one year	256,487,568	58,353,092	314,840,660	322,201,654
Total liabilities	330,149,159	139,583,899	469,733,058	443,299,000
NET ASSETS				
Invested in capital assets, net of related debt	417,644,510	200,989,638	618,634,148	653,804,242
Restricted (note 20)	188,976,306	11,992,059	200,968,365	225,897,108
Unrestricted	(220,895,189)	39,723,816	(181,171,373)	(218,190,550)
Total net assets	$ 385,725,627	$ 252,705,513	$ 638,431,140	$ 661,510,800

The accompanying notes are an integral part of these financial statements.

City of San Bernardino
Statement of Activities
For the year ended June 30, 2010
(with prior year data for comparative purposes only)

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Service**	**Operating Contributions and Grants**	**Capital Contributions and Grants**
Governmental activities:				
General government	$ 30,091,111	$ 4,035,539	$ 1,774,205	$ -
Public safety	96,151,341	8,397,172	5,144,003	-
Streets	26,308,728	7,611,158	-	8,127,158
Culture and recreation	5,682,806	1,897,352	15,415	-
Community development	29,981,845	3,681,075	17,482,133	-
Economic development	18,333,565	-	-	-
Community service	9,092,811	1,539,532	5,418,790	-
Interest on long-term debt	13,852,035	-	-	-
Total governmental activities	229,494,242	27,161,828	29,834,546	8,127,158
Business-type activities:				
Integrated Waste	23,871,383	26,074,292	-	-
Water	32,608,484	27,688,694	1,894,624	5,829,803
Sewer	26,037,956	22,424,943	-	495,768
Total business-type activities	82,517,823	76,187,929	1,894,624	6,325,571
Total government	$ 312,012,065	$ 103,349,757	$ 31,729,170	$ 14,452,729

General revenues:
Taxes:
Sales tax
Property tax
Other taxes
Franchises
Unrestricted investment earnings
Other
Intergovernmental (unrestricted)
Transfers

Total general revenues and transfers

Change in net assets

Net assets, beginning of year

Net assets, end of year

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Business-type Activities	Totals 2010	Totals 2009
$ (24,281,367)	$ -	$ (24,281,367)	$ (26,811,827)
(82,610,166)	-	(82,610,166)	(88,927,593)
(10,570,412)	-	(10,570,412)	(8,063,119)
(3,770,039)	-	(3,770,039)	(5,156,765)
(8,818,637)	-	(8,818,637)	760,012
(18,333,565)	-	(18,333,565)	(22,276,482)
(2,134,489)	-	(2,134,489)	1,739,557
(13,852,035)	-	(13,852,035)	(14,035,536)
(164,370,710)	-	(164,370,710)	(162,771,753)
-	2,202,909	2,202,909	1,391,332
-	2,804,637	2,804,637	(5,021)
-	(3,117,245)	(3,117,245)	(1,659,121)
-	1,890,301	1,890,301	(272,810)
25,569,302	-	25,569,302	29,601,414
63,565,610	-	63,565,610	74,661,731
31,087,543	-	31,087,543	33,460,958
3,125,973	-	3,125,973	3,513,508
1,112,028	2,333,045	3,445,073	6,730,083
11,213,503	540,421	11,753,924	12,017,176
853,324	-	853,324	951,828
3,511,700	(3,511,700)	-	-
140,038,983	(638,234)	139,400,749	160,936,698
(24,331,727)	1,252,067	(23,079,660)	(2,107,865)
410,057,354	251,453,446	661,510,800	663,618,665
$ 385,725,627	$ 252,705,513	$ 638,431,140	$ 661,510,800

City of San Bernardino
Balance Sheet
Governmental Funds
June 30, 2010
(with prior year data for comparative purposes only)

	General	Special Revenue Fund Economic Development Agency	Debt Service Fund Economic Development Agency
ASSETS			
Cash and investments	$ 2,120	$ 20,980,636	$ -
Cash and investments with fiscal agents	330,965	-	28,842,893
Deposits	-	22,000	-
Receivables, net:			
Accounts	1,515,126	-	-
Interest	-	-	-
Leases	-	-	16,921,490
Taxes	-	-	-
Special assessments	-	-	-
Notes	-	25,353,311	-
Other	-	6,411	-
Inventory	19,133	-	-
Prepaids	-	-	-
Due from other governments	9,144,142	738,724	-
Due from other funds	-	157,683	-
Advances to other funds	-	123,923	-
Property held for resale	-	45,014,940	-
Other assets	78,960	-	-
Total assets	$ 11,090,446	$ 92,397,628	$ 45,764,383

The accompanying notes are an integral part of these financial statements.

Capital Projects Fund				
Economic Development Agency	Nonmajor Governmental Funds	Total		
		2010	2009	
$ 21,626,162	$ 25,932,367	$ 68,541,285	$ 93,231,921	
-	48,843	29,222,701	29,008,175	
300,000	-	322,000	-	
-	72,375	1,587,501	3,560,721	
-	143,114	143,114	520,506	
11,012	-	16,932,502	56,963	
614,255	-	614,255	1,259,132	
-	369,971	369,971	442,585	
19,468,593	-	44,821,904	25,406,783	
43,436	-	49,847	151,441	
-	-	19,133	19,327	
-	513	513	47,520	
-	6,525,711	16,408,577	14,312,568	
-	11,128,615	11,286,298	8,105,308	
13,851,141	2,048,374	16,023,438	10,954,726	
26,245,713	-	71,260,653	64,104,285	
-	214,671	293,631	289,169	
$ 82,160,312	$ 46,484,554	$ 277,897,323	$ 251,471,130	

City of San Bernardino
Balance Sheet
Governmental Funds
June 30, 2010

	General	Special Revenue Fund Economic Development Agency	Debt Service Fund Economic Development Agency
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 889,658	$ 1,033,354	$ -
Due to other funds	6,836,625	-	-
Retentions payable	-	-	-
Deferred revenues	-	5,537,782	16,921,490
Deposits	-	-	-
Short-term note payable	-	-	-
Advances from other funds	2,939,400	11,641,141	-
Due to other governments	14,470	-	-
Total liabilities	10,680,153	18,212,277	16,921,490
Fund balances:			
Reserved for:			
Encumbrances	697,720	27,265,321	-
Deposits	78,960	22,000	-
Notes receivable	-	25,353,311	-
Inventory	19,133	-	-
Prepaids	-	-	-
Debt service	-	-	28,842,893
Advances to other funds	306,389	123,923	-
Property held for resale	-	45,014,940	-
Sewer capacity rights	-	-	-
Petty cash	5,030	-	-
Unreserved:			
General Fund:			
Designated for budget reserve	-	-	-
Undesignated	(696,939)	-	-
Special revenue funds:			
Designated for continuing appropriations	-	-	-
Undesignated	-	(23,594,144)	-
Debt service funds:			
Undesignated	-	-	-
Capital projects funds:			
Designated	-	-	-
Undesignated	-	-	-
Total fund balances (deficit)	410,293	74,185,351	28,842,893
Total liabilities and fund balances	$ 11,090,446	$ 92,397,628	$ 45,764,383

The accompanying notes are an integral part of these financial statements.

Capital Projects Fund				
Economic Development Agency	Nonmajor Governmental Funds	Total		
		2010	2009	
$ 568,853	$ 1,865,035	$ 4,356,900	$ 4,109,455	
-	10,105,555	16,942,180	14,339,987	
-	208,067	208,067	62,861	
-	2,823,682	25,282,954	9,228,492	
5,040	-	5,040	105,011	
16,250,000	-	16,250,000	-	
123,923	1,113,200	15,817,664	10,670,952	
-	168,400	182,870	181,300	
16,947,816	16,283,939	79,045,675	38,698,058	
-	650,100	28,613,141	512,900	
300,000	-	400,960	105,011	
19,468,593	-	44,821,904	22,227,200	
-	-	19,133	19,327	
-	513	513	47,520	
-	148,617	28,991,510	29,087,476	
13,851,141	2,261,574	16,543,027	10,563,256	
26,245,713	-	71,260,653	64,104,285	
-	214,671	214,671	214,671	
-	1,520	6,550	6,855	
-	-	-	2,486,162	
-	-	(696,939)	-	
-	-	-	52,700	
-	9,244,609	(14,349,535)	21,029,873	
-	(581,544)	(581,544)	(406,895)	
(47,095,657)	-	(47,095,657)	39,111,513	
52,442,706	18,260,555	70,703,261	23,611,218	
65,212,496	30,200,615	198,851,648	212,773,072	
$ 82,160,312	$ 46,484,554	$ 277,897,323	$ 251,471,130	

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City of San Bernardino
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Assets
June 30, 2010

Fund balances of governmental funds		$ 198,851,648
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		460,065,052
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in funds.		
Bonds payable	$ (181,462,051)	
Certificates of participation	(11,450,000)	
Notes payable	(15,946,637)	
Pension obligation payable	(15,548,405)	
Lease revenue bonds	(12,245,000)	
Capital lease payable	(3,195,655)	
Compensated absences	(19,689,426)	
Accrued interest payable	(3,703,328)	
Other long-term liabilities	(10,683,837)	
Deferred loss, charges and premium, net	2,646,125	(271,278,214)
Internal service funds are used by management to charge various costs to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		
Capital assets, net	$ 4,137,930	
Long-term liabilities	(12,018,269)	
Other assets and liabilities	59,724	(7,820,615)
Certain assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		5,907,756
Net assets of governmental activities		$ 385,725,627

The accompanying notes are an integral part of these financial statements.

City of San Bernardino
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2010
(with prior year data for comparative purposes only)

	General	Special Revenue Fund Economic Development Agency	Debt Service Fund Economic Development Agency
REVENUES			
Taxes	$ 83,518,733	$ -	$ -
Licenses and permits	8,387,017	-	-
Impact fees	-	-	-
Fines and forfeitures	3,379,135	-	-
Investment income	789,438	193,482	865,612
Intergovernmental	7,213,053	16,197,533	-
Charges for services	6,509,637	-	-
Other	6,051,308	488,842	-
Total revenues	115,848,321	16,879,857	865,612
EXPENDITURES			
Current:			
General government	23,540,159	-	-
Public safety	89,121,424	-	-
Streets	7,356,336	-	-
Culture and recreation	4,301,541	-	-
Community development	-	12,788,906	-
Community service	1,426,189	-	-
Economic development	-	4,651,039	-
Debt service:			
Principal	2,290,508	-	8,150,000
Interest and fiscal charges	3,054,448	-	9,419,889
Total expenditures	131,090,605	17,439,945	17,569,889
Excess (deficiency) of revenues over (under) expenditures	(15,242,284)	(560,088)	(16,704,277)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	1,200,000	-	-
Capital leases	527,490	-	-
Sale of capital assets	1,930,000	-	-
Transfers in	12,643,686	6,949,966	16,735,037
Transfers out	(3,356,918)	(2,693,674)	-
Total other financing sources (uses)	12,944,258	4,256,292	16,735,037
Net change in fund balances	(2,298,026)	3,696,204	30,760
Fund balances, beginning of year	2,708,319	70,489,147	28,812,133
Fund balances, end of year	$ 410,293	$ 74,185,351	$ 28,842,893

The accompanying notes are an integral part of these financial statements.

Capital Projects Fund				
Economic Development Agency	Nonmajor Governmental Funds	Totals		
		2010	2009	
$ 34,749,829	$ 2,174,918	$ 120,443,480	$ 138,027,508	
-	409,035	8,796,052	10,048,833	
-	2,036,352	2,036,352	1,065,305	
-	2,470,937	5,850,072	4,721,725	
1,413,570	929,284	4,191,386	5,708,816	
-	18,908,047	42,318,633	37,970,647	
-	4,422,793	10,932,430	11,020,644	
543,809	1,519,680	8,603,639	6,213,253	
36,707,208	32,871,046	203,172,044	214,776,731	
-	274,874	23,815,033	23,468,564	
-	7,009,344	96,130,768	105,613,213	
-	12,910,676	20,267,012	25,150,386	
-	926,999	5,228,540	6,842,658	
28,522	-	12,817,428	11,777,679	
-	7,724,147	9,150,336	4,329,133	
29,517,729	-	34,168,768	22,276,482	
516,967	1,328,267	12,285,742	11,223,004	
422,817	523,790	13,420,944	14,101,348	
30,486,035	30,698,097	227,284,571	224,782,467	
6,221,173	2,172,949	(24,112,527)	(10,005,736)	
2,500,000	-	3,700,000	4,163,641	
-	-	527,490	55,294	
-	-	1,930,000	-	
-	2,369,926	38,698,615	48,744,845	
(19,840,111)	(8,774,299)	(34,665,002)	(47,090,561)	
(17,340,111)	(6,404,373)	10,191,103	5,873,219	
(11,118,938)	(4,231,424)	(13,921,424)	(4,132,517)	
76,331,434	34,432,039	212,773,072	216,905,589	
$ 65,212,496	$ 30,200,615	$ 198,851,648	$ 212,773,072	

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City of San Bernardino
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, 2010

Net change in fund balance - total governmental funds		$ (13,921,424)
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 capital outlay was exceeded by depreciation, net of disposals.		
Capital outlay	$ 10,120,207	
Depreciation	(19,391,970)	(9,271,763)
Revenues that are measurable but not available are not recorded as revenues under the modified accrual basis of accounting.		(1,704,657)
Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of debt principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net assets.		
Debt issued	$ (3,700,000)	
Capital lease financing	(527,490)	
Principal payments on debt	12,285,742	8,058,252
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in compensated absences	$ (1,034,285)	
Change in accrued interest payable	103,651	
Change in unfunded OPEB obligation	(4,865,626)	
Amortization of bond issuance costs	(106,688)	
Amortization of bond premium	73,242	
Amortization of deferred charge on refunding	(146,253)	(5,975,959)
Internal service funds are used by management to charge various costs to individual funds. The net revenue of the internal service funds are reported with governmental activities.		(1,516,176)
Change in net assets of governmental activities		$ (24,331,727)

The accompanying notes are an integral part of these financial statements.

City of San Bernardino
Statement of Net Assets
Proprietary Funds
June 30, 2010
(with prior year data for comparative purposes only)

	Business-type Activities - Enterprise funds			
	Integrated Waste	Water	Sewer	Totals
ASSETS				
Current assets:				
Cash and investments	$ 2,333	$ 9,036,275	$ 23,618,927	$ 32,657,535
Cash and investments with fiscal agents	3,597,721	-	-	3,597,721
Receivables, net:				
Accounts	2,554,747	7,093,086	2,618,213	12,266,046
Interest	2,134	-	-	2,134
Other	-	-	-	-
Inventory	-	1,622,670	-	1,622,670
Prepaids	-	191,164	1,065,028	1,256,192
Due from other governments	-	2,571,658	829,606	3,401,264
Due from other funds	860,048	112,095	-	972,143
Total current assets	7,016,983	20,626,948	28,131,774	55,775,705
Noncurrent assets:				
Cash and investments				
Restricted for debt service	-	50,059	3,560,993	3,611,052
Restricted for capital related fees	-	1,528,434	10,463,625	11,992,059
Restricted for deposits	-	2,837,190	-	2,837,190
Restricted for consent decree	-	21,641,702	-	21,641,702
Interest receivable	-	45,090	80,765	125,855
Prepaid insurance - consent decree	-	37,519,398	-	37,519,398
Note proceeds held by State	-	387,501	-	387,501
Total restricted assets	-	64,009,374	14,105,383	78,114,757
Note receivable	-	3,445	-	3,445
Capital assets:				
Land and easements	-	2,944,972	12,470,740	15,415,712
Construction in progress	-	21,972,526	5,876,387	27,848,913
Capital assets being depreciated, net	10,521,189	131,228,411	73,062,224	214,811,824
Total capital assets	10,521,189	156,145,909	91,409,351	258,076,449
Other assets	-	-	431,151	431,151
Total noncurrent assets	10,521,189	220,158,728	105,945,885	336,625,802
Total assets	$ 17,538,172	$ 240,785,676	$ 134,077,659	$ 392,401,507

The accompanying notes are an integral part of these financial statements.

Continued

Governmental Activities - Internal Service Funds	Totals 2010	Totals 2009
$ 59,019	$ 32,716,554	$ 31,788,119
323,700	3,921,421	4,401,244
-	12,266,046	9,426,820
14,503	16,637	36,986
1,360	1,360	1,426
462,543	2,085,213	2,026,594
199,846	1,456,038	1,079,858
20,161	3,421,425	2,569,409
5,608,576	6,580,719	6,461,834
6,689,708	62,465,413	57,792,290
-	3,611,052	3,593,833
-	11,992,059	19,831,726
-	2,837,190	2,592,741
-	21,641,702	21,059,979
-	125,855	230,150
-	37,519,398	39,414,022
-	387,501	3,506,098
-	78,114,757	90,228,549
-	3,445	6,295
-	15,415,712	15,415,712
-	27,848,913	19,950,282
4,137,930	218,949,754	224,704,454
4,137,930	262,214,379	260,070,448
-	431,151	506,835
4,137,930	340,763,732	350,812,127
$ 10,827,638	$ 403,229,145	$ 408,604,417

City of San Bernardino
Statement of Net Assets
Proprietary Funds
June 30, 2010
(with prior year data for comparative purposes only)

	Business-type Activities - Enterprise funds			
	Integrated Waste	Water	Sewer	Totals
LIABILITIES				
Current liabilities:				
Accounts payable	$ 1,354,283	$ 2,308,333	$ 1,546,940	$ 5,209,556
Accrued liabilities	-	1,746,479	606,702	2,353,181
Interest payable	-	209,533	475,419	684,952
Due to other funds	-	-	112,095	112,095
Advances from other funds	-	-	-	-
Deposits payable	394,213	259,662	-	653,875
Deferred revenue	-	63,188		63,188
Claims and judgements payable - current	-	245,752	68,242	313,994
Compensated absences - current	675,823	943,735	482,376	2,101,934
Capital lease payable - current	2,538,564	-	-	2,538,564
Notes payable - current	-	954,647	2,130,471	3,085,118
Lease revenue bonds - current	-	10,000	-	10,000
Water bonds payable - current	-	-	-	-
Certificates of participation - current	-	-	2,343,375	2,343,375
Total current liabilities	4,962,883	6,741,329	7,765,620	19,469,832
Noncurrent liabilities:				
Consumer deposits	-	2,788,733	-	2,788,733
Claims and judgements payable	-	-	-	-
Compensated absences	-	374,180	19,608	393,788
Deferred revenue - consent decree	-	59,084,337	-	59,084,337
Capital lease payable	11,059,489	-	-	11,059,489
Notes payable	-	15,905,129	8,922,366	24,827,495
Water bonds payable	-	25,000	-	25,000
Certificates of participation	-	-	17,196,320	17,196,320
OPEB obligation	-	3,039,000	1,812,000	4,851,000
Total noncurrent liabilities	11,059,489	81,216,379	27,950,294	120,226,162
Total liabilities	16,022,372	87,957,708	35,715,914	139,695,994
NET ASSETS				
Invested in capital assets, net of related debt	(3,076,864)	139,688,690	64,377,812	200,989,638
Restricted for:				
Capital related fees	-	1,528,434	10,463,625	11,992,059
Unrestricted (deficit)	4,592,664	11,610,844	23,520,308	39,723,816
Total net assets (deficit)	$ 1,515,800	$ 152,827,968	$ 98,361,745	$ 252,705,513

The accompanying notes are an integral part of these financial statements.

Continued

Governmental Activities - Internal Service Funds	Totals 2010	Totals 2009
$ 847,104	$ 6,056,660	$ 7,017,191
-	2,353,181	2,201,882
-	684,952	752,083
812,742	924,837	227,155
205,774	205,774	283,774
-	653,875	695,749
-	63,188	-
4,098,639	4,412,633	4,082,699
279,100	2,381,034	2,312,329
346,625	2,885,189	3,020,194
-	3,085,118	2,982,806
40,000	50,000	45,000
-	-	-
-	2,343,375	2,217,793
6,629,984	26,099,816	25,838,655
-	2,788,733	2,579,699
9,563,492	9,563,492	10,515,518
651,535	1,045,323	1,267,146
-	59,084,337	60,473,518
1,678,242	12,737,731	11,820,566
-	24,827,495	27,912,613
-	25,000	35,000
125,000	17,321,320	19,704,695
-	4,851,000	3,308,000
12,018,269	132,244,431	137,616,755
18,648,253	158,344,247	163,455,410
1,908,864	202,898,502	199,382,924
-	11,992,059	19,831,726
(9,729,479)	29,994,337	25,934,357
$ (7,820,615)	$ 244,884,898	$ 245,149,007

City of San Bernardino
Statement of Revenues, Expenses, and
Changes in Fund Net Assets
Proprietary Funds
For the year ended June 30, 2010
(with prior year data for comparative purposes only)

	Business-type Activities - Enterprise funds			
	Integrated Waste	Water	Sewer	Totals
OPERATING REVENUES				
Charges for services	$ 26,074,292	$ 25,613,162	$ 20,771,749	$ 72,459,203
Other operating revenues	-	2,075,532	1,653,194	3,728,726
Total operating revenues	26,074,292	27,688,694	22,424,943	76,187,929
OPERATING EXPENSES				
Cost of sales and service	17,148,865	-	-	17,148,865
Administration	3,413,265	11,016,819	4,128,870	18,558,954
Engineering, operations and distribution administration	-	535,243	1,678,822	2,214,065
Plant operations	-	7,443,231	9,599,618	17,042,849
Maintenance	-	1,577,642	3,059,780	4,637,422
Environmental control	-	-	571,029	571,029
Distribution	-	3,766,067	-	3,766,067
Engineering	-	2,204,374	-	2,204,374
Claims expense	-	-	-	-
Depreciation and amortization	2,778,687	5,409,704	5,436,628	13,625,019
Total operating expenses	23,340,817	31,953,080	24,474,747	79,768,644
Operating income (loss)	2,733,475	(4,264,386)	(2,049,804)	(3,580,715)
NONOPERATING REVENUES (EXPENSES)				
Investment income	25,352	677,550	1,630,143	2,333,045
Noncapital grants	-	1,894,624	-	1,894,624
Interest expense and fiscal charges	(400,158)	(655,404)	(1,563,209)	(2,618,771)
Gain/(loss) on disposal of capital assets	(130,408)	8,988	(2,142)	(123,562)
Miscellaneous	442,183	175,782	(84,390)	533,575
Total nonoperating revenues (expenses)	(63,031)	2,101,540	(19,598)	2,018,911
Income before contributions and transfers	2,670,444	(2,162,846)	(2,069,402)	(1,561,804)
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	-	5,829,803	495,768	6,325,571
Transfers in	35,000	-	-	35,000
Transfers out	(3,546,700)	-	-	(3,546,700)
Total contributions and transfers	(3,511,700)	5,829,803	495,768	2,813,871
Change in net assets	(841,256)	3,666,957	(1,573,634)	1,252,067
Net assets (deficit), beginning of year	2,357,056	149,161,011	99,935,379	251,453,446
Net assets (deficit), end of year	$ 1,515,800	$ 152,827,968	$ 98,361,745	$ 252,705,513

The accompanying notes are an integral part of these financial statements.

Governmental Activities - Internal Service Funds	Totals 2010	Totals 2009
$ 22,439,958	$ 94,899,161	$ 93,508,501
-	3,728,726	3,034,259
22,439,958	98,627,887	96,542,760
16,034,718	33,183,583	33,994,553
-	18,558,954	11,601,831
-	2,214,065	6,960,281
-	17,042,849	16,799,892
-	4,637,422	4,781,433
-	571,029	592,629
-	3,766,067	3,753,301
-	2,204,374	3,063,043
5,809,956	5,809,956	7,102,350
2,148,591	15,773,610	15,839,646
23,993,265	103,761,909	104,488,959
(1,553,307)	(5,134,022)	(7,946,199)
50,689	2,383,734	2,903,212
-	1,894,624	2,043,889
(104,794)	(2,723,565)	(2,770,711)
-	(123,562)	(88,677)
613,149	1,146,724	1,075,837
559,044	2,577,955	3,163,550
(994,263)	(2,556,067)	(4,782,649)
-	6,325,571	5,197,854
362,500	397,500	1,128,016
(884,413)	(4,431,113)	(2,782,300)
(521,913)	2,291,958	3,543,570
(1,516,176)	(264,109)	(1,239,079)
(6,304,439)	245,149,007	246,388,086
$ (7,820,615)	$ 244,884,898	$ 245,149,007

City of San Bernardino
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2010
(with prior year data for comparative purposes only)

	Business-type Activities - Enterprise Funds			
	Integrated Waste	Water	Sewer	Totals
Cash flows from operating activities:				
Cash received from customers	$ 26,152,059	$ 24,909,016	$ 22,202,958	$ 73,264,033
Cash received from user departments	-	-	-	-
Cash payments to suppliers for goods and services	(12,768,513)	(19,648,304)	(15,269,048)	(47,685,865)
Cash payments for claims and insurance	-	-	-	-
Cash payments to employees for services	(7,114,388)	(7,929,501)	(3,333,110)	(18,376,999)
Cash received from other activities	442,184	283,408	(60,229)	665,363
Net cash provided by (used for) operating activities	6,711,342	(2,385,381)	3,540,571	7,866,532
Cash flows from noncapital financing activities:				
Transfer from other funds	35,000	-	-	35,000
Transfer to other funds	(3,546,700)	-	-	(3,546,700)
Interfund loans	(450,448)	-	-	(450,448)
Collection on notes receivable	-	2,850	-	2,850
Consent decree insurance drawdowns	-	1,894,624	-	1,894,624
Net cash provided by (used for) noncapital financing activities	(3,962,148)	1,897,474	-	(2,064,674)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(477,572)	(12,707,435)	-	(13,185,007)
Proceeds from capital debt	-	3,118,597	-	3,118,597
Principal payments on long-term debt	(2,009,449)	(956,106)	(4,181,342)	(7,146,897)
Proceeds from sale of capital assets	61,364	10,514	-	71,878
Interest paid on long-term debt	(400,158)	148,615	(1,635,707)	(1,887,250)
Charges to property owners for capital projects	-	4,281,720	495,768	4,777,488
Net cash (used for) capital and related financing activities	$ (2,825,815)	$ (6,104,095)	$ (5,321,281)	$ (14,251,191)

The accompanying notes are an integral part of these financial statements.

Governmental Activities - Internal Service Funds	Totals 2010	Totals 2009
$ -	$ 73,264,033	$ 73,937,011
23,657,541	23,657,541	22,656,346
(12,041,972)	(59,727,837)	(58,734,412)
(5,833,481)	(5,833,481)	(5,851,248)
(4,738,781)	(23,115,780)	(22,999,042)
613,149	1,278,512	1,509,765
1,656,456	9,522,988	10,518,420
362,500	397,500	1,128,016
(884,413)	(4,431,113)	(2,782,300)
168,504	(281,944)	(1,617,298)
-	2,850	(6,295)
-	1,894,624	2,043,889
(353,409)	(2,418,083)	(1,233,988)
(534,854)	(13,719,861)	(10,372,542)
-	3,118,597	4,386,085
(1,145,170)	(8,292,067)	(7,539,460)
-	71,878	292,007
(104,794)	(1,992,044)	(2,727,550)
-	4,777,488	3,720,930
$ (1,784,818)	$ (16,036,009)	$ (12,240,530)

City of San Bernardino
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2010
(with prior year data for comparative purposes only)

	Business-type Activities - Enterprise Funds			
	Integrated Waste	Water	Sewer	Totals
Cash flows from investing activities:				
Liquidation of investments	$ -	$ -	$ -	$ -
Sale of investments	-	6,179,053	-	6,179,053
Interest received	29,413	683,207	1,603,840	2,316,460
Net cash provided by investing activities	29,413	6,862,260	1,603,840	8,495,513
Net increase (decrease) in cash and investments	(47,208)	270,258	(176,870)	46,180
Cash and investments, beginning of year	3,647,262	34,823,402	34,259,422	72,730,086
Cash and investments, end of year	$ 3,600,054	$ 35,093,660	$ 34,082,552	$ 72,776,266
Reconciliation of cash and cash equivalents to amounts reported on statement of net assets:				
Cash and investments	$ 3,600,054	$ 9,036,275	$ 23,618,927	$ 36,255,256
Restricted assets	-	64,009,374	14,105,383	78,114,757
Less restricted assets not meeting the definition of cash equivalents:				
Investment agreements	-	-	(3,560,993)	(3,560,993)
Prepaid insurance	-	(37,519,398)	-	(37,519,398)
Interest and other receivables	-	(45,090)	(80,765)	(125,855)
Note proceeds held by State	-	(387,501)	-	(387,501)
Cash and cash equivalents, end of year	$ 3,600,054	$ 35,093,660	$ 34,082,552	$ 72,776,266

The accompanying notes are an integral part of these financial statements.

Continued

Governmental Activities - Internal Service Funds	Totals 2010	Totals 2009
$ -	$ -	$ 17,545,260
-	6,179,053	-
66,980	2,383,440	3,586,631
66,980	8,562,493	21,131,891
(414,791)	(368,611)	18,175,793
797,510	73,527,596	61,530,856
$ 382,719	$ 73,158,985	$ 79,706,649
$ 382,719	$ 36,637,975	$ 36,189,363
-	78,114,757	90,228,549
-	(3,560,993)	(3,560,993)
-	(37,519,398)	(39,414,022)
-	(125,855)	(230,150)
-	(387,501)	(3,506,098)
$ 382,719	$ 73,158,985	$ 79,706,649

City of San Bernardino
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2010
(with prior year data for comparative purposes only)

	Business-type Activities - Enterprise Funds			
	Integrated Waste	Water	Sewer	Totals
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	$ 2,733,475	$ (4,264,386)	$ (2,049,804)	$ (3,580,715)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization	2,778,687	5,409,704	5,436,628	13,625,019
Other nonoperating revenues (expenses)	442,184	283,408	(60,229)	665,363
(Increase) decrease in assets:				
Accounts receivable	67,180	(2,779,678)	(126,728)	(2,839,226)
Other receivables	-	-	-	-
Inventory	-	(18,073)	-	(18,073)
Prepaids	-	(117,963)	(58,371)	(176,334)
Due from other governments	-	(1,352,702)	9,790	(1,342,912)
Due from other funds	-	161,164	(19,993)	141,171
Other assets	-	-	253,778	253,778
Increase (decrease) in liabilities:				
Accounts payable and accrued expenses	752,448	(1,701,430)	(318,520)	(1,267,502)
Due to other funds	-	55,619	(70,985)	(15,366)
Deposits payable	10,587	156,573	-	167,160
Claims and judgements	-	245,752	(29,995)	215,757
Deferred revenue	-	63,188	-	63,188
Compensated absences	(73,219)	505,443	-	432,224
OPEB obligation	-	968,000	575,000	1,543,000
Net cash provided by (used for) operating activities	$ 6,711,342	$ (2,385,381)	$ 3,540,571	$ 7,866,532
Noncash, investing, capital and financing activities:				
Acquistion of capital asset through capital lease	$ 3,639,142	$ -	$ -	$ 3,639,142
Developer contributions	-	732,322	-	732,322

The accompanying notes are an integral part of these financial statements.

Continued

Governmental Activities - Internal Service Funds	Totals 2010	Totals 2009
$ (1,553,307)	$ (5,134,022)	$ (7,946,199)
2,148,591	15,773,610	15,839,646
613,149	1,278,512	1,509,765
-	(2,839,226)	159,829
67	67	68,378
(40,546)	(58,619)	(245,067)
(199,846)	(376,180)	247,445
434,780	(908,132)	258,439
-	141,171	467,741
-	253,778	275,343
(58,508)	(1,326,010)	(2,228,656)
782,736	767,370	(6,484)
-	167,160	(529,532)
(514,787)	(299,030)	662,963
-	63,188	-
44,127	476,351	625,709
-	1,543,000	1,359,100
$ 1,656,456	$ 9,522,988	$ 10,518,420
$ 753,875	$ 4,393,017	$ 3,736,551
-	732,322	1,466,521

City of San Bernardino
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2010
(with prior year data for comparative purposes only)

	2010	2009
ASSETS		
Cash and investments	$ 5,593,236	$ 7,827,675
Cash and investments with fiscal agents	-	251,890
Receivables, net:		
Accounts	92,386	90,145
Interest	2,869	15,633
Due from other governments	205,341	215,417
Total assets	$ 5,893,832	$ 8,400,760
LIABILITIES		
Accounts payable	$ 3,812	$ -
Deposits payable	5,168,773	7,357,417
Due to bond holders	721,247	1,043,343
Total liabilities	$ 5,893,832	$ 8,400,760

The accompanying notes are an integral part of these financial statements.

Note 1: Summary of Significant Accounting Policies

The City of San Bernardino, California (City) was incorporated on April 13, 1854, as a Charter City. The City operates under a Mayor/Council/City Manager form of government and provides the following services: public safety (police and fire), highways and streets, health and social services, culture-recreation, public improvements, community development (planning, building and zoning), public utilities (water, sewage and solid waste), and general administrative services.

a. Reporting Entity

As required by generally accepted accounting principles, these financial statements present the activities of the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the organization is able to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the City's operations, and data from these units are combined with data of the primary government. Based on the criteria above, the City has two component units, both of which are considered to be blended component units. These component units are described as follows:

The Economic Development Agency (Agency) of the City serves all the citizens of the City and is governed by a board composed of the City's elected council. The activity of the Agency is reported as separate special revenue, debt service and capital projects funds. Complete component unit financial statements of the Agency can be obtained directly from their administrative offices: Economic Development Agency, 201 North "E" Street, Third Floor, San Bernardino, California, 92401.

Note 1: Summary of Significant Accounting Policies (continued)

a. Reporting Entity (continued)

The San Bernardino Joint Powers Financing Authority was established pursuant to a Joint Exercise of Powers Agreement dated August 21, 1989, by and between the City and the Agency. The Authority was created for the purpose of providing financing for redevelopment activities for the City, the Agency, or other local agencies in the State of California, the acquisition, construction or installation by the Authority of public capital improvements and/or the purchase by the Authority of public obligations within the meaning of the Marks-Roos Act. The Authority is authorized pursuant to the Marks-Roos Act to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to, the City, the Agency, or such other local agencies to provide financing for redevelopment activities of the City or the Agency. The Authority is governed by a board composed of the City's elected council. There are no individual financial statements issued for the Authority.

b. Basis of Accounting and Measurement Focus

The *basic financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements

Financial reporting is based upon all GASB pronouncements, as well as the FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB pronouncements issued after November 30, 1989 are not followed in the preparation of the accompanying financial statements.

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. The City has no discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as direct expenses to the various functions of the City.

Note 1: Summary of Significant Accounting Policies (continued)

b. Basis of Accounting and Measurement Focus (continued)

Government-wide Financial Statements (continued)

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges for goods or services provided by one fund to another. Elimination of these would distort the direct costs and program revenues reported for the various functions concerned.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Note 1: Summary of Significant Accounting Policies (continued)

b. Basis of Accounting and Measurement Focus (continued)

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and proprietary funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting.* Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days for all revenues except reimbursable grants which use a six month availability period.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in-lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Note 1: Summary of Significant Accounting Policies (continued)

b. Basis of Accounting and Measurement Focus (continued)

Governmental Funds (continued)

Revenue recognition is subject to the *measurable* and *available* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* have been recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets.

Recognition of governmental fund type revenue represented by non-current receivables is deferred until they become current receivables. Non-current portions of other long-term receivables are offset by fund balance reserve accounts.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Note 1: Summary of Significant Accounting Policies (continued)

b. Basis of Accounting and Measurement Focus (continued)

Governmental Funds (continued)

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an *other financing source* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenditures/expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Proprietary and Fiduciary Funds

The City's enterprise and internal service funds are proprietary funds. In the fund financial statements, proprietary funds and fiduciary funds are presented using the *accrual basis of accounting.* Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds and fiduciary funds are presented using the *economic resources measurement focus.* This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating expenses for the enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Non-operating revenues, such as subsidies, taxes and investment earnings result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the proprietary fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the proprietary fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the proprietary funds are reported as a reduction of the related liability, rather than as an expenditure. Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of City revenues and expenses.

Note 1: Summary of Significant Accounting Policies (continued)

b. Basis of Accounting and Measurement Focus (continued)

Fund Classifications

The funds designated as major funds are determined by a mathematical calculation consistent with GASB 34. The City reports the following major governmental funds:

General Fund. This is the primary operating fund of the City. It is used to account for all revenues and expenditures that are not required to be accounted for in another fund.

Economic Development Agency Special Revenue Fund. For the Low and Moderate Housing Portion of redevelopment tax increment as required by State Law as well as the Neighborhood Revitalization Program, Community Development Block Grant, Emergency Shelter Program and the Home Program administered by the Economic Development Agency.

Economic Development Agency Debt Service Fund. For the receipt of tax increment revenues which, per California state law regulating redevelopment agencies, must be used for repayment of debt.

Economic Development Agency Capital Projects Fund. For all redevelopment projects authorized under provisions of the California Community Redevelopment Law. Principal sources of funding for these projects are property tax increment, bond proceeds and developer advances.

The City reports the following major enterprise funds:

Integrated Waste. For the provision of refuse collection to the residential, commercial and industrial segments of the City.

Water. For the provision of water services to the residential, commercial and industrial segments of the City.

Sewer. For the provision of wastewater collection and treatment to residential, commercial and industrial segments of the City.

Note 1: Summary of Significant Accounting Policies (continued)

b. Basis of Accounting and Measurement Focus (continued)

Fund Classifications (continued)

The City's fund structure also includes the following fund types:

Internal Service Funds. These funds are used to account for the financing of special activities that provide services within the City. Such activities include: unemployment insurance, workers' compensation, liability insurance, motorpool, telephone support, information systems, utility and central services.

Agency Funds. These funds are used to account for money and property held by the City as trustee or custodian. Such funds include Special Deposits, Industrial Revenue Bonds, Cemetery Perpetual Care and Payroll Trust. They are also used to account for various assessment districts for which the City acts as an agent for debt service activity, as the City is prohibited from levying additional taxes for these districts. Such funds include Assessment District's #961, #977A, #977B, and #1003.

c. Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for certain investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments.* Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the general fund, as provided by California Government Code Section 53647.

Note 1: Summary of Significant Accounting Policies (continued)

d. Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents have an original maturity date of three months or less from the date of purchase.

e. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair market value at the date of the contribution. Generally, capital asset purchases in excess of $5,000 are capitalized if they have an expected useful life of three years or more. Infrastructure projects individually exceeding $200,000 are capitalized if the project does not represent routine ordinary maintenance to keep the infrastructure assets in the condition necessary to perform its intended function, but rather improves the asset beyond its original condition or functionally, or extraordinarily extends the life of the asset beyond its original condition of functionality, or extraordinarily extends the life of the asset beyond original expectations. Generally, street slurry seals and repairs adding one inch or less of asphalt are considered to be routine maintenance regardless of the cost of the project.

Capital assets include additions to public domain (infrastructure) consisting of certain improvements including pavement, curb and gutter, sidewalks, traffic control devices, streetlights, and right-of-way corridors within the City.

Note 1: Summary of Significant Accounting Policies (continued)

e. Capital Assets (continued)

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of the proprietary funds. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The ranges of lives used for depreciation purposes for each capital asset class are:

	Years
Buildings and improvements	10 - 40
Infrastructure	20 - 50
Wells, pumping plants, reservoirs, and distribution system	8 - 50
Interceptor lines	50
Disposal plant	35 - 50
Leasehold improvements	5 - 25
Shops, offices, stores, and yards	10 - 20
Tools and equipment	4 - 20
Office equipment	5 - 20
Communication equipment	7 - 10
Computer equipment	5 - 10
Automotive equipment	3 - 8

Contributed capital assets are recorded in the proprietary funds at fair market value at the time received.

f. Long-Term Receivables

Noncurrent portions of long-term receivables due to governmental fund types are reported in their respective balance sheets despite their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered available spendable resources, since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables. Noncurrent portions of long-term loans receivable are offset by fund balance reserve accounts.

g. Inventories

Inventories are valued on the average cost method, which approximates the first-in-first-out (FIFO) method. Inventory balances represent expendable supplies held for consumption. Reported expenditures reflecting the purchase of supplies have been restated to reflect the consumption method of recognizing inventory-related expenditures. A reserve of fund balance has been reported in the governmental funds to show that inventories do not constitute "available spendable resources," even though they are a component of net current assets.

Note 1: Summary of Significant Accounting Policies (continued)

h. Property Held for Resale

Property held for resale represents land, structures, and their related improvements that were acquired for resale in accordance with the objective of the Redevelopment Project. These costs will be charged to current year project expenditures when the related land and structures are sold. Property held for resale is valued at the lower of cost or the sales price per contract with the developer. A portion of fund balance is reserved for property held for resale to indicate that a portion of fund balance is not available for future expenditures.

i. Deferred Charges

Bond discounts and issuance costs are deferred and amortized over the term of the bonds using the straight-line method, which materially approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as an asset, deferred charges. Unamortized refunding costs represent the difference between the reacquisition price of debt (outstanding principal of the debt, as well as the call premium) and its net carrying value (face value of the debt, adjusted for unamortized premiums, discounts or issuance costs). The difference is amortized over the shorter of 1) the life of the refunding debt or 2) the life of the refunded debt. The amortization is treated as an adjustment to interest expense of the current period. The remaining unamortized refunding costs are presented as a reduction of the face amount of the new debt.

j. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of net assets are limited to outside third-party restrictions or non-spendable amounts. Designations of fund balance represent tentative management plans that are subject to change. The proprietary funds' contributed capital represents equity through capital grants and capital contributions from developers, customers or other funds.

k. Property Taxes

Property taxes attach as an enforceable lien on property as of March 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County of San Bernardino, California, bills and collects the property taxes and remits them to the City in installments during the year.

The County is permitted by State Law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the assessed values no more than 2%. The City receives a share of this basic levy proportionate to what was received in the 1976 to 1978 period.

Note 1: Summary of Significant Accounting Policies (continued)

l. Comparative Data

Comparative total data for the prior year have been presented in the accompanying basic financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Certain minor reclassifications of prior year data have been made in order to enhance their comparability with current year amounts.

m. 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.

Note 2: Cash and Investments

Cash and investments are presented in the accompanying financial statements at June 30, 2010 as follows:

Statement of net assets	
Cash and investments	$ 141,339,842
Statement of fiduciary assets and liabilities:	
Cash and investments	5,593,236
Total cash and investments	146,933,078
Statement of net assets	
Cash and investments with fiscal agents	33,144,122
Total cash and investments with fiscal agents	33,144,122
Total cash and investments	$ 180,077,200

Cash and investments at June 30, 2010 consisted of the following:

Petty cash	$ 15,090
Demand deposits	(2,380,977)
Investments	182,443,087
Total cash and investments	$ 180,077,200

As part of the City's investment guidelines, the City continually seeks ways to increase investment income while not risking investment principal. One way the City accomplishes this is by "sweeping", on a nightly basis, any excess cash held in its non-interest bearing checking account to an interest bearing money market account with the same bank. This "sweeping" of excess funds from the non-interest bearing accounts results in a negative balance (as shown above) due to outstanding checks.

Note 2: Cash and Investments (continued)

Investments Authorized by the California Government Code and the City's Investment Policies

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policies. The table also identifies certain provisions of the California Government Code (or the City's investment policies, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee's that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policies.

Investment types authorized by state law	Authorized by investment policy	*Maximum maturity	*Maximum percentage of portfolio	*Maximum investment in one issuer
Local agency bonds	No	5 years	None	None
U.S. treasury obligations	Yes	5 years	None	None
U.S. agency securities	Yes	5 years	None	None
Banker's acceptances	Yes	180 days	40%	30%
Commercial paper	Yes	270 days	25%	10%
Negotiable certificates of deposit	Yes	5 years	30%	None
Repurchase agreements	No^	1 year	None	None
Reverse repurchase agreements	No	92 days	20% of base value	None
Medium-term notes	Yes^	5 years	30%	None
Mutual funds	Yes^	N/A	20%	10%
Money market mutual funds	Yes^	N/A	20%	10%
Mortgage pass-through securities	Yes^	5 years	20%	None
County pooled investment funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None
JPA Pools (other investment pools)	No	N/A	None	None

* Based on state law requirements or City investment policy requirements, whichever is more restrictive.

^ Authorizations stated are based on City investment policy. Per EDA investment policy, repurchase agreements are permitted and medium-term notes, mutual funds, money market mutual funds and mortgage pass-through securities are not permitted.

Note 2: Cash and Investments (continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by fiscal agent's are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policies. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized investment type	Maximum maturity	Maximum percentage allowed	Maximum investment in one issuer
U.S. treasury obligations	None	None	None
U.S. agency securities	None	None	None
Banker's acceptances	180 - 360 days	None	None
Commercial paper	92 - 180 days	None	None
Money market mutual funds	N/A	None	None
Municipal obligations	None	None	None
General obligations of States	None	None	None
Corporate notes	None	None	None
Repurchase agreements	1 year	None	None
Investment contracts	None	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest 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 to changes in market interest rates. One of the ways that the City 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 maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity. For purposes of the schedule shown below, any callable securities are assumed to be held to maturity.

Note 2: Cash and Investments (continued)

Investment type	Total	Remaining maturity 12 months or less	13 to 24 months	25 to 60 months
Federal agency securities	$ 75,494,745	$ 18,098,777	$ 12,114,580	$ 45,281,388
US Treasury securities	8,144,708	3,210,464	-	4,934,244
Corporate debt securities	7,789,302	-	3,806,444	3,982,858
Sweep account (money market)	3,857,049	3,857,049	-	-
Money market mutual funds	12,304,876	12,304,876	-	-
State investment pool	38,147,778	38,147,778	-	-
Commercial paper	-	-	-	-
Held by bond trustee:				
Federal agency issues	87,243	87,243	-	-
Investment contract	4,620,750	-	-	4,620,750
Money market funds	31,996,636	31,996,636	-	-
Total	$ 182,443,087	$ 107,702,823	$ 15,921,024	$ 58,819,240

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. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policies, or debt agreements, and the actual rating as of year end for each investment type.

Investment type	Total	Minimum legal rating	Ratings as of year end	Exempt from rating	Not rated
Federal agency securities	$ 75,494,745	AA/Aa2	Aaa	$ -	$ -
US Treasury securities	8,144,708	N/A	Not rated	8,144,708	-
Corporate debt securities	7,789,302	AA/Aa2	AA/Aa2	-	-
Sweep account (money market)	3,857,049	A	Not rated	-	3,857,049
Money market mutual funds	12,304,876	A	Not rated	-	12,304,876
State investment pool	38,147,778	N/A	Not rated	-	38,147,778
Commercial paper	-	A-1	A-1	-	-
Repurchase agreement	-	N/A	Not rated	-	-
Held by bond trustee:					
US Treasury note	-	N/A	Not rated	-	-
Federal agency issues	87,243	AA/Aa2	Aaa	87,243	-
Investment contract	4,620,750	N/A	Not rated	-	4,620,750
Money market funds	31,996,636	AAA	AAA	-	31,996,636
Total	$ 182,443,087			$ 8,231,951	$ 90,927,089

Note 2: Cash and Investments (continued)

Concentration of Credit Risk

The investment policies of the City contain no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment type	Reported amount
Federal Home Loan Mortgage	Federal agency security	$ 19,802,381
Federal National Mortgage Association	Federal agency security	28,474,795
Federal Home Loan Bank	Federal agency security	19,943,312

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 (e.g., broker-dealer) 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 City's investment policies 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: 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 a depository regulated under state law (unless so waived by the governmental unit). 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. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Note 3: Interfund Receivables, Payables and Transfers

Current interfund receivables and payables at June 30, 2010, are as follows:

	Amount
Due to nonmajor funds from:	
General Fund	$ 6,678,942
Nonmajor governmental funds	4,449,673
Total due to Nonmajor Governmental Funds	11,128,615
Due to Integrated Waste Fund from:	
Internal service funds	812,742
Nonmajor funds	47,306
Total due to Integrated Waste Fund	860,048
Due to Water Enterprise Fund from:	
Sewer Enterprise Fund	112,095
Due to Economic Development Agency Special Revenue Fund from:	
General Fund	157,683
Due to Internal Service Funds from:	
Nonmajor governmental funds	5,608,576
Total due to/from other funds	$ 17,867,017

The interfund balances above resulted from loans to cover cash overdrafts, except for the amount due to the Water Enterprise fund, which resulted from operating services provided.

Note 3: Interfund Receivables, Payables and Transfers (continued)

Long-term interfund receivables and payables at June 30, 2010, are as follows:

Advances from Economic Development Agency Special Revenue Fund to:	
Economic Development Agency Capital Projects Fund	$ 123,923
Advances from Economic Development Agency Capital Projects Fund to:	
Economic Development Agency Special Revenue Fund	11,641,141
General Fund	1,310,000
Nonmajor governmental funds	900,000
Total advances from Economic Development Agency Capital Projects Fund to other funds	13,851,141
Advances from nonmajor governmental funds to:	
Other nonmajor governmental funds	213,200
Internal service funds	205,774
General Fund	1,629,400
Total advances from nonmajor governmental funds	2,048,374
Total advances	$ 16,023,438

The interfund advances above resulted from loans to fund infrastructure and other capital improvements.

Note 3: Interfund Receivables, Payables and Transfers (continued)

Interfund transfers during the year ended June 30, 2010, were as follows:

Fund receiving transfers	Fund making transfers	Amount	
General Fund	Nonmajor funds	$ 8,496,573	(A)
	Integrated Waste	3,546,700	(B)
	Internal Service Funds	600,413	
Nonmajor Funds	General Fund	2,092,200	(C)
	Nonmajor funds	277,726	
Internal Service Funds	General Fund	78,500	
	Internal Service Funds	284,000	
Integrated Waste	General Fund	35,000	
Economic Development Agency Special Revenue Fund	Economic Development Agency Capital Projects Fund	6,949,966	(D)
Economic Development Agency Debt Service Fund	Economic Development Agency Special Revenue Fund	2,693,674	
	Economic Development Agency Capital Projects Fund	12,890,145	(E)
	General Fund	1,151,218	
Total transfers		$ 39,096,115	

Interfund transfers were principally used for operations, deficit repayment and general fund administration charges.

(A) $3,220,000 was transferred to the General Fund from the Gas Tax Fund for various street projects financed by the General Fund. The remainder was transferred to the General Fund from several nonmajor governmental funds for various projects financed by the General Fund and for administrative costs incurred.

(B) $3,546,700 was transferred to the General Fund from the Integrated Waste Fund for administrative costs, the fund's portion of capital lease debt service payments and various street repairs.

(C) $2,053,800 was transferred to the Library Fund from the General Fund for operating expenditures.

(D) Transfer of tax increment revenues into the Low/Mod Fund.

(E) Transfer portions of debt service payments.

Note 4: Capital Assets

Capital asset activity for both governmental and business-type activities for the year ended June 30, 2010, was as follows:

	Beginning balance	Additions	Deletions	Ending balance
Governmental activities:				
Capital assets, not being depreciated:				
Land (1)	$ 126,026,489	$ 1,599,442	$ (2,150,000)	$ 125,475,931
Construction in progress	15,145,438	10,632,234	(5,635,442)	20,142,230
Total capital assets, not being depreciated	141,171,927	12,231,676	(7,785,442)	145,618,161
Capital assets, being depreciated:				
Infrastructure	522,729,433	3,562,368	(837,708)	525,454,093
Buildings and improvements	85,678,982	-	-	85,678,982
Machinery, vehicles and equipment	72,385,939	3,291,854	(1,181,411)	74,496,382
Total capital assets, being depreciated	680,794,354	6,854,222	(2,019,119)	685,629,457
Less accumulated depreciation for:				
Infrastructure	(234,637,176)	(14,292,296)	520,526	(248,408,946)
Buildings and improvements	(56,885,171)	(2,364,640)	-	(59,249,811)
Machinery, vehicles and equipment	(55,679,152)	(4,883,625)	1,176,898	(59,385,879)
Total accumulated depreciation	(347,201,499)	(21,540,561)	1,697,424	(367,044,636)
Total capital assets, being depreciated net	333,592,855	(14,686,339)	(321,695)	318,584,821
Governmental activities capital assets, net	$ 474,764,782	$ (2,454,663)	$ (8,107,137)	$ 464,202,982

(1) The land balance reflected above includes various parcels that include certain restrictions that may impact the subsequent sale of those parcels.

Note 4: Capital Assets (continued)

	Beginning balance	Additions	Deletions	Ending balance
Business-type activities:				
Capital assets, not being depreciated:				
Land and easements	$ 15,415,712	$ -	$ -	$ 15,415,712
Construction in progress	19,950,282	13,416,165	(5,517,534)	27,848,913
Total capital assets, not being depreciated	35,365,994	13,416,165	(5,517,534)	43,264,625
Capital assets, being depreciated:				
Water rights, wells and pumping	72,876,505	1,028,514	-	73,905,019
Distribution systems	103,972,604	1,943,247	-	105,915,851
Building, plant, and store yards	155,379,246	1,342,097	(4,190)	156,717,153
Other assets	39,873,972	5,160,914	(2,162,648)	42,872,238
Total capital assets, being depreciated	372,102,327	9,474,772	(2,166,838)	379,410,261
Less accumulated depreciation for:				
Water rights, wells and pumping	(25,895,827)	(2,113,677)	-	(28,009,504)
Distribution systems	(24,897,203)	(2,247,767)	-	(27,144,970)
Building, plant, and store yards	(78,985,457)	(5,253,757)	3,773	(84,235,441)
Other assets	(23,047,354)	(4,016,209)	1,855,041	(25,208,522)
Total accumulated depreciation	(152,825,841)	(13,631,410)	1,858,814	(164,598,437)
Total capital assets, being depreciated, net	219,276,486	(4,156,638)	(308,024)	214,811,824
Business-type activities capital assets, net	$ 254,642,480	$ 9,259,527	$ (5,825,558)	$ 258,076,449

Note 4: Capital Assets (continued)

Depreciation expense was charged to functions of the City as follows:

	Governmental actitivties	Business-type actitivites
Function:		
General government	$ 907,311	$ -
Public safety	2,215,256	-
Streets	14,935,976	-
Culture and recreation	513,236	-
Community development	444,582	-
Economic development	123,759	-
Community services	251,850	-
Integrated Waste	-	2,778,687
Water	-	5,387,383
Sewer	-	5,465,340
Capital assets held by the government's internal internal service funds are charged to the various functions based on their usage of the assets	2,148,591	-
Total depreciation expense	$ 21,540,561	$ 13,631,410

Note 5: Long-Term Liabilities - Governmental Activities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2010:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Governmental activities:					
Capital leases payable	$ 6,365,729	$ 851,190	$ 1,996,397	$ 5,220,522	$ 1,714,670
Claims and judgments	14,176,918	2,660,818	3,175,605	13,662,131	4,098,639
Compensated absences	19,541,648	12,023,507	10,945,094	20,620,061	11,936,540
OPEB obligation	10,682,779	4,865,626	-	15,548,405	-
Participation agreements:					
Yellow Freight	455,963	-	56,967	398,996	-

Note 5: Long-Term Liabilities - Governmental Activities (continued)

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Notes payable:					
HUD Section 108:					
Cinema project	$ 4,600,000	$ -	$ 360,000	$ 4,240,000	$ 380,000
Arden Guthrie	7,500,000	-	-	7,500,000	-
Reynolds	606,637	-	100,000	506,637	-
Fire maintenance facility note	-	1,200,000	-	1,200,000	-
CMB note payable	-	2,500,000	-	2,500,000	-
Total notes payable	12,706,637	3,700,000	460,000	15,946,637	380,000
Lease revenue bonds:					
Public Facilities Lease (Lease Revenues Refunding 1997, Series A)	4,085,000	-	740,000	3,345,000	775,000
City Hall Lease (Refunding Bonds, Series 1996)	9,530,000	-	465,000	9,065,000	490,000
Total lease revenue bonds	13,615,000	-	1,205,000	12,410,000	1,265,000
California Infrastructure					
Fire station lease	2,318,934	-	81,564	2,237,370	83,945
Street construction	7,570,170	-	1,058,323	6,511,847	1,083,405
Harriman Place Street Extension Lease	1,540,430	-	99,806	1,440,624	102,610
Total California Infrastructure	11,429,534	-	1,239,693	10,189,841	1,269,960
Tax allocation bonds:					
Refunding Bonds, 2002	24,390,000	-	1,005,000	23,385,000	1,055,000
Bonds 2002A	3,230,000	-	65,000	3,165,000	70,000
Refunding Bonds, 1998A	12,470,000	-	775,000	11,695,000	815,000
Refunding Bonds, 1998B	5,975,000	-	320,000	5,655,000	335,000
Taxable 2006	25,470,000	-	1,185,000	24,285,000	1,250,000
Refunding Bonds, 2005A	49,725,000	-	2,245,000	47,480,000	2,370,000
Refunding Bonds, 2005B	18,760,000	-	865,000	17,895,000	915,000
Less: deferred charges	(1,906,517)	-	(123,525)	(1,782,992)	(123,525)
Total tax allocation bonds	138,113,483	-	6,336,475	131,777,008	6,686,475

Note 5: Long-Term Liabilities - Governmental Activities (continued)

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Assessment District bonds:					
Assessment District No. 985	$ 115,000	$ -	$ 115,000	$ -	$ -
Assessment District No. 987	135,000	-	40,000	95,000	45,000
Total assessment district bonds	250,000	-	155,000	95,000	45,000
Certificates of Participation:					
1999 Certificates of participation	11,935,000	-	485,000	11,450,000	510,000
Pension obligation bonds payable:					
Taxable Pension Obligation Bonds, 2005 Series A	48,599,907	-	697,856	47,902,051	826,800
Total governmental activities long-term liabilities	$ 287,872,598	$ 24,101,141	$ 26,753,087	$ 285,220,652	$ 28,733,084

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, $930,635 of compensated absences, $13,662,131 of claims and judgments payable, $2,024,867 of capital leases payable, and $165,000 of lease revenue bonds for internal service funds are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

	Amount outstanding at June 30, 2010
Capital Leases Payable	
The City has entered into several lease agreements for the financing of fire equipment, print shop equipment, air conditioning, lighting equipment, and police vehicles. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception.	$ 5,220,522

Note 5: Long-Term Liabilities - Governmental Activities (continued)

Assets acquired through capital leases are as follows:

	Governmental activities
Machinery, vehicles and equipment	$ 11,836,411
Less: accumulated depreciation	(7,068,533)
Totals	$ 4,767,878

The following schedule summarizes the debt to maturity payments for capital leases:

Year ending June 30,	Governmental activities	
	Principal	Interest
2011	$ 1,530,731	$ 187,705
2012	1,096,743	135,377
2013	734,776	99,722
2014	620,027	72,610
2015	616,498	49,431
2016 - 2020	621,747	47,352
Totals	$ 5,220,522	$ 592,197

	Amount outstanding at June 30, 2010
Participation Agreements	
Yellow Freight	
On January 22, 2001, the Agency entered into a Property Owner Redevelopment Agreement with Yellow Freight Systems. As part of the agreement, the Agency agreed to provide public assistance to the offset costs associated with acquisition and development of a freight terminal. Only Agency funds directly generated by net tax increment amounts upon maturity of the note have been pledged. Payments will be from time to time as funds are available. No interest shall accrue on the note.	$ 398,996

Note 5: Long-Term Liabilities - Governmental Activities (continued)

	Amount outstanding at June 30, 2010
Notes Payable	
Section 108 Notes:	
Cinema Project	
The Economic Development Agency of City of San Bernardino (the "Agency") and MDA-San Bernardino Associates, LLC ("MDA") entered into a HUD Section 108 Loan Agreement in December of 1998. The proceeds of the Agency Loan, together with other sources of funds, were used and applied by MDA for the payment of the costs of the development, construction, improvement and financing of a multi-screen cinema complex and related common area improvements. The maximum amount of the loan is $7,000,000. In order for the Agency to be able to make the loan, the Agency entered into a Contract for Loan Guarantee Assistance, a Master Fiscal Agency Agreement, and executed promissory notes with the United States of America through its Department of Housing and Urban Development pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended.	
On the Conversion Date a fixed rate of interest was determined and interest payments are due semiannually on February 1 and August 1 beginning August 1, 2000 through August 1, 2018. Principal payments are to be made annually on August 1, beginning August 1, 2000 through August 1, 2018.	$ 4,240,000
Arden-Guthrie Focused Neighborhood Revitalization Project	
The City of San Bernardino entered into a Contract for Loan Guarantee Assistance, a Master Fiscal Agency Agreement, and executed a promissory note with the United States Department of Housing and Urban Development pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended. The proceeds of the loan were then loaned to that Agency to be used for the Arden-Guthrie Focused Neighborhood Revitalization Project. The source of funds available for the repayment of the Loan is the CDBG Program Revenue of the City. The maximum amount of the Loan is $7,500,000.	

Note 5: Long-Term Liabilities - Governmental Activities (continued)

	Amount Outstanding at June 30, 2010
Notes Payable (continued)	
Section 108 Notes (continued):	
Arden-Guthrie Focused Neighborhood Revitalization Project (continued)	
During the initial phase interest is payable from the date of each advance to the "Public Offering Date" and shall accrue on the unpaid principal balance of the Note and shall be paid in quarterly installments on the first day of February, May, August and November, "Interim Payment Date". The amount of interest payable on each Interim Payment Date will represent interest accrued on the unpaid balance during the three month period ending before the Interim Payment Date, in the case of the first Interim Payment Date, the period from the date of this Note to the day before the first Interim Payment Date. The initial interest rate will be set on the date of such advance at a rate per annum equal to 20 basis points (.2%) above the Applicable LIBOR Rate on such Reset Date.	
On the Conversion Date a fixed rate of interest will be determined and interest payments will be due semiannually on February 1 and August 1 beginning February 1, 2007 through August 1, 2025. Principal payments are to be made annually on August 1, beginning August 1, 2011 through August 1, 2025.	$ 7,500,000
Reynolds of San Bernardino, a California Corporation	
On December 5, 2006, the Agency entered into an Installment Note (Note) for the purchase of property with Reynolds of San Bernardino, a California Corporation, for $606,637. This Note was amended on January 1, 2010. The Note matures on January 1, 2013. Interest only payments of $2,494 per month at 4.93436% are due on the first day of the month commencing on February 1, 2010 through January 1, 2013. The Note is secured by a deed of trust.	506,637

Note 5: Long-Term Liabilities - Governmental Activities (continued)

	Amount Outstanding at June 30, 2010
Notes Payable (continued)	
CMB note payable	
On October 5, 2009, the Agency entered into a Loan Agreement (Loan) for borrowing funds from CMB Infrastructure Investment Group, in the amount of $15,000,000, in accordance with the EB-5 Foreign Investor Visa Program. The Note matures on September 30, 2015. Interest only payments are due on the first day of each quarter commencing on January 1, 2010. As of June 30, 2010, $2,500,000 has been drawn against the Loan.	$ 2,500,000
Fire maintenance facility note	
On August 1, 2009, the City entered into a note payable with a property owner for the purchase of land to be used for the City's Fire Department Maintenance Facility. The note is for the amount of $1,200,000 with a maturity date of July 1, 2019 and bears interest of 5.0%. Due to the nature of the terms of the note, an amortization schedule is not available.	1,200,000
Total notes payable	$ 15,946,637

The annual requirements to amortize notes payable outstanding as of June 30, 2010, are as follows (the fire maintenance facility note dues not have an amortization schedule):

Year ending June 30,	Principal	Interest
2011	$ 380,000	$ 749,104
2012	744,000	711,182
2013	1,285,637	647,508
2014	814,000	585,046
2015	874,000	529,540
2016 - 2020	6,875,000	1,712,244
2021 - 2025	3,140,000	638,875
2026 - 2027	634,000	18,291
Totals	$ 14,746,637	$ 5,591,790

Note 5: Long-Term Liabilities - Governmental Activities (continued)

Lease Revenue Bonds

Public Facilities Lease Revenue Refunding Bonds, 1997 Series A

$10,370,000 of Public Facilities Lease Revenue Refunding Bonds, issue of 1997, Series A, were issued for the purpose of refunding the Agency's Public Facilities Lease Revenue Bonds, 1989 Series A and to provide funds for the construction and leasing of a fueling station. The bonds consist of $5,580,000 of serial bonds with interest rates varying from 3.850% to 4.750%, maturing annually on September 1 of each year through September 1, 2007 and $4,790,000 of term bonds due September 1, 2013, bearing interest at 5.000%. Interest is payable semiannually on March 1, and September 1. The term bonds shall be redeemed prior to maturity beginning September 1, 2008 to September 1, 2013 from the Term Bond Sinking Fund. The amount outstanding at June 30, 2010 is $3,345,000.

Bonds maturing on or after September 1, 2008 are subject to redemption before maturity, at the option of the Agency, from available funds, on any date after September 1, 2007. Such bonds will be redeemed at the times and prices (expressed as a percentage of the principal amount so redeemed) as set forth in the bond documents. A reserve account is required to be maintained in accordance with the bond documents. As of June 30, 2010 the reserve requirement was $945,000 and the amount actually held in the reserve account was $945,000.

The bonds are secured by and payable from the lease revenue payments received by the Agency as lessor, under lease agreements with the City of San Bernardino.

Lease Revenue Refunding Bonds (City Hall Project), Series 1996

$16,320,000 of Lease Revenue Refunding Bonds (City Hall Project), Series 1996, were issued to refund the Central City Project, $12,000,000 Certificates of Participation (Series 1992) and to finance the acquisition of certain equipment and other capital improvements by the City. These bonds consisted of: $4,235,000 of serial bonds with interest rates varying from 4.15% to 5.00%; and $1,690,000 of term bonds bearing interest at 5.10%; $865,000 of term bonds, bearing interest of 5.30%; $3,215,000 of term bonds, bearing interest at 5.60% and $6,315,000 of term bonds, bearing interest at 5.70%. Interest is payable semiannually on January 1 and July 1. Serial bonds mature annually on January 1, 1999 through January 1, 2005. Term bonds are due January 1, 2007, January 1, 2009, January 1, 2015 and January 1, 2023 and shall be called and redeemed before maturity from money deposited into the Term Bond Sinking Fund. The amount outstanding at June 30, 2010 is $9,065,000.

Note 5: Long-Term Liabilities - Governmental Activities (continued)

The Bonds are subject to optional redemption as a whole or in part on any date on or after January 1, 2007, at the times and prices (expressed as a percentage of the principal amount so redeemed) as set forth in the bond documents. A reserve account is required to be maintained in accordance with the bond documents. As of June 30, 2010 the reserve requirement was $1,008,580 and the amount actually held in the reserve account was $1,043,891.

The Bonds and the interest thereon are payable from, and secured by a pledge of, lease payments to be paid by the City of San Bernardino pursuant to a Lease Purchase Agreement between the Agency as lessor and the City as lessee. In order for the City to secure its obligations pursuant to the lease Agreement, the City will grant to the Agency, which will be assigned to First Trust of California National Association, as trustee its interest in the Lease Agreement which includes its rights to acquire the Leased Premises, upon payment of principal of and interest on the Bonds.

The annual requirements to amortize lease revenue bonds outstanding as of June 30, 2010 are as follows:

Year ending June 30,	Principal	Interest
2011	$ 1,265,000	$ 661,830
2012	1,335,000	594,640
2013	1,405,000	523,770
2014	1,480,000	449,095
2015	610,000	394,115
2016 - 2020	3,615,000	1,410,180
2021 - 2023	2,700,000	313,500
Totals	$ 12,410,000	$ 4,347,130

Note 5: Long-Term Liabilities - Governmental Activities (continued)

California Infrastructure

Fire Station Lease

On August 2, 2004, the California Infrastructure and Economic Development Bank (CIEDB) and the City entered into a lease agreement in regard to the purchase of a Fire Station. Subject to the provisions of the lease, the City agrees to pay to the CIEDB as rental for use and occupancy of the Fire Station lease payments on February 1 and August 1 of each year. The lease amount outstanding at June 30, 2010 is $2,237,370.

Harriman Place Street Extension Lease

On August 28, 2001, the California Infrastructure and Economic Development Bank (CIEDB) and the City entered into a lease agreement in regard to the Harriman Place Street Extension Project (Project). The Project is located on real property owned by the City. Subject to the provisions of the lease, the City agrees to pay to the CIEDB as rental for use and occupancy of the Harriman Street Extension lease payments on February 1 and August 1 of each year. The lease amount outstanding at June 30, 2010 is $1,440,624.

Street Construction

On September 27, 2005, the California Infrastructure and Economic Development Bank (CIEDB) and the City entered into a financing agreement for pavement reconstruction and 25.5 miles of pavement rehabilitation projects on public streets throughout the City. The City agrees to pay the CIEDB on August 1 and February 1, beginning in fiscal year 2009. During the fiscal year ended June 30, 2010, the City had drawn a total of $9,613,878 of the $10,000,000 available. The lease amount outstanding at June 30, 2010 was $6,511,847.

The annual requirements to amortize the leases as of June 30, 2010, are as follows:

Year ending June 30,	Principal	Interest
2011	$ 1,269,960	$ 253,789
2012	1,300,971	222,397
2013	1,332,744	190,235
2014	1,365,295	157,284
2015	1,398,648	123,522
2016 - 2020	1,969,094	322,816
2021 - 2025	867,923	152,120
2026 - 2030	685,206	51,171
Totals	$ 10,189,841	$ 1,473,334

Note 5: Long-Term Liabilities - Governmental Activities (continued)

Tax Allocation Bonds

2002 Tax Allocation Refunding Bonds

In April 2002, the San Bernardino Joint Powers Financing Authority issued $30,330,000 in tax allocation refunding bonds to refund the 1995 Tax Allocation Bonds, to finance certain redevelopment activities in the Agency's project areas, to fund a reserve fund for the bonds, fund the interest account, and pay costs of issuance of the bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements.

The bonds consist of serial bonds of $9,125,000 maturing from 2004 to 2012 in annual installments of $775,000 to $1,125,000, and term bonds of $8,290,000, due in 2018, term bonds of $3,475,000 due in 2020, and term bonds of $9,440,000 in 2026. Interest is payable semi-annually on October 1 and April 1, commencing on October 1, 2003, at rates ranging from 3.25% to 5.625%.

The term bonds maturing on April 2018, are subject to mandatory prepayment, on each April 1, commencing on April 1, 2013 through April 1, 2018. Term bonds maturing on April 1, 2020, are subject to mandatory prepayment, on April 1, 2019 and April 1, 2020. Term bonds maturing on April 1, 2026, are subject to mandatory prepayment on each April 1, commencing on April 1, 2021 through April 1, 2026.

The Agency has agreed to pay the Authority principal and interest payments solely from the Agency's Surplus Tax Revenues from the Central City North, State College No. 4, Southeast Industrial Park, Northwest, South Valle, Uptown and Tri-City Redevelopment Project Areas.

A reserve account is required to be maintained in the amount of $2,683,230. The balance held in the reserve account as of June 30, 2010 was $2,683,230. At June 30, 2010, $23,385,000 of the bonds were outstanding.

Tax Allocation Bonds, Series 2002A

In January 2002, the San Bernardino Joint Powers Financing Authority issued $3,635,000 in tax allocation bonds to fund certain capital improvement projects in the Mount Vernon Project Area, to fund a reserve fund, and to pay costs of issuance of the bonds. Interest on the bonds is payable June 1, 2002 and semi-annually thereafter on June 1 and December 1 of each year at rates ranging from 4.7% to 6.2% per annum. The bonds consist of term bonds ranging in amounts from $285,000 to $2,025,000 maturing from 2006 to 2031. Principal installments are payable annually ranging in amount from $50,000 to $445,000 through December 1, 2031.

Note 5: Long-Term Liabilities - Governmental Activities (continued)

Tax Allocation Bonds (continued)

Tax Allocation Bonds, Series 2002A (continued)

Term bonds maturing on December 1, 2012, are subject to mandatory prepayment, on each December 1, commencing on December 1, 2007 through December 1, 2012. Term bonds maturing on December 1, 2021, are subject to mandatory prepayment on each December 1, commencing on December 1, 2013 through December 1, 2021. Term bonds maturing on December 1, 2031, are subject to mandatory prepayment, on each December 1, commencing on December 1, 2022.

A reserve account is required to be maintained in the amount of $263,625. The balance held in the reserve account as of June 30, 2010 was $263,625. At June 30, 2010, $3,165,000 of the bonds were outstanding.

Refunding Bonds, Series 1998A

The $19,000,000 of tax allocation refunding bonds, issue of 1998, Series A, consist of serial bonds with varying interest rates from 3.600% to 5.750%. Interest is payable semiannually on January 1 and July 1. Serial bonds mature annually on July 1 through July 1, 2020. The amount outstanding at June 30, 2010, is $11,695,000.

The Series A bonds are not subject to optional redemption. The bonds are secured by a pledge of property tax apportionments from the Central City Project Area. A reserve account is required to be maintained in accordance with the bond documents. As of June 30, 2010, the reserve requirement was $1,456,515 and the amount actually held in the reserve account was $1,456,515.

The proceeds of the 1998 Series A Tax Allocation Refunding Bonds along with the proceeds of the 1998 Series B Subordinated Tax Allocation Refunding Bonds were used to advance refund $20,990,000 of outstanding Central City Project Tax Allocation Refunding Bonds, 1991 Series A and $4,005,000 of outstanding Central City Project Subordinated Tax Allocation Bonds 1991 Series B.

Note 5: Long-Term Liabilities - Governmental Activities (continued)

Tax Allocation Bonds (continued)

Subordinate Refunding Bonds, Series 1998B

The $8,590,000 of subordinated tax allocation refunding bonds, issue of 1998 Series B, consists of $4,815,000 of serial bonds with varying interest rates from 4.500% to 5.875% and $3,775,000 of term bonds, bearing interest at 6.000%. Interest is payable semiannually on January 1 and July 1. Serial bonds mature annually on July 1 through July 1, 2014. Term bonds are due July 1, 2020 and shall be called and redeemed before maturity from money deposited into the Term Bond Sinking Fund on July 1, 2015 to July 1, 2020 without premium. The amount outstanding at June 30, 2010 is $5,655,000.

Bonds maturing on or after July 1, 2009 are subject to redemption before maturity, at the option of the Agency, from available funds, on any date after July 1, 2008. Such bonds will be redeemed at the times and prices (expressed as a percentage of the principal amount so redeemed) as set forth in the bond documents.

The bonds are secured by a pledge of property tax apportionments from the Central City Project Area. A reserve account is required to be maintained in accordance with the bond documents. As of June 30, 2010, the reserve requirement was $639,012 and the amount actually held in the reserve account was $639,012.

The proceeds of the 1998 Series B subordinated Tax Allocation Refunding Bonds along with the 1998 Series A Tax Allocation Refunding Bonds were used to advance refund $20,990,000 of outstanding Central City Project Tax Allocation Refunding Bonds, 1991 Series A and $4,005,000 of outstanding Central City Project Subordinated Tax Allocation Bonds, 1991 Series B.

Tax Allocation Revenue Refunding Bonds, Series 2005A

In September 2005, the San Bernardino Joint Powers Financing Authority issued $55,800,000 in tax allocation refunding bonds to current refund $55,800,000 of the outstanding 1995A Tax Allocation Refunding Bonds. The remaining portion of the 1995A Bonds was refunded with the proceeds of the Authority's Tax Allocation Refunding Bonds, Series 2005B (see below). As a result, the 1995A Tax Allocation Refunding Bonds are considered to be defeased and the liability has been removed from the financial statements.

The Series 2005A bonds consist of serial bonds with varying interest rates from 5.15% to 5.75%. Interest is payable semi-annually on April 1 and October 1, commencing on April 1, 2006. Serial bonds mature annually on October 1, 2006 through October 1, 2025.

Note 5: Long-Term Liabilities - Governmental Activities (continued)

Tax Allocation Bonds (continued)

Tax Allocation Revenue Refunding Bonds, Series 2005A (continued)

The Series 2005A bonds are not subject to optional redemption. The Agency has agreed to pay the Authority principal and interest payments solely from the Agency's Tax Revenues from the Central City North, State College Project No. 4, Southeast Industrial Park, Northwest, South Valle, Uptown and Tri-City Redevelopment Project Areas.

A reserve account is required to be maintained in the amount of $5,068,736. The balance held in the reserve account as of June 30, 2010 was $5,094,963. At June 30, 2010, $47,480,000 of the bonds were outstanding.

The reacquisition price exceeded the net carrying amount of the old debt by $1,116,000. This amount is being netted against the new debt and being amortized over the life of the new debt. The advance refunding resulted in an increase in debt service payments over the next 20 years of $18,089 and resulted in an economic gain of $1,940,000.

Tax Allocation Revenue Refunding Bonds, Series 2005B

In September 2005, the San Bernardino Joint Powers Financing Authority issued $21,105,000 in tax allocation refunding bonds to current refund $21,105,000 of the outstanding 1995A Tax Allocation Refunding Bonds. The remaining portion of the 1995A Bonds was refunded with the proceeds of the Authority's Tax Allocation Refunding Bonds, Series 2005A (see above). As a result, the 1995A Tax Allocation Refunding Bonds are considered to be defeased and the liability has been removed from the financial statements.

The Series 2005B bonds consist of serial bonds with varying interest rates from 5.15% to 5.75%. Interest is payable semi-annually on April 1 and October 1, commencing on April 1, 2006. Serial bonds mature annually on October 1, 2006 through October 1, 2025.

The Series 2005B bonds are not subject to optional redemption. The Agency has agreed to pay the Authority principal and interest payments solely from the Agency's Tax Revenues from the Central City North, State College Project No. 4, Southeast Industrial Park, Northwest, South Valle, Uptown and Tri-City Redevelopment Project Areas.

A reserve account is required to be maintained in the amount of $1,929,293. The balance held in the reserve account as of June 30, 2010 was $1,942,400. At June 30, 2010, $17,895,000 of the bonds were outstanding.

Note 5: Long-Term Liabilities - Governmental Activities (continued)

Tax Allocation Bonds (continued)

Tax Allocation Revenue Refunding Bonds, Series 2005B (continued)

The reacquisition price exceeded the net carrying amount of the old debt by $422,100. This amount is being netted against the new debt and being amortized over the life of the new debt.

Tax Allocation Bonds (20% Set Aside), Taxable Series 2006

In April 2006, the San Bernardino Joint Powers Financing Authority issued $28,665,000 in tax allocation bonds to fund the acquisition, demolition and relocation of certain occupants of the Central City North Project Area and provide for other redevelopment activities within the City of San Bernardino, as provided in the Redevelopment Plan, fund the Reserve Fund, and pay costs of issuance associated with the bonds.

The 2006 bonds consist of serial bonds of $5,630,000 maturing from 2007 to 2011 in annual installments of $1,000,000 to $1,250,000, and term bonds of $7,370,000, due May 1, 2016, and term bonds of $15,665,000 due May 1, 2027. Interest is payable semi-annually on May 1 and November 1, commencing on November 1, 2006, at rates ranging from 5.20% to 6.15%.

The bonds maturing on or prior to May 1, 2016, shall not be subject to call and redemption prior to maturity. The bonds maturing on or after May 1, 2017, shall be subject to redemption on or after May 1, 2016, and any date thereafter as a whole or in part by lot, at the option of the Agency, at par, plus accrued interest, without premium.

The Agency has agreed to pay the Authority principal and interest payments solely from the Agency's Housing Revenues from the Central City North, Central City Merged, Central City West, Mount Vernon, State College Project No. 4, Southeast Industrial Park, Northwest, South Valle, Uptown, 40th Street and Tri-City Redevelopment Project Areas.

A reserve account is required to be maintained in the amount of $2,698,116. The balance held in the reserve account as of June 30, 2010 was $2,698,116. At June 30, 2010, $24,285,000 of the bonds were outstanding.

Note 5: Long-Term Liabilities - Governmental Activities (continued)

Tax Allocation Bonds (continued)

The annual requirements to amortize tax allocation debt outstanding as of June 30, 2010, are as follows:

Year ending June 30,	Principal	Interest
2011	$ 6,810,000	$ 7,697,083
2012	7,190,000	7,319,343
2013	7,585,000	6,910,670
2014	8,020,000	6,473,398
2015	8,475,000	6,006,089
2016 - 2020	49,960,000	21,889,480
2021 - 2025	36,390,000	7,871,405
2026 - 2030	8,465,000	782,343
2031 - 2032	665,000	48,205
Totals	$133,560,000	$ 64,998,016

Pledged Revenues

The Agency has pledged 100% of future tax increment revenue (less amounts payable by or required to be set-aside by the Agency under any pass-through agreements and by the amount required to be set-aside for low and moderate housing as required by the California Health and Safety Code) as security for the bonds (as listed below) in the amount of $212,070,773 (total principal and interest). The pledges are considered outstanding for the duration of the debt service requirements. Total pledged revenues for the fiscal year ended June 30, 2010, totaled $34,749,829 with the required debt service amount of $18,509,673 for the following Bonds:

Tax allocation refunding bonds, 2002
Tax allocation bonds, series 2002A
Tax allocation refunding bonds, series 1998A
Subordinate tax allocation refunding bonds, series 1998B
Tax allocation refunding bonds, series 2005A
Tax allocation refunding bonds, 2005B
Tax allocation bonds, taxable series 2006

Note 5: Long-Term Liabilities - Governmental Activities (continued)

Assessment District Bonds

Assessment District No. 985 Bonds Payable

$1,102,000 of Assessment District No. 985 bonds, issue of 1991, were issued on February 28, 1990. The bonds consist of coupon bonds from 6.10% to 7.70%. Interest is payable semiannually on March 2 and September 2. Serial Bonds mature annually on September 2 through September 2, 2010. The bonds were issued to provide funds, acquire and construct the work and improvements authorized by the City in the legal proceedings of Assessment District No. 985 located in the City and to pay the authorized incidental expenses of the Assessment District Project and improvement bond financing. There was no outstanding balance at June 30, 2010.

Assessment District No. 987 Bonds Payable

$709,000 of Assessment District No. 987 bonds, issue of 1991, were issued on December 2, 1991. The bonds consist of coupon bonds from 5.75% to 7.30%. Interest is payable semiannually on March 2 and September 2. Serial Bonds mature annually on September 2 through September 2, 2011. The bonds were issued to provide funds, acquire and construct the work and improvements authorized by the City in the legal proceedings for Assessment District No. 987 located in the City and to pay the Authorized incidental expenses of the Assessment District Project and improvement bond financing. The outstanding balance at June 30, 2010 was $95,000.

The bonds are subject to redemption on any March 2 or September 2 in advance of maturity at the option of the City Treasurer, upon giving 60 days prior notice and upon payment of the principal and interest accrued thereon to the date of redemption, plus a redemption premium of 1% of the principal amount thereof.

The following schedule summarizes the annual debt service requirements to maturity for assessment district bonds:

Year ending June 30,	Principal	Interest
2011	$ 45,000	$ 5,619
2012	50,000	1,938
Totals	$ 95,000	$ 7,557

Note 5: Long-Term Liabilities - Governmental Activities (continued)

Certificates of Participation

1999 Certificates of Participation

On September 23, 1999, the San Bernardino Joint Powers Financing Authority issued $15,480,000 of Refunding Certificates of Participation (Police Station, South Valle Refunding and 201 Building Projects). The Certificates were issued to retire $2,325,000 outstanding of Refunding Certificates of Participation (South Valle Public Improvement Project) dated April 1, 1987, and $5,910,000 outstanding of Certificates of Participation (1995 Police Station Financing Project) dated April 1, 1995, and to provide funds for capital improvements.

The Certificates mature on September 1 of each year, beginning September 1, 2001 through September 1, 2024, in amounts ranging from $330,000 to $1,080,000. The interest represented by the Certificates will be calculated, on the basis of a 360-day year of twelve 30-day months, from September 1, 1999, at the rates per annum set forth in the bond documents and will represent the sum of the portions of the lease payments designated as interest coming due during the six months preceding each interest payment date. The interest rates will range approximately from 3.70% to 5.50%. The outstanding balance at June 30, 2010 was $11,450,000.

The Certificates maturing on September 1, 2020 are subject to mandatory sinking fund redemption in part on September 1 in each year on or after September 1, 2010, from the principal components of the lease payments required to be paid by the City pursuant to the Lease Agreements with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium, in accordance with the terms identified in the bond documents. The Certificates maturing on September 1, 2024 are subject to mandatory sinking fund redemption in part on September 1, 2021, from the principal components of the lease payments required to be paid by the City pursuant to the Lease Agreements with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium, in accordance with the terms identified in the bond documents.

The Certificates represent direct, undivided fractional interest in lease payments to be made by the City under the lease agreements. A reserve fund is required to be maintained in an amount equal to the maximum annual debt service. At June 30, 2010, the reserve requirement was $1,147,000 and the amount actually held in the reserve account was $1,171,536.

Note 5: Long-Term Liabilities - Governmental Activities (continued)

Certificates of Participation (continued)

The following schedule summarizes the annual debt service requirements to maturity for certificates of participation:

Year ending June 30,	Principal	Interest
2011	$ 510,000	$ 615,725
2012	540,000	586,850
2013	575,000	556,188
2014	600,000	523,875
2015	635,000	489,912
2016 - 2020	3,730,000	1,871,100
2021 - 2025	4,860,000	697,125
Totals	$ 11,450,000	$ 5,340,775

Pension Obligation Bonds

2006 Taxable Pension Obligation Bonds

In October 2005, the City issued City of San Bernardino Taxable Pension Obligation Bonds, 2005 Series A, consisting of $36,050,000 principal amount of Taxable Pension Obligation Bonds, Series A-1 (standard bonds) and $14,351,583 principal amount of Taxable Pension Obligation Bonds, 2005 Series A-2 (capital appreciation bonds). The City issued the bonds in order to prepay its unfunded accrued actuarial liability related to the City's safety retirement plan.

The standard bonds are dated October 1, 2005, with an interest rate of 5.628%, maturing annually commencing October 1, 2024 through October 1, 2035. Interest is due annually commencing on October 1, 2006 through October 1, 2035.

The capital appreciation bonds are dated October 1, 2005, with interest rates varying from 4.993% to 5.877%, maturing annually commencing October 1, 2007 through October 1, 2024.

Note 5: Long-Term Liabilities - Governmental Activities (continued)

Pension Obligation Bonds (continued)

The following schedule summarizes the annual debt service requirements to maturity for the Pension Obligation Bonds:

Year ending June 30,	Principal	Interest
2011	$ 826,800	$ 2,028,894
2012	934,391	2,028,894
2013	916,280	2,028,894
2014	895,138	2,028,894
2015	873,241	2,028,894
2016 - 2020	4,045,799	10,144,470
2021 - 2025	3,755,402	10,133,355
2026 - 2030	12,550,000	8,582,062
2031 - 2035	18,515,000	4,251,461
2036 - 2039	4,590,000	129,163
Totals	$ 47,902,051	$ 43,384,981

Note 6: Long-Term Liabilities – Business-type Activities

The following is a summary of changes in business-type long-term liabilities for the year ended June 30, 2010:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Business-type activities:					
Capital leases payable	$ 12,029,423	$ 3,597,721	$ 2,029,091	$ 13,598,053	$ 2,538,564
Claims payable	421,299	(34,781)	72,524	313,994	313,994
Compensated absences	2,692,966	756,449	953,693	2,495,722	2,101,934
Notes payable	30,895,419	-	2,982,806	27,912,613	3,085,118
Certificates of participation					
Refunding sewer revenues COPS	21,910,000	-	2,240,000	19,670,000	2,365,000
Less: deferred charges	(152,512)	-	(22,207)	(130,305)	(21,625)
Subtotal	21,757,488	-	2,217,793	19,539,695	2,343,375
Water bonds payable	45,000	-	10,000	35,000	10,000
OPEB obligation	3,308,000	1,543,000	-	4,851,000	-
Total business-type activities long-term liabilities	$ 71,149,595	$ 5,862,389	$ 8,265,907	$ 68,746,077	$ 10,392,985

Capital Leases Payable

These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception.

	Amount outstanding at June 30, 2010
Integrated Waste equipment	
The City entered into several lease purchase agreements for the financing of the acquisition of refuse trucks and street sweepers. The terms of leases vary from 48 to 84 months with individual semi-annual payments ranging from $33,339 to $595,502.	$ 13,598,053

Note 6: Long-Term Liabilities – Business-type Activities (continued)

Capital Leases Payable (continued)

Year ending June 30,	Business-type activities Principal	Business-type activities Interest
2011	$ 2,538,564	$ 460,809
2012	2,596,295	369,738
2013	3,135,524	286,446
2014	1,780,353	173,790
2015	1,842,224	111,919
2016 - 2020	1,131,627	63,639
2021 - 2025	573,466	16,309
Totals	$ 13,598,053	$ 1,482,650

Assets acquired through capital leases are as follows:

	Business-type activities
Machinery, vehicles and equipment	$ 15,678,210
Less: accumulated depreciation	(6,386,174)
Totals	$ 9,292,036

Water Bonds Payable

Waterworks Bonds, Series C

During the year ended June 30, 1992, the South San Bernardino Water District merged with the Water Department. The department assumed all bonds. The bonds were initially issued March 1, 1988, for $150,000 and mature annually commencing September 1, 1993, through September 1, 2013 in principal amounts ranging from $5,000 to $15,000. Interest accrues at 7.75%. The outstanding balance at June 30, 2010 is $35,000.

The annual requirements to amortize bonds payable subsequent to June 30, 2010 are as follows:

Year ending June 30,	Business-type activities Principal	Business-type activities Interest
2011	$ 10,000	$ 2,713
2012	10,000	1,938
2013	15,000	1,163
Totals	$ 35,000	$ 5,814

Note 6: Long-Term Liabilities – Business-type Activities (continued)

Certificates of Participation

Refunding Sewer Revenue Certificates of Participation

$36,230,000 of refunding sewer revenue certificates of participation, 1998, were issued consisting of $29,855,000 of serial certificates with variable interest rates ranging from 3.95% to 5.25% and $6,375,000 of term certificates, bearing interest at 5.00%. Interest is payable semiannually of February 1, and August 1. Serial certificates mature annually on February 1 through February 1, 2015. Term certificates are due February 1, 2017, and are subject to mandatory sinking fund prepayments beginning February 1, 2016.

Certificates maturing on or after February 1, 2010, are subject to prepayment before maturity, at the option of the City, on any date after February 1, 2009. Such certificates will be redeemed at the times and prices (expressed as a percentage of the principal amount so redeemed) as set forth in the bond documents.

The Certificates were issued to refinance the acquisition and construction of certain capital improvements that were originally financed by the 1992 Certificates of Participation, dated February 1, 1992. The proceeds of the 1998 Certificates were invested and used to pay interest on the 1998 issue until February 1, 2001. The 1992 Certificates were called on February 1, 2001 at a prepayment premium of two percent. The funds from the 1998 issue were used to pay off the 1992 Certificates. The Department will now begin paying the installment payments on the 1998 Certificates from the net revenues of the Sewer system. The Department has covenanted that it will budget amounts sufficient to make all installment payments due.

Costs related to the issuance of the 1998 Certificates have been paid out of the proceeds of the issue.

Note 6: Long-Term Liabilities – Business-type Activities (continued)

Certificates of Participation (continued)

The annual requirements to amortize certificates of participation subsequent to June 30, 2010, are as follows:

Year ending June 30,	Business-type activities Principal	Interest
2011	$ 2,365,000	$ 973,650
2012	2,510,000	855,400
2013	2,650,000	736,715
2014	2,805,000	607,650
2015	2,965,000	474,412
2016 - 2020	6,375,000	479,750
Sub-total - principal	19,670,000	$ 4,127,577
Less: deferred charges	(130,305)	
Total	$ 19,539,695	

Notes Payable

California Infrastructure and Economic Development Bank

California Infrastructure and Economic Development Bank note is to be repaid in annual principal and interest payment ranging from $776,905 to $750,319, matures in 2022, and bears interest at 3.34%.

State Water Resources Control Board

State Water Resources Control Board (SWRCB) note is to be repaid over a 20-year period at 3.30% interest with the first payment due one year after completion of construction on the demonstration project. Annual principal and interest payments of $279,293 are to be made over the 20-year period. The note matures in 2011.

San Bernardino Valley Municipal Water District

San Bernardino Valley Municipal Water District note is to be repaid in annual principal and interest payment of $456,250, matures in 2013, and bears interest at 7.25%.

Note 6: Long-Term Liabilities – Business-type Activities (continued)

Notes Payable (continued)

State Water Resources Board

A loan from the State Water Resources Control Board was provided for the construction of the San Bernardino/Colton Rapid Infiltration Extraction (RIX) project. Twenty annual principal and interest payments of $1,761,739 began in 1997. The loan matures in 2016, and bears interest at 2.80%. The loan requires the Department to establish a Wastewater Capital Reserve Fund (WCRF) for expansion, major repair or replacement of wastewater treatment works at one-half of one percent of the total loan amount for a period of ten years.

California Infrastructure and Economic Development Bank

California Infrastructure and Economic Development Bank note is to be repaid in annual principal and interest payment ranging from $733,438 to $702,091, matures in 2026, and bears interest at 2.71%.

The annual requirements to amortize notes payable subsequent to June 30, 2010, are as follows:

Year ending June 30,	Business-type activities	
	Principal	Interest
2011	$ 3,085,118	$ 911,227
2012	2,913,058	801,066
2013	3,014,053	696,951
2014	2,663,609	587,930
2015	2,740,755	507,471
2016 - 2020	7,603,153	1,557,828
2021 - 2025	4,529,769	526,675
2026 - 2030	1,363,098	43,348
Totals	$ 27,912,613	$ 5,632,496

Note 7: Compensated Absences Liability

The City employees receive from 10 to 25 vacation days each year depending upon length of service. An employee may accumulate earned vacation time to a maximum not to exceed 60 days. Upon termination, employees are paid the full value of their unused vacation time at their existing salary. The City employees receive 12 personal necessity/sick leave days each year. Upon termination or retirement, employees are paid one-half the value of their unused personal necessity/sick leave time at their existing salary. At June 30, 2010, $20,620,061 and $2,495,722 have been recorded, respectively, for governmental and business-type activities accrued vacation and sick leave.

Note 8: Prior Year Defeasance of Debt

In prior years, the City defeased certain debt issuances by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debt issuances. Accordingly, the trust account assets and the liability for the defeased debt issuances are not included in the accompanying financial statements.

Note 9: Claims and Judgments Payable

The City of San Bernardino is self-insured for its liability, unemployment and long-term disability programs. The accrued liability for estimated claims represents an estimate of the eventual loss on claims arising prior to year-end including claims incurred but not yet reported.

Changes in the claims liability for the governmental activities for the years ended June 30, 2010 and 2009, are as follows:

Governmental activities	Liability beginning of year	Claims and changes in estimates	Claims paid	Liability end of year
2008-2009				
Workers comp	$ 7,755,824	$ 4,266,252	$ (3,042,228)	$ 8,979,848
Liability claims	5,465,000	1,021,329	(1,289,259)	5,197,070
Total 2008-2009	$ 13,220,824	$ 5,287,581	$ (4,331,487)	$ 14,176,918
2009-2010				
Workers comp	$ 8,979,848	$ 1,354,856	$ (1,867,893)	$ 8,466,811
Liability claims	5,197,070	1,305,962	(1,307,712)	5,195,320
Total 2009-2010	$ 14,176,918	$ 2,660,818	$ (3,175,605)	$ 13,662,131

Note 9: Claims and Judgments Payable (continued)

Changes in the claims liability for the business-type activities for the years ended June 30, 2010 and 2009, are as follows:

Business-type activities	Liability beginning of year	Claims and changes in estimates	Claims paid	Liability end of year
2008-2009				
Workers comp	$ 391,368	$ 147,683	$ (117,752)	$ 421,299
2009-2010				
Workers comp	$ 421,299	$ (34,781)	$ (72,524)	$ 313,994

Currently, the City is a member of the Big Independent Cities Excess Pool (BICEP) which covers general liability claims. BICEP pools catastrophic general liability, automobile liability, and public official's errors and omissions losses. BICEP intends to pool covered catastrophic losses incurred by its members, thereby eliminating the need for excess commercial insurance protection. As a result, each member's share of pooled costs will depend on the catastrophic losses of all the members. In addition, the cost of a member city will also depend on that member's own loss experience. Entities with a consistent record of costly claims will pay more than entities with a consistent record of limited serious claims activity. The following public entities are members of BICEP: Huntington Beach, Oxnard, West Covina, San Bernardino and Santa Ana.

For liability claims, the City is self insured for the first $1 million. The first million in excess of the self insured limit is divided up proportionately among the BICEP members. In addition, the City has obtained excess liability coverage using a tiered system with three carriers totaling $25 million per occurrence.

Currently, the City is a member of the CSAC Excess Insurance Authority (the Authority) for its workers compensation claims. For these claims, the City is self insured for the first $1 million. The first $4 million in excess of the self insured limit is insured through the Authority. In addition, for amounts in excess of the $5 million self insurance and Authority coverage, the City has obtained an additional $45 million in liability coverage from ACE American Insurance Company.

Note 9: Claims and Judgments Payable (continued)

Settled claims for general liability and workers' compensation have not exceeded insurance coverage during the past three years.

Estimated claims liabilities at June 30, 2010, including estimates for claims incurred but not reported, have been recorded by BICEP and the City's corresponding share of cost (Premium) is included in claims expense in the Liability Insurance Internal Service Fund.

Note 10: Fund Deficits/Accumulated Deficits and Expenditures in Excess of Appropriations

At June 30, 2010, the following governmental funds have deficits that are anticipated to be funded from future grants, other revenues and operating transfers:

	Deficit amount
Special revenue funds:	
Cemetery	$ 156,383
Baseball Stadium	80,979
Debt service funds:	
Assessment District #1015	368,344
Capital projects funds:	
Street Construction	6,238,759
CIEDB Street Construction	395,171

At June 30, 2010, the following proprietary funds have accumulated deficits that are anticipated to be recovered in future periods from user charges and/or operating transfers, as follows:

	Deficit amount
Internal service funds:	
Unemployment Insurance	$ 40,632
Workers' Compensation	9,042,369
Liability Insurance	672,541
Utility	89,060
Central Services	51,252

Note 10: Fund Deficits/Accumulated Deficits and Expenditures in Excess of Appropriations (continued)

As of June 30, 2010, the General Fund does not have the financial capacity to fund such accumulated deficits. Therefore, management expects that funding for the accumulated deficits will take years to accomplish. The accumulated deficit of the Workers' Compensation Internal Service Fund, of which accounts for self-insurance activities, is due to higher claims experienced versus amounts charged to the various departments.

The following funds and General Fund departments reported an excess of expenditures over appropriations at June 30, 2010:

	Final budget	Actual	Variance
General Fund:			
Mayor - personnel salaries and benefits	$ 618,700	$ 631,086	$ (12,386)
City treasurer - personnel salaries and benefits	176,800	180,965	(4,165)
City administrator - other	54,700	56,449	(1,749)
Personnel - personnel salaries and benefits	418,700	423,244	(4,544)
Finance - other	199,700	238,917	(39,217)
Facilities management - personnel salaries and benefits	1,718,900	1,723,671	(4,771)
Nondepartmental - other	6,637,900	7,001,601	(363,701)
Debt service fund:			
Assessment District #987	57,300	65,176	(7,876)
Assessment District #985	69,900	127,400	(57,500)
Capital projects fund:			
Special Assessments	1,157,300	1,428,779	(271,479)
Special revenue fund:			
Traffic Safety	-	900,541	(900,541)

Note 11: Defined Benefit Pension Plan

The City of San Bernardino contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial report may be obtained from its executive office at 400 "Q" Street, Sacramento, California 95814.

Participants are required to contribute 8% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and city contracts with employee bargaining groups.

Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period July 1, 2009 to June 30, 2010 has been determined by an actuarial valuation of the plan as of June 30, 2007. The contribution rate indicated for the year under audit was 23.356% of payroll for the safety plan. The contribution rate indicated for the miscellaneous plan for the year under audit was 12.544%. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2010, this contribution rate would be multiplied by the payroll of covered employees that was actually paid during the period July 1, 2009 to June 30, 2010.

A summary of principle assumptions and methods used to determine the ARC is shown below:

Valuation Date	June 30, 2007
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level percent of payroll
Average Remaining Period	32 (safety) 30 (misc) years as of the valuation date
Asset Valuation Method	15 year smoothed market
Actuarial Assumptions	
Investment Rate of Return	7.75% (net of administrative expenses)
Projected Salary Increases	3.25% to 14.45% depending on age, service, type of employment and plan
Inflation	3.00%
Payroll Growth	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.0% and an annual production growth of 0.25%.

Note 11: Defined Benefit Pension Plan (continued)

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percent of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization period may not be lower than the payment calculated over a 30-year amortization period.

The Schedule of Funding Progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded accrued liability to payroll.

Three-year Trend Information for PERS ($ in thousands)

City

Miscellaneous

Fiscal year	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
June 30, 2008	$ 4,697	100%	$ -
June 30, 2009	4,855	100%	-
June 30, 2010	4,161	100%	-

Safety

Fiscal year	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
June 30, 2008	$ 8,725	100%	$ -
June 30, 2009	10,727	100%	-
June 30, 2010	11,225	100%	-

Economic Development Agency

Fiscal year	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
June 30, 2008	$ 274	100%	$ -
June 30, 2009	341	100%	-
June 30, 2010	377	100%	-

Note 11: Defined Benefit Pension Plan (continued)

Schedule of Funding Progress (in thousands):

6/30/2009	Accrued liability (a)	Actuarial value of assets (b)	Unfunded liability (a)-(b)	Funded ratio (b)/(a)	Annual covered payroll (c)	UL as a % of payroll [(a)-(b)/(c)]
Miscellaneous	$ 391,360	$ 337,732	$ 53,628	86.3%	$ 51,175	104.8%
Safety	527,185	445,549	81,636	84.5%	48,800	167.3%
Total	$ 918,545	$ 783,281	$ 135,264	85.3%	$ 99,975	135.3%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 12: Other Post-Employment Benefits

City

Plan Description

The City administers a single employer defined benefit healthcare plan (the Plan). The Plan currently provides healthcare and life insurance for eligible retirees and their surviving spouses through the City's group health insurance plan which is administered by Mercer. The Plan covers both active and retired members. Benefits provisions are established through negotiations between the City and various union bargaining groups. The Plan does not issue a publicly available financial report.

Funding Policy

Contribution requirements of the Plan are also established through negotiations between the City and union representatives. The required contribution is based on pay-as-you-go financing requirements. For fiscal year 2010, the City contributed $492,155 to the Plan. The City currently contributes $101 of the required premium costs of active employees. Retired employees are permitted to participate with active employees in the health-care plan but retirees must pay all premiums as calculated by Mercer, less the City's payment of $105, assigned to them, except for public safety. Public safety pays in accordance with the following schedule:

Years of service	Payment
20	$ 200
25	350
30	450

Note 12: Other Post-Employment Benefits (continued)

Annual OPEB Cost and Net OPEB Obligation

The City's annual other OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution	$ 6,084,000
Interest on net OPEB obligation	514,000
Adjustment to annual required contribution	(808,000)
Annual OPEB cost (expense)	5,790,000
Contributions made	
Benefit payments (cash subsidy)	(492,155)
Benefit payments (implied subsidy)	(624,000)
Total contributions made	(1,116,155)
Increase in net OPEB obligation	4,673,845
Net OPEB obligation, beginning of year	10,286,891
Net OPEB obligation, end of year	$ 14,960,736

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

Fiscal year ended	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
June 30, 2008	$ 5,648,000	5.60%	$ 5,330,990
June 30, 2009	6,098,110	18.70%	10,286,891
June 30, 2010	5,790,000	19.30%	14,960,736

Note 12: Other Post-Employment Benefits (continued)

Funded Status and Progress

The funded status of the plan as of June 30, 2009, the most recent valuation date, was as follows (amounts in thousands):

Actuarial accrued liability (AAL)	$	61,371
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	$	61,371
Funded ratio (actuarial value of plan assets/AAL)		0.00%
Covered payroll (active plan members)	$	78,951
UAAL as a percentage of covered payroll		77.73%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The June 30, 2009, actuarial cost method used for determining the benefit obligations is the entry age normal cost method. The actuarial assumptions included a 5.0% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10.0% initially, reduced by increments of 0.5% per year to an ultimate rate of 4.5% after the tenth year. The UAAL is being amortized as a level percentage of projected payroll over 30 years. It is assumed the City's payroll will increase 3.25% per year.

Note 12: Other Post-Employment Benefits (continued)

Water Department

Plan Description

The Department administers a single employer defined benefit healthcare plan which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. The Department reports the financial activity of the plan as a trust fund, and no separate financial report is prepared. Employees are eligible for retiree health benefits if they retire from the Department on or after age 50 with at least 5 years of service, and are eligible for a PERS pension.

Funding Policy

The contribution requirements of plan members and the Department are established and may be amended by the Board of Water Commissioners. The required contribution is based in projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board of Water Commissioners. For fiscal year 2010, the Department contributed $670,000 to the Plan (100% of current premiums). Plan members receiving benefits contributed $136,000 (approximately 6.5% of total premiums) through their required contribution. The Department pays up to the entire cost of health benefits for eligible retirees and their spouses until age 65 subject to the City's vesting schedule.

Annual OPEB Cost and Net OPEB Obligation

The Department's annual other post employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC),* an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years. The following table shows the components of the Department's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Department's net OPEB obligation:

Annual required contribution	$ 2,307,000
Interest on net OPEB obligation	166,000
Adjustment to annual required contribution	(260,000)
Annual OPEB cost (expense)	2,213,000
Contributions made	(670,000)
Increase in net OPEB obligation	1,543,000
Net OPEB obligation, beginning of year	3,308,000
Net OPEB obligation, end of year	$ 4,851,000

Note 12: Other Post-Employment Benefits (continued)

The Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

Fiscal year ended	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
June 30, 2008	$ 2,264,000	27.90%	$ 1,632,000
June 30, 2009	2,419,000	30.71%	3,308,000
June 30, 2010	2,213,000	30.27%	4,851,000

Funded Status and Progress

The funded status of the plan as of June 30, 2010, the most recent valuation date, was as follows (amounts in thousands):

Actuarial accrued liability (AAL)	$ 26,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$ 26,000
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	$ 13,600
UAAL as a percentage of covered payroll	191.18%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Note 12: Other Post-Employment Benefits (continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 5.0% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate between 10.9% initially, reduced by decrements of between 0.65% per year to an ultimate rate of 4.5% percent after the tenth year. Both rates included a 3.0% inflation assumption. The UAAL is being amortized as a level percentage of projected payroll over 30 years.

Economic Development Agency

Plan description

The Agency administers a single employer defined benefit healthcare plan (the Plan). The Agency provides medical and dental plan coverage for retirees and their eligible surviving dependents. This coverage is available for employees who satisfy the requirements for retirement under the California Public Employees Retirement System (PERS), which is age 50 or older with at least eight years of Agency service. The healthcare coverage provided meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. The Plan does not issue a publicly available financial report.

Funding Policy

The contribution requirements of the Agency are established and may be amended by the Agency Board. The required contribution is based on pay-as-you-go financing requirements. For fiscal year 2010, the Agency contributed $16,274 to the plan, which was 100% of the total current premiums.

Note 12: Other Post-Employment Benefits (continued)

Annual OPEB Cost and Net OPEB Obligation

The Agency's annual other OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years. The following table shows the components of the Agency's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Agency's net OPEB obligation:

Annual required contribution	$ 211,490
Interest on net OPEB obligation	17,815
Adjustment to annual required contribution	(21,250)
Annual OPEB cost (expense)	208,055
Contributions made	(16,274)
Increase in net OPEB obligation	191,781
Net OPEB obligation, beginning of year	395,888
Net OPEB obligation, end of year	$ 587,669

The Agency's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

Fiscal year ended	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
June 30, 2008	$ 211,490	6.00%	$ 198,890
June 30, 2009	210,298	6.30%	395,888
June 30, 2010	208,055	7.80%	587,669

Note 12: Other Post-Employment Benefits (continued)

Funded Status and Progress

The funded status of the plan as of June 30, 2009, the most recent valuation date, was as follows:

Actuarial accrued liability (AAL)	$ 749,208
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$ 749,208
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	$ 2,032,245
UAAL as a percentage of covered payroll	36.87%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for the benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 4.50% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the Plan at the valuation date, and an annual healthcare cost trend rate of zero percent initially, which increases by 5.0% in the twelfth year. The UAAL is being amortized as level percentage of projected payroll over 20 years.

Note 13: Special Assessment Debt Without Government Commitment

Assessment District No. 1003 issued $857,000 on July 1, 1992; under the Refunding Act of 1984, for 1915 Improvement Act Bonds. The Bonds are payable from the annual installments collected on the regular property tax bills sent to owners of property having unpaid assessments levied against land benefited by the projects. Neither the faith, credit nor taxing power of the City is pledged to the repayment of the bonds. Accordingly, no liability has been recorded in the financial statements. At June 30, 2010, $195,000 of Improvement Bonds remain outstanding.

Note 14: Mortgage Revenue and Industrial Development Revenue Bonds

Not included in the accompanying financial statements are mortgage revenue bonds and industrial development revenue bonds issued by the Agency. The bonds are special obligations payable solely from payments made on and secured by a pledge of the acquired mortgage loans and certain reserve funds and other monies in connection therewith, all pledged under the resolution authorizing the issuance of the bonds. The bonds are not payable from any other revenues or assets of the Agency. Neither the faith nor credit of the taxing powers of the City of San Bernardino, California, the State of California or any political subdivision thereof, or the Agency is pledged to the payment of the principal of or the interest on the bonds. Mortgage revenue bonds outstanding as of June 30, 2010 include the Multifamily Housing Revenue Bonds (Highland Lutheran Senior Housing Project) 1995 Series for $1,365,000 and the Multifamily Housing Revenue Bonds (Ramona Senior Complex Project) Series 1995 for $1,210,000.

Note 15: Contingencies

Amounts received or receivable from grantor agencies are subject to audit or adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the City. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

In the normal course of operations, the City has been named as a defendant in other various claims and legal actions. In the opinion of legal counsel, the ultimate liability for these other legal actions and claims will not have a materially adverse effect on the City's financial statements.

Note 16: Jointly Governed Organizations

Inland Valley Development Agency

In January 1990, the City entered into a joint powers agreement with the Cities of Colton and Loma Linda and the County of San Bernardino to form the Inland Valley Development Agency (IVDA). The IVDA adopted a redevelopment plan, and its primary purpose is to promote the redevelopment of the former Norton Air Force Base and other areas within its project area. The IVDA board is comprised of three members from the City and two each from the other members. The primary sources of funding are tax increment and lease income. As of June 30, 2010, the outstanding balance due from IVDA is $17,816. Additional financial information can be obtained by contacting IVDA at 294 S. Leland Norton Way, Suite 1, San Bernardino, CA 92408.

San Bernardino International Airport Authority

In May 1992, the City entered into a joint powers agreement with the Cities of Colton, Loma Linda, Highland and Redlands and the County of San Bernardino to form the San Bernardino International Airport Authority (SBIAA). SBIAA was created primarily for the purpose of acquiring, operating, repairing, maintaining and administering the aviation related portions of the former Norton Air Force Base property located in San Bernardino. Effective April 19, 1996, the City of Redlands withdrew from its membership in SBIAA. The board is comprised of two members from the City and one each from the other members. The primary sources of funding are loans, federal grants and lease income. Additional financial information can be obtained by contacting SBIAA at 294 S. Leland Norton Way, Suite 1, San Bernardino, CA 92408.

San Bernardino Regional Water Resource Authority

In August 1998, the City entered into a joint powers agreement with the Inland Valley Development Agency (IVDA) and the San Bernardino Valley Municipal Water District (the District) to form the San Bernardino Regional Water Resources Authority (the Authority). The Authority was created primarily for the purpose of conducting a water resource and storage project. The Authority board is comprised of three members from the City, one member from IVDA and two from the District. The primary sources of funding are loans and grants. As of June 30, 2010, the outstanding balance due from the Authority is $306,389. Additional financial information can be obtained by contacting the Authority at 201 North “E” Street, Third Floor, San Bernardino, CA 92401.

Note 16: Jointly Governed Organizations (continued)

San Bernardino Public Safety Authority

On April 1, 1968, the City of San Bernardino and the County of San Bernardino formed the San Bernardino Public Safety Authority (PSA), a joint powers authority, as a financing vehicle to construct (1) public safety buildings and (2) improvements to the wastewater treatment plant. Effective with the transfer of the sewer treatment utility to the Department by resolution in October 1973, all the assets were transferred to the Department and are included in the property, plant and equipment of the Sewer Utility. The Department utilized the PSA to issue the 1998 Certificates of Participation debt. The joint venture is not experiencing financial stress.

West End Water Development, Treatment and Conservation Joint Powers Authority

On August 15, 1990, the City of San Bernardino joined the West End Water Development, Treatment and Conservation Joint Powers Authority (WEJPA) as a financing vehicle for construction of water facilities. A three-member Board consisting of one representative from each agency's governing body governs the WEJPA. The Department's investment in the joint venture is included in property, plant and equipment. The joint venture is not experiencing financial stress.

Note 17: Consent Decree

In 1996, the City of San Bernardino filed a complaint against the United States of America, Department of the Army to recover damages, response costs and other available remedies relating to contamination alleged to have originated at a World War II army installation known as Camp Ono. In March 2005, the United States District Court, Central Division entered judgment, in the form of a consent decree, in the matter of City of San Bernardino v. United States of America. The Consent Decree settles the City's and the State's claims arising from the groundwater contamination allegedly cause by the Army. The Consent Decree contains a number of provisions obligating the City (through the Department) to operate and maintain the Newmark Groundwater Superfund site (Site). The Site consists of two operable units, the Newmark Operable Unit and the Muscoy Operable Unit. The Newmark Operable Unit was declared operational and functional in 1998. The Muscoy Operable unit was declared operational and functional in 2007.

The Consent Decree provided for a payment of $69 million from the Army to the City for performance of the work outlined in the Consent Decree. Upon acceptance of the Consent Decree, the Department received title to all facilities constructed by the United States Environmental Protection Agency (EPA) of the Site and agreed to operate and maintain the groundwater extraction and treatment system for a period of 50 years. The $69 million payment consisted of $59 million for operations and maintenance and $10 million for the construction of certain capital facilities that would be required in the future; the funds are subject to strict limitations, contained in the Consent Decree, as to how the money may be spent.

Note 17: Consent Decree (continued)

Pursuant to the Consent Decree, $10 million, including interest earned, has been set aside to be used only for (i) funding construction of treatment and directly related transmission systems that expand the Department's capacity to deliver potable water and (ii) funding work performed by the Department to complete construction of the Muscoy Operable Unit extraction system. These capital facility funds may not be used for costs incurred to operate, maintain, repair or retrofit components of the site extraction of treatment systems constructed by EPA.

In March 2006, the Department entered into a Guaranteed Investment Contract with AIG Match Funding Corporation. The Department invested $16,482,039 of excess Consent Decree funds into an interest bearing Escrow Fund investment with an interest rate of 4.95% per annum. These funds were invested to pay costs associated with the water facilities defined in the Consent Decree for years 2035-2056. An additional $50 million was used to purchase a blended insurance policy to provide a financial vehicle that provides cost cap coverage for the first 30 years of expenses.

The terms of the Guaranteed Investment Contract only provided the Department with the position of a secured creditor with respect to an AIG bankruptcy. As concerns rose regarding AIG's financial credibility, in October 2008, the Department negotiated and accepted a "payout" in the amount of $18,661,876 which represented the principal and accrued interest as of that date. These funds are currently invested in LAIF and Federal Agencies investments. The Department continues to review alternate investment options for these funds.

Note 18: Other Retirement Plan (PARS)

Effective January 1, 2004, pursuant to sections 4041(a) and 501(a) of the Internal Revenue Code, the City adopted a tax-qualified governmental defined benefit plan, the City of San Bernardino Public Agency Retirement System (PARS) – Retirement Enhancement Plan (the Plan). The Plan is administered by the City and was established to provide certain police safety or management employees employed as of January 1, 2004, meeting specific requirements as outlined in the Plan document, supplemental retirement benefits in addition to the benefits employees will receive from the Public Employees Retirement System (PERS). The Plan is entirely funded through City contributions amounting to 1.70% of employee salaries. The City's contributions to the Plan amounted to $546,801 in 2010 and $559,119 in 2009.

Note 19: Construction Commitments

Commitments in the form of signed contracts for costs to complete construction projects or other improvements amounted to $2,585,238 and $4,340,533 at June 30, 2010 and June 30, 2009 respectively.

Note 20: Net Assets

The government-wide statement of net assets reports $188,976,306 of restricted net assets, of which $20,322,122 is restricted by enabling legislation.

Net assets are restricted as shown below:

	Governmental Activities	Business-type Activities	Totals	
			2010	2009
Restricted for:				
Streets and capital projects	$ 19,341,918	$ -	$ 19,341,918	$ 33,359,750
Economic development	139,811,291	-	139,811,291	146,820,581
Capital related fees	-	11,992,059	11,992,059	19,831,726
Public safety	980,204	-	980,204	604,555
Debt service	28,842,893	-	28,842,893	25,280,496
Total restricted net assets	$ 188,976,306	$ 11,992,059	$ 200,968,365	$ 225,897,108

REQUIRED SUPPLEMENTARY INFORMATION

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Required Supplementary Information
City of San Bernardino
Budgetary Comparison Schedule – General Fund
For the year ended June 30, 2010

	Budgeted amounts		Actual	Variance with	Prior year
	Original	Final	amounts	final budget	actual
REVENUES					
Taxes:					
Sales and use	$ 31,238,300	$ 26,799,000	$ 26,330,784	$ (468,216)	$ 30,465,303
Utility users	24,500,000	22,565,900	22,630,460	64,560	24,355,172
Property	28,021,700	29,570,800	28,815,781	(755,019)	32,788,532
Franchise	3,583,000	3,583,000	3,125,973	(457,027)	3,513,505
Transient occupancy	2,600,000	1,850,000	2,222,114	372,114	2,517,102
Property transfer	500,000	500,000	393,621	(106,379)	390,814
Total taxes	90,443,000	84,868,700	83,518,733	(1,349,967)	94,030,428
Licenses and permits:					
Business registration	6,435,000	5,685,000	5,841,349	156,349	6,197,871
Building permits	485,000	485,000	545,164	60,164	498,626
Mechanical permits	150,000	150,000	161,319	11,319	144,792
Onsite permits	650,000	125,000	104,328	(20,672)	623,489
Onsite plan check fees	200,000	200,000	25,780	(174,220)	209,377
Public works construction permit	152,000	152,000	56,222	(95,778)	122,992
Paramedic/EMS subscription	12,000	12,000	30,319	18,319	2,172
Street cut permit	198,800	435,000	418,072	(16,928)	295,086
Other	1,063,700	1,277,300	1,204,464	(72,836)	1,291,065
Total licenses and permits	9,346,500	8,521,300	8,387,017	(134,283)	9,385,470
Fines and forfeitures:					
General fines	116,700	279,600	245,685	(33,915)	135,875
Parking citation	1,130,000	1,230,000	1,152,652	(77,348)	1,145,492
Code admin citations	235,000	500,000	582,838	82,838	182,982
Fire citation	100,000	100,000	64,976	(35,024)	96,767
Other	821,300	1,640,000	1,332,984	(307,016)	688,944
Total fines and forfeitures	2,403,000	3,749,600	3,379,135	(370,465)	2,250,060
Investment income:					
Investment income	456,200	200,000	110,208	(89,792)	198,928
Land and building rental	472,200	493,200	649,755	156,555	498,389
Other	40,000	40,000	29,475	(10,525)	39,219
Total investment income	968,400	733,200	789,438	56,238	736,536
Intergovernmental:					
Motor vehicle in lieu tax	725,000	400,000	711,560	311,560	817,737
Homeowners exemption	140,000	140,000	141,765	1,765	134,091
State police training grants	100,000	100,000	96,838	(3,162)	100,876
State grants	700,000	700,000	506,326	(193,674)	795,269
Other	5,801,400	5,846,400	5,756,564	(89,836)	7,068,276
Total intergovernmental	7,466,400	7,186,400	7,213,053	26,653	8,916,249

Required Supplementary Information
City of San Bernardino
Budgetary Comparison Schedule – General Fund
For the year ended June 30, 2010
(Continued)

	Budgeted amounts		Actual	Variance with	Prior year
	Original	Final	amounts	final budget	actual
Charges for services:					
Plan check fees	$ 250,000	$ 250,000	$ 172,798	$ (77,202)	$ 230,880
Paramedics/emergency medical services	659,100	909,100	834,487	(74,613)	670,531
Board up/demolition assessment	1,025,500	1,025,500	726,641	(298,859)	765,997
Storm drain utility fee	288,000	288,000	244,700	(43,300)	271,148
Weed abatement	346,200	346,200	174,268	(171,932)	150,733
Planning development projects	250,000	250,000	164,841	(85,159)	301,612
Sale of photos	19,100	19,100	8,132	(10,968)	15,187
Alarm system fee	88,900	88,900	50,944	(37,956)	55,806
Engineering fees	101,100	101,100	41,896	(59,204)	96,408
Miscellaneous police receipts	785,000	831,400	1,002,982	171,582	882,574
Swimming pool fees	75,000	75,000	70,286	(4,714)	54,250
Other charges	4,327,400	4,187,100	3,017,662	(1,169,438)	2,924,869
Total charges for services	8,215,300	8,371,400	6,509,637	(1,861,763)	6,419,995
Other revenues:					
Off track betting	120,000	120,000	91,986	(28,014)	110,107
Miscellaneous receipts	200,000	2,749,700	2,540,697	(209,003)	441,034
Other revenues	3,479,300	3,619,300	3,418,625	(200,675)	3,570,866
Total other revenues	3,799,300	6,489,000	6,051,308	(437,692)	4,122,007
Total revenues	$ 122,641,900	$ 119,919,600	$ 115,848,321	$ (4,071,279)	$ 125,860,745

Required Supplementary Information
City of San Bernardino
Budgetary Comparison Schedule – General Fund
For the year ended June 30, 2010
(Continued)

	Budgeted amounts		Actual	Variance with	Prior year
	Original	Final	amounts	final budget	actual
Expenditures					
Current:					
General government:					
Mayor					
Personnel salaries and benefits	$ 613,700	$ 618,700	$ 631,086	$ (12,386)	$ 667,661
Other	216,600	211,600	175,004	36,596	137,906
Common council					
Personnel salaries and benefits	486,300	486,300	432,027	54,273	431,286
Other	56,300	121,300	40,933	80,367	56,931
City clerk					
Personnel salaries and benefits	1,219,000	1,219,000	1,210,409	8,591	1,297,421
Other	764,200	764,200	678,508	85,692	320,082
City treasurer					
Personnel salaries and benefits	176,800	176,800	180,965	(4,165)	191,768
Other	20,900	20,900	16,798	4,102	17,693
City attorney					
Personnel salaries and benefits	2,575,700	2,579,700	2,534,080	45,620	2,566,122
Other	933,100	1,181,700	923,016	258,684	1,043,377
City administrator					
Personnel salaries and benefits	1,140,600	1,140,600	945,692	194,908	948,113
Other	54,700	54,700	56,449	(1,749)	42,810
Personnel					
Personnel salaries and benefits	418,700	418,700	423,244	(4,544)	400,321
Other	74,400	74,400	53,162	21,238	40,038
Finance					
Personnel salaries and benefits	1,415,000	1,415,000	1,302,117	112,883	1,363,009
Other	206,400	199,700	238,917	(39,217)	225,405
Civil service					
Personnel salaries and benefits	277,900	277,900	269,794	8,106	280,266
Other	14,700	14,700	14,003	697	12,389
Code compliance					
Personnel salaries and benefits	2,869,500	2,869,500	2,680,614	188,886	3,037,806
Other	1,038,800	1,042,900	543,388	499,512	1,078,272
Facilities management					
Personnel salaries and benefits	1,718,900	1,718,900	1,723,671	(4,771)	1,917,964
Other	1,606,300	1,788,800	1,464,681	324,119	1,429,701
Nondepartmental					
Personnel salaries and benefits	2,281,900	-	-	-	-
Other	6,781,400	6,637,900	7,001,601	(363,701)	5,430,005
Total general government	26,961,800	25,033,900	23,540,159	1,493,741	22,936,346
Public safety:					
Police					
Personnel salaries and benefits	55,610,700	56,406,100	54,425,645	1,980,455	58,073,303
Other	4,637,700	4,195,100	3,243,347	951,753	5,865,205
Fire					
Personnel salaries and benefits	28,265,000	29,620,100	29,439,353	180,747	31,561,260
Other	2,286,000	2,301,800	2,013,079	288,721	5,111,016
Total public safety	90,799,400	92,523,100	89,121,424	3,401,676	100,610,784

Required Supplementary Information
City of San Bernardino
Budgetary Comparison Schedule – General Fund
For the year ended June 30, 2010
(Continued)

	Budgeted amounts		Actual	Variance with	Prior year
	Original	Final	amounts	final budget	actual
Streets:					
Development services					
Personnel salaries and benefits	$ 1,655,100	$ 1,655,100	$ 1,996,179	$ (341,079)	$ 2,395,717
Other	785,000	817,700	467,231	350,469	651,863
Public services					
Personnel salaries and benefits	1,674,200	1,575,800	1,424,690	151,110	1,922,689
Other	3,549,600	3,555,900	3,468,236	87,664	3,310,485
Total streets	7,663,900	7,604,500	7,356,336	248,164	8,280,754
Culture and recreation:					
Park, recreation and community services					
Personnel salaries and benefits	2,628,600	2,676,600	2,665,998	10,602	3,786,821
Other	1,669,900	1,763,600	1,635,543	128,057	1,983,448
Total culture and recreation	4,298,500	4,440,200	4,301,541	138,659	5,770,269
Community services:					
Planning, plan check and building inspection					
Personnel salaries and benefits	1,578,000	1,578,000	1,220,151	357,849	1,842,909
Other	432,400	499,600	206,038	293,562	196,208
Total community services	2,010,400	2,077,600	1,426,189	651,411	2,039,117
Debt service:					
Principal	2,453,638	2,453,638	2,290,508	163,130	1,824,372
Interest and fiscal charges	2,805,962	2,805,962	3,054,448	(248,486)	2,590,600
Total debt service	5,259,600	5,259,600	5,344,956	(85,356)	4,414,972
Total expenditures	136,993,600	136,938,900	131,090,605	5,848,295	144,052,242
Deficiency of revenues under expenditures	(14,351,700)	(17,019,300)	(15,242,284)	1,777,016	(18,191,497)
Other financing sources (uses)					
Issuance of debt	-	-	1,200,000	1,200,000	-
Capital leases	-	-	527,490	527,490	55,294
Sale of capital assets	50,000	1,930,000	1,930,000	-	-
Transfers in	10,312,000	12,369,200	12,643,686	274,486	11,326,953
Transfers out	(2,497,500)	(2,262,100)	(3,356,918)	(1,094,818)	(6,635,475)
Total other financing sources (uses)	7,864,500	12,037,100	12,944,258	907,158	4,746,772
Net change in fund balances	(6,487,200)	(4,982,200)	(2,298,026)	2,684,174	(13,444,725)
Fund balances, beginning of year	2,708,319	2,708,319	2,708,319	-	16,153,044
Fund balances, end of year	$ (3,778,881)	$ (2,273,881)	$ 410,293	$ 2,684,174	$ 2,708,319

Required Supplementary Information
City of San Bernardino
Budgetary Comparison Schedule – Economic Development Agency Special Revenue Fund
For the year ended June 30, 2010

	Budgeted amounts		Actual	Variance with	Prior year
	Original	Final	amounts	final budget	actual
REVENUES					
Investment income	$ 1,207,082	$ 1,207,082	$ 193,482	$ (1,013,600)	$ 1,513,218
Intergovernmental	24,657,955	24,657,955	16,197,533	(8,460,422)	9,213,191
Other	-	-	488,842	488,842	403,573
Total revenues	25,865,037	25,865,037	16,879,857	(8,985,180)	11,129,982
EXPENDITURES					
Current:					
Community development					
Personnel salaries and benefits	893,858	893,858	905,715	(11,857)	468,530
Other	44,403,237	44,403,237	11,883,191	32,520,046	6,147,224
Economic development					
Personnel salaries and benefits	451,909	451,909	457,903	(5,994)	440,101
Other	7,314,520	7,314,520	4,193,136	3,121,384	4,030,115
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	6,000	6,000	-	6,000	-
Total expenditures	53,069,524	53,069,524	17,439,945	35,629,579	11,085,970
Excess of (deficiency) of revenues over (under) expenditures	(27,204,487)	(27,204,487)	(560,088)	26,644,399	44,012
OTHER FINANCING SOURCES (USES)					
Issuance of debt	3,700,000	-	-	-	-
Transfers in	26,220,400	26,220,400	6,949,966	(19,270,434)	8,374,642
Transfers out	(2,695,000)	-	(2,693,674)	(2,693,674)	(2,672,407)
Total other financing sources (uses)	27,225,400	26,220,400	4,256,292	(21,964,108)	5,702,235
Net change in fund balance	20,913	(984,087)	3,696,204	4,680,291	5,746,247
Fund balance, beginning of year	70,489,147	70,489,147	70,489,147	-	64,742,900
Fund balance, end of year	$ 70,510,060	$ 69,505,060	$ 74,185,351	$ 4,680,291	$ 70,489,147

City of San Bernardino
Notes to Required Supplementary Information
For the year ended June 30, 2010

Note 1: Budgetary control and accounting

The City utilizes the following general procedures in establishing its annual budgets, as reflected in the financial statements:

The Annual Budget adopted by the Common Council provided for the City's general operations. Such annual budget includes proposed expenditures and estimated revenues.

The City Manager and City Council are authorized to make the necessary changes to the budget to ensure adequate and proper standards of services. During the year, there were supplemental budget appropriations amounting to $54,700.

Following approval of the final budget by the Mayor and Common Council, budget transfers within a department budget in an amount not to exceed $25,000 per transfer shall be approved or disapproved according to established Finance policies and procedures and on forms approved by the Finance Department, and with notice to the Director of Finance, and written notice to the Mayor and Common Council, as long as the total department budget allocation is not increased and as long as no transfers are approved into or out of budget allocation for personnel salary or benefits. For purposes of this requirement, each fund other than the General Fund is considered to be a separate department. The legal level of budgetary control is personnel salaries and benefits versus other expenditures in each department (except for the federal and state grants fund whose legal level of budgetary control is at the functional level).

The budget is formally integrated into the accounting system and employed as a managed control device during the year for all funds.

Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles.

At fiscal year-end, operating budget appropriations lapse; however, incomplete capital improvements, equipment and contractual appropriations can be carried over to the following fiscal year.

Annual budgets for the following funds have not been adopted:
Special revenue funds:
- IVDA

Debt service funds:
- Verdemont Improvement Loan

Capital projects funds:
- Verdemont
- Public Park Extension
- Street Lighting/Sweeping
- Assessment District #1015

Required Supplementary Information
City of San Bernardino
Schedule of Funding Progress (in thousands)
Miscellaneous and Safety Plan of the California Public Employees Retirement System
For the year ended June 30, 2010

Valuation date	Accrued liability (a)	Actuarial value of assets (b)	Unfunded liability (a)-(b)	Funded status (b)/(a)	Annual covered payroll (c)	UAAL as a % of payroll [((a)-(b)/(c)]
6/30/2007						
Miscellaneous	$ 321,501	$ 301,929	$ 19,572	93.9%	$ 49,541	39.5%
Safety	452,834	401,023	51,811	88.6%	44,581	116.2%
Totals	$ 774,335	$ 702,952	$ 71,383	90.8%	$ 94,122	75.8%
6/30/2008						
Miscellaneous	$ 350,911	$ 323,746	$ 27,165	92.3%	$ 52,567	51.7%
Safety	482,224	426,485	55,739	88.4%	48,292	115.4%
Totals	$ 833,135	$ 750,231	$ 82,904	90.0%	$ 100,859	82.2%
6/30/2009						
Miscellaneous	$ 391,360	$ 337,732	$ 53,628	86.3%	$ 51,175	104.8%
Safety	527,185	445,549	81,636	84.5%	48,800	167.3%
Totals	$ 918,545	$ 783,281	$ 135,264	85.3%	$ 99,975	135.3%

Required Supplementary Information
City of San Bernardino
Schedule of Funding Progress (in thousands)
Other Postemployment Benefit Plans
For the year ended June 30, 2010

Valuation date	Actuarial accrued liability	Actuarial value of assets	Unfunded liability	Funded status	Annual covered payroll	UAAL as a % of payroll
City						
6/30/2008	$ 60,158	$ -	$ 60,158	0.0%	$ 78,511	76.62%
6/30/2009	61,371	-	61,371	0.0%	78,951	77.73%
Water Department						
6/30/2009	$ 26,190	$ -	$ 26,190	0.0%	$ 13,169	198.88%
6/30/2010	26,000	-	26,000	0.0%	13,600	191.18%
Economic Development Agency						
6/30/2009	$ 749	$ -	$ 749	0.0%	$ 2,032	36.86%

SUPPLEMENTARY SCHEDULES

City of San Bernardino
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue	Debt Service	Capital Projects	Totals 2010	Totals 2009
ASSETS					
Cash and investments	$ 6,040,754	$ 116,644	$ 19,774,969	$ 25,932,367	$ 32,653,358
Cash and investments with fiscal agent	-	48,843	-	48,843	65,063
Receivables, net:					
Accounts	72,375	-	-	72,375	125,111
Interest	51,047	375	91,692	143,114	297,162
Special assessments	-	369,971	-	369,971	442,585
Prepaids	513	-	-	513	47,520
Due from other governments	6,462,695	2,736	60,280	6,525,711	5,877,900
Due from other funds	3,319,231	-	7,809,384	11,128,615	7,596,778
Advances to other funds	312,374	-	1,736,000	2,048,374	513,374
Other assets	-	-	214,671	214,671	214,671
Total assets	$ 16,258,989	$ 538,569	$ 29,686,996	$ 46,484,554	$ 47,833,522
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 950,566	$ 6,725	$ 907,744	$ 1,865,035	$ 2,235,193
Due to other funds	2,791,196	-	7,314,359	10,105,555	6,316,143
Retentions payable	-	-	208,067	208,067	62,861
Deferred revenues	2,453,711	369,971	-	2,823,682	3,476,386
Advances from other funds	-	213,200	900,000	1,113,200	1,129,600
Due to other governments	-	168,400	-	168,400	181,300
Total liabilities	6,195,473	758,296	9,330,170	16,283,939	13,401,483
Fund balances (deficit):					
Reserved for:					
Encumbrances	504,500	-	145,600	650,100	315,000
Debt service	-	148,617	-	148,617	275,343
Prepaid items	513	-	-	513	47,520
Advances to other funds	312,374	213,200	1,736,000	2,261,574	513,374
Sewer capacity rights	-	-	214,671	214,671	214,671
Petty cash	1,520	-	-	1,520	1,925
Unreserved:					
Designated for continung appropriations	-	-	-	-	470,900
Undesignated	9,244,609	(581,544)	18,260,555	26,923,620	32,593,306
Total fund balances (deficit)	10,063,516	(219,727)	20,356,826	30,200,615	34,432,039
Total liabilities and fund balances	$ 16,258,989	$ 538,569	$ 29,686,996	$ 46,484,554	$ 47,833,522

City of San Bernardino
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2010

	Special Revenue	Debt Service	Capital Projects	Totals 2010	Totals 2009
REVENUES					
Taxes	$ 567,896	$ 135,547	$ 1,471,475	$ 2,174,918	$ 2,123,881
Licenses and permits	274,176	-	134,859	409,035	663,363
Impact fees	-	-	2,036,352	2,036,352	1,065,305
Fines and forfeitures	2,470,937	-	-	2,470,937	2,471,665
Investment income	520,271	1,123	407,890	929,284	1,249,376
Intergovernmental revenues	18,814,189	-	93,858	18,908,047	19,841,207
Charges for services	4,165,022	-	257,771	4,422,793	4,600,649
Other	185,544	-	1,334,136	1,519,680	724,572
Total revenues	26,998,035	136,670	5,736,341	32,871,046	32,740,018
EXPENDITURES					
Current:					
General government	244,518	30,356	-	274,874	532,218
Public safety	6,794,462	-	214,882	7,009,344	5,002,429
Streets	4,961,272	-	7,949,404	12,910,676	16,869,632
Culture and recreation	802,887	-	124,112	926,999	1,072,389
Community development	-	-	-	-	75,240
Community service	7,724,147	-	-	7,724,147	7,376,701
Debt service:					
Principal	1,058,323	155,000	114,944	1,328,267	1,304,970
Interest and fiscal charges	199,638	39,793	284,359	523,790	261,556
Total expenditures	21,785,247	225,149	8,687,701	30,698,097	32,495,135
Excess (deficiency) of revenues over (under) expenditures	5,212,788	(88,479)	(2,951,360)	2,172,949	244,883
OTHER FINANCING SOURCES (USES)					
Transfers in	2,342,200	304	27,422	2,369,926	5,741,413
Transfers out	(7,681,874)	-	(1,092,425)	(8,774,299)	(10,637,560)
Issuance of debt	-	-	-	-	4,163,641
Total other financing sources (uses)	(5,339,674)	304	(1,065,003)	(6,404,373)	(732,506)
Net change in fund balances	(126,886)	(88,175)	(4,016,363)	(4,231,424)	(487,623)
Fund balances (deficit), beginning of year	10,190,402	(131,552)	24,373,189	34,432,039	34,919,662
Fund balances (deficit), end of year	$ 10,063,516	$ (219,727)	$ 20,356,826	$ 30,200,615	$ 34,432,039

Nonmajor Special Revenue Funds

The City maintains the following Special Revenue Funds for the purposes indicated:

Nonmajor Funds

Library

For the cost of operating the City's Library system from related revenues and ongoing General Fund contributions.

Cemetery

For the cost of operating the City owned Cemetery from related revenues.

Asset Seizure

For the investigation, detection and prosecution of criminal activities. Funding is provided by criminal assets seized under existing state and federal statutes.

Alternative Transportation

For receipt and disbursement of funds received per Transportation Development Act Article 3 (SB 821) of the Bikeway & Pedestrian Program and the State and Local Fiscal Assistance Act of 1972.

Federal and State Grants

For various grants awarded to the City by the Federal, State and local governments not otherwise accounted for in the General Fund or Capital Projects Funds. A detailed report by program is available under a separate report meeting the criteria of the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations for all federal grants received by the City.

Animal Control

For control, care and housing of stray animals, licensing of animals and public education from related revenues including licensing and ongoing General Fund contributions.

Traffic Congestion

For the receipt and disbursement of funds received under AB 2928 to be used for traffic congestion relief projects.

Special Gas Tax

For the receipt of gasoline tax revenue paid to the City as a subvention from the state of California. These funds are transferred to the General Fund to partially support maintenance activities and to finance street construction projects as provided by State law.

Traffic Safety

For the recording of the City's share of California Vehicle Code fines collected by San Bernardino County.

Sewerline Maintenance

For the cost of maintaining Sewer lines as paid for from a portion of Sewer revenues.

Sales and Road

For local street improvements as provided for by San Bernardino County Measure I Sales Tax.

Baseball Stadium

For the maintenance of the minor league baseball stadium constructed by the City.

Soccer Field

For the operation of the San Bernardino Soccer Complex formerly operated by a non-profit foundation.

IVDA

For local street improvements around former Norton Air Force Base as provided for by developer fees. (There is no adopted budget for the year-ended June 30, 2010 for this fund; therefore, no budget and actual data are presented in the following pages).

Fire Station

For the operation and maintenance of the Verdemont Fire Station.

City of San Bernardino
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Library	Cemetery	Asset Seizure
ASSETS			
Cash and investments	$ 39,326	$ 2,309	$ 851,317
Receivables, net:			
Accounts	456	265	-
Interest	-	2,131	2,741
Prepaids	-	-	-
Due from other governments	-	10,000	-
Due from other funds	-	-	-
Advances to other funds	-	-	-
Total assets	$ 39,782	$ 14,705	$ 854,058
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 3,495	$ 2,258	$ 14,122
Due to other funds	-	168,830	-
Deferred revenues	-	-	-
Total liabilities	3,495	171,088	14,122
Fund balances (deficit):			
Reserved for:			
Encumbrances	3,800	-	-
Prepaids	-	-	-
Advances to other funds	-	-	-
Petty cash	275	25	-
Unreserved:			
Designated for continuing appropriations	-	-	-
Undesignated	32,212	(156,408)	839,936
Total fund balances (deficit)	36,287	(156,383)	839,936
Total liabilities and fund balances	$ 39,782	$ 14,705	$ 854,058

Continued

Alternative Transportation	Federal and State Grants	Animal Control	Traffic Congestion	Special Gas Tax	Traffic Safety
$ -	$ 22,166	$ 520	$ 1,347,516	$ 773,968	$ -
-	14,800	42,717	-	-	-
-	18,377	-	4,609	1,182	-
-	513	-	-	-	-
62,178	4,731,787	211,785	512,883	298,174	199,490
-	-	-	-	-	-
-	-	-	-	-	-
$ 62,178	$ 4,787,643	$ 255,022	$ 1,865,008	$ 1,073,324	$ 199,490
$ 1,375	$ 334,337	$ 29,905	$ 67,847	$ 215,100	$ 68,571
14,028	2,235,763	173,357	-	-	130,883
-	2,124,050	-	-	-	-
15,403	4,694,150	203,262	67,847	215,100	199,454
-	-	5,500	-	-	-
-	513	-	-	-	-
-	-	-	-	-	-
-	-	520	-	-	-
-		-	-	-	-
46,775	92,980	45,740	1,797,161	858,224	36
46,775	93,493	51,760	1,797,161	858,224	36
$ 62,178	$ 4,787,643	$ 255,022	$ 1,865,008	$ 1,073,324	$ 199,490

City of San Bernardino
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010
(continued)

	Sewerline Maintenance	Sales and Road	Baseball Stadium
ASSETS			
Cash and investments	$ 77,812	$ 2,271,581	$ -
Receivables, net:			
Accounts	12,154	-	-
Interest	10,725	9,061	-
Prepaids	-	-	-
Due from other governments	277,847	156,181	-
Due from other funds	3,319,231	-	-
Advances to other funds	312,374	-	-
Total assets	$ 4,010,143	$ 2,436,823	$ -
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 179,860	$ 7,553	$ 12,644
Due to other funds	-	-	68,335
Deferred revenues	-	-	-
Total liabilities	179,860	7,553	80,979
Fund balances (deficit):			
Reserved for:			
Encumbrances	494,500	-	700
Prepaids	-	-	-
Advances to other funds	312,374	-	-
Petty cash	-	-	-
Unreserved:			
Designated for continuing appropriations	-	-	-
Undesignated	3,023,409	2,429,270	(81,679)
Total fund balances (deficit)	3,830,283	2,429,270	(80,979)
Total liabilities and fund balances	$ 4,010,143	$ 2,436,823	$ -

Continued

Soccer Field	IVDA	Fire Station	Totals 2010	Totals 2009
$ 316,441	$ -	$ 337,798	$ 6,040,754	$ 6,870,619
1,983	-	-	72,375	125,111
1,016	-	1,205	51,047	90,365
-	-	-	513	47,520
-	-	2,370	6,462,695	4,661,640
-	-	-	3,319,231	2,886,431
-	-	-	312,374	398,574
$ 319,440	$ -	$ 341,373	$ 16,258,989	$ 15,080,260
$ 2,983	$ -	$ 10,516	$ 950,566	$ 735,349
-	-	-	2,791,196	1,120,708
-	-	329,661	2,453,711	3,033,801
2,983	-	340,177	6,195,473	4,889,858
-	-	-	504,500	300,700
-	-	-	513	47,520
-	-	-	312,374	398,574
700	-	-	1,520	1,925
-	-	-	-	52,700
315,757	-	1,196	9,244,609	9,388,983
316,457	-	1,196	10,063,516	10,190,402
$ 319,440	$ -	$ 341,373	$ 16,258,989	$ 15,080,260

City of San Bernardino
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2010

	Library	Cemetery	Asset Seizure
REVENUES			
Taxes	$ -	$ -	$ -
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	9,535	12,213
Intergovernmental	-	-	391,668
Charges for services	42,486	37,900	-
Other	46,779	-	133,565
Total revenues	89,265	47,435	537,446
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	302,065
Streets	-	-	-
Culture and recreation	-	-	-
Community service	2,136,788	165,204	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	2,136,788	165,204	302,065
Excess (deficiency) of revenues over (under) expenditures	(2,047,523)	(117,769)	235,381
OTHER FINANCING SOURCES (USES)			
Transfers in	2,053,800	-	-
Transfers out	-	-	-
Total other financing sources (uses)	2,053,800	-	-
Net change in fund balances	6,277	(117,769)	235,381
Fund balances (deficit), beginning of year	30,010	(38,614)	604,555
Fund balances (deficit), end of year	$ 36,287	$ (156,383)	$ 839,936

Continued

Alternative Transportation	Federal and State Grants	Animal Control	Traffic Congestion	Special Gas Tax	Traffic Safety
$ -	$ -	$ -	$ -	$ -	$ -
-	-	274,176	-	-	-
-	-	36,160	-	-	2,434,777
523	19,693	-	16,421	4,571	-
233,643	10,760,237	-	1,849,954	3,319,150	-
-	-	879,604	-	-	-
5,200	-	-	-	-	-
239,366	10,779,930	1,189,940	1,866,375	3,323,721	2,434,777
98,713	145,805	-	-	-	-
-	4,142,967	1,448,889	-	-	900,541
-	15,425	-	1,531,795	229,412	-
-	297,385	-	-	-	-
-	5,422,155	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
98,713	10,023,737	1,448,889	1,531,795	229,412	900,541
140,653	756,193	(258,949)	334,580	3,094,309	1,534,236
-	-	288,400	-	-	-
(230,000)	-	-	-	(3,220,000)	(1,534,200)
(230,000)	-	288,400	-	(3,220,000)	(1,534,200)
(89,347)	756,193	29,451	334,580	(125,691)	36
136,122	(662,700)	22,309	1,462,581	983,915	-
$ 46,775	$ 93,493	$ 51,760	$ 1,797,161	$ 858,224	$ 36

City of San Bernardino
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2010
(Continued)

	Sewerline Maintenance	Sales and Road	Baseball Stadium
REVENUES			
Taxes	$ -	$ -	$ -
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Investment income	54,068	33,285	(178)
Intergovernmental	-	2,259,537	-
Charges for services	3,122,219	-	-
Other	-	-	-
Total revenues	3,176,287	2,292,822	(178)
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Streets	2,503,072	681,568	-
Culture and recreation	-	-	107,359
Community development	-	-	-
Debt service:			
Principal	-	1,058,323	-
Interest and fiscal charges	-	199,638	-
Total expenditures	2,503,072	1,939,529	107,359
Excess (deficiency) of revenues over (under) expenditures	673,215	353,293	(107,537)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(380,000)	(1,350,000)	-
Total other financing sources (uses)	(380,000)	(1,350,000)	-
Net change in fund balances	293,215	(996,707)	(107,537)
Fund balances (deficit), beginning of year	3,537,068	3,425,977	26,558
Fund balances (deficit), end of year	$ 3,830,283	$ 2,429,270	$ (80,979)

Soccer Field	IVDA	Fire Station	Totals 2010	Totals 2009
$ -	$ -	$ 567,896	$ 567,896	$ 557,899
-	-	-	274,176	350,652
-	-	-	2,470,937	2,471,665
365,114	-	5,026	520,271	562,823
-	-	-	18,814,189	14,938,407
82,813	-	-	4,165,022	4,256,629
-	-	-	185,544	470,557
447,927	-	572,922	26,998,035	23,608,632
-	-	-	244,518	495,259
-	-	-	6,794,462	4,353,391
-	-	-	4,961,272	6,240,944
398,143	-	-	802,887	810,856
-	-	-	7,724,147	7,376,701
-	-	-	1,058,323	1,140,721
-	-	-	199,638	136,502
398,143	-	-	21,785,247	20,554,374
49,784	-	572,922	5,212,788	3,054,258
-	-	-	2,342,200	3,648,506
-	(396,074)	(571,600)	(7,681,874)	(7,344,953)
-	(396,074)	(571,600)	(5,339,674)	(3,696,447)
49,784	(396,074)	1,322	(126,886)	(642,189)
266,673	396,074	(126)	10,190,402	10,832,591
$ 316,457	$ -	$ 1,196	$ 10,063,516	$ 10,190,402

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City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Library Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Intergovernmental	$ -	$ -	$ -	$ 69,967
Charges for services	61,000	42,486	(18,514)	58,646
Other	-	46,779	46,779	33,829
Total revenues	61,000	89,265	28,265	162,442
EXPENDITURES				
Current:				
Community service:				
Personnel salaries and benefits	1,603,000	1,533,855	69,145	2,317,341
Other	646,100	602,933	43,167	592,933
Total expenditures	2,249,100	2,136,788	112,312	2,910,274
Excess (deficiency) of revenues over (under) expenditures	(2,188,100)	(2,047,523)	140,577	(2,747,832)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,158,100	2,053,800	(104,300)	2,769,500
Total other financing sources (uses)	2,158,100	2,053,800	(104,300)	2,769,500
Net change in fund balance	(30,000)	6,277	36,277	21,668
Fund balance, beginning of year	30,010	30,010	-	8,342
Fund balance, end of year	$ 10	$ 36,287	$ 36,277	$ 30,010

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Cemetery Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ 22,000	$ 9,535	$ (12,465)	$ 12,917
Charges for services	169,200	37,900	(131,300)	40,410
Total revenues	191,200	47,435	(143,765)	53,327
EXPENDITURES				
Current:				
Community service:				
Personnel salaries and benefits	100,500	109,897	(9,397)	104,558
Other	76,600	55,307	21,293	32,736
Total expenditures	177,100	165,204	11,896	137,294
Net change in fund balance	14,100	(117,769)	(131,869)	(83,967)
Fund balance (deficit), beginning of year	(38,614)	(38,614)	-	45,353
Fund balance (deficit), end of year	$ (24,514)	$ (156,383)	$ (131,869)	$ (38,614)

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Asset Seizure Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ 11,000	$ 12,213	$ 1,213	$ 10,237
Intergovernmental	100,000	391,668	291,668	149,915
Other	118,000	133,565	15,565	162,473
Total revenues	229,000	537,446	308,446	322,625
EXPENDITURES				
Current:				
Public safety:				
Other	511,000	302,065	208,935	179,438
Total expenditures	511,000	302,065	208,935	179,438
Net change in fund balance	(282,000)	235,381	517,381	143,187
Fund balance, beginning of year	604,555	604,555	-	461,368
Fund balance, end of year	$ 322,555	$ 839,936	$ 517,381	$ 604,555

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Alternative Transportation Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ 2,000	$ 523	$ (1,477)	$ 942
Intergovernmental	220,000	233,643	13,643	245,794
Other	5,200	5,200	-	5,200
Total revenues	227,200	239,366	12,166	251,936
EXPENDITURES				
Current:				
General government:				
Personnel salaries and benefits	81,100	77,547	3,553	81,562
Other	35,000	21,166	13,834	22,945
Total expenditures	116,100	98,713	17,387	104,507
Excess of revenues over expenditures	111,100	140,653	29,553	147,429
OTHER FINANCING SOURCES (USES)				
Transfers out	(240,000)	(230,000)	10,000	(140,000)
Total other financing sources (uses)	(240,000)	(230,000)	10,000	(140,000)
Net change in fund balance	(128,900)	(89,347)	39,553	7,429
Fund balance, beginning of year	136,122	136,122	-	128,693
Fund balance, end of year	$ 7,222	$ 46,775	$ 39,553	$ 136,122

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Federal and State Grants Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ -	$ 19,693	$ 19,693	$ -
Intergovernmental	16,281,500	10,760,237	(5,521,263)	6,906,878
Other		-	-	162,155
Total revenues	16,281,500	10,779,930	(5,501,570)	7,069,033
EXPENDITURES				
Current:				
General government	1,960,600	145,805	1,814,795	20,989
Public safety	10,949,500	4,142,967	6,806,533	2,274,467
Streets	-	15,425	(15,425)	-
Culture and recreation	-	297,385	(297,385)	247,949
Community development	-	-	-	75,240
Communtiy service	3,371,400	5,422,155	(2,050,755)	4,329,133
Total expenditures	16,281,500	10,023,737	6,257,763	6,947,778
Net change in fund balances	-	756,193	756,193	121,255
Fund (deficit), beginning of year	(662,700)	(662,700)	-	(783,955)
Fund balance (deficit), end of year	$ (662,700)	$ 93,493	$ 756,193	$ (662,700)

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Animal Control Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Licenses and pemits	$ 395,300	$ 274,176	$ (121,124)	$ 350,652
Fines and forfeitures	78,000	36,160	(41,840)	63,745
Charges for services	930,500	879,604	(50,896)	993,766
Other	13,400	-	(13,400)	-
Total revenues	1,417,200	1,189,940	(227,260)	1,408,163
EXPENDITURES				
Current:				
Community service:				
Personnel salaries and benefits	994,400	990,002	4,398	1,449,835
Other	587,700	458,887	128,813	449,651
Total expenditures	1,582,100	1,448,889	133,211	1,899,486
(Deficiency) of revenues (under) expenditures	(164,900)	(258,949)	(94,049)	(491,323)
OTHER FINANCING SOURCES				
Transfers in	270,700	288,400	17,700	513,591
Total other financing sources	270,700	288,400	17,700	513,591
Net change in fund balance	105,800	29,451	(76,349)	22,268
Fund balance, beginning of year	22,309	22,309	-	41
Fund balance (deficit), end of year	$ 128,109	$ 51,760	$ (76,349)	$ 22,309

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Traffic Congestion Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ 40,000	$ 16,421	$ (23,579)	$ 9,642
Intergovernmental	1,435,900	1,849,954	414,054	1,736,686
Total revenues	1,475,900	1,866,375	390,475	1,746,328
EXPENDITURES				
Current:				
Streets:				
Personnel salaries and benefits	-	3,279	(3,279)	15,921
Other	3,748,900	1,528,516	2,220,384	270,833
Total expenditures	3,748,900	1,531,795	2,217,105	286,754
Net change in fund balance	(2,273,000)	334,580	2,607,580	1,459,574
Fund balance, beginning of year	1,462,581	1,462,581	-	3,007
Fund balance (deficit), end of year	$ (810,419)	$ 1,797,161	$ 2,607,580	$ 1,462,581

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Special Gas Tax Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ 18,000	$ 4,571	$ (13,429)	$ 26,510
Intergovernmental	3,189,900	3,319,150	129,250	3,258,844
Other	76,700	-	(76,700)	-
Total revenues	3,284,600	3,323,721	39,121	3,285,354
EXPENDITURES				
Current:				
Streets:				
Personnel salaries and benefits	-	9,317	(9,317)	-
Other	648,800	220,095	428,705	125,497
Total expenditures	648,800	229,412	419,388	125,497
Excess of revenues over expenditures	2,635,800	3,094,309	458,509	3,159,857
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,590,000)	(3,220,000)	370,000	(3,715,600)
Total other financing sources (uses)	(3,590,000)	(3,220,000)	370,000	(3,715,600)
Net change in fund balance	(954,200)	(125,691)	828,509	(555,743)
Fund balance, beginning of year	983,915	983,915	-	1,539,658
Fund balance, end of year	$ 29,715	$ 858,224	$ 828,509	$ 983,915

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Traffic Safety Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Fines and forfeitures	$ 3,776,700	$ 2,434,777	$ (1,341,923)	$ 2,407,920
Total revenues	3,776,700	2,434,777	(1,341,923)	2,407,920
EXPENDITURES				
Current:				
Public safety:				
Other	-	900,541	(900,541)	-
Total expenditures	-	900,541	(900,541)	-
Excess (deficiency) of revenues over (under) expenditures	3,776,700	1,534,236	(2,242,464)	2,407,920
OTHER FINANCING (USES)				
Transfers out	-	(1,534,200)	(1,534,200)	(2,407,920)
Total other financing (uses)	-	(1,534,200)	(1,534,200)	(2,407,920)
Net change in fund balance	3,776,700	36	(3,776,664)	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ 3,776,700	$ 36	$ (3,776,664)	$ -

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Sewerline Maintenance Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ 160,000	$ 54,068	$ (105,932)	$ 83,601
Charges for services	3,150,000	3,122,219	(27,781)	3,059,926
Total revenues	3,310,000	3,176,287	(133,713)	3,143,527
EXPENDITURES				
Current:				
Streets - other	8,445,800	2,503,072	5,942,728	4,063,918
Total expenditures	8,445,800	2,503,072	5,942,728	4,063,918
Excess (deficiency) of revenues over expenditures	(5,135,800)	673,215	5,809,015	(920,391)
OTHER FINANCING SOURCES (USES)				
Transfers in	78,000	-	(78,000)	-
Transfers out	(250,000)	(380,000)	(130,000)	(250,000)
Total other financing sources (uses)	(172,000)	(380,000)	(208,000)	(250,000)
Net change in fund balance	(5,307,800)	293,215	5,601,015	(1,170,391)
Fund balance, beginning of year	3,537,068	3,537,068	-	4,707,459
Fund balance (deficit), end of year	$ (1,770,732)	$ 3,830,283	$ 5,601,015	$ 3,537,068

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Sales and Road Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ 100,000	$ 33,285	$ (66,715)	$ 75,515
Intergovernmental	2,500,000	2,259,537	(240,463)	2,570,323
Other	1,687,800	-	(1,687,800)	-
Total revenues	4,287,800	2,292,822	(1,994,978)	2,645,838
EXPENDITURES				
Current:				
Streets:				
Personnel salaries and benefits	-	375,454	(375,454)	-
Other	6,892,300	306,114	6,586,186	1,764,775
Debt service:				
Principal	-	1,058,323	(1,058,323)	1,033,821
Interest and fiscal charges	-	199,638	(199,638)	136,502
Total expenditures	6,892,300	1,939,529	4,952,771	2,935,098
Excess (deficiency) of revenues over (under) expenditures	(2,604,500)	353,293	2,957,793	(289,260)
OTHER FINANCING (USES)				
Transfers out	(1,350,000)	(1,350,000)	-	(250,000)
Total other financing (uses)	(1,350,000)	(1,350,000)	-	(250,000)
Net change in fund balance	(3,954,500)	(996,707)	2,957,793	(539,260)
Fund balance, beginning of year	3,425,977	3,425,977	-	3,965,237
Fund balance (deficit), end of year	$ (528,523)	$ 2,429,270	$ 2,957,793	$ 3,425,977

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Baseball Stadium Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ -	$ (178)	$ (178)	$ 297
Charges for services	-	-	-	10,000
Other	32,000	-	(32,000)	-
Total revenues	32,000	(178)	(32,178)	10,297
EXPENDITURES				
Current:				
Culture and recreation:				
Personnel salaries and benefits	-	75	(75)	90
Other	137,900	107,284	30,616	75,902
Total expenditures	137,900	107,359	30,541	75,992
Net change in fund balance	(105,900)	(107,537)	(1,637)	(65,695)
Fund balance, beginning of year	26,558	26,558	-	92,253
Fund balance (deficit), end of year	$ (79,342)	$ (80,979)	$ (1,637)	$ 26,558

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Soccer Field Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ 305,000	$ 365,114	$ 60,114	$ 327,947
Charges for services	74,000	82,813	8,813	89,533
Total revenues	379,000	447,927	68,927	417,480
EXPENDITURES				
Current:				
Culture and recreation:				
Personnel salaries and benefits	258,900	215,999	42,901	170,423
Other	205,500	182,144	23,356	241,252
Total expenditures	464,400	398,143	66,257	411,675
Net change in fund balance	(85,400)	49,784	135,184	5,805
Fund balance, beginning of year	266,673	266,673	-	260,868
Fund balance, end of year	$ 181,273	$ 316,457	$ 135,184	$ 266,673

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Fire Station
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Taxes	$ 556,700	$ 567,896	$ 11,196	$ 557,899
Investment income	5,900	5,026	(874)	7,590
Total revenues	562,600	572,922	10,322	565,489
EXPENDITURES	-	-	-	-
Excess of revenues over expenditures	562,600	572,922	10,322	565,489
OTHER FINANCING SOURCES (USES)				
Transfers out	(535,000)	(571,600)	36,600	(581,433)
Total other financing sources (uses)	(535,000)	(571,600)	36,600	(581,433)
Net change in fund balance	27,600	1,322	(26,278)	(15,944)
Fund balance (deficit), beginning of year	(126)	(126)	-	15,818
Fund balance (deficit), end of year	$ 27,474	$ 1,196	$ (26,278)	$ (126)

Debt Service Funds

The City maintains the following Debt Service Funds for the purposes indicated:

Nonmajor Funds

Assessment District #985

For the collection of assessments from property owners and for the remittance of such assessments to bondholders as required by the Improvement Bond Act of 1915 and related California State statutes for this district.

Assessment District #987

For the collection of the Verdemont Infrastructure fees on developing properties used to repay a loan from bondholders as required by the Improvement Bond Act of 1915 and related California State statutes for this district.

Assessment District #1015

For the collection of assessments from property owners and for the remittance of such assessments to the Economic Development Agency and other City funds as required by the Improvement Bond Act of 1915 and related California State statutes for this district.

Fire Station

For the collection of the Verdemont Infrastructure fees on developing properties used to finance the construction of a fire station.

Verdemont Improvement Loan

For the collection of the Verdemont Infrastructure fees on developing properties used to repay a loan from the Economic Development Agency used to install infrastructure in the related area. (There is no adopted budget for the year-ended June 30, 2010 for this fund; therefore, no budget and actual data are presented in the following pages).

Major Fund

Economic Development Agency

For the receipt of tax increment revenues which, per California State law regulating redevelopment agencies, must be used for repayment of debt.

City of San Bernardino
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2010

	Assessment District #985	Assessment District #987
ASSETS		
Cash and investments	$ 53,458	$ 51,517
Cash and investments with fiscal agent	-	48,843
Receivables, net:		
Interest	172	166
Special assessments	-	-
Due from other governments	-	1,186
Total assets	$ 53,630	$ 101,712
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	$ -	$ 6,725
Deferred revenues	-	-
Advances from other funds	-	-
Due to other governments	-	-
Total liabilities	-	6,725
Fund balances (deficit):		
Reserved for debt service		
Debt service	53,630	94,987
Advances to other funds	-	-
Unreserved, undesignated	-	-
Total fund balances (deficit)	53,630	94,987
Total liabilities and fund balances	$ 53,630	$ 101,712

Continued

Assessment District #1015	Fire Station	Verdemont Improvement Loan	Totals 2010	Totals 2009
$ 11,669	$ -	$ -	$ 116,644	$ 217,872
-	-	-	48,843	65,063
37	-	-	375	1,503
369,971	-	-	369,971	442,585
1,550	-	-	2,736	1,939
$ 383,227	$ -	$ -	$ 538,569	$ 728,962
$ -	$ -	$ -	$ 6,725	$ 7,029
369,971	-	-	369,971	442,585
213,200	-	-	213,200	229,600
168,400	-	-	168,400	181,300
751,571	-	-	758,296	860,514
-	-	-	148,617	275,343
213,200	-	-	213,200	229,600
(581,544)	-	-	(581,544)	(636,495)
(368,344)	-	-	(219,727)	(131,552)
$ 383,227	$ -	$ -	$ 538,569	$ 728,962

City of San Bernardino
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the year ended June 30, 2010

	Assessment District #985	Assessment District #987
REVENUES		
Taxes	$ -	$ 65,089
Investment income	283	478
Total revenues	283	65,567
EXPENDITURES		
Current:		
General government	6,173	16,264
Debt service:		
Principal	115,000	40,000
Interest and fiscal charges	6,227	8,912
Total expenditures	127,400	65,176
Excess (deficiency) of revenues over expenditures	(127,117)	391
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	(127,117)	391
Fund balances (deficit), beginning of year	180,747	94,596
Fund balances (deficit), end of year	$ 53,630	$ 94,987

Continued

Assessment District #1015	Fire Station	Verdemont Improvement Loan	Totals 2010	Totals 2009
$ 70,458	$ -	$ -	$ 135,547	$ 201,406
362	-	-	1,123	30,161
70,820	-	-	136,670	231,567
7,919	-	-	30,356	36,959
-	-	-	155,000	85,000
24,654	-	-	39,793	48,990
32,573	-	-	225,149	170,949
38,247	-	-	(88,479)	60,618
-	5	299	304	-
-	-	-	-	(2,092,907)
-	5	299	304	(2,092,907)
38,247	5	299	(88,175)	(2,032,289)
(406,591)	(5)	(299)	(131,552)	1,900,737
$ (368,344)	$ -	$ -	$ (219,727)	$ (131,552)

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Assessment District #985 Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Taxes	$ 69,100	$ -	$ (69,100)	$ 72,534
Investment income	3,600	283	(3,317)	2,798
Total revenues	72,700	283	(72,417)	75,332
EXPENDITURES				
Current:				
General government	8,200	6,173	2,027	14,885
Debt Service:				
Principal	55,000	115,000	(60,000)	45,000
Interest and fiscal charges	6,700	6,227	473	10,576
Total expenditures	69,900	127,400	(57,500)	70,461
Net change in fund balance	2,800	(127,117)	(129,917)	4,871
Fund balance, beginning of year	180,747	180,747	-	175,876
Fund balance (deficit), end of year	$ 183,547	$ 53,630	$ (129,917)	$ 180,747

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Assessment District #987 Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Taxes	$ 57,600	$ 65,089	$ 7,489	$ 58,969
Investment income	1,100	478	(622)	905
Total revenues	58,700	65,567	6,867	59,874
EXPENDITURES				
Current:				
General government	8,400	16,264	(7,864)	15,032
Debt Service:				
Principal	40,000	40,000	-	40,000
Interest and fiscal charges	8,900	8,912	(12)	12,002
Total expenditures	57,300	65,176	(7,876)	67,034
Net change in fund balance	1,400	391	(1,009)	(7,160)
Fund balance, beginning of year	94,596	94,596	-	101,756
Fund balance (deficit), end of year	$ 95,996	$ 94,987	$ (1,009)	$ 94,596

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Assessment District #1015 Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Taxes	$ 66,500	$ 70,458	$ 3,958	$ 61,665
Investment income	400	362	(38)	349
Total revenues	66,900	70,820	3,920	62,014
EXPENDITURES				
Current:				
General government	13,400	7,919	5,481	7,042
Debt Service:				
Interest	24,700	24,654	46	26,412
Total expenditures	38,100	32,573	5,527	33,454
Net change in fund balance	28,800	38,247	9,447	28,560
Fund balance (deficit), beginning of year	(406,591)	(406,591)	-	(435,151)
Fund balance (deficit), end of year	$ (377,791)	$ (368,344)	$ 9,447	$ (406,591)

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Economic Development Agency Debt Service Fund
For the year ended June 30, 2010

	Budgeted amounts		Actual	Variance with	Prior year
	Original	Final	amounts	final budget	actual
REVENUES					
Investment income	$ -	$ -	$ 865,612	$ 865,612	$ 246,382
Total revenues	-	-	865,612	865,612	246,382
EXPENDITURES					
Debt service:					
Principal	8,509,820	8,509,820	8,150,000	359,820	7,749,999
Interest and fiscal charges	9,596,180	9,596,180	9,419,889	176,291	9,840,534
Total expenditures	18,106,000	18,106,000	17,569,889	536,111	17,590,533
Excess (deficiency) of revenues over (under) expenditures	(18,106,000)	(18,106,000)	(16,704,277)	1,401,723	(17,344,151)
OTHER FINANCING SOURCES (USES)					
Transfers in	18,106,000	18,106,000	16,735,037	(1,370,963)	22,208,945
Total other financing sources (uses)	18,106,000	18,106,000	16,735,037	(1,370,963)	22,208,945
Net change in fund balance	-	-	30,760	30,760	4,864,794
Fund balance, beginning of year	28,812,133	28,812,133	28,812,133	-	23,947,339
Fund balance, end of year	$ 28,812,133	$ 28,812,133	$ 28,842,893	$ 30,760	$ 28,812,133

Capital Projects Funds

The City maintains the following Capital Projects Funds for the purposes indicated:

Nonmajor Funds

Verdemont

For improvements in the Verdemont area from development fees collected. (There is no adopted budget for the year-ended June 30, 2010 for this fund; therefore, no budget and actual data are presented in the following pages).

Public Park Extension

For upgrades and improvements to parks from funds annually transferred from General Fund. (There is no adopted budget for the year-ended June 30, 2010 for this fund; therefore, no budget and actual data are presented in the following pages).

CIEDB Street Construction

For right-of-way acquisition, construction and improvements related to the City's street system. These projects are funded by various state and federal programs and matching City funds.

Fire Equipment Acquisition

For acquisition of fire equipment from lease proceeds.

Park Construction Fee

For park land acquisition and development. Principal revenue sources are parks acquisition and development fees collected from developers and state revenues for park development.

Cemetery Construction

For improvements of the City-owned cemetery from a portion of fees collected for services.

Sewerline Construction

For construction of sewer collection systems from development revenues.

Storm Drain Construction

For the construction of storm drain facilities throughout the City from development revenues.

Special Assessments

For assessment districts related to improvement construction and maintenance including landscape maintenance, sewerline maintenance and security districts paid by assessments on properties.

Cultural Development Construction Fee

For collection of development fees used to pay for cultural improvements and activities.

Traffic Systems

For construction of traffic systems from development fees.

Capital Projects Funds
(Continued)

Assessment District #1015

For construction of improvements from loans related to assessment district #1015. (There is no adopted budget for the year-ended June 30, 2010 for this fund; therefore, no budget and actual data are presented in the following pages).

Impact Fees

For the specific revenue sources that are legally restricted to fund expenditures for specific purposes.

Street Construction

For right-of-way acquisition, construction and improvements related to the City's street system. These projects are funded by various state and federal programs and matching City funds.

Public Improvements

For maintenance and construction of improvements around the Indian Bingo Casino located on the reservation.

Prop 1b Local Street

Established to account for monies received from the State through Prop 1b. This proposition provided $19 billion in bond funds for a variety of transportation projects, including $2 billion for cities and counties for maintenance and improvements of local transportation facilities.

<u>Major Funds</u>

Economic Development Agency

A combined report of revenues and expenditures for all redevelopment projects authorized under provisions of the California Community Redevelopment Law. Principal sources of funding for these projects are property tax increment, bond proceeds and developer advances.

City of San Bernardino
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2010

	Verdemont	Public Park Extension	CIEDB Street Construction	Fire Equipment Acquisition
ASSETS				
Cash and investments	$ 722,232	$ 4,497	$ -	$ 134,971
Cash and investments with fiscal agents	-	-	-	-
Receivables, net:				
Interest	2,324	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Other assets	-	-	-	-
Total assets	$ 724,556	$ 4,497	$ -	$ 134,971
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 3,000
Due to other funds	-	-	395,171	-
Retentions payable	-	-	-	-
Advances from other funds	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	-	-	395,171	3,000
Fund balances (deficit):				
Reserved for:				
Encumbrances	-	-	-	-
Advances to other funds	-	-	-	-
Sewer capacity rights	-	-	-	-
Unreserved:				
Designated for continuing appropriations	-	-	-	-
Undesignated	724,556	4,497	(395,171)	131,971
Total fund balances (deficit)	724,556	4,497	(395,171)	131,971
Total liabilities and fund balances	$ 724,556	$ 4,497	$ -	$ 134,971

Continued

Park Construction Fee	Cemetery Construction	Sewerline Construction	Storm Drain Construction	Special Assessments	Cultural Development Construction Fee
$ 593,875	$ 52,124	$ 3,800,416	$ 3,981,839	$ 2,474,595	$ 605,286
-	-	-	-	-	-
1,909	168	12,124	12,482	7,841	1,947
-	-	-	-	53,159	-
-	-	-	-	-	-
-	-	106,600	-	-	-
-	-	214,671	-	-	-
$ 595,784	$ 52,292	$ 4,133,811	$ 3,994,321	$ 2,535,595	$ 607,233
$ 13,184	$ -	$ -	$ 478,627	$ 96,267	$ 689
-	-	-	-	2,077,521	-
2,989	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,173	-	-	478,627	2,173,788	689
-	-	-	-	-	-
-	-	106,600	-	-	-
-	-	214,671	-	-	-
-	-	-	-	-	-
579,611	52,292	3,812,540	3,515,694	361,807	606,544
579,611	52,292	4,133,811	3,515,694	361,807	606,544
$ 595,784	$ 52,292	$ 4,133,811	$ 3,994,321	$ 2,535,595	$ 607,233

City of San Bernardino
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2010
(continued)

	Traffic Systems	Assessment District #1015	Impact Fees	Street Construction
ASSETS				
Cash and investments	$ -	$ 33,707	$ 2,406,191	$ -
Cash and investments with fiscal agents	-	-	-	-
Receivables, net:				
Interest	-	108	37,514	-
Due from other governments	-	-	2,753	4,368
Due from other funds	-	-	7,809,384	-
Advances to other funds			1,629,400	
Other assets	-	-	-	-
Total assets	$ -	$ 33,815	$ 11,885,242	$ 4,368
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ 10,755	$ 296,382
Due to other funds	-	-	-	4,841,667
Retentions payable	-	-	-	205,078
Advances from other funds	-	-	-	900,000
Due to other governments	-	-	-	-
Total liabilities	-	-	10,755	6,243,127
Fund balances (deficit):				
Reserved for:				
Encumbrances	-	-	145,600	-
Advances to other funds	-	-	1,629,400	-
Sewer capacity rights	-	-	-	-
Unreserved:				
Designated for continuing appropriations	-	-	-	-
Undesignated	-	33,815	10,099,487	(6,238,759)
Total fund balances (deficit)	-	33,815	11,874,487	(6,238,759)
Total liabilities and fund balances	$ -	$ 33,815	$ 11,885,242	$ 4,368

Continued

Public Improvements	Prop 1b Local Street	Totals 2010	Totals 2009
$ 1,778,645	$ 3,186,591	$ 19,774,969	$ 25,564,867
-	-	-	-
5,729	9,546	91,692	205,294
-	-	60,280	1,214,321
-	-	7,809,384	4,710,347
		1,736,000	114,800
-	-	214,671	214,671
$ 1,784,374	$ 3,196,137	$ 29,686,996	$ 32,024,300
$ -	$ 8,840	$ 907,744	$ 1,492,815
-	-	7,314,359	5,195,435
-	-	208,067	62,861
-	-	900,000	-
-	-	-	900,000
-	8,840	9,330,170	7,651,111
-	-	145,600	14,300
-	-	1,736,000	114,800
-	-	214,671	214,671
-	-	-	418,200
1,784,374	3,187,297	18,260,555	23,611,218
1,784,374	3,187,297	20,356,826	24,373,189
$ 1,784,374	$ 3,196,137	$ 29,686,996	$ 32,024,300

City of San Bernardino
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the year ended June 30, 2010

	Verdemont	Public Park Extension	CIEDB Street Construction	Fire Equipment Acquisition
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Impact fees	-	-	-	-
Investment income	11,230	(31)	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	11,230	(31)	-	-
EXPENDITURES				
Current:				
Public safety	-	-	-	26,417
Streets	195,048	-	340,508	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	33,381
Interest and fiscal charges	-	-	-	10,880
Total expenditures	195,048	-	340,508	70,678
Excess (deficiency) of revenues over (under) expenditures	(183,818)	(31)	(340,508)	(70,678)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(298)	-	-	-
Issuance of debt	-	-	-	-
Total other financing sources (uses)	(298)	-	-	-
Net change in fund balances	(184,116)	(31)	(340,508)	(70,678)
Fund balances (deficit), beginning of year	908,672	4,528	(54,663)	202,649
Fund balances (deficit), end of year	$ 724,556	$ 4,497	$ (395,171)	$ 131,971

Park Construction Fee	Cemetery Construction	Sewerline Construction	Storm Drain Construction	Special Assessments	Cultural Development Construction Fee
$ -	$ -	$ -	$ -	$ 1,471,475	$ -
-	-	-	-	-	134,859
-	-	-	-	-	-
12,825	750	59,275	52,036	33,060	10,321
-	-	-	-	-	-
-	437	96,001	161,333	-	-
-	-	-	277,463	-	-
12,825	1,187	155,276	490,832	1,504,535	145,180
-	-	-	-	-	-
-	-	235,859	925,502	1,428,779	-
90,678	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
90,678	-	235,859	925,502	1,428,779	-
(77,853)	1,187	(80,583)	(434,670)	75,756	145,180
-	-	-	-	-	-
-	-	(225,000)	(132,700)	-	(707,000)
-	-	-	-	-	-
-	-	(225,000)	(132,700)	-	(707,000)
(77,853)	1,187	(305,583)	(567,370)	75,756	(561,820)
657,464	51,105	4,439,394	4,083,064	286,051	1,168,364
$ 579,611	$ 52,292	$ 4,133,811	$ 3,515,694	$ 361,807	$ 606,544

City of San Bernardino
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the year ended June 30, 2010
(continued)

	Traffic Systems	Assessment District #1015	Impact Fees	Street Construction
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Impact fees	-	-	2,036,352	-
Investment income	-	485	165,855	-
Intergovernmental	-	-	-	22,458
Charges for services	-	-	-	-
Other	-	-	30,346	1,026,327
Total revenues	-	485	2,232,553	1,048,785
EXPENDITURES				
Current:				
Public safety	-	-	188,465	-
Streets	-	-	274,797	3,644,466
Culture and recreation	-	-	33,434	-
Debt service:				
Principal	-	-	81,563	-
Interest and fiscal charges	-	-	273,479	-
Total expenditures	-	-	851,738	3,644,466
Excess (deficiency) of revenues over (under) expenditures	-	485	1,380,815	(2,595,681)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	27,422	-
Transfers out	(27,427)	-	-	-
Issuance of debt	-	-	-	-
Total other financing sources (uses)	(27,427)	-	27,422	-
Net change in fund balances	(27,427)	485	1,408,237	(2,595,681)
Fund balances (deficit), beginning of year	27,427	33,330	10,466,250	(3,643,078)
Fund balances (deficit), end of year	$ -	$ 33,815	$ 11,874,487	$ (6,238,759)

Public Improvements	Prop 1b Local Street	Totals 2010	Totals 2009
$ -	$ -	$ 1,471,475	$ 1,364,576
-	-	134,859	312,711
-	-	2,036,352	1,065,305
25,492	36,592	407,890	656,392
-	71,400	93,858	4,902,800
-	-	257,771	344,020
-	-	1,334,136	254,015
25,492	107,992	5,736,341	8,899,819
-	-	214,882	649,038
74,319	830,126	7,949,404	10,628,688
-	-	124,112	336,773
-	-	114,944	79,249
-	-	284,359	76,064
74,319	830,126	8,687,701	11,769,812
(48,827)	(722,134)	(2,951,360)	(2,869,993)
-	-	27,422	2,092,907
-	-	(1,092,425)	(1,199,700)
-	-	-	4,163,641
-	-	(1,065,003)	5,056,848
(48,827)	(722,134)	(4,016,363)	2,186,855
1,833,201	3,909,431	24,373,189	22,186,334
$ 1,784,374	$ 3,187,297	$ 20,356,826	$ 24,373,189

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City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
CIEDB Street Construction Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES				
Current:				
Streets	386,100	340,508	45,592	1,990,747
Total expenditures	386,100	340,508	45,592	1,990,747
Excess (deficiency) of revenues over (under) expenditures	(386,100)	(340,508)	45,592	(1,990,747)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	386,100	-	(386,100)	4,163,641
Total other financing sources (uses)	386,100	-	(386,100)	4,163,641
Net change in fund balances	-	(340,508)	(340,508)	2,172,894
Fund (deficit), beginning of year	(54,663)	(54,663)	-	(2,227,557)
Fund balance (deficit), end of year	$ (54,663)	$ (395,171)	$ (340,508)	$ (54,663)

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Fire Equipment Acquisition Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES				
Current:				
Public safety:				
Personnel salaries and benefits	-	-	-	115,600
Other	142,600	26,417	116,183	25,763
Debt service:				
Principal	-	33,381	(33,381)	-
Interest and fiscal charges	60,000	10,880	49,120	-
Total expenditures	202,600	70,678	131,922	141,363
Excess (deficiency) of revenues over (under) expenditures	(202,600)	(70,678)	(131,922)	(141,363)
OTHER FINANCING (USES)				
Transfers out	-	-	-	(425,000)
Total other financing (uses)	-	-	-	(425,000)
Net change in fund balance	(202,600)	(70,678)	131,922	(566,363)
Fund balance, beginning of year	202,649	202,649	-	769,012
Fund balance, end of year	$ 49	$ 131,971	$ 131,922	$ 202,649

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Park Construction Fee Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ 20,000	$ 12,825	$ (7,175)	$ (1,606)
Intergovernmental	2,144,700	-	(2,144,700)	610,016
Other	-	-	-	150
Total revenues	2,164,700	12,825	(2,151,875)	608,560
EXPENDITURES				
Current:				
Culture and recreation:				
Personnel salaries and benefits	-	2,978	(2,978)	-
Other	2,369,800	87,700	2,282,100	257,231
Total expenditures	2,369,800	90,678	2,279,122	257,231
Excess (deficiency) of revenues over (under) expenditures	(205,100)	(77,853)	127,247	351,329
OTHER FINANCING SOURCES				
Transfers in	-	-	-	101,000
Total other financing sources	-	-	-	101,000
Net change in fund balance	(205,100)	(77,853)	127,247	452,329
Fund balance, beginning of year	657,464	657,464	-	205,135
Fund balance, end of year	$ 452,364	$ 579,611	$ 127,247	$ 657,464

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Cemetery Construction Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ 1,200	$ 750	$ (450)	$ 985
Charges for services	500	437	(63)	296
Total revenues	1,700	1,187	(513)	1,281
EXPENDITURES				
Current:				
Community services - other	5,000	-	5,000	-
Total expenditures	5,000	-	5,000	-
Net change in fund balance	(3,300)	1,187	4,487	1,281
Fund balance, beginning of year	51,105	51,105	-	49,824
Fund balance, end of year	$ 47,805	$ 52,292	$ 4,487	$ 51,105

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Sewerline Construction Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ 100,000	$ 59,275	$ (40,725)	$ 104,663
Charges for services	60,000	96,001	36,001	54,850
Total revenues	160,000	155,276	(4,724)	159,513
EXPENDITURES				
Current:				
Streets:				
Personnel salaries and benefits	-	95,314	(95,314)	-
Other	2,726,700	140,545	2,586,155	311,229
Total expenditures	2,726,700	235,859	2,490,841	311,229
Excess (deficiency) of revenues over (under) expenditures	(2,566,700)	(80,583)	2,486,117	(151,716)
OTHER FINANCING (USES)				
Transfers out	(225,000)	(225,000)	-	(225,000)
Total other financing (uses)	(225,000)	(225,000)	-	(225,000)
Net change in fund balance	(2,791,700)	(305,583)	2,486,117	(376,716)
Fund balance, beginning of year	4,439,394	4,439,394	-	4,816,110
Fund balance, end of year	$ 1,647,694	$ 4,133,811	$ 2,486,117	$ 4,439,394

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Storm Drain Construction Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ 100,000	$ 52,036	$ (47,964)	$ 106,369
Charges for services	300,000	161,333	(138,667)	288,874
Other	-	277,463	277,463	-
Total revenues	400,000	490,832	90,832	395,243
EXPENDITURES				
Current:				
Streets:				
Personnel salaries and benefits	-	59,001	(59,001)	-
Other	4,703,400	866,501	3,836,899	1,678,515
Total expenditures	4,703,400	925,502	3,777,898	1,678,515
Excess (deficiency) of revenues over (under) expenditures	(4,303,400)	(434,670)	3,868,730	(1,283,272)
OTHER FINANCING (USES)				
Transfers out	(132,700)	(132,700)	-	(132,700)
Total other financing (uses)	(132,700)	(132,700)	-	(132,700)
Net change in fund balance	(4,436,100)	(567,370)	3,868,730	(1,415,972)
Fund balance, beginning of year	4,083,064	4,083,064	-	5,499,036
Fund balance (deficit), end of year	$ (353,036)	$ 3,515,694	$ 3,868,730	$ 4,083,064

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Special Assessments Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Taxes	$ 1,487,800	$ 1,471,475	$ (16,325)	$ 1,364,576
Investment income	-	33,060	33,060	44,037
Total revenues	1,487,800	1,504,535	16,735	1,408,613
EXPENDITURES				
Current:				
Streets - other	1,157,300	1,428,779	(271,479)	1,524,640
Total expenditures	1,157,300	1,428,779	(271,479)	1,524,640
Net change in fund balance	330,500	75,756	(254,744)	(116,027)
Fund balance, beginning of year	286,051	286,051	-	402,078
Fund balance (deficit), end of year	$ 616,551	$ 361,807	$ (254,744)	$ 286,051

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Cultural Development Construction Fee Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Licenses and permits	$ 400,000	$ 134,859	$ (265,141)	$ 312,711
Investment income	50,000	10,321	(39,679)	25,442
Total revenues	450,000	145,180	(304,820)	338,153
EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	450,000	145,180	(304,820)	338,153
OTHER FINANCING (USES)				
Transfers out	(357,000)	(707,000)	(350,000)	(357,000)
Total other financing (uses)	(357,000)	(707,000)	(350,000)	(357,000)
Net change in fund balance	93,000	(561,820)	(654,820)	(18,847)
Fund balance, beginning of year	1,168,364	1,168,364	-	1,187,211
Fund balance (deficit), end of year	$ 1,261,364	$ 606,544	$ (654,820)	$ 1,168,364

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Traffic Systems Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ -	$ -	$ -	$ 2,796
Intergovernmental	2,500	-	(2,500)	-
Other	-	-	-	336
Total revenues	2,500	-	(2,500)	3,132
EXPENDITURES				
Current:				
Streets - other	-	-	-	98,943
Total expenditures	-	-	-	98,943
Excess (deficiency) of revenues over (under) expenditures	2,500	-	(2,500)	(95,811)
OTHER FINANCING (USES)				
Transfers out	-	(27,427)	(27,427)	(60,000)
Total other financing (uses)	-	(27,427)	(27,427)	(60,000)
Net change in fund balance	2,500	(27,427)	(29,927)	(155,811)
Fund balance, beginning of year	27,427	27,427	-	183,238
Fund balance (deficit) end of year	$ 29,927	$ -	$ (29,927)	$ 27,427

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Impact Fees Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Impact fees	$ 1,141,500	$ 2,036,352	$ 894,852	$ 1,065,305
Investment income	252,500	165,855	(86,645)	235,377
Other	58,900	30,346	(28,554)	104,213
Total revenues	1,452,900	2,232,553	779,653	1,404,895
EXPENDITURES				
Current:				
Public safety	403,500	188,465	215,035	507,675
Streets	4,481,700	274,797	4,206,903	172,110
Culture and recreation	1,306,800	33,434	1,273,366	79,542
Debt service:				
Principal	-	81,563	(81,563)	79,249
Interest and fiscal charges	355,300	273,479	81,821	76,064
Total expenditures	6,547,300	851,738	5,695,562	914,640
Excess (deficiency) of revenues over (under) expenditures	(5,094,400)	1,380,815	6,475,215	490,255
OTHER FINANCING SOURCES				
Transfers in	-	27,422	27,422	785,535
Total other financing sources	-	27,422	27,422	785,535
Net change in fund balance	(5,094,400)	1,408,237	6,502,637	1,275,790
Fund balance, beginning of year	10,466,250	10,466,250	-	9,190,460
Fund balance, end of year	$ 5,371,850	$ 11,874,487	$ 6,502,637	$ 10,466,250

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Street Construction Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Intergovernmental	$ 21,153,400	$ 22,458	$ (21,130,942)	$ 1,888,984
Other	12,276,400	1,026,327	(11,250,073)	149,316
Total revenues	33,429,800	1,048,785	(32,381,015)	2,038,300
EXPENDITURES				
Current:				
Streets:				
Personnel salaries and benefits	-	248,547	(248,547)	-
Other	29,802,900	3,395,919	26,406,981	2,352,227
Total expenditures	29,802,900	3,644,466	26,158,434	2,352,227
Excess (deficiency) of revenues over (under) expenditures	3,626,900	(2,595,681)	(6,222,581)	(313,927)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	297,700
Total other financing sources	-	-	-	297,700
Net change in fund balance	3,626,900	(2,595,681)	(6,222,581)	(16,227)
Fund (deficit), beginning of year	(3,643,078)	(3,643,078)	-	(3,626,851)
Fund (deficit), end of year	$ (16,178)	$ (6,238,759)	$ (6,222,581)	$ (3,643,078)

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Public Improvements Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ 75,000	$ 25,492	$ (49,508)	$ 39,459
Total revenues	75,000	25,492	(49,508)	39,459
EXPENDITURES				
Current:				
Streets:				
Personnel salaries and benefits	-	35,249	(35,249)	-
Other	1,826,800	39,070	1,787,730	862,622
Total expenditures	1,826,800	74,319	1,752,481	862,622
Net change in fund balance	(1,751,800)	(48,827)	1,702,973	(823,163)
Fund balance, beginning of year	1,833,201	1,833,201	-	2,656,364
Fund balance, end of year	$ 81,401	$ 1,784,374	$ 1,702,973	$ 1,833,201

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Proposition 1b Local Street Fund
For the year ended June 30, 2010

	Final budget	Actual amounts	Variance with final budget	Prior year actual
REVENUES				
Investment income	$ 70,000	$ 36,592	$ (33,408)	$ 98,239
Intergovernmental	1,100,600	71,400	(1,029,200)	2,403,800
Total revenues	1,170,600	107,992	(1,062,608)	2,502,039
EXPENDITURES				
Current:				
Streets:				
Personnel salaries and benefits	-	26,458	(26,458)	-
Other	4,416,500	803,668	3,612,832	1,637,655
Total expenditures	4,416,500	830,126	3,586,374	1,637,655
Net change in fund balance	(3,245,900)	(722,134)	2,523,766	864,384
Fund balance, beginning of year	3,909,431	3,909,431	-	3,045,047
Fund balance, end of year	$ 663,531	$ 3,187,297	$ 2,523,766	$ 3,909,431

City of San Bernardino
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Economic Development Agency Capital Projects Fund
For the year ended June 30, 2010

	Budgeted amounts		Actual	Variance with	Prior year
	Original	Final	amounts	final budget	actual
REVENUES					
Taxes	$ 36,102,000	$ 36,102,000	$ 34,749,829	$ (1,352,171)	$ 41,873,199
Investment income	3,538,680	3,538,680	1,413,570	(2,125,110)	1,963,304
Other	748,500	748,500	543,809	(204,691)	963,101
Total revenues	40,389,180	40,389,180	36,707,208	(3,681,972)	44,799,604
EXPENDITURES					
Current:					
Economic development					
Personnel salaries and benefits	2,491,913	2,680,879	2,396,240	284,639	1,444,112
Other	28,234,007	30,375,041	27,150,011	3,225,030	16,362,154
Debt service - other:					
Principal	-	-	516,967	(516,967)	343,663
Interest and fiscal charges	69,000	69,000	422,817	(353,817)	1,408,658
Total expenditures	30,794,920	33,124,920	30,486,035	2,638,885	19,558,587
Excess (deficiency) of revenues over (under) expenditures	9,594,260	7,264,260	6,221,173	(1,043,087)	25,241,017
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	2,500,000	2,500,000	-
Transfers in	16,061,705	16,061,705	-	(16,061,705)	1,092,892
Transfers out	(19,157,900)	(19,157,900)	(19,840,111)	(682,211)	(27,145,119)
Total other financing uses	(3,096,195)	(3,096,195)	(17,340,111)	(14,243,916)	(26,052,227)
Net change in fund balance	6,498,065	4,168,065	(11,118,938)	(15,287,003)	(811,210)
Fund balance, beginning of year	76,331,434	76,331,434	76,331,434	-	77,142,644
Fund balance (deficit), end of year	$ 82,829,499	$ 80,499,499	$ 65,212,496	$ (15,287,003)	$ 76,331,434

Internal Service Funds

The City maintains the following Internal Service Funds for the purposes indicated:

Unemployment Insurance

For administration of unemployment insurance claims paid to the Employment Development Department of the State of California.

Workers' Compensation

For administration of the City's self insurance for worker's compensation.

Liability Insurance

For administration of the City's liability claims, combined self insurance and umbrella coverage for liability.

Motorpool

For the maintenance and operating costs for the City's fleet of vehicles.

Telephone Support

For the operation cost and acquisition of the City's telephone communications systems.

Information Systems

For the acquisition and maintenance of the City's computer and emergency communications systems.

Utility

For the control and allocation of the City's utility costs.

Central Services

For the provision of printing, duplication and postal services and operation of City Stores for supply costs.

City of San Bernardino
Combining Statement of Net Assets
Internal Service Funds
June 30, 2010

	Unemployment Insurance	Workers' Compensation	Liability Insurance	Motorpool
ASSETS				
Current assets:				
Cash and investments	$ -	$ -	$ 58,769	$ 250
Cash and investments with fiscal agent	-	-	-	323,700
Receivables:				-
Interest	-	-	14,503	-
Other	-	-	167	266
Inventory	-	-	-	462,543
Prepaids	-	-	-	199,846
Due from other governments	-	340	-	2,976
Due from other funds	-	-	4,488,172	-
Total current assets	-	340	4,561,611	989,581
Noncurrent assets:				
Capital assets:				
Property, plant and equipment, net	-	105	389	2,495,877
Total assets	-	445	4,562,000	3,485,458
LIABILITIES				
Current liabilities:				
Accounts payable	-	137,990	24,456	166,528
Due to other funds	40,632	358,836	-	413,274
Advances from other funds	-	-	-	-
Claims and judgments payable - current	-	2,540,043	1,558,596	-
Compensated absences - current	-	23,753	4,430	107,819
Capital lease payable - current	-	-	-	276,205
Facility lease payable - current	-	-	-	40,000
Total current liabilities	40,632	3,060,622	1,587,482	1,003,826
Noncurrent liabilities:				
Claims and judgments payable	-	5,926,768	3,636,724	-
Compensated absences	-	55,424	10,335	251,579
Capital lease payable	-	-	-	1,089,714
Facility lease payable	-	-	-	125,000
Total noncurrent liabilities	-	5,982,192	3,647,059	1,466,293
Total liabilities	40,632	9,042,814	5,234,541	2,470,119
NET ASSETS				
Invested in capital assets, net of related debt	-	-	-	964,958
Unrestricted (deficit)	(40,632)	(9,042,369)	(672,541)	50,381
Total net assets (deficit)	$ (40,632)	$ (9,042,369)	$ (672,541)	$ 1,015,339

Telephone Support	Information Systems	Utility	Central Services	Totals 2010	Totals 2009
$ -	$ -	$ -	$ -	$ 59,019	$ 43,478
-	-	-	-	323,700	754,032
-	-	-	-	14,503	30,794
927	-	-	-	1,360	1,426
-	-	-	-	462,543	421,997
-	-	-	-	199,846	-
10,873	5,972	-	-	20,161	454,940
73,306	659,508	381,092	6,498	5,608,576	5,855,082
85,106	665,480	381,092	6,498	6,689,708	7,561,749
38,705	1,013,194	589,660	-	4,137,930	5,427,968
123,811	1,678,674	970,752	6,498	10,827,638	12,989,717
50,519	89,161	375,953	2,497	847,104	905,612
-	-	-	-	812,742	30,006
-	205,774	-	-	205,774	283,774
-	-	-	-	4,098,639	3,661,400
1,237	117,803	7,473	16,585	279,100	287,953
-	-	70,420	-	346,625	991,103
-	-	-	-	40,000	35,000
51,756	412,738	453,846	19,082	6,629,984	6,194,848
-	-	-	-	9,563,492	10,515,518
3,186	274,875	17,438	38,698	651,535	598,556
-	-	588,528	-	1,678,242	1,820,234
-	-	-	-	125,000	165,000
3,186	274,875	605,966	38,698	12,018,269	13,099,308
54,942	687,613	1,059,812	57,780	18,648,253	19,294,156
-	1,013,194	(69,288)	-	1,908,864	2,348,201
68,869	(22,133)	(19,772)	(51,282)	(9,729,479)	(8,652,640)
$ 68,869	$ 991,061	$ (89,060)	$ (51,282)	$ (7,820,615)	$ (6,304,439)

City of San Bernardino
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the year ended June 30, 2010

	Unemployment Insurance	Workers' Compensation	Liability Insurance	Motorpool
OPERATING REVENUES				
Charges for services	$ 236,493	$ 3,679,366	$ 3,075,900	$ 6,847,345
Total operating revenues	236,493	3,679,366	3,075,900	6,847,345
OPERATING EXPENSES				
Cost of sales and services	5,824	1,207,543	305,076	5,987,649
Claims expense	491,262	2,546,921	2,771,773	-
Depreciation	-	108	1,252	1,437,866
Total operating expenses	497,086	3,754,572	3,078,101	7,425,515
Operating income (loss)	(260,593)	(75,206)	(2,201)	(578,170)
NONOPERATING REVENUES (EXPENSES)				
Investment income	-	166	50,469	54
Interest expense	-	-	-	(69,035)
Gain on disposal of assets	-	-	-	-
Miscellaneous income	-	-	-	599,438
Total nonoperating revenues (expenses)	-	166	50,469	530,457
Income before contributions and transfers	(260,593)	(75,040)	48,268	(47,713)
Transfers in	-	-	-	-
Transfers out	-	-	-	(834,413)
Change in net assets	(260,593)	(75,040)	48,268	(882,126)
Net assets (deficit), beginning of year	219,961	(8,967,329)	(720,809)	1,897,465
Net assets (deficit), end of year	$ (40,632)	$ (9,042,369)	$ (672,541)	$ 1,015,339

Continued

Telephone Support	Information Systems	Utility	Central Services	Totals 2010	Totals 2009
$ 609,980	$ 3,687,500	$ 4,153,400	$ 149,974	$ 22,439,958	$ 22,980,577
609,980	3,687,500	4,153,400	149,974	22,439,958	22,980,577
815,170	3,532,156	3,959,277	222,023	16,034,718	16,781,293
-	-	-	-	5,809,956	7,102,350
27,870	552,133	129,362	-	2,148,591	2,326,638
843,040	4,084,289	4,088,639	222,023	23,993,265	26,210,281
(233,060)	(396,789)	64,761	(72,049)	(1,553,307)	(3,229,704)
-	-	-	-	50,689	94,961
-	(1,863)	(33,896)	-	(104,794)	(110,470)
-	-	-	-	-	49,140
7,529	6,182	-	-	613,149	468,084
7,529	4,319	(33,896)	-	559,044	501,715
(225,531)	(392,470)	30,865	(72,049)	(994,263)	(2,727,989)
-	-	284,000	78,500	362,500	1,128,016
-	(50,000)	-	-	(884,413)	-
(225,531)	(442,470)	314,865	6,451	(1,516,176)	(1,599,973)
294,400	1,433,531	(403,925)	(57,733)	(6,304,439)	(4,704,466)
$ 68,869	$ 991,061	$ (89,060)	$ (51,282)	$ (7,820,615)	$ (6,304,439)

City of San Bernardino
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2010

	Unemployment Insurance	Workers' Compensation	Liability Insurance	Motorpool
Cash flows from operating activities:				
Cash received from user departments	$ 277,125	$ 4,122,362	$ 3,075,900	$ 7,260,251
Cash payments to suppliers for goods and services	(497,086)	(752,371)	(73,299)	(4,222,583)
Cash payments for claims and insurance	-	(3,061,708)	(2,771,773)	-
Cash payments to employees for services	-	(488,196)	(256,163)	(2,030,015)
Cash received for other activities	-	-	-	599,438
Net cash provided by (used for) operating activities	(219,961)	(179,913)	(25,335)	1,607,091
Cash flows from noncapital financing activities:				
Transfer from other funds	-	-	-	-
Transfer to other funds	-	-	-	(834,413)
Interfund loans	219,961	179,747	(25,884)	290,327
Net cash provided by (used for) noncapital financing activities	219,961	179,747	(25,884)	(544,086)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	-	-	(468,674)
Proceeds from capital debt	-	-	-	-
Principal payments on long-term debt	-	-	-	(955,682)
Proceeds from sale of capital assets	-	-	-	-
Interest paid on long-term debt	-	-	-	(69,035)
Net cash (used for) capital and related financing activities	-	-	-	(1,493,391)
Cash flows from investing activities:				
Interest received	-	166	66,760	54
Net cash provided by investing activities	-	166	66,760	54
Net increase (decrease) in cash and investments	-	-	15,541	(430,332)
Cash and investments, beginning of year	-	-	43,228	754,282
Cash and investments, end of year	$ -	$ -	$ 58,769	$ 323,950

Continued

Telephone Support	Information Systems	Utility	Central Services	Totals 2010	Totals 2009
$ 610,007	$ 4,035,541	$ 4,123,394	$ 152,961	$ 23,657,541	$ 22,656,346
(732,831)	(1,914,240)	(3,739,957)	(109,605)	(12,041,972)	(12,029,315)
-	-	-	-	(5,833,481)	(5,851,248)
(86,568)	(1,590,354)	(168,578)	(118,907)	(4,738,781)	(5,046,588)
7,529	6,182	-	-	613,149	468,084
(201,863)	537,129	214,859	(75,551)	1,656,456	197,279
-	-	284,000	78,500	362,500	1,128,016
-	(50,000)	-	-	(884,413)	-
201,863	(313,469)	(381,092)	(2,949)	168,504	(1,207,695)
201,863	(363,469)	(97,092)	75,551	(353,409)	(79,679)
-	(52,729)	(13,451)	-	(534,854)	(632,522)
-	-	-	-	-	880,687
-	(119,068)	(70,420)	-	(1,145,170)	(1,245,265)
-	-	-	-	-	49,140
-	(1,863)	(33,896)	-	(104,794)	(110,470)
-	(173,660)	(117,767)	-	(1,784,818)	(1,058,430)
-	-	-	-	66,980	101,460
-	-	-	-	66,980	101,460
-	-	-	-	(414,791)	(839,370)
-	-	-	-	797,510	1,636,880
$ -	$ -	$ -	$ -	$ 382,719	$ 797,510

City of San Bernardino
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2010
(continued)

	Unemployment Insurance	Workers' Compensation	Liability Insurance	Motorpool
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	$ (260,593)	$ (75,206)	$ (2,201)	$ (578,170)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	-	108	1,252	1,437,866
Other nonoperating revenues	-	-	-	599,438
(Increase) decrease in assets:				
Other receivables	-	-	-	-
Inventory	-	-	-	(40,546)
Prepaids	-	-	-	(199,846)
Due from other funds	-	-	-	-
Due from other governments	-	84,160	-	(368)
Increase (decrease) in liabilities:				
Accounts payable	-	(41,365)	(28,625)	(6,415)
Claims and judgements	-	(514,787)	-	-
Due to other funds	40,632	358,836	-	413,274
Compensated absences	-	8,341	4,239	(18,142)
Net cash provided by (used for) operating activities	$ (219,961)	$ (179,913)	$ (25,335)	$ 1,607,091
Noncash, investing, capital and financing activities:				
Acquisition of capital assets through capital lease	$ -	$ -	$ -	$ 753,875

Continued

Telephone Support	Information Systems	Utility	Central Services	Totals 2010	Totals 2009
$ (233,060)	$ (396,789)	$ 64,761	$ (72,049)	$ (1,553,307)	$ (3,229,704)
27,870	552,133	129,362	-	2,148,591	2,326,638
7,529	6,182	-	-	613,149	468,084
67	-	-	-	67	68,378
-	-	-	-	(40,546)	(114,770)
-	-	-	-	(199,846)	180,813
-	-	-	-	-	203
(40)	348,041	-	2,987	434,780	(407,847)
(6,175)	(17,646)	45,757	(4,039)	(58,508)	(105,022)
-	-	-	-	(514,787)	956,094
-	-	(30,006)	-	782,736	15,036
1,946	45,208	4,985	(2,450)	44,127	39,376
$ (201,863)	$ 537,129	$ 214,859	$ (75,551)	$ 1,656,456	$ 197,279
$ -	$ -	$ -	$ -	$ 753,875	$ 1,466,521

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Agency Funds

The City maintains the following Agency Funds for the purposes indicated:

Assessment District #961

For the collection of assessments from property owners and for the remittance of such assessments to bondholders as required by the Improvement Bond Act of 1915 and related California State statutes for this district.

Assessment District #977A

For the collection of assessments from property owners and for the remittance of such assessments to bondholders as required by the Improvement Bond Act of 1915 and related California State statutes for this district.

Assessment District #977B

For the collection of assessments from property owners and for the remittance of such assessments to bondholders as required by the Improvement Bond Act of 1915 and related California State statutes for this district.

Assessment District #1003

For the collection of assessments from property owners and for the remittance of such assessments to bondholders as required by the Improvement Bond Act of 1915 and related California State statutes for this district.

Industrial Revenue Bonds

For collection of revenue and payment of debt service related to Industrial Revenue Bonds issued by the City.

Community Facilities District #995

For the collection of special taxes from property owners and for the remittance of such special taxes to bondholders as required by the Mello Roos Community Facilities District Act of 1982 and related California State statutes for this district.

Special Deposits

For deposits made by developers, other government agencies or others for disposition under the terms for which the deposits were made.

Cemetery Perpetual Care

For funds collected for the perpetual maintenance of the City owned and operated Cemetery.

Payroll Trust Fund

For the disposition of funds charged to departments for the payment of wages, related withholding and retirement benefits.

San Bernardino Regional Water Resource Authority

For the collection and disposition of funds received for the San Bernardino Regional Water Authority.

City of San Bernardino
Combining Statement of Fiduciary Assets and Liabilities
June 30, 2010

	Assessment District #961	Assessment District #977A	Assessment District #977B	Assessment District #1003	Industrial Revenue Bonds
ASSETS					
Cash and investments	$ 368,929	$ 59,861	$ 22,486	$ 264,780	$ -
Cash and investments with fiscal agents	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Interest receivable	1,187	193	72	852	-
Due from other governments	-	173	1,478	1,236	-
Total assets	$ 370,116	$ 60,227	$ 24,036	$ 266,868	$ -
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Deposits payable	-	-	-	-	-
Due to bond holders	370,116	60,227	24,036	266,868	-
Total liabilities	$ 370,116	$ 60,227	$ 24,036	$ 266,868	$ -

Community Facilities District #995	Special Deposits	Cemetery Perpetual Care	Payroll Trust Fund	San Bernardino Regional Water Resource Authority	Totals 2010	Totals 2009
$ -	$ 3,153,942	$ 658,788	$ 989,482	$ 74,968	$ 5,593,236	$ 7,827,675
-	-	-	-	-	-	251,890
-	92,386	-	-	-	92,386	90,145
-	565	-	-	-	2,869	15,633
-	202,454	-	-	-	205,341	215,417
$ -	$ 3,449,347	$ 658,788	$ 989,482	$ 74,968	$ 5,893,832	$ 8,400,760
$ -	$ -	$ -	$ 3,812	$ -	$ 3,812	$ -
-	3,449,347	658,788	985,670	74,968	5,168,773	7,357,417
-	-	-	-	-	721,247	1,043,343
$ -	$ 3,449,347	$ 658,788	$ 989,482	$ 74,968	$ 5,893,832	$ 8,400,760

City of San Bernardino
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the year ended June 30, 2010

	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
Assessment District #971				
Assets				
Cash and investments	$ 362,308	$ 6,803	$ 182	$ 368,929
Interest receivable	2,501	1,186	2,500	1,187
Total assets	$ 364,809	$ 7,989	$ 2,682	$ 370,116
Liabilities				
Due to bondholders	$ 364,809	$ 7,989	$ 2,682	$ 370,116
Total liabilities	$ 364,809	$ 7,989	$ 2,682	$ 370,116
Assessment District #977A				
Assets				
Cash and investments	$ 60,780	$ 6,822	$ 7,741	$ 59,861
Cash and investments with fiscal agents	95,661	4,402	100,063	-
Interest receivable	419	193	419	193
Due from other governments	3,565	173	3,565	173
Total assets	$ 160,425	$ 11,590	$ 111,788	$ 60,227
Liabilities				
Due to bond holders	$ 160,425	$ 11,590	$ 111,788	$ 60,227
Total liabilities	$ 160,425	$ 11,590	$ 111,788	$ 60,227
Assessment District #977B				
Assets				
Cash and investments	$ 96,266	$ 18,171	$ 91,951	$ 22,486
Cash and investments with fiscal agents	156,229	87,974	244,203	-
Interest receivable	665	72	665	72
Due from other governments	4,648	1,478	4,648	1,478
Total assets	$ 257,808	$ 107,695	$ 341,467	$ 24,036
Liabilities				
Due to bond holders	$ 257,808	$ 107,695	$ 341,467	$ 24,036
Total liabilities	$ 257,808	$ 107,695	$ 341,467	$ 24,036

City of San Bernardino
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the year ended June 30, 2010
(continued)

	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
Assessment District #1003				
Assets				
Cash and investments	$ 257,703	$ 87,258	$ 80,181	$ 264,780
Interest receivable	1,778	852	1,778	852
Due from other governments	820	1,236	820	1,236
Total assets	$ 260,301	$ 89,346	$ 82,779	$ 266,868
Liabilities				
Due to bondholders	$ 260,301	$ 89,346	$ 82,779	$ 266,868
Total liabilities	$ 260,301	$ 89,346	$ 82,779	$ 266,868
Industrial Revenue Bonds				
Assets				
Cash and investments	$ 69,351	$ -	$ 69,351	$ -
Total assets	$ 69,351	$ -	$ 69,351	$ -
Liabilities				
Deposits payable	$ 69,351	$ -	$ 69,351	$ -
Total liabilities	$ 69,351	$ -	$ 69,351	$ -
Community Facilities District #995				
Assets				
Cash and investments	$ 1,795	$ -	$ 1,795	$ -
Interest receivable	12	-	12	-
Total assets	$ 1,807	$ -	$ 1,807	$ -
Liabilities				
Deposits payable	$ 1,807	$ -	$ 1,807	$ -
Total liabilities	$ 1,807	$ -	$ 1,807	$ -

City of San Bernardino
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the year ended June 30, 2010
(continued)

	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
Special Deposits				
Assets				
Cash and investments	$ 6,085,336	$ 5,312,998	$ 8,244,392	$ 3,153,942
Accounts receivable, net	90,145	314,215	311,974	92,386
Interest receivable	3,568	565	3,568	565
Due from other governments	206,384	202,454	206,384	202,454
Total assets	$ 6,385,433	$ 5,830,232	$ 8,766,318	$ 3,449,347
Liabilities				
Deposits payable	$ 6,385,433	$ 5,830,232	$ 8,766,318	$ 3,449,347
Total liabilities	$ 6,385,433	$ 5,830,232	$ 8,766,318	$ 3,449,347
Perpetual Cemetery Care				
Assets				
Cash and investments	$ 658,050	$ 738	$ -	$ 658,788
Total assets	$ 658,050	$ 738	$ -	$ 658,788
Liabilities				
Deposits payable	$ 658,050	$ 738	$ -	$ 658,788
Total liabilities	$ 658,050	$ 738	$ -	$ 658,788
Payroll Trust Fund				
Assets				
Cash and investments	$ 160,794	$ 123,786,773	$ 122,958,085	$ 989,482
Due from other governments	6,690	-	6,690	-
Total assets	$ 167,484	$ 123,786,773	$ 122,964,775	$ 989,482
Liabilities				
Accounts payable	$ -	$ 3,327,352	$ 3,323,540	$ 3,812
Deposits payable	167,484	120,459,421	119,641,235	985,670
Total liabilities	$ 167,484	$ 123,786,773	$ 122,964,775	$ 989,482

City of San Bernardino
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the year ended June 30, 2010
(continued)

	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
San Bernardino Regional Water Resouce Authority				
Assets				
Cash and investments	$ 75,292	$ -	$ 324	$ 74,968
Total assets	$ 75,292	$ -	$ 324	$ 74,968
Liabilities				
Deposits payable	$ 75,292	$ -	$ 324	$ 74,968
Total liabilities	$ 75,292	$ -	$ 324	$ 74,968
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash and investments	$ 7,827,675	$ 129,219,563	$ 131,454,002	$ 5,593,236
Cash and investments with fiscal agent	251,890	92,376	344,266	-
Accounts receivable, net	90,145	314,215	311,974	92,386
Interest receivable	8,943	2,868	8,942	2,869
Due from other governments	222,107	205,341	222,107	205,341
Total assets	$ 8,400,760	$ 129,834,363	$ 132,341,291	$ 5,893,832
Liabilities				
Accounts payable	$ -	$ 3,327,352	$ 3,323,540	$ 3,812
Deposits payable	7,357,417	126,290,391	128,479,035	5,168,773
Due to bondholders	1,043,343	216,620	538,716	721,247
Total liabilities	$ 8,400,760	$ 129,834,363	$ 132,341,291	$ 5,893,832

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STATISTICAL SECTION

This part of the City of San Bernardino Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 200

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. 208

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future. 211

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 217

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report is related to the services it provides and the activities it performs. 219

City of San Bernardino
Net Assets by Component
Last Nine Fiscal Years
(accrual basis of accounting)

	2002	2003	2004
Governmental activities:			
Invested in capital assets, net of related debt	$ 191,503,293	$ 159,997,876	$ 161,342,293
Restricted	43,125,990	44,041,492	96,428,026
Unrestricted	(92,652,892)	(83,153,847)	(134,736,718)
Total governmental activities net assets	141,976,391	120,885,521	123,033,601
Business-type activities:			
Invested in capital assets, net of related debt	130,804,501	132,932,983	142,833,962
Restricted	6,079,305	8,719,489	12,532,379
Unrestricted	33,884,563	36,022,815	33,748,855
Total business-type activities net assets	170,768,369	177,675,287	189,115,196
Primary government:			
Invested in capital assets, net of related debt	322,307,794	292,930,859	304,176,255
Restricted	49,205,295	52,760,981	108,960,405
Unrestricted	(58,768,329)	(47,131,032)	(100,987,863)
Total primary government net assets	$ 312,744,760	$ 298,560,808	$ 312,148,797

* Net infrastructure increase of $294.2 million recorded in the 2006 fiscal year.

Information prior to fiscal year 2002 is not available, as it was not developed in the format required prior to this date.

Fiscal Year					
2005	2006	2007	2008	2009	2010
$ 165,342,311	$ 446,214,267	$ 439,241,654	$ 457,017,602	$ 456,769,519	$ 417,644,510
113,377,790	135,155,865	172,975,182	189,545,448	206,065,382	188,976,306
(139,222,042)	(190,675,069)	(206,382,426)	(234,036,937)	(252,777,547)	(220,895,189)
139,498,059	390,695,063	405,834,410	412,526,113	410,057,354	385,725,627
153,245,960	176,245,295	188,668,410	196,936,845	197,034,723	200,989,638
20,007,026	24,859,169	27,280,333	24,205,033	19,831,726	11,992,059
37,167,934	25,605,996	27,222,676	29,950,674	34,586,997	39,723,816
210,420,920	226,710,460	243,171,419	251,092,552	251,453,446	252,705,513
318,588,271	622,459,562	627,910,064	653,954,447	653,804,242	618,634,148
133,384,816	160,015,034	200,255,515	213,750,481	225,897,108	200,968,365
(102,054,108)	(165,069,073)	(179,159,750)	(204,086,263)	(218,190,550)	(181,171,373)
$ 349,918,979	$ 617,405,523	$ 649,005,829	$ 663,618,665	$ 661,510,800	$ 638,431,140

City of San Bernardino
Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)

	2002	2003	2004	2005
Expenses:				
Governmental activities:				
General Government	$ 20,324,940	$ 10,110,920	$ 21,656,283	$ 24,808,713
Public Safety	66,107,141	71,475,265	74,407,316	80,039,649
Streets	12,345,936	12,349,490	14,669,079	13,891,216
Culture and Recreation	6,126,953	6,691,192	7,169,744	7,161,720
Community Development	1,824,993	6,065,117	8,884,530	12,687,620
Economic Development	17,593,672	20,259,952	24,495,651	18,044,434
Community Service	8,731,557	11,133,083	11,482,351	2,137,139
Interest on long-term debt	13,060,843	13,031,339	14,163,424	9,139,110
Total governmental activities expenses	146,116,035	151,116,358	176,928,378	167,909,601
Business-type activities:				
Integrated Waste	15,697,689	15,040,394	16,594,002	18,558,293
Water	18,802,599	18,825,102	21,317,663	22,734,007
Sewer	18,710,526	19,413,795	18,976,067	21,541,197
Total business-type activities expenses	53,210,814	53,279,291	56,887,732	62,833,497
Total primary government expenses	199,326,849	204,395,649	233,816,110	230,743,098
Program revenues:				
Governmental activities:				
Charges for services:				
General Government	2,083,487	2,747,466	2,738,254	3,398,519
Public Safety	4,278,024	4,685,593	4,311,566	4,206,552
Streets	4,223,767	4,650,313	5,692,784	7,825,117
Culture and Recreation	754,444	1,351,930	1,299,275	1,886,925
Community Development	2,234,857	3,055,541	3,384,534	4,496,494
Economic Development	47,543	-	-	-
Community Service	1,444,300	1,438,110	1,468,455	1,588,046
Operating grants and contributions	17,672,341	17,360,240	19,109,855	15,612,353
Capital grants and contributions	8,072,268	13,953,933	16,081,187	18,350,510
Total governmental activities program revenues	40,811,031	49,243,126	54,085,910	57,364,516
Business-type activities:				
Charges for services:				
Integrated Waste	17,470,111	18,412,352	19,149,079	21,585,381
Water	20,403,144	20,306,056	24,159,556	18,605,346
Sewer	16,829,698	17,009,204	17,339,174	19,551,823
Operating grants and contributions	990,282	794,044	1,214,167	1,001,047
Capital grants and contributions	5,917,958	6,520,569	7,942,497	18,906,564
Total business-type activities program revenues	61,611,193	63,042,225	69,804,473	79,650,161
Total primary government program revenues	102,422,224	112,285,351	123,890,383	137,014,677
Net revenues (expenses):				
Governmental activities	(105,305,004)	(101,873,232)	(122,842,468)	(110,545,085)
Business-type activities	8,400,379	9,762,934	12,916,741	16,816,664
Total net revenues (expenses)	(96,904,625)	(92,110,298)	(109,925,727)	(93,728,421)
General revenues and other changes in net assets:				
Governmental activities:				
Taxes:				
Sales tax	27,102,137	29,894,441	32,277,342	34,768,847
Property tax	25,523,014	26,327,504	28,965,153	32,611,618
Other taxes	26,520,455	27,919,423	30,203,483	31,468,545
Franchise tax	2,879,949	2,878,719	3,084,720	3,137,384
Unrestricted investment earnings	10,433,917	8,850,414	8,535,567	8,670,285
Other	6,167,267	8,140,146	9,282,701	3,322,507
Intergovernmental (unrestricted)	10,733,002	11,142,549	11,200,846	7,260,757
Transfers	1,616,200	1,598,246	2,316,200	2,316,200
Total governmental activities	110,975,941	116,751,442	125,866,012	123,556,143
Business-type activities				
Unrestricted investment earnings	2,601,625	2,382,963	839,368	4,783,660
Other				2,021,600
Loss on disposal of capital assets				
Transfers	(1,616,200)	(1,598,246)	(2,316,200)	(2,316,200)
Total business-type activities	985,425	784,717	(1,476,832)	4,489,060
Total primary government	111,961,366	117,536,159	124,389,180	128,045,203
Changes in net assets				
Governmental activities	5,670,937	14,878,210	3,023,544	13,011,058
Business-type activities	9,385,804	10,547,651	11,439,909	21,305,724
Total primary government	$ 15,056,741	$ 25,425,861	$ 14,463,453	$ 34,316,782

Information prior to fiscal year 2002 is not available, as it was not developed in the format required prior to this date.

Fiscal Year 2006	2007	2008	2009	2010
$ 23,892,333	$ 27,262,344	$ 28,690,682	$ 31,889,888	$ 30,091,111
136,667,148	93,515,654	101,494,843	100,515,707	96,151,341
27,057,006	27,069,798	29,851,158	28,471,766	26,308,728
6,982,538	7,641,107	9,008,014	7,119,434	5,682,806
8,346,669	9,035,671	7,280,167	12,214,813	29,981,845
13,049,495	10,484,282	18,262,699	22,276,482	18,333,565
8,721,633	7,859,979	7,900,685	4,224,880	9,092,811
13,196,169	14,091,476	13,486,264	14,035,536	13,852,035
237,912,991	196,960,311	215,974,512	220,748,506	229,494,242
21,008,588	21,484,555	24,356,571	23,703,876	23,871,383
25,236,041	28,410,534	33,045,283	33,227,061	32,608,484
22,728,156	25,357,620	25,053,649	24,145,799	26,037,956
68,972,785	75,252,709	82,455,503	81,076,736	82,517,823
306,885,776	272,213,020	298,430,015	301,825,242	312,012,065
3,035,106	3,049,407	2,634,674	3,520,136	4,035,539
5,584,791	6,830,785	7,847,150	8,132,156	8,397,172
10,375,349	13,220,302	15,292,390	10,402,510	7,611,158
2,148,929	2,264,397	2,141,227	1,045,559	1,897,352
5,455,580	5,035,631	3,829,972	2,986,531	3,681,075
-	-	-	-	-
1,575,304	1,665,858	1,740,995	1,564,959	1,539,532
16,749,511	15,674,299	16,270,234	20,318,765	29,834,546
8,560,691	10,742,679	11,883,134	10,006,137	8,127,158
53,485,261	58,483,358	61,639,776	57,976,753	65,123,532
22,751,076	24,035,457	24,410,492	25,095,208	26,074,292
19,702,252	26,281,951	27,337,093	27,258,954	27,688,694
19,492,372	21,002,484	20,847,984	21,208,021	22,424,943
1,983,509	4,287,943	2,715,957	2,043,889	1,894,624
18,430,146	14,904,830	13,263,336	5,197,854	6,325,571
82,359,355	90,512,665	88,574,862	80,803,926	84,408,124
135,844,616	148,996,023	150,214,638	138,780,679	149,531,656
(184,427,730)	(138,476,953)	(154,334,736)	(162,771,753)	(164,370,710)
13,386,570	15,259,956	6,119,359	(272,810)	1,890,301
(171,041,160)	(123,216,997)	(148,215,377)	(163,044,563)	(162,480,409)
36,753,095	36,011,631	36,101,446	29,601,414	25,569,302
49,242,321	58,061,978	65,324,686	74,661,731	63,565,610
34,033,797	34,952,626	34,423,896	33,460,958	31,087,543
3,343,990	3,348,564	3,611,073	3,513,508	3,125,973
8,867,706	7,723,375	5,649,984	3,921,832	1,112,028
4,805,836	9,455,462	12,104,881	11,409,423	11,213,503
1,541,439	1,529,664	1,193,173	951,828	853,324
2,810,900	2,533,000	2,617,300	2,782,300	3,511,700
141,399,084	153,616,300	161,026,439	160,302,994	140,038,983
4,024,042	3,270,023	4,116,288	2,808,251	2,333,045
1,689,828	463,980	835,984	607,753	540,421
		(533,198)	-	-
(2,810,900)	(2,533,000)	(2,617,300)	(2,782,300)	(3,511,700)
2,902,970	1,201,003	1,801,774	633,704	(638,234)
144,302,054	154,817,303	162,828,213	160,936,698	139,400,749
(43,028,646)	15,139,347	6,691,703	(2,468,759)	(24,331,727)
16,289,540	16,460,959	7,921,133	360,894	1,252,067
$ (26,739,106)	$ 31,600,306	$ 14,612,836	$ (2,107,865)	$ (23,079,660)

City of San Bernardino
Fund Balances of Governmental Funds
Last Nine Fiscal Years
(modified accrual basis of accounting)

	2002	2003	2004	2005
General fund:				
Reserved	$ 1,436,009	$ 1,149,167	$ 1,667,321	$ 565,637
Unreserved	13,449,153	11,740,916	10,811,053	17,674,733
Total general fund	14,885,162	12,890,083	12,478,374	18,240,370
All other governmental funds:				
Reserved	93,012,221	100,773,650	92,518,419	86,310,076
Unreserved, reported in:				
Special revenue funds	7,959,410	6,399,819	6,948,361	10,402,126
Debt service	(2,319,926)	(2,226,126)	(2,266,242)	(2,075,698)
Capital project funds	19,177,626	11,876,357	17,133,417	33,126,970
Total all other governmental funds	$ 117,829,331	$ 116,823,700	$ 114,333,955	$ 127,763,474

Information prior to fiscal year 2002 is not available, as it was not developed in the format required prior to this date.

Fiscal Year 2006	2007	2008	2009	2010
372,840	$ 916,003	$ 600,241	$ 222,157	$ 1,107,232
16,891,900	17,680,645	15,552,803	2,486,162	(696,939)
17,264,740	18,596,648	16,153,044	2,708,319	410,293
106,294,213	113,001,861	115,642,734	126,666,344	189,764,830
15,924,138	22,423,967	15,519,741	21,082,573	(14,349,535)
(2,806,294)	(782,226)	1,623,105	(406,895)	(581,544)
39,757,743	55,231,122	67,966,965	62,722,731	23,607,604
$ 159,169,800	$ 189,874,724	$ 200,752,545	$ 210,064,753	$ 198,441,355

City of San Bernardino
Changes in Fund Balances of Governmental Funds
Last Nine Fiscal Years
(modified accrual basis of accounting)

	2002	2003	2004	2005
Revenues:				
Taxes	$ 79,291,036	$ 84,123,265	$ 91,755,978	$ 107,732,349
Licenses and permits	6,735,142	7,262,108	7,876,768	9,585,532
Impact fees				
Fines and forfeitures	1,541,486	1,559,840	1,758,510	1,974,534
Investment income	6,539,320	6,053,106	5,206,478	4,414,204
Intergovernmental	38,907,758	39,313,349	46,348,639	35,933,532
Charges for services	7,466,950	9,512,656	10,066,984	13,447,328
Other	7,141,110	11,583,609	10,855,822	14,914,028
Total revenues	147,622,802	159,407,933	173,869,179	188,001,507
Expenditures:				
Current:				
General Government	14,868,972	15,317,801	18,560,589	21,725,050
Public Safety	65,804,551	69,742,970	73,516,373	79,860,210
Streets	15,899,968	17,173,949	17,101,303	19,596,406
Culture and recreation	7,671,272	6,901,194	7,450,410	6,987,251
Community development	9,629,321	12,763,319	20,291,613	13,527,724
Community service	8,563,476	10,827,093	6,977,775	4,299,772
Economic development	10,797,518	15,038,436	17,593,938	11,222,530
Debt service:				
Principal retirement	14,069,891	9,584,617	8,939,434	7,831,737
Interest and fiscal charges	11,733,567	11,529,630	11,282,798	11,984,266
Payment to escrow agent	1,470,150	-	-	-
Bond issuance costs	-	-	-	-
Payment to refunded escrow	-	-	-	-
Total expenditures	160,508,686	168,879,009	181,714,233	177,034,946
Excess (deficiency) of revenues over (under) expenditures	(12,885,884)	(9,471,076)	(7,845,054)	10,966,561
Other financing sources (uses):				
Transfers in	43,028,600	31,143,372	36,782,713	30,033,293
Transfers out	(43,067,300)	(28,503,926)	(34,066,513)	(27,454,893)
Issuance of long-term debt	36,142,464	3,500,000	2,401,954	2,193,154
Payments to bond escrow agents	(16,309,848)	-	-	-
Pension bonds issued	-	-	-	-
Discounts on pension bonds issued	-	-	-	-
Payment to refunded escrow agent	-	-	-	-
Forgiveness of debt	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	19,793,916	6,139,446	5,118,154	4,771,554
Net change in fund balances	$ 6,908,032	$ (3,331,630)	$ (2,726,900)	$ 15,738,115
Debt service as a percentage of noncapital expenditures	22.3%	15.9%	14.1%	13.6%

Information prior to 2002 is not available, as it was not developed in the format required prior to this date.

Fiscal Year 2006	2007	2008	2009	2010
$ 120,977,254	$ 129,060,182	$ 135,605,049	$ 138,027,508	$ 120,443,480
10,277,240	12,499,578	11,116,513	10,048,833	8,796,052
843,458	3,450,896	5,268,475	1,065,305	2,036,352
2,554,720	3,183,008	3,880,674	4,721,725	5,850,072
5,312,423	9,974,811	8,413,713	5,708,816	4,191,386
29,179,616	34,294,304	36,683,544	37,970,647	42,318,633
16,296,784	14,268,495	13,465,003	11,020,644	10,932,430
6,926,240	8,940,357	6,803,988	6,213,253	8,603,639
192,367,735	215,671,631	221,236,959	214,776,731	203,172,044
23,405,697	24,355,666	24,983,025	23,468,564	23,815,033
134,891,847	91,978,732	100,534,357	105,613,213	96,130,768
24,060,239	26,555,429	27,129,532	25,150,386	20,267,012
6,898,492	8,261,185	9,480,585	6,842,658	5,228,540
10,695,256	8,563,125	9,363,769	11,777,679	12,817,428
8,485,029	6,547,021	6,914,615	4,329,133	9,150,336
12,469,103	10,178,004	18,165,689	22,276,482	34,168,768
12,546,394	8,949,418	10,759,184	11,223,004	12,285,742
12,067,597	14,676,189	13,146,478	14,101,348	13,420,944
-	-	-	-	-
1,267,051	-	-	-	-
5,497,751	-	-	-	-
252,284,456	200,064,769	220,477,234	224,782,467	227,284,571
(59,916,721)	15,606,862	759,725	(10,005,736)	(24,112,527)
34,251,343	53,516,613	47,095,652	48,744,845	38,698,615
(31,773,743)	(50,711,595)	(44,964,252)	(47,090,561)	(34,665,002)
107,337,383	13,624,952	3,638,489	4,218,935	4,227,490
-	-	-	-	-
62,095,000	-	-	-	-
(10,155,317)	-	-	-	-
(71,407,249)	-	-	-	-
	-	1,556,000	-	-
	-	-	-	1,930,000
90,347,417	16,429,970	7,325,889	5,873,219	10,191,103
$ 30,430,696	$ 32,036,832	$ 8,085,614	$ (4,132,517)	$ (13,921,424)
15.1%	14.4%	13.0%	14.0%	13.4%

City of San Bernardino
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	City				Redevelopment Agency				Total Direct Tax Rate
	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	
2001	$ 3,694,823,003	$ 239,145,672	$ (139,392,031)	$ 3,794,576,644	$ 1,553,594,455	$ 207,105,539	$ -	$ 1,760,699,994	0.46%
2002	3,781,844,181	239,214,043	(141,805,755)	3,879,252,469	1,655,813,165	262,049,000	-	1,917,862,165	0.44%
2003	3,890,771,009	240,855,914	(142,450,899)	3,989,176,024	1,762,347,247	269,287,123	-	2,031,634,370	0.44%
2004	4,131,145,783	243,179,161	(146,771,273)	4,227,553,671	1,974,759,124	310,354,838	-	2,285,113,962	0.44%
2005	4,356,175,834	246,018,029	(146,527,117)	4,455,666,746	2,388,824,098	292,415,626	-	2,681,239,724	0.46%
2006	4,775,068,600	251,599,885	(144,877,914)	4,881,790,571	2,844,012,789	335,148,475	-	3,179,161,264	0.61%
2007	5,423,944,631	252,834,944	(144,547,076)	5,532,232,499	3,663,290,709	374,962,702	-	4,038,253,411	0.61%
2008	6,132,855,990	257,839,081	(144,303,550)	6,246,391,521	4,514,199,489	391,939,126	-	4,906,138,615	0.59%
2009	6,233,169,050	261,272,249	(145,708,938)	6,348,732,361	5,178,960,928	500,192,233	-	5,679,153,161	0.62%
2010	5,185,425,176	260,923,761	(143,959,857)	5,302,389,080	5,120,754,081	577,948,187	-	5,698,702,268	0.58%

NOTE:
In 1978 the voters of the State of California passes Proposition 13 which limited property taxes to a total minimum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: County of San Bernardino, Auditor/Controller - Recorder - County Clerk

City of San Bernardino
Principal Property Tax Payers
Current Year and Eight Years Ago

Taxpayer	2010 Taxable Assessed Value	2010 Percent of Total City Taxable Assessed Value	2002 Taxable Assessed Value	2002 Percent of Total City Taxable Assessed Value
SP4 Cajon I LP	$ 336,652,884	3.06%		
Stater Bros Markets	274,768,316	2.50%	$ 15,846,217	0.27%
Catholic Healthcare West	121,076,766	1.10%	101,698,219	1.75%
LIT Industrial LTD Partnership	115,668,000	1.05%		0.00%
Opus R/E CA VII Northpointe	77,520,000	0.70%		0.00%
Rancon Realty Fund V	73,490,233	0.67%	34,823,519	0.60%
St Bernardine Medical Center	62,296,234	0.57%	47,973,462	0.83%
Westgate No 1	60,123,047	0.55%		0.00%
WM Inland Adjacent LLC	57,505,359	0.52%		0.00%
Prologis-A5 CA I	52,734,000	0.48%		0.00%
Tec Park Land LP	49,413,028	0.45%		0.00%
Industrial Parkway LLC	47,769,689	0.43%		0.00%
LIT Interchange LP	47,528,064	0.43%		0.00%
Pera Castlepark Inc	44,274,708	0.40%	39,366,000	0.68%
Rancon Realty Fund IV	37,533,551	0.34%	22,626,272	0.39%
Road Bay Investments LLC	35,510,933	0.32%		0.00%
VTSD LLC	33,555,397	0.31%		0.00%
California Housing Foundation	32,561,128	0.30%		0.00%
Loma Linda University	31,136,263	0.28%		0.00%
Universe at Acacia LLC	28,985,613	0.26%	19,400,000	0.33%
Macy's California	28,558,427	0.26%		0.00%
Kohl's Department Stores Inc	24,639,348	0.22%	21,907,600	0.38%
Mountainside Apts	23,990,400	0.22%		0.00%
Telacu Housing San Bernardino III Inc	23,734,887	0.22%		0.00%
Community Hospital of San Bernardino	23,350,488	0.21%	13,914,897	0.24%
CNP & Media News Group		0.00%	27,031,223	0.47%
Capital Foresight San Bernardino		0.00%	21,600,000	0.37%
6155 Palm Avenue Apartments LLC		0.00%	18,054,000	0.31%
Costco Wholesale Corp		0.00%	10,716,279	0.18%
Yellow Freight System Inc		0.00%	13,190,399	0.23%
Delta Investors II LLC		0.00%	12,970,084	0.22%
California Newspaper Partnership		0.00%	11,259,416	0.19%
SB Tri-City Associates		0.00%	10,469,242	0.18%
Cinemastar Luxury Theaters Inc		0.00%	10,404,000	0.18%
Roman Catholic Bishop of San Bernardino		0.00%	9,127,990	0.16%
Central City Company LLC		0.00%	8,736,700	0.15%
	$1,744,376,763	15.86%	$ 471,115,519	8.13%

The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

Source: City of San Bernardino Real Property Section

Information prior to fiscal year 2002 is not available, as it was not developed in the format required prior to this date.

City of San Bernardino
Property Tax Levies and Collections
Last Nine Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2002	$ 7,143,215	$ 7,036,901	98.51%	$ 353,987	$ 7,390,888	103.47%
2003	7,357,853	7,209,686	97.99%	398,976	7,608,662	103.41%
2004	7,957,750	7,959,153	100.02%	388,958	8,348,111	104.91%
2005	8,506,453	8,571,117	100.76%	414,897	8,986,014	105.64%
2006	9,525,978	9,474,661	99.46%	389,394	9,864,055	103.55%
2007	11,085,242	10,461,907	94.38%	395,001	10,856,908	97.94%
2008	12,856,402	11,666,517	90.74%	542,358	12,208,875	94.96%
2009	13,190,847	12,391,917	93.94%	904,956	13,296,873	100.80%
2010	11,173,659	10,507,597	94.04%	943,324	11,450,921	102.48%

NOTE:
The amounts presented include City property taxes only.
Information prior to fiscal year 2002 is not available, as it was not developed in the format required prior to this date.

Source: County of San Bernardino, Auditor/Controller - Recorder - County Clerk

City of San Bernardino
Ratios of Outstanding Debt by Type
Last Five Fiscal Years

	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental Activities					
Claims and judgments	$ 12,745,545	$ 14,191,748	$ 13,220,824	$ 14,176,918	$ 13,662,131
Compensated absences	17,483,244	19,157,870	20,756,271	19,541,648	20,620,061
Lease revenue bonds	17,360,000	15,855,000	14,765,000	13,615,000	12,410,000
Tax allocation bonds	155,217,904	149,821,430	144,119,956	138,113,483	131,777,008
Certificates of participation	13,275,000	12,850,000	12,405,000	11,935,000	11,450,000
Pension obligation bonds	50,401,583	50,401,583	49,564,907	48,599,907	47,902,051
OPEB Obligation	-	-	5,529,880	10,682,779	15,548,405
Other	15,236,681	27,149,462	28,360,145	31,207,863	31,850,996
Total governmental activities	281,719,957	289,427,093	288,721,983	287,872,598	285,220,652
Business-type Activities					
Capital leases	914,381	6,176,079	10,004,851	12,029,423	13,598,053
Claims payable	-	-	-	421,299	313,994
Compensated absences	2,501,293	2,642,647	2,588,553	2,692,966	2,495,722
Notes payable	28,021,736	25,728,019	33,352,913	30,895,419	27,912,613
Certificates of participation	27,732,673	25,846,450	23,859,730	21,757,488	19,539,695
Water bonds	75,000	65,000	55,000	45,000	35,000
OPEB Obligation	-	-	1,632,000	3,308,000	4,851,000
Total business-type activities	59,245,083	60,458,195	71,493,047	71,149,595	68,746,077
Total Primary Government	$ 340,965,040	$ 349,885,288	$ 360,215,030	$ 359,022,193	$ 353,966,729
Percentage of Personal Income*	6.92%	7.10%	6.59%	6.26%	5.62%
Debt per Capita*	1,737	1,782	1,789	1,755	1,723

* = Based on most current data available
Information prior to fiscal year 2006 is not available, as it was not developed in the format required prior to this date.

City of San Bernardino
Ratio of General Bonded Debt Outstanding
Last Five Fiscal Years
(In Thousands, except per capita)

Fiscal Year Ended June 30	Outstanding General Bonded Debt: Tax Allocation Bonds	Pension Obligation Bonds	Lease Revenue Bonds	Total	Percent of Assessed Value	Per Capita
2006	$ 155,218	$ 50,402	$ 17,360	$ 222,980	2.77%	1,136
2007	149,821	50,402	15,865	216,088	2.26%	1,101
2008	144,120	49,565	14,765	208,450	1.87%	1,035
2009	138,113	48,600	13,615	200,328	1.67%	979
2010	131,777	47,902	12,410	192,089	1.75%	935

Information prior to fiscal year 2006 is not available, as it was not developed in the format required prior to this date.

City of San Bernardino
Schedule of Direct and Overlapping Bonded Debt

2009-10 Assessed Valuation	$	11,145,051,205
Redevelopment Incremental Valuation:		5,698,702,268
Adjusted Assessed Valuation:		5,446,348,937

OVERLAPPING TAX AND ASSESSMENT DEBT	Total Debt 06/30/10	% Applicable (1)	City's Share of Debt 6/30/10
San Bernardino Community College District	$ 433,919,736	14.031 %	$ 60,883,278
Colton Joint Unified School District	141,318,927	2.833	4,003,565
Redlands Unified School District	110,324,784	0.795	877,082
Rialto Unified School District	44,625,038	11.146	4,973,907
San Bernardino City Unified School District	155,245,171	70.561	109,542,545
Colton Joint Unified School District CFD No. 2	4,325,000	89.535	3,872,389
City of San Bernardino 1915 Act Bonds	290,000	100.000	290,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$184,442,766
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
San Bernardino County General Fund Obligations	$ 725,835,000	4.595 %	$ 33,352,118
San Bernardino County Pension Obligations	648,360,591	4.595	29,792,169
San Bernardino County Flood Control District General Fund Obligations	114,710,000	4.595	5,270,925
Colton Joint Unified School District Certificates of Participation	6,335,000	2.833	179,471
Redlands Unified School District Certificates of Participation	5,000,000	0.795	39,750
Rialto Unified School District Certificates of Participation	14,380,000	11.146	1,602,795
City of San Bernardino General Fund Obligations	23,860,000	100.000	23,860,000
San Bdno Valley Municipal Water District Certificates of Participation	1,175,000	20.135	236,586
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 94,333,814
Less: San Bernardino Valley Muni Water Dist Certificates of Part			236,586
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 94,097,228
GROSS COMBINED TOTAL DEBT			$ 278,776,580 (2)
NET COMBINED TOTAL DEBT			$ 278,539,994

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2009-10 Assessed Valuation:	
Total Overlapping Tax and Assessment Debt	1.65 %
Ratios to Adjusted Assessed Valuation:	
Combined Direct Debt ($23,860,000)	0.44 %
Gross Combined Total Debt	5.12 %
Net Combined Total Debt	5.11 %
STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10:	$0

Source: California Municipal Statistics, Inc.

City of San Bernardino
Legal Debt Margin Information
Last Nine Fiscal Years

	2002	2003	2004	2005
Assessed valuation	$ 4,021,058,224	$ 4,131,626,923	$ 4,374,324,944	$ 4,602,193,863
Conversion percentage	25%	25%	25%	25%
Adjusted assessed value	1,005,264,556	1,032,906,731	1,093,581,236	1,150,548,466
Debt limit percentage	15%	15%	15%	15%
Debt limit	150,789,683	154,936,010	164,037,185	172,582,270
Total net debt applicable to limit:				
General obligation bonds	29,345,000	27,765,000	28,090,000	24,745,000
Legal debt margin	$ 121,444,683	$ 127,171,010	$ 135,947,185	$ 147,837,270
Total debt applicable to the limit				
as a percentage of debt limit	19.5%	17.9%	17.1%	14.3%

The government code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel in now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Information prior to fiscal year 2002 is not available, as it was not developed in the format required prior to this date.

Fiscal Year 2006	2007	2008	2009	2010
$ 5,026,668,485	$ 5,676,779,575	$ 6,390,695,071	$ 6,494,441,299	$ 5,446,348,937
25%	25%	25%	25%	25%
1,256,667,121	1,419,194,894	1,597,673,768	1,623,610,325	1,361,587,234
15%	15%	15%	15%	15%
188,500,068	212,879,234	239,651,065	243,541,549	204,238,085
81,036,583	79,106,583	76,734,907	74,149,907	71,762,051
$ 107,463,485	$ 133,772,651	$ 162,916,158	$ 169,391,642	$ 132,476,034
43.0%	37.2%	32.0%	30.4%	35.1%

City of San Bernardino Municipal Water Department
Pledged-Revenue Coverage
Last Five Fiscal Years
(In Thousands)

Fiscal Year Ended June 30	Water Utility: Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service: Principal	Interest	Coverage	Tax Allocation Bonds: Tax Increment	Debt Service: Principal	Interest	Coverage
2006	$ 27,153	$ 20,985	$ 6,167	$ 457	$ 317	7.97	$ 17	$ 10	$ 5	1.13
2007	35,284	23,691	11,593	472	602	10.80	18	10	5	1.21
2008	38,687	27,397	11,290	472	602	10.51	20	10	4	1.43
2009	33,194	27,457	5,737	926	578	3.81	28	10	3	2.10
2010	31,703	25,888	5,815	955	553	3.86	28	10	3	2.23

Fiscal Year Ended June 30	Sewer Utility: Sewer Revenue	Less Operating Expenses	Net Available Revenue	Debt Service: Principal	Interest	Coverage
2006	$ 22,788	$ 13,022	$ 9,766	$ 3,761	$ 2,000	1.70
2007	24,127	14,682	9,445	3,927	1,853	1.63
2008	22,900	15,920	6,981	4,110	1,684	1.20
2009	22,046	14,815	7,231	4,296	1,517	1.24
2010	23,047	17,365	5,682	4,495	1,338	0.97

Information prior to fiscal year 2006 is not available, as it was not developed in the format required prior to this date.

Note: Details regarding the department's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expense.

City of San Bernardino
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year		Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
1999		184,986	$ 3,884,891	$ 21,001	5.2%
2000		186,351	4,094,504	21,972	5.1%
2001		190,232	4,365,634	22,949	5.2%
2002		189,800	4,421,201	23,294	6.2%
2003		194,100	4,614,145	23,772	6.2%
2004		196,300	4,928,700	25,108	5.7%
2005		199,521	5,201,113	26,068	5.3%
2006		201,396	5,464,679	27,134	4.9%
2007		204,620	5,734,271	28,024	5.8%
2008	*	205,493	6,295,073	30,634	8.3%

Sources: (1) League of California Cities for 1996-2004, California Department of Finance for subsequent years
(2) California LaborMarket Info, Measures of Income (San Bernardino County) for 1996-2004, Bureau of Economic Analysis, Regional Economic Accounts for subsequent years
(3) U.S. Department of Labor, Bureau of Labor Statistics (Riverside-San Bernardino-Ontario Metropolitan Statistical Area) for all years shown
* Most recent complete year available

City of San Bernardino
Principal Employers
Fiscal Year 2010 and Four Prior years

	Approximate Number of Employees				
Principal Employers	2006	2007	2008	2009	2010
Cal State University - San Bernardino	1000+	1000+	1000+	500-999	1000+
Caltrans District 8	1000+	1000+	1000+	1000+	1000+
City of San Bernardino	1000+	1000+	1000+	1000+	1000+
Community Hospital	1000+	1000+	1000+	500-999	1000+
Corona Regional Medical Center	1000+	1000+	*	*	*
Renzenberger, Inc	1000+	1000+	*	*	*
San Bernardino City Unified School District	1000+	1000+	1000+	1000+	1000+
San Bernardino Community College District	1000+	1000+	*	*	*
San Bernardino County Sheriff	1000+	1000+	1000+	1000+	1000+
San Bernardino County Superintendant of Schools	*	*	1000+	1000+	1000+
San Manuel Band of Mission Indians	*	*	1000+	1000+	1000+
Stater Bros Markets	*	*	1000+	1000+	1000+
St. Bernardine Medical Center	*	*	1000+	1000+	1000+
Arrowhead Credit Union	500-999	500-999	*	*	*
BNSF Railway	*	*	500-999	500-999	*
Inland Regional Center for Management	500-999	500-999	*	*	*
Omnitrans	500-999	500-999	500-999	1000+	500-999
San Bernardino County Public Works	*	*	500-999	1000+	500-999
San Bernardino Valley College	1000+	1000+	500-999	500-999	500-999
Starwood Vacation Ownership	500-999	*	*	*	*
Wells Fargo Home Mortgage	*	*	*	1000+	1000+
San Bernardino Community Hospital	*	*	*	*	1000+

Actual employment numbers not available.

Information prior to fiscal year 2006 is not available, as it was not developed in the format required prior to this date.

* = Not considered to be a principal employer in that year

Source - City of San Bernardino Employment and Training Agency for years 2006-2008;
Employment Development Department for 2009 and 2010.

City of San Bernardino
Full-time and Part-time City Employees
by Function
Last Ten Fiscal Years

	Fiscal Year									
Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	222	225	228	222	209	210	223	289	269	264
Public safety	616	627	628	633	653	667	688	790	754	746
Streets	118	120	121	118	107	110	110	120	94	68
Culture and recreation	269	267	268	268	272	272	274	162	160	157
Community development	21	22	22	22	23	27	33	32	23	32
Economic development	19	19	22	22	22	17	17	22	35	39
Community service	261	262	270	269	268	268	269	159	111	204
Enterprise	338	346	349	357	356	369	380	398	379	385
Total	1,864	1,888	1,908	1,911	1,910	1,940	1,994	1,972	1,825	1,895

Source: Budgeted positions for full and part time employees

City of San Bernardino
Operating Indicators by Function
Last Five Fiscal Years

	Fiscal Year				
	2006	2007	2008	2009	2010
Police:					
Arrest	16,955	15,967	15,600	14,725	13,733
Parking citations issued	25,411	21,917	30,782	35,042	24,266
Fire:					
Number of emergency calls	25,282	24,323	29,668	29,436	29,578
Inspections	7,646	5,242	5,464	6,211	5,344
Public Works/Public Services:					
Street resurfacing (lane miles)	382	80	28	24	31
Parks and Recreation:					
Number of recreation classes	150	150	29	153	346
Number of facility rentals	410	410	556	474	372
Water:					
New connections	563	511	172	138	37
Average daily consumption (thousands of gallons)	44,583	44,863	48,208	45,825	41,228
Sewer:					
New connections	952	542	240	67	26
Average daily sewage treatment (thousands of gallons)	26,500	27,000	26,090	24,590	21,670

Source - various City departments

Information prior to fiscal year 2006 is not available, as it was not developed in the format required prior to this date.

City of San Bernardino
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Pubic Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	12	12	12	12	12	12	12	12	12	12
Streets/Community Development										
Miles of streets	576	614	614	621	621	625	628	628	628	629
Street lights (City maintained	5,000	5,000	5,000	5,000	5,000	5,100	5,100	5,100	5,100	5,100
Street lights (SCE maintained)	6,000	6,351	6,351	6,351	6,351	6,400	6,400	6,980	6,502	7,700
Street traffic controllers (signals)	237	237	237	246	251	255	255	262	268	272
Street traffic controllers (ped-xing)	21	21	21	21	21	21	21	21	20	19
Culture and Leisure										
Parks	43	43	43	43	43	26	28	39	39	39
Park acreage	510	510	510	510	510	498	504	550	618	618
Water										
Water mains (miles)	552	552	579	590	600	551	575	581	583	584
Sewer										
Sanitary sewers (miles)	500	500	500	507	507	509	509	510	510	510

Source - various City departments

Information prior to fiscal year 2000 is not available, as it was not developed in the format required prior to this date.

City of San Bernardino Municipal Water Department
Water Sold by Type of Customer
Last Ten Fiscal Years
(in millions of gallons)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Type of Customer:										
Residential	9,158	10,205	9,415	10,278	9,494	10,023	10,491	9,893	9,463	8,779
Commercial	2,149	2,303	2,569	2,791	2,681	2,753	2,949	2,744	2,442	2,208
Municipal	577	605	536	526	511	534	586	559	547	528
Landscape	1,778	1,461	1,480	1,521	1,376	1,585	1,736	1,699	1,818	1,637
Other Agencies	579	494	364	117	77	51	613	441	408	285
Total	14,241	15,067	14,363	15,234	14,140	14,945	16,375	15,335	14,677	13,437
Total direct rate per 1,000 gallons $	1.14	1.23	1.30	1.28	1.29	1.29	1.52	1.57	1.70	1.82

City of San Bernardino Municipal Water Department
Water Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Monthly Base Rate	Rate per 1,000 Gallons
2001	7.60	1.10
2002	8.05	1.24
2003	8.05	1.24
2004	8.05	1.24
2005	8.05	1.24
2006	8.05	1.24
2007	8.32	1.28
2008	8.59	1.24
2009	8.80	1.36
2010	10.55	1.52

Note:
Rates are based on 5/8" meter, which is the standard household meter size. The department does not charge an excess-use rate above normal demand.

City of San Bernardino Municipal Water Department
Water Customers
Current Fiscal Year and Nine Years Ago

	2010		2001	
Water Customer	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues
SB Unified School District	$ 673,460	2.76%	$ 388,262	2.10%
City of Loma Linda	362,325	1.48%	51,954	0.28%
County of San Bernardino	274,193	1.12%	201,044	1.09%
Housing Authority	219,040	0.90%	214,472	1.16%
California State University	205,223	0.84%	261,732	1.42%
Cott Beverages	181,911	0.74%	94,680	0.51%
City of San Bernardino	177,085	0.72%	86,677	0.47%
City of San Bernardino E.D.A.	136,226	0.56%	118,358	0.64%
California Dept of Transportation	113,962	0.47%	136,399	0.74%
Pama Management	102,303	0.42%	0	0.00%
Totals	$ 2,445,728	10.01%	$ 1,553,578	8.41%

Source: Customer Services Department