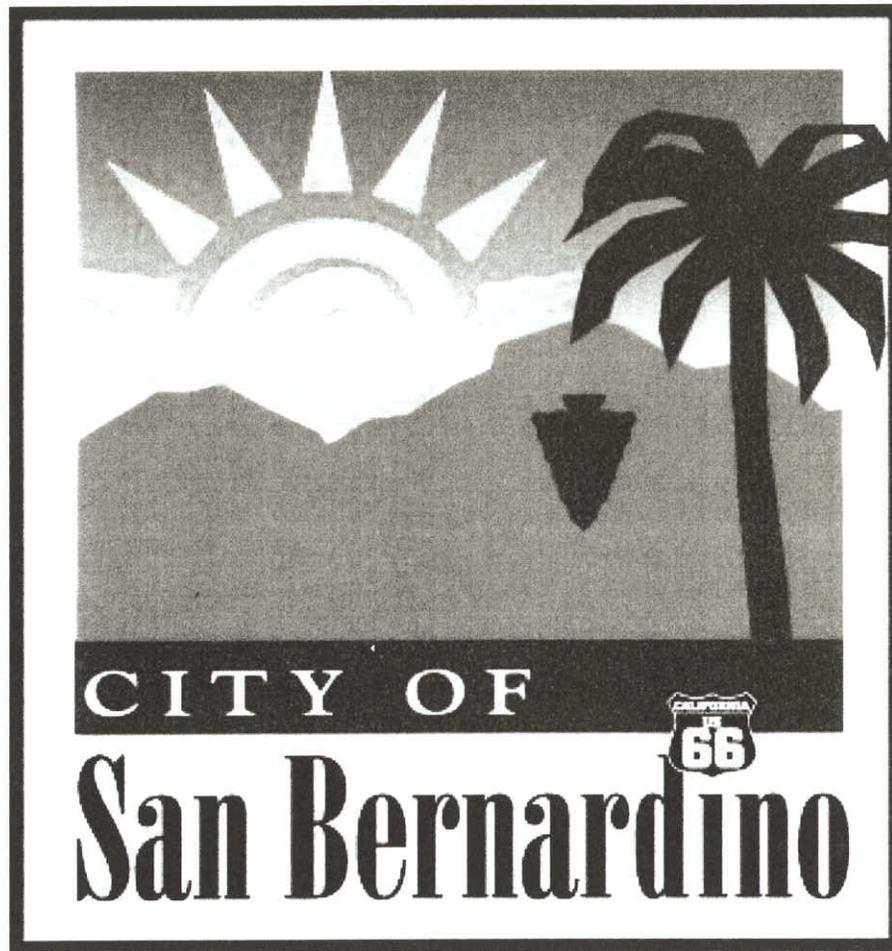


CITY OF SAN BERNARDINO, CALIFORNIA



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COMPREHENSIVE ANNUAL FINANCIAL REPORT Year Ended June 30, 2005

CITY OF SAN BERNARDINO, CALIFORNIA
Comprehensive Annual Financial Report
Year ended June 30, 2005

Prepared by
FINANCE DEPARTMENT

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Comprehensive Annual Financial Report
Year ended June 30, 2005

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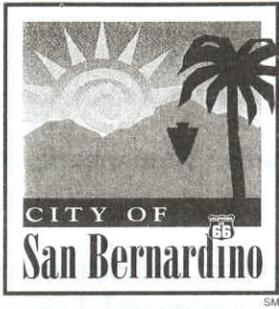
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300 North "D" Street • San Bernardino • CA 92418-0001
www.ci.san-bernardino.ca.us

October 27, 2005

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 statements of the City of San Bernardino ("the City") for the fiscal year ended June 30, 2005.

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 CONRAD AND ASSOCIATES, 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, 2005 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, 2005, 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 approximately 194,100. 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 "Strong Mayor" form of government. The Mayor is elected by the voters at large. 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. At the delegation of the Mayor, the City Administrator provides overall management and supervision of all City Departments. The City of San Bernardino also has an elected City Attorney, elected City Treasurer and elected 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 department, 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 City currently enjoys a favorable economic environment and local indicators point to continued stability. Competitive land prices continue to draw business to the City and the region. Significant residential development has resulted in the region being one of the fastest growing in the state.

Long-term financial planning. The City Council continues to develop the concept of the "Lakes and Streams" project as the City's signature development, in conjunction with the San Bernardino Valley Municipal Water District. Funding for the project will primarily come from the sale of groundwater.

Funding for additional economic development projects will be obtained from the California State Infrastructure Bank. In some cases, revenues generated by those projects will be used to repay those loans.

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 785 at 6/30/05. The average yield on investments was 3.50 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 judgements payable as of June 30, 2005 for these activities is \$13,946,349. Although the City has set aside \$3,966,777 to meet these obligations, prior unfunded losses in addition to unfunded claims will need to be made up with future increased charges or contributions. Third-party coverage is currently maintained from the Bid Independent Cities Excess Pool (BICEP) for individual workers' compensation claims in excess of \$300,000 with limits of \$2 million and excess 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

Mayor, Council Members and Citizens of the City of San Bernardino
October 27, 2005
Page iv of iv

basis. As of June 30, 2004 (the most recent year for which the calculation is available), the City of San Bernardino has succeeded in funding 87% of the present value of the projected benefits earned by employees. The remaining unfunded actuarial liability associated with employee services rendered to date is being systematically funded over 26 years as part of the annual required contribution calculated by the actuary.

The City also provides postretirement health and dental care benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 293 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

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

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 Gary Silvius, 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, 2005

LEGISLATIVE OFFICIALS

Judith Valles	Mayor*
Esther R. Estrada	Member of Common Council-Ward 1*
Susan Lien-Longville	Member of Common Council-Ward 2*
Gordon McGinnis	Member of Common Council-Ward 3*
Neil Derry	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

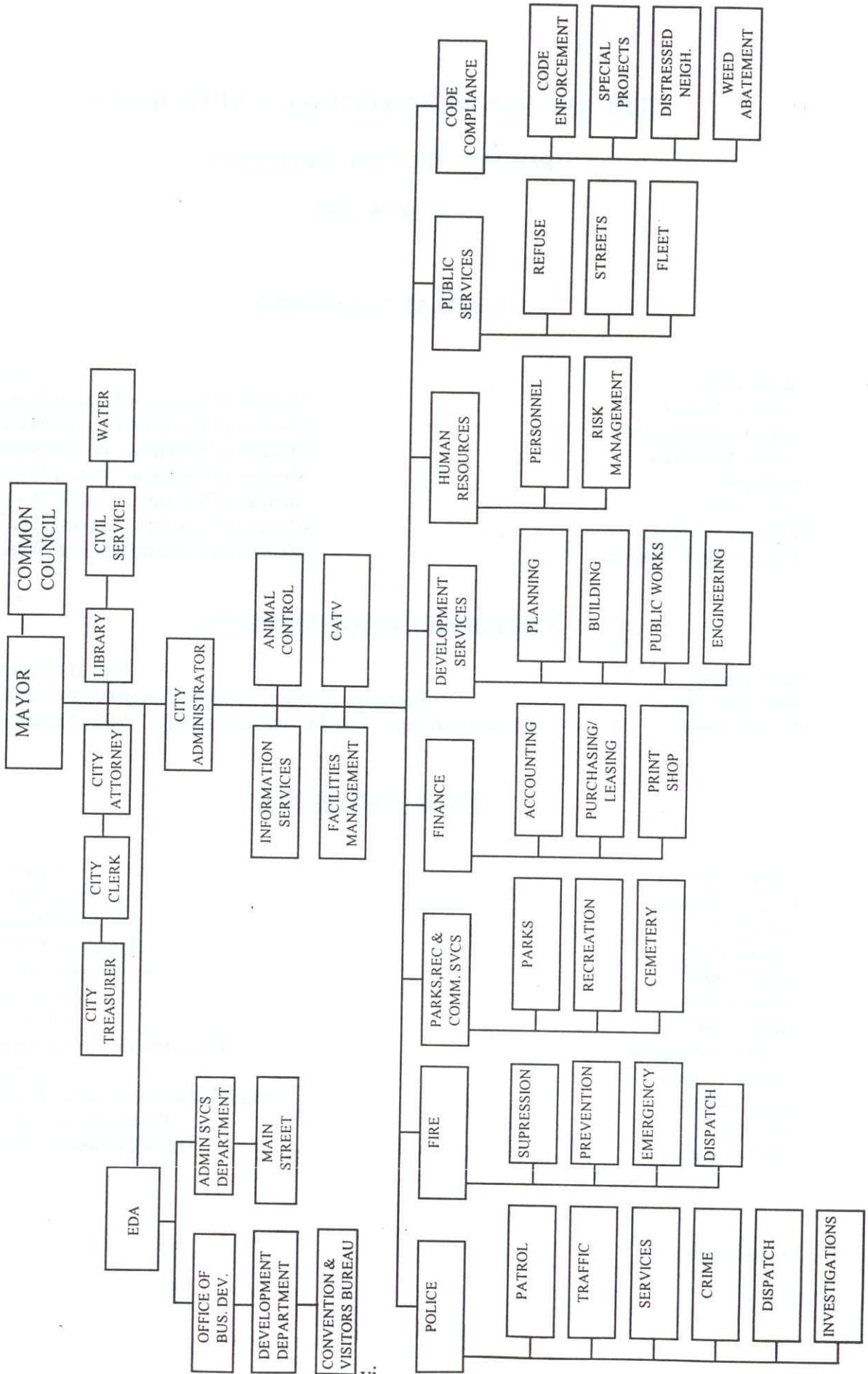
Fred Wilson	City Administrator
Gary Van Osdel.	Executive Director, Economic Development Agency
Bernard Kersey	General Manager, San Bernardino Municipal Water Department

DEPARTMENT HEADS

Rachel Clark	City Clerk*
James F. Penman	City Attorney*
David Kennedy	City Treasurer*
Barbara Pachon	Director of Finance
James Funk	Development Services
Garrett Zimmon.	Chief of Police
Larry Pitzer	Fire Chief
Lemuel P. Randolph.	Parks and Recreation Director
Ophelia G. Roop	City Librarian
Ernest Dowdy	Executive Director (Federal Programs)
Ken Fischer	Public Services Director
Linn Livingston.	Human Resources Director

*Elected Officials

CITY OF SAN BERNARDINO





The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Barbara S. Pachon

Finance Director

City of San Bernardino, California



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date June 1, 2005

California Society of Municipal Finance Officers

Certificate of Award

Outstanding Financial Reporting 2003-04

Presented to the

City of San Bernardino

*This certificate is issued in recognition of meeting professional standards and criteria in reporting
which reflect a high level of quality in the annual financial statements
and in the underlying accounting system from which the reports were prepared.*

February 24, 2005

William A. Stumpf

Bill Thomas, Chair
Professional & Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management



The Honorable Mayor and Councilmembers
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, 2005, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the City of San Bernardino. Our responsibility is to express opinions on these financial statements based on our audit.

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 provides a reasonable basis for our opinions.

In our opinion, 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, 2005, and the respective changes in financial position and cash flows, where applicable, of the City of San Bernardino, California for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The information identified in the accompanying table of contents as *management's discussion and analysis* and *required supplementary information* is not a required part of the basic financial statements, but is 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 and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and 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 tables 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.

The Honorable Mayor and Councilmembers
City of San Bernardino, California
Page Two

In accordance with *Government Auditing Standards*, we have also issued a report dated October 27, 2005 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, 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.

Cenrad and Associates, L.L.P.

October 27, 2005

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, 2005. 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* uses 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

	<u>Government-wide Statements</u>	<u>Government Funds</u>	<u>Proprietary Funds</u>
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	<ul style="list-style-type: none"> - Statement of net assets - Statement of activities 	<ul style="list-style-type: none"> - Balance sheet - Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> - 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 of 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 a reconciliation at the bottom of the fund financial statements.

- *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, 2005 and 2004 (in millions)						
	----- June 30, 2005 -----			----- June 30, 2004 -----		
	Governmental Activities	Business Type Activities	Total	Govt. Activities	Business Type Activities	Total
Current and other assets	\$165.1	\$153.2	\$318.3	\$156.2	\$73.9	\$230.1
Capital assets	<u>195.0</u>	<u>212.8</u>	<u>407.8</u>	<u>191.0</u>	<u>198.7</u>	<u>389.7</u>
Total assets	\$360.1	\$366.0	\$726.1	\$347.2	\$272.6	\$619.8
Long-term debt outstanding	213.6	66.7	280.3	214.7	72.2	286.9
Other liabilities	<u>7.0</u>	<u>88.8</u>	<u>95.8</u>	<u>9.5</u>	<u>11.3</u>	<u>20.8</u>
Total liabilities	220.6	155.5	376.1	224.2	83.5	307.7
Net assets:						
Invested in capital assets net of debt	164.4	153.2	317.6	161.3	140.3	301.6
Restricted	113.3	20.0	133.3	96.4	12.5	108.9
Unrestricted	<u>(138.2)</u>	<u>37.2</u>	<u>(101.0)</u>	<u>(134.7)</u>	<u>36.0</u>	<u>(98.4)</u>
Total net assets	139.5	210.4	349.9	123.0	189.1	312.1

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

	-----June 30, 2005-----			-----June 30, 2004-----		
	Govt. <u>Activities</u>	Business Type <u>Activities</u>	<u>Total</u>	Govt. <u>Activities</u>	Business Type <u>Activities</u>	<u>Total</u>
Revenue						
Program revenues:						
Charges for Services	\$23.4	\$59.7	\$83.1	\$18.9	\$60.6	\$79.5
Federal and state grants	34.0	19.9	53.9	35.2	9.1	44.3
General revenue:						
Sales taxes	34.8		34.8	32.3		32.3
Property taxes	32.6		32.6	28.9		28.9
Other taxes	34.6		34.6	33.3		33.3
Other general revenues	<u>19.2</u>	<u>6.8</u>	<u>26.0</u>	<u>29</u>	<u>0.8</u>	<u>29.8</u>
Total revenues	\$178.6	\$86.4	\$265.0	\$177.6	\$70.5	\$248.1
Program expenses:						
General government	24.8		24.8	21.6		21.6
Public safety	80.0		80.0	74.4		74.4
Streets	13.9		13.9	14.7		14.7
Culture & recreation	7.2		7.2	7.2		7.2
Community development	12.7		12.7	8.9		8.9
Economic development	18.1		18.1	24.5		24.5
Community service	2.1		2.1	11.4		11.4
Interest on long-term debt	9.1		9.1	14.2		14.2
Refuse		18.6	18.6		16.5	16.5
Water		22.7	22.7		21.3	21.3
Sewer		<u>21.5</u>	<u>21.5</u>		<u>19.0</u>	<u>19.0</u>
Total expenses	167.9	62.8	230.7	176.9	56.8	233.7
Excess (deficiency) before						
Special items and transfers	10.7	23.6	34.3	0.7	13.7	14.4
Transfers	<u>2.3</u>	<u>(2.3)</u>	<u>0</u>	<u>2.3</u>	<u>(2.3)</u>	<u>0</u>
Increase (decrease) in net assets	13.0	21.3	34.3	3.0	11.4	14.4
Beginning net assets	<u>126.5</u>	<u>189.1</u>	<u>315.6</u>	<u>120.0</u>	<u>177.7</u>	<u>297.7</u>
Ending net assets	139.5	210.4	349.9	123.0	189.1	312.1

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 increased by 13.4 percent (\$139.5 million compared to \$123.0 million). *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 \$138.2 million deficit at the end of this year. The net assets of the City's business-type activities increased by 11.2 percent (\$210.4 million compared to \$189.1 million) in 2005. The net assets (financial position) of the City changed as a result of the revenue and expense fluctuations described below for the governmental and business-type activities of the City.

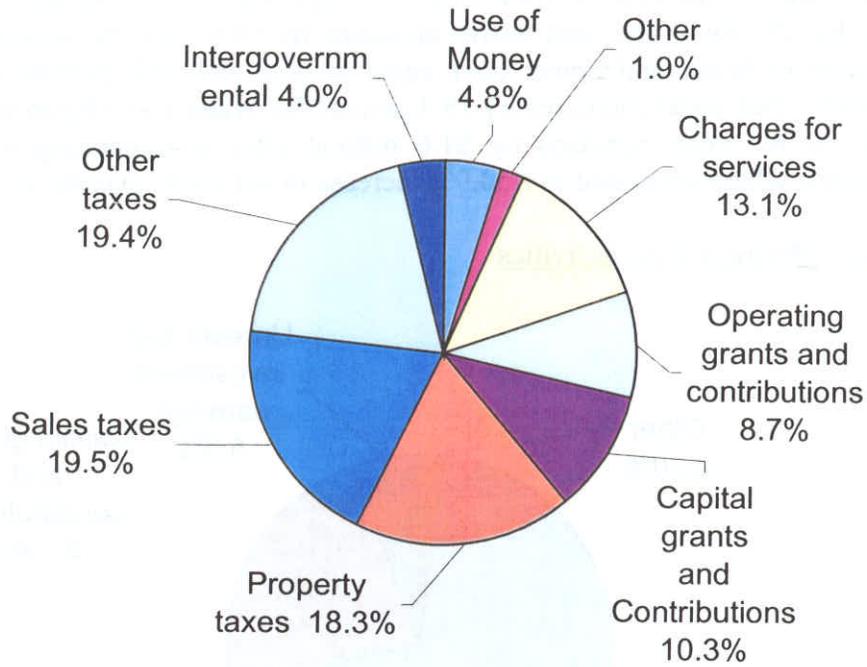
Governmental Activities

The cost of all *governmental* activities this year was \$167.9 million. As shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through City taxes was only \$110.6 million because some of the cost was paid by those who directly benefited from the programs (\$23.4 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$33.9 million). Overall, the City's governmental program revenues, including intergovernmental aid and fees for services were \$57.3 million. The City paid for the remaining "public benefit" portion of governmental activities with \$102.0 million in taxes (some of which could only be used for certain program) and with other revenues, such as interest and general entitlements.

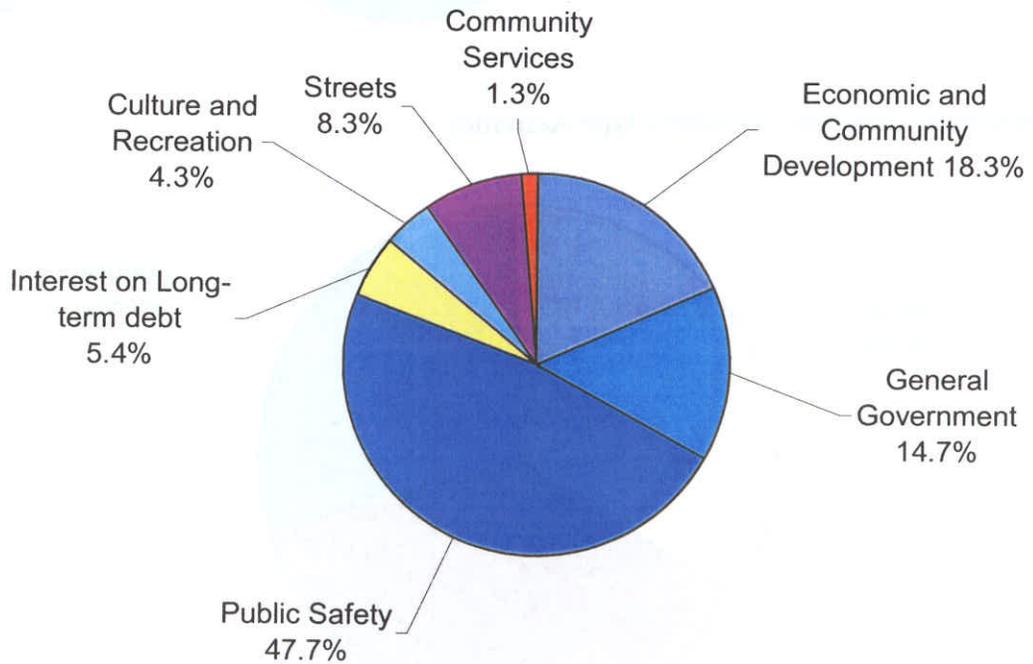
The reasons for significant changes in the revenues and expenses of the City's' governmental activities presented above are as follows:

- Total revenues in governmental activities increases by .6% (\$178.6 million in 2005 vs \$177.6 million in 2004). Taxes increased \$7.5 million as a result of improving economic conditions and increase economic activity.
- The cost governmental functions/programs increased in almost every category. The largest increase was in the category of Public Safety.
- The overall change in net assets for governmental activities was positive \$13.0 million in 2004-05 which represents an increase of \$16.0 million from the 2003-04 net change of \$3.0 million.
- Overall governmental function/program costs should an overall decrease based on reductions in Economic Development and Community Services. These reductions were partially offset by increases in Safety and Community Development.

Revenue by Source – Governmental Activities



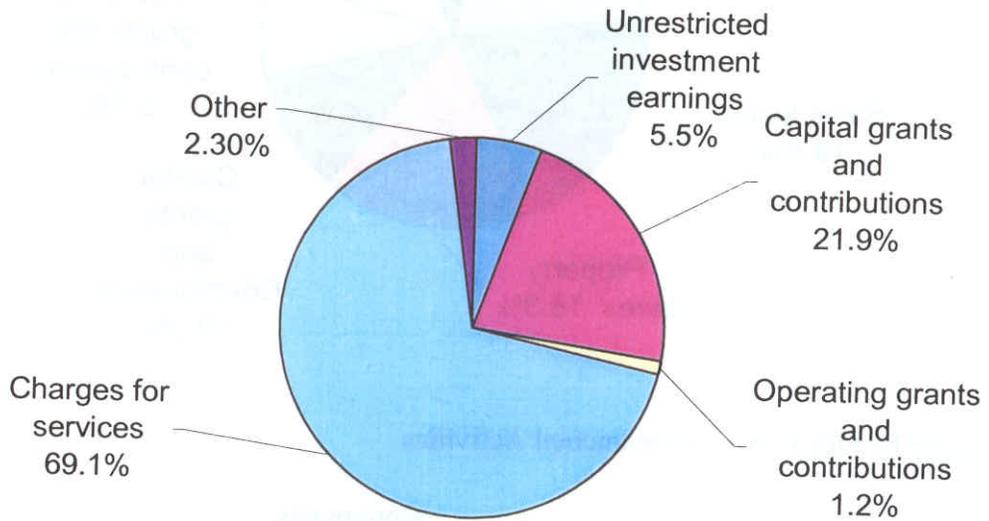
Expenses by Function – Governmental Activities



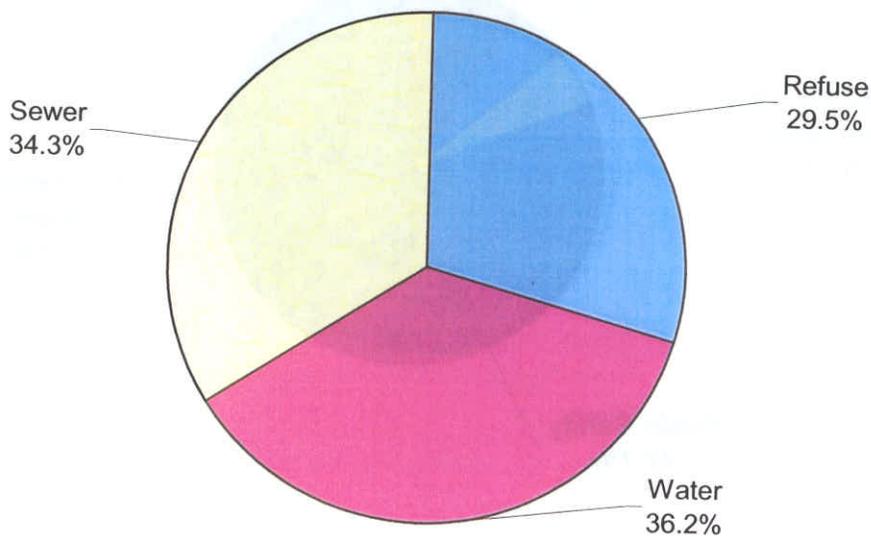
Business-Type Activities

Current years operating revenues of the City's business-type activities increased by 17.9% for Refuse, decreased by .5% for Water, and Sewer increased by 15.9% for the Sewer Enterprise. Capital Contributions in Water and Sewer were equal to 66.6 and 25.8 percent of operating revenues, respectively. Net assets increased by 15.4 percent for Water and 5.6 percent for sewer. Refuse net assets for the year increased by \$1.6 million after non-operating revenues and expenses and transfers, which amounted to a 54.9% increase in net assets over the prior year.

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, unreserved fund balance of the general fund was \$10.4 million, the designated budget reserve was \$6.4 million while total fund balance increased to \$18.2 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 5.6 percent of total general fund expenditures, while total fund balance represents 15.8 percent of that same amount.

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 increased by \$12.5 million, with the largest increase in Taxes (\$13.5 million) offsetting decreases in intergovernmental revenues and licenses and permits.
- Expenditures in the General Fund increased by \$12.2 million (11.8 percent). The largest increase was in Public Safety (5.0 million). Expenditure increases were primarily the result of increasing personnel cost.
- The change in fund balance in the General Fund (including transfers) was an increase of \$2.9 million in 2004/05.

Total fund balance of **Other Major Funds** related to the *Economic Development Agency* increased by \$3.7 million for the year. Federal and State Programs showed a reduction in deficit in fund balance of \$2.9 million in the current year.

Major Enterprise Funds. At year end unrestricted net assets of the **Sewer Fund** were \$29.4 million, \$6.6 million for the **Water Fund** and \$1.1 million for the **Refuse Fund**. The total change in net assets for the funds was an increase of \$9.2 million, a decrease of \$6.6 million and an increase 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 of the General Fund were relatively minor and can be briefly summarized as follows:

- \$2.0 million transferred in the budget from general government non-departmental to departments for salary increases
- \$1.2 million increase in the budget for encumbrance and continuing appropriations carryovers

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

- Property Tax was \$1.1 million and total taxes were \$2.6 million more than budget
- Utility Users Tax was \$2.5 million greater than budget
- Total Revenues were \$4.2 million more than budget
- Total expenditures were \$5.3 million less than budget
- Public Safety expenditures were \$2.6 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, 2005 and 2004 (in millions)						
	-----June 30, 2005-----			-----June 30, 2004-----		
	Govt Activities	Business Type Activities	Total	Govt Activities	Business Type Activities	Total
Land	\$127.6	\$15.4	\$143.0	\$127.7	\$15.2	\$142.9
Infrastructure	18.1		18.1	12.3		12.3
Buildings & Improv.	32.6	92.0	124.6	34.8	94.6	129.4
Machinery & Equip	12.8	53.5	66.3	12.4	67.4	79.8
Construction in Progress	<u>3.9</u>	<u>37.8</u>	<u>41.7</u>	<u>3.8</u>	<u>21.5</u>	<u>25.3</u>
Total	195.0	198.7	393.7	191.0	198.7	389.7

The major additions to capital assets during the year ended June 30, 2005 were as follows:

- \$6.3 million of infrastructure expenditures including \$6.0 million for street improvements
- \$4.7 million of capital assets related to governmental activities including \$1.8 million in computer equipment and \$2.1 million in vehicles and other equipment
- Water Department construction in progress increased by \$16.2 million

LONG-TERM DEBT

At the end of the current fiscal year, the City had bonded debt outstanding of \$197.8 million and additional debt of \$81.5 million. Of the bonded indebtedness \$133.9 million relates to tax allocation bonds, \$20.1 million is revenue bonds and \$43.2 million in certificates of participation and \$.6 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, 2005 and 2004 (in millions)						
	----- June 30, 2005 -----			----- June 30, 2004 -----		
	Govt Activities	Business Type Activities	Total	Govt Activities	Business Type Activities	Total
Tax Allocation Bonds	\$133.9	\$0.0	\$133.9	\$138.1	\$0.0	\$138.1
Revenue Bonds	18.8	1.3	20.1	20.2	2.5	22.7
Notes Payable	7.6	30.2	37.8	8.0	32.4	40.4
Cert., Of Part.	13.7	29.5	43.2	14.1	31.2	45.3
Assmt Dist Bonds	0.6		0.6	0.6		0.6
Other	<u>39</u>	<u>4.7</u>	<u>43.7</u>	<u>33.7</u>	<u>6.1</u>	<u>39.8</u>
Total	213.6	65.7	279.3	214.7	72.2	286.9

The City's total debt decreased by \$.2 million (2.6 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 \$172,582,270 which is significantly in excess of the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found in the notes to the accompanying financial statements.

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.

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BASIC FINANCIAL STATEMENTS

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CITY OF SAN BERNARDINO
Statement of Net Assets
June 30, 2005

	Governmental Activities	Business-type Activities	Totals	
			2005	2004
ASSETS:				
Cash and investments (note 2)	\$ 75,456,562	74,999,858	150,456,420	95,046,569
Cash and investments with fiscal agent (note 2)	23,618,524	-	23,618,524	28,427,489
Receivables (net of allowance for uncollectibles):				
Accounts	5,864,642	15,498,028	21,362,670	14,500,059
Interest	262,234	281,427	543,661	1,028,989
Notes	20,438,471	4,973,005	25,411,476	36,450,280
Other	871,996	-	871,996	988,189
Inventory	317,563	1,488,046	1,805,609	1,622,564
Prepaid items	33,631	51,126,251	51,159,882	86,509
Due from other governments	13,188,260	3,952,653	17,140,913	26,880,489
Land held for resale	24,623,195	-	24,623,195	23,618,634
Other assets	449,469	837,467	1,286,936	1,549,762
Capital assets, undepreciated (note 4)	131,462,629	53,209,003	184,671,632	168,187,537
Capital assets, net of accumulated depreciation (note 4)	<u>63,538,354</u>	<u>159,588,312</u>	<u>223,126,666</u>	<u>221,457,591</u>
Total assets	<u>360,125,530</u>	<u>365,954,050</u>	<u>726,079,580</u>	<u>619,844,661</u>
LIABILITIES:				
Accounts payable and other current liabilities	3,917,478	12,880,777	16,798,255	10,561,338
Retentions payable	365,112	-	365,112	175,036
Deferred revenue	524,653	67,975,325	68,499,978	352,612
Due to other governments	229,432	-	229,432	1,703,732
Interest payable	1,941,820	869,122	2,810,942	4,465,243
Deposits payable	70,133	7,133,154	7,203,287	3,575,334
Noncurrent liabilities (notes 5 to 9):				
Due within one year	21,169,184	7,612,396	28,781,580	27,092,342
Due in more than one year	<u>192,409,659</u>	<u>59,062,356</u>	<u>251,472,015</u>	<u>259,770,227</u>
Total liabilities	<u>220,627,471</u>	<u>155,533,130</u>	<u>376,160,601</u>	<u>307,695,864</u>
NET ASSETS:				
Invested in capital assets, net of related debt	165,342,311	153,245,960	318,588,271	304,176,255
Restricted for:				
Streets	20,292,871	-	20,292,871	9,633,010
Economic development	86,509,980	-	86,509,980	81,849,403
Capital-related fees	-	20,007,026	20,007,026	12,532,379
Other purposes	6,574,939	-	6,574,939	4,945,613
Unrestricted	<u>(139,222,042)</u>	<u>37,167,934</u>	<u>(102,054,108)</u>	<u>(100,987,863)</u>
Total net assets	<u>\$ 139,498,059</u>	<u>210,420,920</u>	<u>349,918,979</u>	<u>312,148,797</u>

See accompanying notes to basic financial statements.

CITY OF SAN BERNARDINO
Statement of Activities
For the Year Ended June 30, 2005

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 24,808,713	3,398,519	475,545	-
Public safety	80,039,649	4,206,552	3,250,569	-
Streets	13,891,216	7,825,117	-	12,632,493
Culture and recreation	7,161,720	1,886,925	1,885,029	-
Community development	12,687,620	4,496,494	6,102,486	293,253
Economic development	18,044,434	-	-	5,424,764
Community service	2,137,139	1,588,046	3,898,724	-
Interest on long-term debt	9,139,110	-	-	-
Total governmental activities	167,909,601	23,401,653	15,612,353	18,350,510
Business-type activities:				
Refuse	18,558,293	21,585,381	-	-
Water	22,734,007	18,605,346	1,001,047	13,696,272
Sewer	21,541,197	19,551,823	-	5,210,292
Total business-type activities	62,833,497	59,742,550	1,001,047	18,906,564
Total	\$ 230,743,098	83,144,203	16,613,400	37,257,074
General revenues:				
Taxes:				
Sales taxes				
Property taxes				
Other taxes				
Franchise taxes				
Use of money and property				
Other				
Intergovernmental (unrestricted)				
Transfers				
Total general revenue and transfers				
Change in net assets				
Net assets at beginning of year, as restated (note 19)				
Net assets at end of year				

Net (Expense) Revenue and
Changes in Net Assets

Net (Expense) Revenue	Governmental Activities	Business-type Activities	Totals	
			2005	2004
(20,934,649)	(20,934,649)	-	(20,934,649)	(18,199,596)
(72,582,528)	(72,582,528)	-	(72,582,528)	(65,670,246)
6,566,394	6,566,394	-	6,566,394	(526,175)
(3,389,766)	(3,389,766)	-	(3,389,766)	(5,027,211)
(1,795,387)	(1,795,387)	-	(1,795,387)	689,926
(12,619,670)	(12,619,670)	-	(12,619,670)	(15,824,002)
3,349,631	3,349,631	-	3,349,631	(4,121,740)
(9,139,110)	(9,139,110)	-	(9,139,110)	(14,163,424)
<u>(110,545,085)</u>	<u>(110,545,085)</u>	<u>-</u>	<u>(110,545,085)</u>	<u>(122,842,468)</u>
3,027,088	-	3,027,088	3,027,088	2,555,077
10,568,658	-	10,568,658	10,568,658	7,889,684
3,220,918	-	3,220,918	3,220,918	2,471,980
<u>16,816,664</u>	<u>-</u>	<u>16,816,664</u>	<u>16,816,664</u>	<u>12,916,741</u>
<u>(93,728,421)</u>	<u>(110,545,085)</u>	<u>16,816,664</u>	<u>(93,728,421)</u>	<u>(109,925,727)</u>
	34,768,847	-	34,768,847	32,277,342
	32,611,618	-	32,611,618	28,965,153
	31,468,545	-	31,468,545	30,203,483
	3,137,384	-	3,137,384	3,084,720
	8,670,285	4,783,660	13,453,945	9,374,935
	3,322,507	2,021,600	5,344,107	9,282,701
	7,260,757	-	7,260,757	11,200,846
	2,316,200	(2,316,200)	-	-
	<u>123,556,143</u>	<u>4,489,060</u>	<u>128,045,203</u>	<u>124,389,180</u>
	13,011,058	21,305,724	34,316,782	14,463,453
	<u>126,487,001</u>	<u>189,115,196</u>	<u>315,602,197</u>	<u>297,685,344</u>
	<u>\$ 139,498,059</u>	<u>210,420,920</u>	<u>349,918,979</u>	<u>312,148,797</u>

See accompanying notes to basic financial statements.

CITY OF SAN BERNARDINO
Governmental Funds

Balance Sheet

June 30, 2005

		Special Revenue Funds	
	General	Federal and State Programs	Economic Development Agency
Assets:			
Cash and investments	\$ 4,250,175	367,417	15,071,529
Cash and investments with fiscal agent	99,000	-	-
Deposits	-	-	-
Receivables:			
Accounts	2,689,210	24,625	-
Interest	161,296	7,074	101,496
Taxes	-	-	-
Special assessments	-	-	-
Notes	-	-	16,729,079
Other	-	-	81,769
Inventory	22,606	-	15,820
Prepaid items	33,631	-	-
Due from other governmental agencies	8,300,633	1,874,499	773,829
Due from other funds (note 3)	3,772,707	-	-
Advances to other funds (note 3)	-	-	3,628,912
Property held for resale	-	-	4,210,095
Other assets	-	-	5,330
	-	-	5,330
Total assets	\$ 19,329,258	2,273,615	40,617,859

See accompanying notes to basic financial statements.

<u>Debt Service Fund Economic Development Agency</u>	<u>Capital Projects Fund Economic Development Agency</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>	
			<u>2005</u>	<u>2004</u>
-	24,845,729	25,100,797	69,635,647	45,642,006
23,144,620	-	274,086	23,517,706	23,997,288
-	228,698	-	228,698	228,698
-	-	64,122	2,777,957	2,580,628
-	160,738	238,046	668,650	355,444
-	577,636	-	577,636	746,478
-	-	2,374,234	2,374,234	2,654,893
-	3,480,392	-	20,209,471	25,850,280
-	212,591	-	294,360	241,711
-	150,829	-	189,255	35,073
-	-	-	33,631	54,212
-	-	2,135,991	13,084,952	25,428,090
-	-	-	3,772,707	9,633,060
-	8,853,581	290,000	12,772,493	12,323,627
-	20,413,100	-	24,623,195	23,618,634
-	770	214,671	220,771	386,550
<u>23,144,620</u>	<u>58,924,064</u>	<u>30,691,947</u>	<u>174,981,363</u>	<u>173,776,672</u>

(Continued)

CITY OF SAN BERNARDINO
Governmental Funds
Balance Sheet
(Continued)

		Special Revenue Funds	
	General	Federal and State Programs	Economic Development Agency
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 1,088,456	232,000	464,391
Accrued liabilities	-	-	-
Due to other funds (note 3)	-	1,174,483	-
Due to other governments	432	-	-
Deposits payable	-	-	25,000
Retentions payable	-	-	-
Deferred revenue	-	1,473,449	5,017,796
Advances from other funds (note 3)	-	-	7,068,581
Total liabilities	1,088,888	2,879,932	12,575,768
Fund balances (deficit):			
Reserved for:			
Encumbrances	509,400	-	-
Deposits	-	-	-
Notes receivable	-	-	16,729,079
Inventory	22,606	-	15,820
Prepaid items	33,631	-	-
Debt service	-	-	-
Grant restrictions	-	-	-
Advances to other funds	-	-	3,628,912
Long-term receivables	-	-	-
Property held for resale	-	-	4,210,095
Sewer capacity rights	-	-	0
Petty cash	-	-	-
Unreserved:			
General fund:			
Designated for continuing appropriations	871,600	-	-
Designated for budget reserve	6,398,251	-	-
Undesignated	10,404,882	-	-
Special revenue funds:			
Designated for continuing appropriations	-	-	-
Undesignated	-	(606,317)	3,377,337
Debt service - undesignated	-	-	-
Capital projects funds:			
Designated for continuing appropriations	-	-	-
Undesignated	-	-	80,848
Total fund balances (deficit)	18,240,370	(606,317)	28,042,091
Total liabilities and fund balances	\$ 19,329,258	2,273,615	40,617,859

See accompanying notes to basic financial statements.

<u>Debt Service Fund</u> Economic Development Agency	<u>Capital Projects Fund</u> Economic Development Agency	Nonmajor Governmental Funds	Totals	
			<u>2005</u>	<u>2004</u>
-	85,585	940,606	2,811,038	2,392,188
-	295,170	-	295,170	329,183
-	-	2,598,224	3,772,707	11,382,405
-	-	-	432	1,703,732
-	6,876	38,257	70,133	44,740
-	-	365,112	365,112	175,036
-	-	2,399,189	8,890,434	18,613,432
-	<u>3,628,912</u>	<u>2,075,000</u>	<u>12,772,493</u>	<u>12,323,627</u>
-	<u>4,016,543</u>	<u>8,416,388</u>	<u>28,977,519</u>	<u>46,964,343</u>
-	-	4,136,800	4,646,200	5,029,600
-	228,698	-	228,698	228,698
-	3,480,392	-	20,209,471	25,850,280
-	150,829	-	189,255	35,073
-	-	-	33,631	54,212
23,144,620	-	484,543	23,629,163	23,564,038
-	-	-	-	278,145
-	8,853,581	290,000	12,772,493	12,323,627
-	-	327,011	327,011	2,809,908
-	20,413,100	-	24,623,195	23,618,634
-	0	214,671	214,671	386,550
-	-	1,925	1,925	6,975
-	-	-	871,600	430,700
-	-	-	6,398,251	3,469,951
-	-	-	10,404,882	6,910,402
-	-	131,200	131,200	799,300
-	-	7,499,906	10,270,926	6,149,061
-	-	(2,075,698)	(2,075,698)	(2,266,242)
-	12,852,971	-	12,852,971	99,200
-	<u>8,927,950</u>	<u>11,265,201</u>	<u>20,273,999</u>	<u>17,034,217</u>
<u>23,144,620</u>	<u>54,907,521</u>	<u>22,275,559</u>	<u>146,003,844</u>	<u>126,812,329</u>
<u>23,144,620</u>	<u>58,924,064</u>	<u>30,691,947</u>	<u>174,981,363</u>	<u>173,776,672</u>

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CITY OF SAN BERNARDINO

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets

June 30, 2005

Fund balances of governmental funds	\$ 146,003,844
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.	
Capital assets	258,314,444
Accumulated depreciation	(69,405,403)
Long-term liabilities are not due and payable in the current period and are, therefore, not reported in the funds.	
Bonds payable	(153,218,828)
Certificates of participation	(13,680,000)
Notes payable	(7,596,287)
Capital leases payable	(5,030,412)
Other long-term liabilities	(16,290,009)
Accrued interest payable on long-term liabilities is not due and payable in the current period and is, therefore, not reported in the funds.	(1,941,820)
Certain revenues in the governmental funds are deferred using the modified accrual basis and are recognized as revenue under the full accrual basis for reporting in the Government-wide Financial Statements.	8,365,781
Internal service funds are used by management to charge cost to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets:	
Capital assets, net of depreciation	6,091,942
Long-term liabilities	(17,763,307)
Other assets and liabilities	<u>5,648,114</u>
Net assets of governmental activities	<u>\$ 139,498,059</u>

See accompanying notes to basic financial statements.

CITY OF SAN BERNARDINO
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2005

	<u>General</u>	<u>Special Revenue Funds</u>	
		<u>Federal and State Programs</u>	<u>Economic Development Agency</u>
Revenues:			
Taxes	\$ 83,689,673	-	-
Licenses and permits	8,748,267	-	-
Fines and forfeits	1,251,343	-	-
Investment income	1,109,246	6,991	749,263
Intergovernmental revenues	9,003,169	10,562,694	6,102,486
Charges for services	6,111,435	-	-
Other revenues	3,262,989	-	1,887,070
Total revenues	<u>113,176,122</u>	<u>10,569,685</u>	<u>8,738,819</u>
Expenditures:			
Current:			
General government	21,097,682	163,355	-
Public safety	74,679,275	2,123,519	-
Streets	8,366,797	-	-
Culture and recreation	5,106,050	335,221	-
Community development	2,229,747	788,626	6,195,237
Community service	-	4,299,772	-
Economic development	-	-	5,267,965
Debt service:			
Principal	797,692	-	602,969
Interest	1,193,931	-	6,287
Fiscal charges	-	-	-
Total expenditures	<u>113,471,174</u>	<u>7,710,493</u>	<u>12,072,458</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(295,052)</u>	<u>2,859,192</u>	<u>(3,333,639)</u>
Other financing sources (uses):			
Transfers in (note 3)	7,561,882	-	4,513,118
Transfers out (note 3)	(5,022,054)	-	(485,908)
Issuance of long-term debt	668,820	-	-
Total other financing sources (uses)	<u>3,208,648</u>	<u>-</u>	<u>4,027,210</u>
Net change in fund balances	2,913,596	2,859,192	693,571
Fund balances (deficit) at beginning of year, as restated (note 19)	15,326,774	(3,465,509)	27,348,520
Fund balances (deficit) at end of year	<u>\$ 18,240,370</u>	<u>(606,317)</u>	<u>28,042,091</u>

See accompanying notes to basic financial statements.

Debt Service Fund Economic Development Agency	Capital Projects Fund Economic Development Agency	Nonmajor Governmental Funds	Totals	
			2005	2004
-	22,654,341	1,388,335	107,732,349	91,755,978
-	-	837,265	9,585,532	7,876,768
-	-	723,191	1,974,534	1,758,510
618,521	1,224,956	705,227	4,414,204	5,206,478
-	-	10,265,183	35,933,532	46,348,639
-	-	7,335,893	13,447,328	10,066,984
-	3,669,126	6,094,843	14,914,028	10,855,822
<u>618,521</u>	<u>27,548,423</u>	<u>27,349,937</u>	<u>188,001,507</u>	<u>173,869,179</u>
-	-	464,013	21,725,050	18,560,589
-	-	3,057,416	79,860,210	73,516,373
-	-	11,229,609	19,596,406	17,101,303
-	-	1,545,980	6,987,251	7,450,410
-	-	4,314,114	13,527,724	20,291,613
-	-	-	4,299,772	6,977,775
-	5,954,565	-	11,222,530	17,593,938
5,690,000	676,076	65,000	7,831,737	8,939,434
9,783,053	722,955	278,040	11,984,266	11,173,437
-	-	-	-	109,361
<u>15,473,053</u>	<u>7,353,596</u>	<u>20,954,172</u>	<u>177,034,946</u>	<u>181,714,233</u>
<u>(14,854,532)</u>	<u>20,194,827</u>	<u>6,395,765</u>	<u>10,966,561</u>	<u>(7,845,054)</u>
14,757,407	64,000	3,136,886	30,033,293	36,782,713
-	(17,088,449)	(4,858,482)	(27,454,893)	(34,066,513)
-	-	1,524,334	2,193,154	2,401,954
<u>14,757,407</u>	<u>(17,024,449)</u>	<u>(197,262)</u>	<u>4,771,554</u>	<u>5,118,154</u>
(97,125)	3,170,378	6,198,503	15,738,115	(2,726,900)
<u>23,241,745</u>	<u>51,737,143</u>	<u>16,077,056</u>	<u>130,265,729</u>	<u>129,539,229</u>
<u>23,144,620</u>	<u>54,907,521</u>	<u>22,275,559</u>	<u>146,003,844</u>	<u>126,812,329</u>

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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

Year Ended June 30, 2005

Net change in fund balances - total governmental funds	\$ 15,738,115
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 outlays exceeded depreciation in the current period.	
	4,154,277
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This amount is the net effect of these differences and other related long-term debt items.	
Issuance of long-term debt	(2,193,154)
Principal payment	9,376,737
Other debt related items	(1,460,777)
Accrued interest expense related to long-term liabilities, including bonds payable. This is the net change in accrued interest for the current period.	
	1,639,446
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. This is the net change in deferred revenues for the current period.	
	(11,171,807)
Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	
	<u>(3,071,779)</u>
Changes in net assets of governmental activities	<u>\$ 13,011,058</u>

See accompanying notes to basic financial statements.

CITY OF SAN BERNARDINO
Proprietary Funds

Statement of Net Assets

June 30, 2005

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Refuse</u>	<u>Water</u>	<u>Sewer</u>
<u>Assets</u>			
Current assets:			
Cash and investments	\$ 1,201,574	11,132,427	18,862,289
Cash and investments with fiscal agent	-	-	-
Receivables:			
Accounts	2,778,048	9,643,627	3,076,353
Interest	7,859	-	-
Other	-	-	-
Inventory	-	1,488,046	-
Prepaid items	3,869	52,594	1,203,348
Due from other governmental agencies	-	3,614,183	338,470
Due from other funds (note 3)	-	-	29,802
	<u>-</u>	<u>-</u>	<u>29,802</u>
Total current assets	<u>3,991,350</u>	<u>25,930,877</u>	<u>23,510,262</u>
Noncurrent assets:			
Restricted assets:			
Cash and investments:			
Restricted for capital-related fees	-	6,844,618	13,162,408
Restricted for deposits	-	2,194,334	-
Restricted for debt service	-	20,150	3,565,352
Restricted for consent decree	-	18,016,706	-
Cash and investments with fiscal agent:			
Restricted for debt service	-	-	-
Interest receivable	-	192,803	80,765
Prepaid insurance - consent decree	-	49,866,440	-
Note proceeds held by State	-	4,373,005	-
	<u>-</u>	<u>4,373,005</u>	<u>-</u>
Total restricted assets	<u>-</u>	<u>81,508,056</u>	<u>16,808,525</u>
Notes receivable	<u>-</u>	<u>600,000</u>	<u>-</u>
Capital assets (note 4):			
Land and easements	-	2,944,972	12,470,740
Construction in progress	-	35,354,357	2,438,934
Capital assets being depreciated	14,002,184	103,977,406	159,878,464
Less accumulated depreciation and amortization	<u>(8,592,642)</u>	<u>(45,590,809)</u>	<u>(64,086,291)</u>
Total capital assets	<u>5,409,542</u>	<u>96,685,926</u>	<u>110,701,847</u>
Other assets	<u>-</u>	<u>5,867</u>	<u>831,600</u>
Total noncurrent assets	<u>5,409,542</u>	<u>178,799,849</u>	<u>128,341,972</u>
Total assets	<u>9,400,892</u>	<u>204,730,726</u>	<u>151,852,234</u>

See accompanying notes to basic financial statements.

Totals	Governmental Activities - Internal Service Funds	Totals	
		2005	2004
31,196,290	5,820,915	37,017,205	34,628,841
-	100,818	100,818	446,759
15,498,028	-	15,498,028	9,017,714
7,859	27,118	34,977	786,950
-	15,593	15,593	12,578
1,488,046	128,308	1,616,354	1,587,491
1,259,811	-	1,259,811	32,297
3,952,653	366,632	4,319,285	1,450,703
29,802	1,164,179	1,193,981	4,255,899
<u>53,432,489</u>	<u>7,623,563</u>	<u>61,056,052</u>	<u>52,219,232</u>
20,007,026	-	20,007,026	12,532,379
2,194,334	-	2,194,334	2,224,512
3,585,502	-	3,585,502	18,831
18,016,706	-	18,016,706	-
-	-	-	3,983,442
273,568	-	273,568	122,537
49,866,440	-	49,866,440	-
4,373,005	-	4,373,005	10,000,000
<u>98,316,581</u>	<u>-</u>	<u>98,316,581</u>	<u>28,881,701</u>
600,000	-	600,000	600,000
15,415,712	-	15,415,712	15,179,915
37,793,291	-	37,793,291	21,558,953
277,858,054	29,495,648	307,353,702	298,878,019
<u>(118,269,742)</u>	<u>(23,403,706)</u>	<u>(141,673,448)</u>	<u>(130,726,523)</u>
212,797,315	6,091,942	218,889,257	204,890,364
837,467	-	837,467	934,514
312,551,363	6,091,942	318,643,305	235,306,579
<u>365,983,852</u>	<u>13,715,505</u>	<u>379,699,357</u>	<u>287,525,811</u>

CITY OF SAN BERNARDINO
Proprietary Funds

Statement of Net Assets

(Continued)

	Business Type		
	Activities - Enterprise Funds		
	Refuse	Water	Sewer
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	2,058,293	4,440,290	2,828,305
Accrued liabilities	-	1,007,491	419,675
Interest payable	-	147,263	721,859
Due to other funds (note 3)	-	29,802	-
Deposits payable	313,602	6,818,982	570
Deferred revenue - consent decree	-	67,975,325	-
Claims and judgments payable, current (notes 5 and 9)	-	434,900	70,803
Compensated absences - current (notes 5, 6 and 7)	422,661	607,479	217,106
Capital leases payable - current (notes 5 and 6)	1,358,535	68,626	-
Notes payable - current (note 6)	-	427,980	1,788,614
Lease revenue bonds - current (note 5)	-	-	-
Water bonds payable - current (note 6)	-	1,249,524	-
Certificates of participation - current (note 6)	-	-	1,790,753
Other liabilities	-	-	-
Total current liabilities	<u>4,153,091</u>	<u>83,207,662</u>	<u>7,837,685</u>
Long-term liabilities:			
Consumer deposits	-	2,248,240	-
Claims and judgments payable (notes 5 and 9)	-	-	-
Compensated absences (notes 5, 6 and 7)	70,943	959,297	342,841
Capital leases payable (notes 5 and 6)	672,543	241,220	-
Lease revenue bonds payable (note 5)	-	-	-
Notes payable (note 6)	-	9,157,873	18,863,863
Water bonds payable (note 6)	-	75,000	-
Certificates of participation (note 6)	-	-	27,732,674
Total long-term liabilities	<u>743,486</u>	<u>12,681,630</u>	<u>46,939,378</u>
Total liabilities	<u>4,896,577</u>	<u>95,889,292</u>	<u>54,777,063</u>
<u>Net Assets</u>			
Net assets:			
Invested in capital assets, net of related debt	3,378,464	95,362,154	54,505,342
Restricted for:			
Capital-related fees	-	6,844,618	13,162,408
Unrestricted (deficit)	<u>1,125,851</u>	<u>6,634,662</u>	<u>29,407,421</u>
Total net assets (deficit)	<u>\$ 4,504,315</u>	<u>108,841,434</u>	<u>97,075,171</u>

See accompanying notes to basic financial statements.

<u>Totals</u>	Governmental Activities - Internal Service Funds	<u>Totals</u>	
		<u>2005</u>	<u>2004</u>
9,326,888	811,270	10,138,158	6,440,998
1,427,166	-	1,427,166	887,358
869,122	-	869,122	883,977
29,802	1,164,179	1,193,981	2,506,554
7,133,154	-	7,133,154	3,575,334
67,975,325	-	67,975,325	-
505,703	4,200,000	4,705,703	4,125,000
1,247,246	404,495	1,651,741	1,382,953
1,427,161	581,428	2,008,589	2,255,575
2,216,594	-	2,216,594	2,142,442
-	475,000	475,000	450,000
1,249,524	-	1,249,524	1,160,640
1,790,753	-	1,790,753	1,705,304
-	-	-	466,869
<u>95,198,438</u>	<u>7,636,372</u>	<u>102,834,810</u>	<u>27,983,004</u>
2,248,240	-	2,248,240	-
-	9,746,349	9,746,349	6,547,744
1,373,081	147,528	1,520,609	1,456,931
913,763	1,443,507	2,357,270	3,048,129
-	765,000	765,000	1,240,000
28,021,736	-	28,021,736	30,238,329
75,000	-	75,000	1,324,524
<u>27,732,674</u>	<u>-</u>	<u>27,732,674</u>	<u>29,523,426</u>
<u>60,364,494</u>	<u>12,102,384</u>	<u>72,466,878</u>	<u>73,379,083</u>
<u>155,562,932</u>	<u>19,738,756</u>	<u>175,301,688</u>	<u>101,362,087</u>
153,245,960	2,927,825	156,173,785	146,682,196
20,007,026	-	20,007,026	12,532,379
<u>37,167,934</u>	<u>(8,951,076)</u>	<u>28,216,858</u>	<u>26,949,149</u>
<u>210,420,920</u>	<u>(6,023,251)</u>	<u>204,397,669</u>	<u>186,163,724</u>

CITY OF SAN BERNARDINO
Proprietary Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Year Ended June 30, 2005

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Refuse</u>	<u>Water</u>	<u>Sewer</u>
Operating revenues:			
Charges for services	\$ 21,585,381	18,605,346	19,551,823
Other operating revenues	-	1,943,268	646,714
Total operating revenues	<u>21,585,381</u>	<u>20,548,614</u>	<u>20,198,537</u>
Operating expenses:			
Cost of sales and services	14,637,706	-	-
Administration	2,761,870	7,265,558	1,348,294
Engineering, operations, and distribution administration	-	695,517	1,446,704
Plant operations	-	4,999,249	8,112,631
Maintenance	-	1,067,463	2,506,002
Environmental control	-	-	449,501
Distribution	-	3,075,032	-
Engineering	-	1,723,818	-
Claims expense	-	-	-
Depreciation and amortization	1,065,686	3,458,350	5,311,326
Total operating expenses	<u>18,465,262</u>	<u>22,284,987</u>	<u>19,174,458</u>
Operating income (loss)	<u>3,120,119</u>	<u>(1,736,373)</u>	<u>1,024,079</u>
Non-operating revenues (expenses):			
Investment income	18,242	878,743	1,296,693
Noncapital grant funds	-	1,001,047	-
Interest expense	(93,031)	(449,020)	(2,299,236)
Gain (loss) on sale of capital assets	-	949,839	(8,161)
Net increase (decrease) in investment fair value	-	-	-
Miscellaneous income (expense)	867,536	204,225	(59,342)
Total non-operating revenues (expenses)	<u>792,747</u>	<u>2,584,834</u>	<u>(1,070,046)</u>
Income (loss) before contributions and transfers	<u>3,912,866</u>	<u>848,461</u>	<u>(45,967)</u>
Contributions and transfers:			
Capital contributions	-	13,696,272	5,210,292
Transfers in (note 3)	65,000	-	-
Transfers out (note 3)	(2,381,200)	-	-
Total contributions and transfers	<u>(2,316,200)</u>	<u>13,696,272</u>	<u>5,210,292</u>
Change in net assets	1,596,666	14,544,733	5,164,325
Net assets (deficit) at beginning of year	<u>2,907,649</u>	<u>94,296,701</u>	<u>91,910,846</u>
Net assets (deficit) at end of year	<u>\$ 4,504,315</u>	<u>108,841,434</u>	<u>97,075,171</u>

See accompanying notes to basic financial statements.

Totals	Governmental Activities - Internal Service Funds	Totals	
		2005	2004
59,742,550	21,668,839	81,411,389	75,503,621
<u>2,589,982</u>	<u>-</u>	<u>2,589,982</u>	<u>2,459,179</u>
<u>62,332,532</u>	<u>21,668,839</u>	<u>84,001,371</u>	<u>77,962,800</u>
14,637,706	15,447,333	30,085,039	27,895,946
11,375,722	-	11,375,722	9,079,291
2,142,221	-	2,142,221	1,993,749
13,111,880	-	13,111,880	13,254,825
3,573,465	-	3,573,465	3,447,394
449,501	-	449,501	377,638
3,075,032	-	3,075,032	2,881,570
1,723,818	-	1,723,818	1,468,972
-	7,421,626	7,421,626	5,876,143
<u>9,835,362</u>	<u>2,347,202</u>	<u>12,182,564</u>	<u>10,802,165</u>
<u>59,924,707</u>	<u>25,216,161</u>	<u>85,140,868</u>	<u>77,077,693</u>
<u>2,407,825</u>	<u>(3,547,322)</u>	<u>(1,139,497)</u>	<u>885,107</u>
2,193,678	87,669	2,281,347	919,262
1,001,047	-	1,001,047	1,214,167
(2,841,287)	(103,965)	(2,945,252)	(3,061,655)
941,678	(4,956)	936,722	2,471,363
-	(5,504)	(5,504)	(84,528)
<u>1,012,419</u>	<u>764,499</u>	<u>1,776,918</u>	<u>1,183,346</u>
<u>2,307,535</u>	<u>737,743</u>	<u>3,045,278</u>	<u>2,641,955</u>
<u>4,715,360</u>	<u>(2,809,579)</u>	<u>1,905,781</u>	<u>3,527,062</u>
18,906,564	-	18,906,564	7,942,497
65,000	60,000	125,000	65,000
<u>(2,381,200)</u>	<u>(322,200)</u>	<u>(2,703,400)</u>	<u>(2,781,200)</u>
<u>16,590,364</u>	<u>(262,200)</u>	<u>16,328,164</u>	<u>5,226,297</u>
21,305,724	(3,071,779)	18,233,945	8,753,359
<u>189,115,196</u>	<u>(2,951,472)</u>	<u>186,163,724</u>	<u>177,410,365</u>
<u>210,420,920</u>	<u>(6,023,251)</u>	<u>204,397,669</u>	<u>186,163,724</u>

CITY OF SAN BERNARDINO
Proprietary Funds

Statement of Cash Flows

Year Ended June 30, 2005

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Refuse</u>	<u>Water</u>	<u>Sewer</u>
Cash flows from operating activities:			
Cash received from customers	\$ 21,332,579	18,589,012	19,832,030
Cash received from user departments	-	-	-
Cash payments to suppliers for goods and services	(15,768,973)	(6,241,794)	(1,370,479)
Cash payments for claims	-	-	-
Cash payments to employees for services	(424,380)	(7,455,717)	(9,342,173)
Cash received (paid) for other activities	<u>867,536</u>	<u>6,411,030</u>	<u>(19,792)</u>
Net cash provided by (used for) operating activities	<u>6,006,762</u>	<u>11,302,531</u>	<u>9,099,586</u>
Cash flows from noncapital financing activities:			
Cash received from other funds	65,000	-	-
Cash paid to other funds	(2,919,797)	-	-
Settlement received for construction of capital projects	-	67,975,325	-
Purchase of insurance policy to fund future capital projects	-	(49,866,440)	-
Grant proceeds received	<u>-</u>	<u>1,001,047</u>	<u>-</u>
Net cash provided by (used for) noncapital financing activities	<u>(2,854,797)</u>	<u>19,109,932</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Cash paid for acquisition of capital assets	(173,824)	(23,210,300)	-
Cash received from sale of capital assets	-	-	-
Cash received from issuance of debt	-	-	-
Charges to property owners for capital projects	-	6,686,433	5,210,292
Grant proceeds received	-	7,009,839	(6,065,949)
Principal payments on long-term debt	(1,693,969)	(850,794)	(3,391,472)
Interest paid on long-term debt	<u>(100,890)</u>	<u>(457,256)</u>	<u>(2,342,762)</u>
Net cash provided by (used for) capital and related financing activities	<u>(1,968,683)</u>	<u>(10,822,078)</u>	<u>(6,589,891)</u>
Cash flows from investing activities:			
Interest received	<u>18,242</u>	<u>727,712</u>	<u>1,296,693</u>
Net cash provided by (used for) investing activities	<u>18,242</u>	<u>727,712</u>	<u>1,296,693</u>
Net increase (decrease) in cash and cash equivalents	1,201,524	20,318,097	3,806,388
Cash and cash equivalents at beginning of year	<u>50</u>	<u>17,890,138</u>	<u>28,309,911</u>
Cash and cash equivalents at end of year	<u>\$ 1,201,574</u>	<u>38,208,235</u>	<u>32,116,299</u>

See accompanying notes to basic financial statements.

Totals	Governmental Activities - Internal Service Funds	Totals	
		2005	2004
59,753,621	-	59,753,621	56,615,522
-	21,362,941	21,362,941	20,695,262
(23,381,246)	(12,219,946)	(35,601,192)	(35,571,652)
-	(3,988,415)	(3,988,415)	(4,562,339)
(17,222,270)	(3,844,150)	(21,066,420)	(18,676,566)
<u>7,258,774</u>	<u>671,539</u>	<u>7,930,313</u>	<u>3,214,714</u>
<u>26,408,879</u>	<u>1,981,969</u>	<u>28,390,848</u>	<u>21,714,941</u>
65,000	3,128,332	3,193,332	303,101
(2,919,797)	(1,102,590)	(4,022,387)	(2,549,951)
67,975,325	-	67,975,325	-
(49,866,440)	-	(49,866,440)	-
<u>1,001,047</u>	<u>-</u>	<u>1,001,047</u>	<u>1,214,167</u>
<u>16,255,135</u>	<u>2,025,742</u>	<u>18,280,877</u>	<u>(1,032,683)</u>
(23,384,124)	(2,223,968)	(25,608,092)	(18,693,396)
-	1,170,121	1,170,121	446,759
-	-	-	5,014,266
11,896,725	-	11,896,725	6,591,300
943,890	-	943,890	1,351,197
(5,936,235)	(1,173,843)	(7,110,078)	(11,756,878)
<u>(2,900,908)</u>	<u>(103,965)</u>	<u>(3,004,873)</u>	<u>(2,973,987)</u>
<u>(19,380,652)</u>	<u>(2,331,655)</u>	<u>(21,712,307)</u>	<u>(20,020,739)</u>
<u>2,042,647</u>	<u>84,762</u>	<u>2,127,409</u>	<u>797,276</u>
<u>2,042,647</u>	<u>84,762</u>	<u>2,127,409</u>	<u>797,276</u>
25,326,009	1,760,818	27,086,827	1,458,795
<u>46,200,099</u>	<u>4,160,915</u>	<u>50,361,014</u>	<u>48,902,219</u>
<u>71,526,108</u>	<u>5,921,733</u>	<u>77,447,841</u>	<u>50,361,014</u>

(Continued)

CITY OF SAN BERNARDINO
Proprietary Funds

Statement of Cash Flows

Year Ended June 30, 2005

	Business Type Activities - Enterprise Funds		
	Refuse	Water	Sewer
Reconciliation of cash and cash equivalents to amounts reported on the balance sheet:			
Reported on the balance sheet:			
Cash and investments	\$ 1,201,574	11,132,427	18,862,289
Restricted assets	-	81,508,056	16,808,525
Less restricted assets not meeting the definition of cash equivalents:			
Investment agreements	-	-	(3,473,750)
Prepaid insurance	-	(49,866,440)	-
Interest and other receivables	-	(4,565,808)	(80,765)
Cash and cash equivalents at end of year	<u>\$ 1,201,574</u>	<u>38,208,235</u>	<u>32,116,299</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	<u>\$ 3,120,119</u>	<u>(1,736,373)</u>	<u>1,024,079</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	1,065,686	3,458,350	5,311,326
Other nonoperating revenues (expenses)	867,536	1,198,182	(19,792)
Net increase (decrease) in investment fair value	-	-	-
(Increase) decrease in accounts receivable	(238,883)	(5,310,904)	(167,614)
(Increase) decrease in interest receivable	-	-	-
(Increase) decrease in notes receivable	-	5,212,848	-
(Increase) decrease in other receivables	-	-	-
(Increase) decrease in inventory	-	(15,645)	-
(Increase) decrease in prepaid items	1,069	(39,416)	(1,193,906)
(Increase) decrease in due from other governmental agencies	70,565	(2,544,143)	(145,703)
(Increase) decrease in due from other funds	-	23,388	(29,802)
(Increase) decrease in other assets	-	2,897,430	2,590,198
Increase (decrease) in accounts payable	1,098,737	1,791,757	1,495,498
Increase (decrease) in due to other funds	-	29,802	(23,388)
Increase (decrease) in deposits payable	(13,919)	5,819,979	-
Increase (decrease) in deferred revenue	-	(21,495)	-
Increase (decrease) in claims and judgments payable	-	18,801	41,528
Increase (decrease) in compensated absences	35,852	519,970	217,162
Total adjustments	<u>2,886,643</u>	<u>13,038,904</u>	<u>8,075,507</u>
Net cash provided by (used for) operating activities	<u>\$ 6,006,762</u>	<u>11,302,531</u>	<u>9,099,586</u>
Noncash financing activities:			
Acquisition of fixed assets	\$ -	-	-
Issuance of capital lease	-	-	-
Total noncash financing activities	<u>\$ -</u>	<u>-</u>	<u>-</u>

See accompanying notes to basic financial statements.

Totals	Governmental Activities - Internal Service Funds	Totals	
		2005	2004
31,196,290	5,921,733	37,118,023	35,075,600
98,316,581	-	98,316,581	18,881,701
(3,473,750)	-	(3,473,750)	(3,473,750)
(49,866,440)	-	(49,866,440)	-
(4,646,573)	-	(4,646,573)	(122,537)
<u>71,526,108</u>	<u>5,921,733</u>	<u>77,447,841</u>	<u>50,361,014</u>
<u>2,407,825</u>	<u>(3,547,322)</u>	<u>(1,139,497)</u>	<u>885,107</u>
9,835,362	2,347,202	12,182,564	10,802,165
2,045,926	764,499	2,810,425	1,140,261
-	(5,504)	(5,504)	(84,145)
(5,717,401)	-	(5,717,401)	(1,555,489)
-	-	-	(115,239)
5,212,848	-	5,212,848	(600,000)
-	(3,189)	(3,189)	(6,675)
(15,645)	(13,218)	(28,863)	31,273
(1,232,253)	4,814	(1,227,439)	79,263
(2,619,281)	(249,376)	(2,868,657)	514,034
(6,414)	-	(6,414)	5,402
5,487,628	-	5,487,628	8,161,857
4,385,992	(664,653)	3,721,339	116,639
6,414	-	6,414	(5,402)
5,806,060	-	5,806,060	685,877
(21,495)	-	(21,495)	21,495
60,329	3,273,605	3,333,934	1,193,961
772,984	75,111	848,095	444,557
<u>24,001,054</u>	<u>5,529,291</u>	<u>29,530,345</u>	<u>20,829,834</u>
<u>26,408,879</u>	<u>1,981,969</u>	<u>28,390,848</u>	<u>21,714,941</u>
-	-	-	(1,105,120)
-	-	-	<u>1,105,120</u>
-	-	-	-

CITY OF SAN BERNARDINO
Agency Funds

Statement of Fiduciary Assets and Liabilities

June 30, 2005

	<u>2005</u>	<u>2004</u>
<u>Assets</u>		
Cash and investments (note 2)	\$ 10,111,576	10,410,515
Cash and investments with fiscal agent (note 2)	349,691	339,621
Accounts receivable	2,354	24,034
Interest receivable	19,962	18,269
Due from other government agencies	64,173	30,483
Prepaid expense	<u>-</u>	<u>8</u>
Total assets	<u>\$ 10,547,756</u>	<u>10,822,930</u>
<u>Liabilities</u>		
Accounts payable	1,123,599	184,200
Deposits payable	6,452,276	7,662,616
Due to bondholders	<u>2,971,881</u>	<u>2,976,114</u>
Total liabilities	<u>\$ 10,547,756</u>	<u>10,822,930</u>

See accompanying notes to basic financial statements.

CITY OF SAN BERNARDINO

Notes to Basic Financial Statements

Year ended June 30, 2005

(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 form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, community development (planning, building and zoning), public utilities (water and sewage), 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.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(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.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (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.

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.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

Fund Financial Statements, (Continued)

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 enterprise 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.

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.

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.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

Governmental Funds, (Continued)

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 decreased (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 as long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

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 sources* 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, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

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 noncurrent) 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.

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.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

Fund Classifications, (Continued)

Federal and State Programs. Combined activity of 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.

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:

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

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

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

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, self-insurance health plans, motorpool, telephone support, information systems, utility and central services.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

Fund Classifications, (Continued)

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 #961, #977A, #977B, and #1003 and Community Facilities District #995.

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.

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 also represent the proprietary funds' share in the cash and investment pool of the City of San Bernardino. Cash equivalents have an original maturity date of three months or less from the date of purchase.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

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 \$500 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 functionally, 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) capital assets consisting of certain improvements including pavement, curb and gutter, sidewalks, traffic control devices, streetlights, and right-of-way corridors within the City. Public domain assets acquired prior to July 1, 2001 have not been included in the accompanying financial statements. The City expects to value and record all infrastructure asset data in its entirety by fiscal year June 30, 2006.

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:

	<u>Years</u>
Buildings and improvements	15 to 40
Wells, pumping plants, reservoirs, and distribution system	8 to 50
Interceptor lines	50
Disposal plant	35 to 50
Leasehold improvements	5 to 25
Shops, offices, stores, and yards	10 to 20
Tools and equipment	4 to 20
Office equipment	5 to 20
Communication equipment	8 to 10
Computer equipment	5 to 10
Automotive equipment	3 to 8

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

e. Capital Assets, (Continued)

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 General Fund to show that inventories do not constitute "available spendable resources", even though they are a component of net current assets.

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 are 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.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

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, unamortized debt issuance costs. 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. Designations of fund balance represent tentative management plans that are subject to change. The proprietary funds' contributed capital represent 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.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

1. 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 figures.

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.

(2) Cash and Investments

Cash and investments are presented in the accompanying financial statements at June 30, 2005 as follows:

Statement of Net Assets:	
Cash and investments	\$150,456,420
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	<u>10,111,576</u>
Total cash and investments	<u>160,567,996</u>
Statement of Net Assets:	
Cash and investments with fiscal agent	23,618,524
Statement of Fiduciary Assets and Liabilities:	
Cash and investments with fiscal agent	<u>349,691</u>
Total cash and investments with fiscal agent	<u>23,968,215</u>
Total cash and investments	<u>\$184,536,211</u>

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(2) Cash and Investments, (Continued)

Cash and investments held by the City at June 30, 2005 consisted of the following:

Petty cash	\$ 13,600
Deposits:	
Demand deposits	(2,185,185)
Investments	
State of California Treasurer's investment pool (LAIF)	65,757,680
Federal agency issues	83,687,310
Corporate medium term notes	5,073,700
Sweep account (money market fund)	7,392,569
Money market funds	735,968
Investments held by fiscal agents:	
U.S. treasury note	91,602
Federal agency securities	259,918
FNMA medium term note	2,666,307
Money market mutual funds	12,566,393
Investment contracts	<u>8,476,349</u>
Total investments	<u>186,707,796</u>
Total cash and investments	<u>\$184,536,211</u>

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 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.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Investment Types <u>Authorized by State Law</u>	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.

CITY OF SAN BERNARDINO

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by fiscal agent 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 agent. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
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 rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value 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.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(2) Cash and Investments, (Continued)

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
Federal agency securities	\$ 83,687,310	6,744,540	6,900,278	70,042,492	-
Corporate medium term notes	5,073,700	2,028,140	2,041,700	1,003,860	-
Sweep account (money market fund)	7,392,569	7,392,569	-	-	-
Money market mutual funds	735,968	735,968	-	-	-
State investment pool	65,757,680	65,757,680	-	-	-
Held by fiscal agent:					
U.S. treasury note	91,602	-	-	-	91,602
Federal agency securities	259,918	-	-	-	259,918
FNMA medium term notes	2,666,307	2,666,307	-	-	-
Money market mutual funds	12,566,393	12,566,393	-	-	-
Investment contracts	8,476,349	-	-	-	8,476,349
Total	<u>\$186,707,796</u>	<u>97,891,597</u>	<u>8,941,978</u>	<u>71,046,352</u>	<u>8,827,869</u>

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.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>	
				<u>AAA</u>	<u>Not Rated</u>
Federal agency securities	\$ 83,687,310	A	-	83,687,310	-
Corporate medium term notes	5,073,700	A	-	5,073,700	-
Sweep account (money market fund)	7,392,569	A	-	-	7,392,569
Money market funds	735,968	A	-	735,968	-
State investment pool	65,757,680	N/A	-	-	65,757,680
Held by bond trustee:					
U.S. treasury note	91,602	N/A	91,602	-	-
Federal agency securities	259,918	A	-	259,918	-
FNMA medium term note	2,666,307	A	-	2,666,307	-
Money market mutual funds	12,566,393	AAA	-	12,566,393	-
Investment contracts	<u>8,476,349</u>	N/A	-	-	<u>8,476,349</u>
Total	<u>\$186,707,796</u>		<u>91,602</u>	<u>104,989,596</u>	<u>81,626,598</u>

Concentration of Credit Risk

The investment policies of the City contains 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:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
FNMA	Federal agency securities	\$30,758,311
Federal Home Loan Bank	Federal agency securities	30,389,504
Federal Home Loan Mortgage Corporation	Federal agency securities	14,806,424

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(2) Cash and Investments, (Continued)

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.

(3) Interfund Receivables, Payables and Transfers

Current interfund receivables and payables at June 30, 2005, are as follows:

Due to General Fund from:	
Federal and State Programs Special Revenue Fund	\$1,174,483
Nonmajor governmental funds	<u>2,598,224</u>
Total due to General Fund from other funds	<u>\$3,772,707</u>
Due to Sewer Enterprise Fund from:	
Water Enterprise Fund	<u>\$ 29,802</u>

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(3) Interfund Receivables, Payables and Transfers, (Continued)

Due to internal service funds from:	
Other internal services funds	\$1,164,179
Total due to internal service funds from other funds	<u>\$1,164,179</u>

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.

Long-term interfund receivables and payables at June 30, 2005 are as follows:

Advances from Economic Development Agency Special Revenue Fund to:	
Economic Development Agency Capital Projects Fund	<u>\$ 3,628,912</u>

Advances from Economic Development Agency Capital Projects Fund to:	
Economic Development Agency Special Revenue Fund	\$ 7,068,581
Nonmajor governmental funds	<u>1,785,000</u>
Total advances from Economic Development Agency Capital Projects Fund to other funds	<u>\$ 8,853,581</u>

Advances from nonmajor governmental funds to:	
Other nonmajor governmental funds	<u>\$ 290,000</u>

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

Terms of the advances from the Economic Development Agency Capital Projects fund to nonmajor governmental funds are as follows:

Assessment District No. 987, Verdemont Improvements

Interest at 5%, annual payment on January 15 representing principal and accrued interest payable from all funds received through the levy of developer's fees. Payments are due each January 15 until the debt is paid in full.	\$1,556,000
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Assessment District No. 1015

Interest is set at 6%. The principal amount of the loan shall be due, together with accrued interest thereon, thirty days after the collection of the annual levy or after the sale of each home, within the District.	<u>229,000</u>
	<u>\$1,785,000</u>

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(3) Interfund Receivables, Payables and Transfers, (Continued)

Interfund transfers during the year ended June 30, 2005 were as follows:

Transfers in to General Fund from:	
Refuse Enterprise Fund	\$2,381,200
Nonmajor governmental funds	4,858,482
Internal service funds	<u>322,200</u>
Total transfers in to General Fund from other funds	<u>\$7,561,882</u>
Transfers in to Economic Development Agency Special Revenue Fund from:	
Economic Development Agency Capital Projects Fund	<u>\$4,513,118</u>
Transfers in to Economic Development Agency Debt Service Fund from:	
General Fund	\$ 1,760,168
Economic Development Agency Special Revenue Fund	421,908
Economic Development Agency Capital Projects Fund	<u>12,575,331</u>
Total transfers in to Economic Development Agency Debt Service Fund from other funds	<u>\$ 14,757,407</u>
Transfers in to Economic Development Agency Capital Projects Fund from:	
Economic Development Agency Special Revenue Fund	<u>\$ 64,000</u>
Transfers in to Refuse Enterprise Fund from:	
General Fund	<u>\$ 65,000</u>
Transfers in to Internal Service Funds from:	
General Fund	<u>\$ 60,000</u>
Transfers in to nonmajor governmental funds from:	
General Fund	<u>\$3,136,886</u>

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

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements

(Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2005 was as follows:

	<u>Balance at July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2005</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land (1)	\$127,679,125	-	(104,053)	127,575,072
Construction in progress	<u>3,769,544</u>	<u>6,454,788</u>	<u>(6,336,775)</u>	<u>3,887,557</u>
Total capital assets not being depreciated	<u>131,448,669</u>	<u>6,454,788</u>	<u>(6,440,828)</u>	<u>131,462,629</u>
Capital assets being depreciated:				
Infrastructure	12,932,193	6,336,775	-	19,268,968
Buildings and improvements	81,505,523	-	(211,260)	81,294,263
Machinery, vehicles and equipment	<u>50,254,685</u>	<u>4,694,139</u>	<u>(385,264)</u>	<u>54,563,560</u>
Total capital assets being depreciated	<u>144,692,401</u>	<u>11,030,914</u>	<u>(596,524)</u>	<u>155,126,791</u>
Less accumulated depreciation for:				
Infrastructure	(573,900)	(611,559)	-	(1,185,459)
Buildings and improvements	(46,718,140)	(1,976,050)	-	(48,694,190)
Machinery, vehicles and equipment	<u>(37,874,134)</u>	<u>(4,214,962)</u>	<u>380,308</u>	<u>(41,708,788)</u>
Total accumulated depreciation	<u>(85,166,174)</u>	<u>(6,802,571)</u>	<u>380,308</u>	<u>(91,588,437)</u>
Total capital assets being depreciated, net	<u>59,526,227</u>	<u>4,228,343</u>	<u>(216,216)</u>	<u>63,538,354</u>
Governmental activities capital assets, net	<u>\$190,974,896</u>	<u>10,683,131</u>	<u>(6,657,044)</u>	<u>195,000,983</u>

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

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements

(Continued)

(4) Capital Assets, (Continued)

Business-type Activities:	Balance at			Balance at
	<u>June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2005</u>
Capital projects, not being depreciated:				
Land and easements	\$ 15,179,915	235,797	-	15,415,712
Construction in progress	<u>21,558,953</u>	<u>21,839,648</u>	<u>(5,605,310)</u>	<u>37,793,291</u>
Total capital assets, not being depreciated	<u>36,738,868</u>	<u>22,075,445</u>	<u>(5,605,310)</u>	<u>53,209,003</u>
Capital assets, being depreciated:				
Water rights, wells and pumping plants	38,685,054	2,551,311	(214,100)	41,022,265
Distribution systems	54,605,417	987,727	(258,132)	55,335,012
Building, plants and store yards	148,951,888	2,189,764	(13,449)	151,128,203
Machinery, vehicles and equipment	23,643,944	807,834	(154,502)	24,297,276
Office leasehold improvements	141,926	9,200	-	151,126
Office, computer, engineering equipment	3,505,679	1,013,799	(38,758)	4,480,720
Radio and interoffice communication equipment	416,770	8,051	(35,780)	389,041
Telemetry system and equipment	584,948	42,914	-	627,862
Miscellaneous	<u>426,549</u>	<u>-</u>	<u>-</u>	<u>426,549</u>
Total capital assets, being depreciated	<u>270,962,175</u>	<u>7,610,600</u>	<u>(714,721)</u>	<u>277,858,054</u>
Less accumulated depreciation for:				
Water rights, wells and pumping plants	(17,719,035)	(1,410,467)	134,680	(18,994,822)
Distribution systems	(21,154,180)	(1,220,131)	-	(22,374,311)
Building, plants and store yards	(54,277,696)	(4,859,275)	2,788	(59,134,183)
Machinery, vehicles and equipment	(13,260,504)	(1,848,662)	403,693	(14,705,473)
Office leasehold improvements	(63,452)	(6,796)	-	(70,248)
Office, computer and engineering equipment	(1,894,018)	(401,998)	23,963	(2,272,053)
Radio and interoffice computer equipment	(259,692)	(23,728)	31,307	(252,113)
Telemetry system and equipment	(185,404)	(52,518)	-	(237,922)
Miscellaneous	<u>(216,830)</u>	<u>(11,787)</u>	<u>-</u>	<u>(228,617)</u>
Total accumulated depreciation	<u>(109,030,811)</u>	<u>(9,835,362)</u>	<u>596,431</u>	<u>(118,269,742)</u>
Total capital assets, being depreciated, net	<u>161,931,364</u>	<u>(2,224,762)</u>	<u>(118,290)</u>	<u>159,588,312</u>
Business-type activities capital assets, net	<u>\$198,670,232</u>	<u>19,850,683</u>	<u>(5,723,600)</u>	<u>212,797,315</u>

CITY OF SAN BERNARDINO

Notes to Basic Financial Statements

(Continued)

(4) Capital Assets, (Continued)

Depreciation expense was charged to the following functions in the Statement of Activities:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
General government	\$ 949,969	-
Public safety	1,630,764	-
Streets	784,689	-
Culture and recreation	374,284	-
Community development	539	-
Economic development	446,994	-
Community service	268,130	-
Refuse	-	1,065,686
Water	-	3,458,350
Sewer	-	5,311,326
Internal Service	<u>2,347,202</u>	<u>-</u>
Total	<u>\$6,802,571</u>	<u>9,835,362</u>

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2005:

	<u>Balance at July 1, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2005</u>	<u>Amount Due Within One Year</u>
<i>Governmental Activities:</i>					
Compensated absences payable	\$15,306,292	9,135,078	(7,995,730)	16,445,640	9,127,603
Claims and judgments payable	10,672,744	7,262,020	(3,988,415)	13,946,349	4,200,000
Capital leases payable	4,426,114	2,038,941	(1,434,643)	5,030,412	1,375,660
Participation agreements:					
Costco Wholesale	28,951	-	(28,951)	-	-
Yellow Freight	744,500	-	(120,615)	623,885	-
Stater Brothers	160,339	-	(160,339)	-	-
Total participation agreements	933,790	-	(309,905)	623,885	-
Loan purchase agreement:					
Community reinvestment fund	602,970	-	(602,970)	-	-
Notes payable:					
HUD Section 108:					
Cinema Project	6,100,000	-	(260,000)	5,840,000	-
303 LLC Building	1,840,000	-	(100,000)	1,740,000	-
Bobbitt	22,457	-	(6,170)	16,287	4,898
Total notes payable	\$ 7,962,457	-	(366,170)	7,596,287	4,898

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

	<u>Balance at July 1, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2005</u>	<u>Amount Due Within One Year</u>
Lease revenue bonds:					
Public Facilities – Lease Revenue Refunding, 1997 Series A	\$ 7,305,000	-	(590,000)	6,715,000	615,000
Refunding Bonds, (City Hall Project), Series 1996	<u>12,870,000</u>	<u>-</u>	<u>(785,000)</u>	<u>12,085,000</u>	<u>825,000</u>
Total lease revenue bonds	<u>20,175,000</u>	<u>-</u>	<u>(1,375,000)</u>	<u>18,800,000</u>	<u>1,440,000</u>
Fire Station Lease	<u>-</u>	<u>1,124,334</u>	<u>-</u>	<u>1,124,334</u>	<u>-</u>
Harriman Place Street Extension Project	<u>1,800,000</u>	<u>200,000</u>	<u>(86,892)</u>	<u>1,913,108</u>	<u>89,333</u>
Tax allocation bonds:					
Refunding Bonds, Series 2002 Mount Vernon Bonds, Series 2002A	28,765,000	-	(800,000)	27,965,000	835,000
Refunding Bonds, Series 1998A	3,510,000	-	(50,000)	3,460,000	55,000
Subordinated Refunding Bonds, Series 1998B	15,795,000	-	(605,000)	15,190,000	630,000
Low and Moderate Income Housing, Series 1999	7,335,000	-	(245,000)	7,090,000	260,000
Refunding Bonds, Series 1995A	3,525,000	-	(255,000)	3,270,000	265,000
Less: deferred charges	81,865,000	-	(2,420,000)	79,445,000	2,540,000
	<u>(2,694,482)</u>	<u>-</u>	<u>128,310</u>	<u>(2,566,172)</u>	<u>(128,310)</u>
Total tax allocation bonds	<u>\$138,100,518</u>	<u>-</u>	<u>(4,246,690)</u>	<u>133,853,828</u>	<u>4,456,690</u>

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

	Balance at <u>July 1, 2003</u>	<u>Additions</u>	<u>Retirements</u>	Balance at <u>June 30, 2004</u>	Amount Due Within <u>One Year</u>
Assessment District Bonds:					
Assessment District No. 985	\$ 320,000	-	(35,000)	285,000	40,000
Assessment District No. 987	<u>310,000</u>	<u>-</u>	<u>(30,000)</u>	<u>280,000</u>	<u>30,000</u>
Total assessment district bonds	<u>630,000</u>	<u>-</u>	<u>(65,000)</u>	<u>565,000</u>	<u>70,000</u>
Certificates of participation:					
1999 Certificates of Participation	<u>14,070,000</u>	<u>-</u>	<u>(390,000)</u>	<u>13,680,000</u>	<u>405,000</u>
Total governmental activities long-term liabilities	<u>\$214,679,885</u>	<u>19,760,373</u>	<u>(20,861,415)</u>	<u>213,578,843</u>	<u>21,169,184</u>

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, \$552,023 of compensated absences, \$13,946,349 of claims and judgments payable, \$2,024,933 of capital leases payable, and \$1,240,000 of lease revenue bonds for internal service funds are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund.

Amount
Outstanding at
June 30, 2005

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.

\$5,030,412

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

Assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery, vehicles and equipment	\$8,092,546
Less: accumulated depreciation	<u>(3,549,519)</u>
Total	<u>\$4,543,027</u>

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

<u>Year ending June 30:</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2006	1,375,660	161,226
2007	1,347,245	118,150
2008	888,569	77,281
2009	701,474	46,620
2010	396,034	22,837
2011	195,843	12,104
2012	148,686	4,730
2013	50,735	2,681
2011	<u>22,166</u>	<u>545</u>
Total	<u>\$5,030,412</u>	<u>446,174</u>

Amount
Outstanding at
June 30, 2005

Participation Agreements, (Continued)

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 increments amounts upon maturity of the note have been pledged. Payments will be from time to time as funds are available with the full balance to be paid by January 2010. No interest shall accrue on the note.

\$623,885

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

Amount
Outstanding at
June 30, 2005

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.

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 March, June, September and December, “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, or 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 LIBO Rate on such Reset Date.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

Amount
Outstanding at
June 30, 2005

Notes Payable, (Continued)

Section 108 Notes, (Continued):

Cinema Project, (Continued)

The Permanent Interest Rate after the Public Offering Date, shall be the interest rate which the underwriters selected by the Secretary of HUD to conduct the public offering determine will enable them to sell the HUD Notes under then prevailing market conditions as of the Public Offering Date at one hundred percent (100%) of the aggregate principal amount owing thereunder. Principal payments are to be made annually on June 1 through June 1, 2010.

\$5,840,000

303 LLC Building

On September 26, 2000, the Agency entered into a Contract for Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act in the amount of \$1,840,000. This Section 108 Loan has interest rates varying from 5.36% to 6.59%. Interest is payable semiannually on August 1 and February 1. Secured by a Deed of Trust on the property upon which the building was constructed. As of June 30, 2005, the Agency had received \$1,840,000 of the loan amount.

1,740,000

Bobbitt

On July 1, 1999, the Agency entered into an agreement with the Gary and Patricia Bobbitt Revocable Trust to reimburse the property owner (Bobbitt's), a sum not to exceed \$90,000, for the cost and installation of certain off-site improvements. The loan was evidenced by an Agency Promissory Note. The term of the note is ten years with installments of principal and interest being made in an amount of level debt payments amortized over the term of the agreement. Interest accrues at 5% per annum. Tax increment revenue derived from this project has been pledged for repayment.

16,287

Total notes payable

\$7,596,287

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

The annual requirements to amortize notes payable outstanding as of June 30, 2005 are as follows:

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 4,898	935
2007	4,898	690
2008	4,898	445
2009	<u>1,593</u>	<u>200</u>
	<u>\$ 16,287</u>	<u>2,270</u>

The above schedule does not include notes payable for which there are no set repayment schedules. Items excluded from the above schedule are the Cinema Project Section 108 note and the 303 LLC Building Section 108 note.

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 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, 2005 is \$6,715,000.

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, 2005 the reserve requirement was \$946,345 and the amount actually held in the reserve account was \$986,481.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

Lease Revenue Bonds, (Continued)

Public Facilities Lease Revenue Refunding Bonds, 1997 Series A, (Continued)

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, 2005 is \$12,085,000.

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, 2005 the reserve requirement was \$1,497,030 and the amount actually held in the reserve account was \$1,497,230.

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.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

Lease Revenue Bonds, (Continued)

The annual requirements to amortize lease revenue bonds outstanding as of June 30, 2005 are as follows:

Year ending June 30	<u>Principal</u>	<u>Interest</u>
2006	\$ 1,440,000	1,001,405
2007	1,505,000	931,040
2008	1,090,000	857,165
2009	1,150,000	803,080
2010	1,205,000	744,245
2011	1,265,000	681,205
2012	1,335,000	615,015
2013	1,405,000	545,145
2014	1,480,000	471,595
2015	610,000	394,115
2016	645,000	359,955
2017	685,000	323,190
2018	720,000	284,145
2019	760,000	243,105
2020	805,000	199,785
2021	850,000	153,900
2022	900,000	105,450
2023	<u>950,000</u>	<u>54,150</u>
	<u>\$18,800,000</u>	<u>8,767,690</u>

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. During fiscal year ended June 30, 2005, the City had drawn down \$1,123,334 of the \$2,550,000 lease. The lease amount outstanding at June 30, 2005 is \$1,124,334.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

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 will be 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. During fiscal year ended June 30, 2005, the City received the remaining \$200,000 of the lease balance. The lease amount outstanding at June 30, 2005 is \$1,913,108.

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 of 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, 2005 was \$2,671,861. At June 30, 2005, \$27,965,000 of the bonds were outstanding.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

Tax Allocation Bonds, (Continued)

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.

The term bonds maturing on December 1, 2006, are subject to mandatory prepayment, on each December 1, commencing on December 1, 2002 through December 1, 2006. 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, 2004 was \$263,582. At June 30, 2005, \$3,460,000 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, 2004 is \$15,190,000.

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, 2005 the reserve requirement was \$1,456,515 and the amount actually held in the reserve account was \$1,468,965.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

Tax Allocation Bonds, (Continued)

Refunding Bonds, Series 1998A, (Continued)

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.

Subordinate Refunding Bonds, Series 1998B

The \$8,590,000 of subordinated tax allocation refunding bonds, issue of 1998, consist 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, 2005 is \$7,090,000.

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, 2005 the reserve requirement was \$639,012 and the amount actually held in the reserve account was \$645,603.

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.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

Tax Allocation Bonds, (Continued)

Low and Moderate Income Housing, Series 1999

\$4,700,000 of tax allocation bonds (20% Set-Aside) were issued to assist the Agency in the acquisition and rehabilitation of certain property in the City for housing low and moderate income families. The Bonds consist of \$2,240,000 of serial bonds with varying interest rates from 3.20% to 4.30% and \$2,460,000 of term bonds, bearing interest at 5.00%. Interest is payable semiannually on May 1 and November 1. Serial bonds mature annually on May 1 through May 1, 2008. Term bonds are due May 1, 2015 and shall be called and redeemed before maturity from money deposited into the Term Bond Sinking Fund on May 1, 2009 to May 1, 2015 without premium. The amount outstanding at June 30, 2005 is \$3,270,000.

Bonds maturing on or after May 1, 2010 are subject to redemption before maturity, at the option of the Agency, from available funds, on any date after May 1, 2009. 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 certain tax increment revenues derived from Housing Revenues from various Redevelopment Project Areas within the City. A reserve account is required to be maintained in accordance with the bond documents. As of June 30, 2004 the reserve requirement was \$427,340 and the amount actually held in the reserve account was \$440,499.

Refunding Bonds, Series 1995A

The \$97,825,000 of tax allocation refunding bonds, issue of 1995, Series A, consist of \$29,340,000 of serial bonds with varying interest rates from 3.85% to 5.50% and \$6,395,000 of term bonds, bearing interest at 5.75%, \$19,425,000 of term bonds, bearing interest at 6.00%, and \$42,665,000 of term bonds bearing interest at 6.10%. Interest is payable semiannually on April 1 and October 1. Term bonds are due October 1, 2010, October 1, 2015 and October 1, 2025 and shall be called and redeemed before maturity from money deposited into the Term Bond Sinking Fund on October 1, 2009 to October 1, 2025 without premium. The amount outstanding at June 30, 2005 is \$79,445,000.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

Refunding Bonds, Series 1995A, (Continued)

Bonds maturing on or after October 1, 2006 are subject to redemption before maturity, at the option of the Agency, from available funds, on October 1, 2005 or any interest payment date thereafter. Such bonds will be redeemed at par plus a premium of 2% for each year from October 1, 2005 to September 30, 2006; at par plus a premium of 1% for each year remaining from October 1, 2006 to September 30, 2007. A reserve account is required to be maintained in accordance with the bond documents. As of June 30, 2005 the reserve requirement was \$7,035,850 and the amount actually held in the reserve account was \$7,120,836.

The bonds are secured by a pledge of property tax apportionments, subordinate to the lien securing the Series A Bonds, except for certain reserve funds, from the following project Areas: State College, Southeast industrial Park, Northwest, Tri-City, Uptown, South Valle and Central City North.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

The annual requirements to amortize tax allocation debt outstanding as of June 30, 2005 are as follows:

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 4,585,000	7,777,391
2007	4,800,000	7,560,615
2008	5,045,000	7,318,120
2009	5,305,000	7,054,435
2010	5,595,000	6,769,360
2011	5,895,000	6,463,922
2012	6,225,000	6,148,211
2013	6,560,000	5,803,659
2014	6,935,000	5,434,911
2015	7,300,000	5,043,751
2016	7,320,000	4,621,526
2017	7,745,000	4,195,751
2018	8,195,000	3,745,251
2019	8,670,000	3,268,564
2020	9,180,000	2,762,553
2021	11,265,000	2,226,750
2022	4,460,000	1,551,301
2023	4,725,000	1,284,726
2024	5,075,000	1,001,973
2025	4,685,000	697,784
2026	5,430,000	416,894
2027	175,000	88,350
2028	185,000	77,500
2029	195,000	66,030
2030	205,000	53,940
2031	220,000	41,230
2032	<u>445,000</u>	<u>27,590</u>
	136,420,000	91,502,088
Less: deferred charges	<u>(2,566,172)</u>	<u>-</u>
	<u>\$133,853,828</u>	<u>91,502,088</u>

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(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. The outstanding balance at June 30, 2005 was \$285,000.

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 5% of the principal amount thereof.

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, 2005 was \$280,000.

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.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

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

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 70,000	40,690
2007	75,000	35,190
2008	85,000	29,090
2009	85,000	22,578
2010	95,000	15,649
2011	105,000	7,929
2012	<u>50,000</u>	<u>1,938</u>
Total	<u>\$565,000</u>	<u>153,064</u>

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, 2005 was \$13,680,000.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

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, 2005, the reserve requirement was \$1,147,000 and the amount actually held in the reserve account was \$1,147,974.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(5) Long-Term Liabilities – Governmental Activities, (Continued)

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

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 405,000	733,650
2007	425,000	715,628
2008	445,000	696,290
2009	470,000	675,598
2010	485,000	653,573
2011	510,000	629,750
2012	540,000	601,700
2013	575,000	572,000
2014	600,000	540,375
2015	635,000	507,375
2016	670,000	472,450
2017	705,000	435,600
2018	745,000	396,825
2019	780,000	355,850
2020	830,000	312,950
2021	870,000	267,300
2022	920,000	219,450
2023	965,000	168,850
2024	1,025,000	115,755
2025	<u>1,080,000</u>	<u>59,400</u>
	<u>\$13,680,000</u>	<u>9,130,369</u>

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements

(Continued)

(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, 2005:

	<u>Balance at July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2005</u>	<u>Amount Due Within One Year</u>
<u>Enterprise Funds</u>					
Compensated absences	\$ 2,362,972	1,436,502	(1,179,147)	2,620,327	1,247,246
Capital leases payable:					
Refuse equipment	<u>3,725,047</u>	<u>363,000</u>	(1,747,123)	<u>2,340,924</u>	<u>1,427,161</u>
Notes Payable	<u>32,380,771</u>	<u>-</u>	(2,142,441)	<u>30,238,330</u>	<u>2,216,594</u>
Certificates of Participation:					
Refunding Sewer Revenue Certificates of Participation	31,500,000	-	(1,730,000)	29,770,000	1,815,000
Less: deferred charges	<u>(271,270)</u>	<u>-</u>	<u>24,697</u>	<u>(246,573)</u>	<u>(24,247)</u>
	<u>31,228,730</u>	<u>-</u>	(1,705,303)	<u>29,523,427</u>	<u>1,790,753</u>
Water Bonds:					
Waterworks Bonds, Series C	90,000	-	(5,000)	85,000	5,000
1998A Water and Wastewater revenue bonds	2,455,000	-	(1,195,000)	1,260,000	1,265,000
Less: deferred charges	<u>(59,836)</u>	<u>-</u>	<u>39,360</u>	<u>(20,476)</u>	<u>(20,476)</u>
	<u>2,485,164</u>	<u>-</u>	(1,160,640)	<u>1,324,524</u>	<u>1,249,524</u>
Total business-type activities long-term liabilities	<u>\$72,182,684</u>	<u>1,799,502</u>	<u>(7,934,654)</u>	<u>66,047,532</u>	<u>7,862,652</u>

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(6) Long-Term Liabilities – Business-Type Activities, (Continued)

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 <u>June 30, 2005</u>
<u>Refuse Equipment</u>	
The City entered into several lease purchase agreements for the financing of the acquisition of refuse trucks and street sweepers. The terms of the leases vary from 48 to 84 months with individual semi-annual payments ranging from \$22,432 to \$464,913.	\$2,031,078

Water Equipment

The City entered into a lease purchase agreements for the financing of furniture and equipment. The terms of the leases are for 60 months with quarterly payments of \$19,772.	309,846
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Year ending <u>June 30</u>	Business-Type Activities	
	Principal	Interest
2006	\$1,427,161	55,202
2007	613,429	20,297
2008	160,004	8,811
2009	120,738	3,213
2010	19,592	180
Total	\$2,340,927	87,703

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, 2005 is \$85,000.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(6) Long-Term Liabilities – Business-Type Activities, (Continued)

Water Bonds Payable, (Continued)

1998A Water and Wastewater Revenue Bonds

During the fiscal year ended June 30, 1999, the City's Water Department joined in a pooled financing program of the Association of Bay Area Governments, under which the Series 1998A Water and Wastewater Revenue Bonds were issued. The Department's share of the principal amount of the bonds was \$8,610,000. The Department used \$7,766,000 out of the proceeds to defease and prepay in full the principal outstanding on the 1990 Water Facilities Certificates of Participation. A portion of the proceeds has been used to pay the costs incurred in issuing the Bonds and the remaining funds have been set aside to finance a new computerized billing system and miscellaneous water improvement projects.

Interest is payable semiannually with variable rates ranging from 3.75% to 4.40%. Principal payments are due annually in amounts ranging from \$860,000 to \$1,260,000 with the final payment due in 2005. The outstanding balance at June 30, 2005, net of unamortized discount and deferred advance refunding charge of \$20,476, is \$1,239,524.

The annual requirements to amortize bonds payable subsequent to June 30, 2005 are as follows:

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$1,270,000	34,308
2007	10,000	5,812
2008	10,000	5,038
2009	10,000	4,263
2010	10,000	3,488
2010-2013	<u>35,000</u>	<u>5,813</u>
	1,345,000	58,722
Less: deferred charges	<u>(20,476)</u>	-
	<u>\$1,324,524</u>	<u>58,722</u>

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(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. The outstanding balance at June 30, 2005, net of unamortized discount of \$246,573, is \$29,523,427.

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.

The required reserve for the 1998 Refunding Sewer Revenue Certificates of Participation is \$1,811,500. As of June 30, 2005, the reserve was fully funded.

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

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(6) Long-Term Liabilities – Business-Type Activities, (Continued)

The annual requirements to amortize certificates of participation subsequent to June 30, 2005 are as follows:

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 1,815,000	1,434,323
2007	1,910,000	1,357,185
2008	2,010,000	1,275,055
2009	2,125,000	1,174,555
2010	2,240,000	1,078,930
2011-2015	13,295,000	3,647,288
2016-2017	<u>6,375,000</u>	<u>479,750</u>
	29,770,000	10,447,086
Less: deferred charges	<u>(246,573)</u>	<u>-</u>
	<u>\$29,523,427</u>	<u>10,447,086</u>

Notes Payable

California Infrastructure and Economic Development Bank

San Bernardino Valley Municipal Water District 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%. The outstanding balance at June 30, 2005 is \$9,585,853.

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. The outstanding balance at June 30, 2005 is \$1,498,054.

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%. The outstanding balance at June 30, 2005 is \$2,698,206.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements

(Continued)

(6) Long-Term Liabilities – Business-Type Activities, (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. The outstanding balance at June 30, 2005 is \$16,456,217.

The annual requirements to amortize notes payable subsequent to June 30, 2005 are as follows:

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 2,216,594	1,054,755
2007	2,293,717	976,348
2008	2,373,955	894,783
2009	2,457,461	809,906
2010	2,544,395	721,554
2011-2015	12,039,194	2,237,916
2016-2020	4,888,478	661,751
2021-2023	<u>1,424,536</u>	<u>78,205</u>
	<u>\$30,238,330</u>	<u>7,435,218</u>

(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 25 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, for management employees, and a maximum of 60 days for all other employees. At June 30, 2005, \$16,445,640 and \$2,620,327 have been recorded, respectively, for governmental and business-type activities accrued vacation and sick leave.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(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. At June 30, 2005, \$21,383,000 of debt issuances outstanding are considered defeased. The defeased debt consisted of the following:

1995	Police Station Financing Project Certificates of Participation	\$ 5,105,000
1995b	Subordinated Tax Allocation Bonds	15,045,000
1990	Water Facilities Certificates of Participation	<u>1,233,000</u>
		<u>\$21,383,000</u>

(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 funds' claims liability for the years ended June 30, 2005 and 2004, are as follows:

	<u>Liability Beginning of Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability End of Year</u>
2003-2004:				
Worker's compensation	\$ 5,581,983	4,718,591	(3,705,430)	6,595,144
Liability claims	<u>3,896,800</u>	<u>2,230,870</u>	<u>(2,050,070)</u>	<u>4,077,600</u>
Total 2003-2004	<u>\$ 9,478,783</u>	<u>6,949,461</u>	<u>(5,755,500)</u>	<u>10,672,744</u>
2004-2005:				
Worker's compensation	\$ 6,595,144	1,263,833	(123,128)	7,735,849
Liability claims	<u>4,077,600</u>	<u>2,897,900</u>	<u>(765,000)</u>	<u>6,210,500</u>
Total 2004-2005	<u>\$10,672,744</u>	<u>4,161,733</u>	<u>(888,128)</u>	<u>13,946,349</u>

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements

(Continued)

(9) Claims and Judgments Payable, (Continued)

The City has obtained excess liability coverage with limits of \$25,000,000 in excess of \$2,000,000 through the Big Independent Cities Excess Pool (BICEP). BICEP pools catastrophic general liability, automobile liability, and public officials' 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 to 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, Pomona, San Bernardino and Santa Ana.

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

Estimated claims liabilities at June 30, 2005, 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.

(10) Short-term Debt

The following is a schedule of changes in short-term debt for the year ended June 30, 2005:

	<u>Balance at July 1, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2005</u>
Anticipation notes	<u>\$ -</u>	<u>16,310,000</u>	<u>(16,310,000)</u>	<u>-</u>

The City issued \$16,310,000 of tax revenue anticipation notes during the fiscal year for the purpose of providing cash flow financing and allowing for prepayment of annual pension costs.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(11) Fund Deficits/Accumulated Deficits and Expenditures in Excess of Appropriations

At June 30, 2005, the following governmental funds have fund deficits that are anticipated to be funded from future grants, other revenues and operating transfers:

	<u>Deficit Amount</u>
Special Revenue Funds:	
Federal and State Programs	\$606,317
Soccer Field	39,100
Debt Service Funds:	
Assessment District #1015	517,491
Verdemont Improvement Loan	1,558,207
Capital Projects Funds:	
Street Construction	1,225,873
Fire Equipment Acquisition	1,159,295
Special Assessments	176,573

At June 30, 2005, 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:

	<u>Deficit Amount</u>
Internal Service Funds:	
Workers' Compensation	\$8,966,466
Liability Insurance	2,310,714
Utility	771,416

As of June 30, 2005, 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.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements

(Continued)

(11) Fund Deficits/Accumulated Deficits and Expenditures in Excess of Appropriations,
(Continued)

The following funds/departments reported an excess of expenditures over appropriations at June 30, 2005:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- (Unfavorable)</u>
General Fund:			
City clerk – personnel, salaries and benefits	\$930,100	930,405	(305)
City treasurer – personnel, salaries and benefits	123,700	126,146	(2,446)
Finance – other	209,900	241,798	(31,898)
Civil service – personnel, salaries and benefits	180,600	184,443	(3,843)
Civil service – other	50,800	79,182	(28,382)
Police – other	5,023,900	5,508,497	(484,597)
Public services – personnel, salaries and benefits	2,628,800	2,652,418	(23,618)
Special Revenue Funds:			
Federal and state programs – salaries, and other	7,122,200	7,710,493	(588,293)
Cemetery – personnel, salaries and benefits	78,600	86,416	(7,816)
Alternative transportation – personnel, salaries and benefits	60,500	60,588	(88)
Traffic congestion – other	241,300	243,073	(1,773)
Sewerline maintenance – personnel, salaries and benefits	724,700	781,898	(57,198)
Sales and road – personnel, salaries and benefits	-	213,907	(213,907)
Baseball stadium – personnel, salaries and benefits	136,200	168,605	(32,405)
Debt Service Funds:			
Assessment district #985 – other	6,500	7,871	(1,371)
Assessment district #1015 – other	5,500	5,984	(484)
Capital Projects Funds:			
City hall refunding – other	99,200	104,665	(5,465)

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(12) 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 "P" Street, Sacramento, California 95814.

Participants are required to contribute 7% (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 town contract with employee bargaining groups.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements

(Continued)

(12) Defined Benefit Pension Plan, (Continued)

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, 2004 to June 30, 2005 has been determined by an actuarial valuation of the plan as of June 30, 2002. The contribution rate indicated for the period is 27.386% of payroll for the safety plan and 0.000% of payroll for the miscellaneous plan. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2005, this contribution rate would be multiplied by the payroll of covered employees that was actually paid during the period July 1, 2004 to June 30, 2005.

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

Valuation Date	June 30, 2002
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	32 Years as of the Valuation Date
Asset Valuation Method	3 Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return	8.25% (net of administrative expenses)
Projected Salary Increases	4.27% to 11.59% depending on Age, Service, and type of employment
Inflation	3.50%
Payroll Growth	3.75%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.5% and an annual production growth of 0.25%.

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 10% 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.

For the safety plan, the unfunded actuarial liability is amortized over a period ending June 30, 2025. For the miscellaneous plan, the City was overfunded for the year ended June 30, 2005. Amortization periods are not determined for overfunded plans.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements

(Continued)

(12) Defined Benefit Pension Plan, (Continued)

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)

<u>City</u>			
<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/03	\$ 9,469	100%	-
6/30/04	13,003	100%	-
6/30/05	15,823	100%	-

<u>Agency</u>			
<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/02	\$0	100%	-
6/30/03	0	100%	-
6/30/04	0	100%	-

The annual pension cost as of June 30, 2005 was not yet available.

Required Supplementary Information

Schedule of Funding Progress for PERS (\$ in thousands)

<u>City</u>						
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Asset (A)</u>	<u>Actuarial Liability (AAL) Entry Age (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a % of Covered Payroll [(B-A)/C]</u>
<u>6/30/02</u>						
Miscellaneous	\$246,380	209,683	(36,697)	117.5%	38,951	(94.214%)
Safety	<u>265,541</u>	<u>324,669</u>	<u>59,128</u>	<u>81.8%</u>	<u>32,102</u>	<u>184.188%</u>
Total	<u>\$511,921</u>	<u>534,352</u>	<u>22,431</u>	<u>95.8%</u>	<u>71,053</u>	<u>31.569%</u>

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(12) Defined Benefit Pension Plan, (Continued)

Schedule of Funding Progress for PERS (\$ in thousands), (Continued)

<u>City</u>						
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Asset (A)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a % of Covered Payroll [(B-A)/C]</u>
<u>6/30/03</u>						
Miscellaneous Safety	\$244,955 <u>267,105</u>	238,185 <u>339,911</u>	(6,770) <u>72,806</u>	102.8% <u>78.6%</u>	42,029 <u>34,415</u>	(16.1%) <u>211.6%</u>
Total	<u>\$512,060</u>	<u>578,096</u>	<u>66,036</u>	<u>88.6%</u>	<u>76,444</u>	<u>86.4%</u>
<u>6/30/04</u>						
Miscellaneous Safety	\$253,003 <u>282,852</u>	252,691 <u>362,894</u>	(312) <u>80,042</u>	100.1% <u>77.9%</u>	43,476 <u>36,130</u>	(0.7%) <u>221.5%</u>
Total	<u>\$535,855</u>	<u>615,585</u>	<u>79,730</u>	<u>87.0%</u>	<u>79,606</u>	<u>100.2%</u>
<u>Agency</u>						
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Asset (A)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a % of Covered Payroll [(B-A)/C]</u>
6/30/01	\$9,421	5,996	(3,425)	157.1%	1,205	(284.2%)
6/30/02	8,841	7,480	(1,361)	118.2%	1,311	(103.8%)
6/30/03	9,058	9,161	103	98.9%	1,330	7.7%

The valuation information as of June 30, 2004 was not yet available.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements

(Continued)

(13) Other Post-Employment Benefits

In addition to the pension benefits described in Note 11, the City provides post-retirement health care benefits, in accordance with Common Council approval, to all employees who retire from the City on or after reaching age 50 or over with at least five years of PERS-credited service. Currently, 294 retirees meet eligibility requirements and are receiving some type of benefit whether it be health, dental or life insurance. The amount the City provides on the behalf of retirees is dictated in the contracts or MOU's. Expenditures for post-retirement health care benefits are recognized as incurred. The City incurred expenditures totaling \$156,459 for the year ended June 30, 2005.

(14) Special Assessment Debt Without Government Commitment

Assessment District No. 961 issued \$12,450,000 of Improvement Refunding Bonds on December 15, 1986, Assessment District No. 977A issued \$683,000 Improvement Bonds on April 2, 1990, Assessment District No. 977B issued \$1,013,000 Improvement Bonds on April 2, 1991, and Assessment District No. 1003 issued \$857,000 on July 1, 1992; all 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, 2005, \$3,090,000 of Improvement Bonds remain outstanding.

(15) 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, 2005 include the Multifamily Housing Revenue Bonds (Highland Lutheran Senior Housing Project) 1995 Series for \$1,545,000 and the Multifamily Housing Revenue Bonds (Ramona Senior Complex Project) Series 1995 for \$1,360,000.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements

(Continued)

(16) 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.

(17) 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, 2005, the outstanding balance due from IVDA is \$37,730. 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. During the fiscal year ended June 30, 2005, the outstanding balance of the amount due from SBIAA was repaid. Additional financial information can be obtained by contacting SBIAA at 294 S. Leland Norton Way Suite 1, San Bernardino, CA 92408.

CITY OF SAN BERNARDINO

Notes to Basic Financial Statements

(Continued)

(17) Jointly Governed Organizations, (Continued)

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, 2005, the outstanding balance due from the Authority is \$735,450. Additional financial information can be obtained by contacting the Authority at 201 North "E" Street Third Floor, San Bernardino, CA 92401.

(18) Consent Decree

In 1996, the City's Water Department 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. On August 10, 2005 a Consent Decree was entered into between the United States of America and the City of San Bernardino. The settlement addresses ownership of improvements being constructed by EPA and provides for the payment of \$69 million to operate the remedy and defer costs of constructions of improvements necessary for the later operation of the remedy. Upon entry of the Consent Decree, the ownership of the Newmark and Muscoy extraction and treatment systems and appurtenant facilities were transferred to the City of San Bernardino Municipal Water Department (City) by the United States.

Pursuant to the Consent Decree an "Operation and Maintenance" (O&M) Escrow was established which is owned and managed by the City for activities required to operate and maintain the effectiveness of the Interim Remedial Action at the Newmark OU. The O&M escrow cannot be used to fund activities required to construct, operate or maintain the City's potable water supply system after the point of interconnection between the Newmark and/or Muscoy treatment systems and the City's potable water supply system, or any activities required to construct, operate or maintain other extraction and treatment facilities for the City's water supply.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements

(Continued)

(18) Consent Decree, (Continued)

Pursuant to the Consent Decree a "Construction Escrow", including interest or other returns actually earned on that account, was established to be owned and managed by the City for (i) funding construction of treatment and directly related transmission systems than expanded the City's capacity to deliver potable water to its residents, and (ii) funding for work performed by the City to complete the construction of the Muscoy OU extraction system. The City shall complete the construction of the Muscoy Operable Unit extraction system, first using \$6,249,000 currently obligated by the EPA for that purpose, and then using other funds, which the City may withdraw from the Construction Escrow. This escrow is not to be used for costs incurred by the City to operate, maintain, repair or retrofit components of the Newmark or Muscoy OU extraction and treatment systems that were constructed by the EPA.

This escrow will not be used to pay for cost of power incurred in excess of the City's production needs, the cost of land used for the Site treatment systems and appurtenances, the cost of insurance related to the Site, and the cost of permits required for the Site.

The City has recorded the escrow accounts as a liability, deferred revenue, and will recognize revenue as eligible expenses are incurred.

The City has purchased with the monies received as part of the Consent Decree an insurance policy which will cover costs incurred in years 30 to 50. It is anticipated that the funds remaining in the escrow accounts will be sufficient to pay for the first thirty years of costs. The insurance policy is recorded as a prepaid asset on the balance sheet of the City's Water Enterprise Fund. The asset will be amortized \$2 million a year.

(19) Prior Period Adjustments

The accompanying financial statements reflect certain adjustments which resulted in a restatement of net assets at beginning of year and in a restatement of certain beginning fund balances. The restatements are due to the following:

- a) To recognize August sales tax revenue in the year earned.
- b) The Section 108 Loan was entered into by the Agency with the proceeds being loaned to the developer to acquire the 303 building. In prior years, the receivable was not adjusted for the drawdowns received by the Agency and forwarded to the developer.

CITY OF SAN BERNARDINO
Notes to Basic Financial Statements
(Continued)

(19) Prior Period Adjustments, (Continued)

Government Wide Financial Statements

The following summarizes the effect of the prior period adjustments to the opening net assets as of June 30, 2004.

	<u>Governmental Activities</u>
Beginning net assets, as previously reported	\$123,033,601
a) To recognize August sales tax revenue in the year earned	2,848,400
b) Adjustment of a note receivable for funds received in the prior year	<u>605,000</u>
Beginning net assets, as restated	<u>\$126,487,001</u>

Fund Financial Statements

The following summarizes the effect of the prior period adjustment to the opening fund balance as of June 30, 2004.

	<u>General Fund</u>
Beginning net assets, as previously reported	\$12,478,374
a) To recognize August sales tax revenue in the year earned	<u>2,848,400</u>
Beginning net assets, as restated	<u>\$15,326,774</u>

	<u>Capital Projects Fund</u> <u>Economic Development Agency</u>
Beginning fund balance, as previously reported	\$51,132,143
b) Adjustment of a note receivable for funds received in the prior year	<u>605,000</u>
Beginning fund balance, as restated	<u>\$51,737,143</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF SAN BERNARDINO
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:					
Taxes:					
Sales and use tax	\$ 34,825,000	34,825,000	35,560,085	735,085	32,978,430
Utility users tax	22,215,900	22,215,900	22,477,545	261,645	21,802,368
Property taxes	17,464,200	17,464,200	18,574,168	1,109,968	8,787,965
Franchise tax	3,090,400	3,090,400	3,137,383	46,983	3,084,720
Transient occupancy tax	2,800,000	2,800,000	2,978,160	178,160	2,797,346
Property transfer tax	630,000	630,000	962,332	332,332	795,166
Total taxes	<u>81,025,500</u>	<u>81,025,500</u>	<u>83,689,673</u>	<u>2,664,173</u>	<u>70,245,995</u>
Licenses and permits:					
Business registration	4,830,000	4,830,000	5,331,167	501,167	4,808,603
Building permits	650,600	650,600	991,282	340,682	618,186
Mechanical permits	270,000	270,000	353,560	83,560	254,563
Onsite permits	315,000	315,000	617,857	302,857	291,009
Onsite plan check fees	150,000	150,000	334,553	184,553	148,306
Public works construction permit	200,000	200,000	221,464	21,464	219,585
Paramedics/EMS subscription	15,000	15,000	9,362	(5,638)	17,477
Street cut permit	85,000	85,000	38,565	(46,435)	126,328
Other	738,000	738,000	850,457	112,457	742,591
Total licenses and permits	<u>7,253,600</u>	<u>7,253,600</u>	<u>8,748,267</u>	<u>1,494,667</u>	<u>7,226,648</u>
Fines and forfeits:					
General fines	150,000	150,000	188,507	38,507	203,692
Parking citation	970,500	970,500	1,055,882	85,382	868,945
Fire citation	-	-	1,640	1,640	315
Vehicle abatement	3,500	3,500	5,314	1,814	176
Total fines and forfeits	<u>1,124,000</u>	<u>1,124,000</u>	<u>1,251,343</u>	<u>127,343</u>	<u>1,073,128</u>
Investment income:					
Investment income	400,000	400,000	728,231	328,231	218,568
Land and building rental	269,000	269,000	329,912	60,912	270,033
Other	87,000	87,000	51,103	(35,897)	-
Total investment income	<u>756,000</u>	<u>756,000</u>	<u>1,109,246</u>	<u>353,246</u>	<u>488,601</u>

(Continued)

CITY OF SAN BERNARDINO

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Intergovernmental:					
Motor vehicle in lieu tax	1,478,300	4,478,300	4,307,625	(170,675)	8,884,781
Homeowners exemption	156,500	156,500	147,318	(9,182)	156,542
State police training grants	5,000	5,000	7,060	2,060	4,157
State grants	384,800	384,800	305,991	(78,809)	417,310
Other	3,986,500	4,190,900	4,235,175	44,275	3,697,454
Total intergovernmental	6,011,100	9,215,500	9,003,169	(212,331)	13,160,244
Charges for services:					
Plan check fees	340,000	340,000	473,984	133,984	339,434
Paramedics/emergency medical services	1,109,000	1,109,000	645,636	(463,364)	779,282
Board up/demolition assessment	400,000	400,000	1,198,878	798,878	609,035
Storm drain utility fee	283,000	283,000	284,584	1,584	256,644
Weed abatement	300,000	300,000	490,903	190,903	322,678
Planning development projects	168,300	177,600	158,979	(18,621)	537,164
Sale of photos	140,000	140,000	129,667	(10,333)	139,279
Alarm system fee	55,000	55,000	53,005	(1,995)	54,013
Engineering fees	54,600	54,600	29,831	(24,769)	28,917
Miscellaneous police receipts	850,000	895,300	763,660	(131,640)	800,539
Swimming pool fees	93,300	93,300	59,407	(33,893)	50,273
Other charges	1,974,400	1,974,400	1,822,901	(151,499)	1,249,270
Total charges for services	5,767,600	5,822,200	6,111,435	289,235	5,166,528
Other revenues:					
Off track betting	180,000	180,000	154,677	(25,323)	198,217
Miscellaneous receipts	50,100	120,000	56,922	(63,078)	285,688
Other revenues	3,437,600	3,437,600	3,051,390	(386,210)	3,018,947
Total other revenues	3,667,700	3,737,600	3,262,989	(474,611)	3,502,852
Total revenues	105,605,500	108,934,400	113,176,122	4,241,722	100,863,996

(Continued)

CITY OF SAN BERNARDINO
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Expenditures:					
Current:					
General Government:					
Mayor:					
Personnel salaries and benefits	673,800	673,800	657,925	15,875	802,109
Other	320,000	328,200	231,911	96,289	178,771
Common council:					
Personnel salaries and benefits	357,900	357,900	336,810	21,090	327,521
Other	104,500	132,400	111,584	20,816	103,052
City clerk:					
Personnel salaries and benefits	930,100	930,100	930,405	(305)	877,597
Other	232,300	335,500	291,525	43,975	279,907
City treasurer:					
Personnel salaries and benefits	123,700	123,700	126,146	(2,446)	118,060
Other	23,200	23,200	21,804	1,396	19,661
City attorney:					
Personnel salaries and benefits	1,701,400	1,784,600	1,736,948	47,652	1,605,074
Other	739,800	866,100	796,984	69,116	801,511
City administrator:					
Personnel salaries and benefits	504,600	505,200	483,197	22,003	476,643
Other	77,200	77,200	53,491	23,709	50,349
Personnel:					
Personnel salaries and benefits	317,000	317,600	313,653	3,947	261,828
Other	61,500	61,500	49,049	12,451	68,793
Finance:					
Personnel salaries and benefits	987,300	993,900	829,316	164,584	895,901
Other	209,900	209,900	241,798	(31,898)	242,792
Civil service:					
Personnel salaries and benefits	179,900	180,600	184,443	(3,843)	179,221
Other	50,800	50,800	79,182	(28,382)	63,926
Code compliance:					
Personnel salaries and benefits	1,793,200	1,770,400	1,730,194	40,206	1,851,888
Other	1,215,200	1,291,400	1,109,378	182,022	1,010,413
Facilities Management:					
Personnel salaries and benefits	1,834,600	1,854,300	1,645,372	208,928	1,709,002
Other	2,085,900	2,718,100	2,657,704	60,396	1,597,083
Nondepartmental:					
Personnel salaries and benefits	2,830,000	821,900	163,728	658,172	(2,138,169)
Other	9,043,900	9,096,400	6,315,135	2,781,265	6,409,637
Total general government	<u>26,397,700</u>	<u>25,504,700</u>	<u>21,097,682</u>	<u>4,407,018</u>	<u>17,792,570</u>

(Continued)

CITY OF SAN BERNARDINO
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Public Safety:					
Police:					
Personnel salaries and benefits	43,402,600	44,420,500	42,526,058	1,894,442	39,669,609
Other	4,899,400	5,023,900	5,508,497	(484,597)	5,838,778
Fire:					
Personnel salaries and benefits	24,533,500	25,405,900	24,451,842	954,058	22,611,198
Other	2,162,000	2,379,700	2,192,878	186,822	1,586,485
Total public safety	<u>74,997,500</u>	<u>77,230,000</u>	<u>74,679,275</u>	<u>2,550,725</u>	<u>69,706,070</u>
Streets:					
Development services:					
Personnel salaries and benefits	2,009,400	2,035,300	1,951,425	83,875	2,347,202
Other	480,100	612,900	523,062	89,838	978,097
Public services:					
Personnel salaries and benefits	2,594,800	2,628,800	2,652,418	(23,618)	2,380,085
Other	3,252,600	3,320,300	3,239,892	80,408	2,306,589
Total streets	<u>8,336,900</u>	<u>8,597,300</u>	<u>8,366,797</u>	<u>230,503</u>	<u>8,011,973</u>
Culture and recreation:					
Park, recreation and community services:					
Personnel salaries and benefits	3,262,200	3,296,000	2,953,633	342,367	3,081,567
Other	2,190,700	2,233,300	2,152,417	80,883	2,040,756
Total culture and recreation	<u>5,452,900</u>	<u>5,529,300</u>	<u>5,106,050</u>	<u>423,250</u>	<u>5,122,323</u>
Community Development:					
Planning, plan check and building inspection:					
Personnel salaries and benefits	1,513,900	1,528,400	1,508,993	19,407	1,257,664
Other	395,300	983,200	720,754	262,446	438,888
Total community development	<u>1,909,200</u>	<u>2,511,600</u>	<u>2,229,747</u>	<u>281,853</u>	<u>1,696,552</u>
Debt Service - other:					
Principal	681,800	681,800	797,692	(115,892)	1,710,540
Interest	496,200	448,500	1,193,931	(745,431)	1,463,426
Total debt service	<u>1,178,000</u>	<u>1,130,300</u>	<u>1,991,623</u>	<u>(861,323)</u>	<u>3,173,966</u>
Total expenditures	<u>118,272,200</u>	<u>120,503,200</u>	<u>113,471,174</u>	<u>7,032,026</u>	<u>105,503,454</u>

(Continued)

CITY OF SAN BERNARDINO
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Excess of (deficiency) of revenues over (under) expenditures	(12,666,700)	(11,568,800)	(295,052)	11,273,748	(4,639,458)
Other financing sources (uses):					
Issuance of long-term debt	-	-	668,820	668,820	1,800,000
Transfers in	-	7,443,900	7,561,882	117,982	7,335,428
Transfers out	-	(3,544,800)	(5,022,054)	(1,477,254)	(4,907,679)
Total other financing sources (uses):	-	3,899,100	3,208,648	(690,452)	4,227,749
Net change in fund balances	(12,666,700)	(7,669,700)	2,913,596	10,583,296	(411,709)
Fund balances at beginning of year, as restated	15,326,774	15,326,774	15,326,774	-	12,890,083
Fund balances at end of year	<u>\$ 2,660,074</u>	<u>7,657,074</u>	<u>18,240,370</u>	<u>10,583,296</u>	<u>12,478,374</u>

CITY OF SAN BERNARDINO
Federal and State Programs Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:					
Investment income	\$ -	-	6,991	6,991	434
Intergovernmental revenues	7,122,200	7,122,200	10,562,694	3,440,494	17,235,063
Other revenues	-	-	-	-	25
Total revenues	<u>7,122,200</u>	<u>7,122,200</u>	<u>10,569,685</u>	<u>3,447,485</u>	<u>17,235,522</u>
Expenditures:					
Current:					
General government - salaries and other	18,600	18,600	163,355	(144,755)	113,297
Public safety - salaries and other	2,551,800	2,551,800	2,123,519	428,281	2,441,451
Culture and recreation - salaries and other	-	-	335,221	(335,221)	256,021
Community development - salaries and other	-	-	788,626	(788,626)	7,933,703
Community service - salaries and other	4,551,800	4,551,800	4,299,772	252,028	6,977,775
Total expenditures	<u>7,122,200</u>	<u>7,122,200</u>	<u>7,710,493</u>	<u>(588,293)</u>	<u>17,722,247</u>
Net change in fund balances	-	-	2,859,192	2,859,192	(486,725)
Fund balances (deficit) at beginning of year	(3,465,509)	(3,465,509)	(3,465,509)	-	(2,978,784)
Fund balances (deficit) at end of year	<u>\$ (3,465,509)</u>	<u>(3,465,509)</u>	<u>(606,317)</u>	<u>2,859,192</u>	<u>(3,465,509)</u>

CITY OF SAN BERNARDINO
Economic Development Agency Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:					
Investment income	\$ 577,285	577,285	749,263	171,978	909,819
Intergovernmental revenues	11,855,123	11,855,123	6,102,486	(5,752,637)	6,686,764
Other	6,000	6,000	1,887,070	1,881,070	3,643,942
Total revenues	<u>12,438,408</u>	<u>12,438,408</u>	<u>8,738,819</u>	<u>(3,699,589)</u>	<u>11,240,525</u>
Expenditures:					
Current:					
Community development:					
Personnel salaries and benefits	434,436	434,436	409,734	24,702	457,758
Other	10,940,428	10,940,428	5,785,503	5,154,925	5,991,657
Economic development:					
Personnel salaries and benefits	357,223	357,223	518,641	(161,418)	642,857
Other	11,443,323	11,443,323	4,749,325	6,693,998	2,546,507
Debt service - other:					
Principal	255,000	255,000	602,969	(347,969)	2,212,270
Interest and fiscal charges	175,000	175,000	6,287	168,713	314,662
Total expenditures	<u>23,605,408</u>	<u>23,605,408</u>	<u>12,072,458</u>	<u>11,532,950</u>	<u>12,165,711</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,167,000)</u>	<u>(11,167,000)</u>	<u>(3,333,639)</u>	<u>7,833,361</u>	<u>(925,186)</u>
Other financing sources (uses):					
Transfers in	11,167,000	11,167,000	4,513,118	(6,653,882)	6,773,791
Transfers out	-	-	(485,908)	(485,908)	(4,453,163)
Issuance of debt	-	-	-	-	170,000
Total other financing sources (uses)	<u>11,167,000</u>	<u>11,167,000</u>	<u>4,027,210</u>	<u>(7,139,790)</u>	<u>2,490,628</u>
Net change in fund balances	-	-	693,571	693,571	1,565,442
Fund balances at beginning of year	<u>27,348,520</u>	<u>27,348,520</u>	<u>27,348,520</u>	-	<u>25,783,078</u>
Fund balances at end of year	<u>\$ 27,348,520</u>	<u>27,348,520</u>	<u>28,042,091</u>	<u>693,571</u>	<u>27,348,520</u>

CITY OF SAN BERNARDINO

Notes to Required Supplementary Information

Year ended June 30, 2005

(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 for all Governmental Fund Types.

The city administrator 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 \$2,231,000.

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.

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.

CITY OF SAN BERNARDINO

Notes to Required Supplementary Information

Year ended June 30, 2005

(1) Budgetary Control and Accounting, (Continued)

Expenditures in Excess of Appropriations

The General Fund reported an excess of expenditures over appropriations as follows at June 30, 2005:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- (Unfavorable)</u>
General Fund:			
City clerk – personnel, salaries and benefits	\$930,100	930,405	(305)
City treasurer – personnel, salaries and benefits	123,700	126,146	(2,446)
Finance – other	209,900	241,798	(31,898)
Civil service – personnel, salaries and benefits	180,600	184,443	(3,843)
Civil service – other	50,800	79,182	(28,382)
Police – other	5,023,900	5,508,497	(484,597)
Public services – personnel, salaries and benefits	2,628,800	2,652,418	(23,618)
Special Revenue Funds:			
Federal and state programs – salaries, and other	7,122,200	7,710,493	(588,293)

Fund Deficit

Deficit Amount

Special Revenue Fund:

Federal and State Programs

\$606,317

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SUPPLEMENTARY SCHEDULES

CITY OF SAN BERNARDINO
Nonmajor Governmental Funds

Combining Balance Sheet

Year Ended June 30, 2005

	Special Revenue	Debt Service	Capital Projects	Totals
<u>Assets</u>				
Assets:				
Cash and investments	\$ 9,801,303	377,433	14,922,061	25,100,797
Cash and investments with fiscal agent	-	103,418	170,668	274,086
Receivables:				
Accounts	64,122	-	-	64,122
Interest	122,180	2,517	113,349	238,046
Special assessments	-	2,374,234	-	2,374,234
Due from other governmental agencies	1,720,367	2,686	412,938	2,135,991
Advances to other funds	145,000	-	145,000	290,000
Other assets	-	-	214,671	214,671
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 11,852,972</u>	<u>2,860,288</u>	<u>15,978,687</u>	<u>30,691,947</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 494,763	-	445,843	940,606
Due to other funds	258,078	2,209	2,337,937	2,598,224
Deposits payable	-	-	38,257	38,257
Retentions payable	-	-	365,112	365,112
Deferred revenue	-	2,374,234	24,955	2,399,189
Advances from other funds	-	2,075,000	-	2,075,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>752,841</u>	<u>4,451,443</u>	<u>3,212,104</u>	<u>8,416,388</u>
Fund balances:				
Reserved for:				
Encumbrances	3,322,100	-	814,700	4,136,800
Debt service	-	484,543	-	484,543
Grant restrictions	-	-	-	-
Advances to other funds	145,000	-	145,000	290,000
Long-term receivables	-	-	327,011	327,011
Sewer capacity rights	-	-	214,671	214,671
Petty cash	1,925	-	-	1,925
Unreserved:				
Designated for continuing appropriations	131,200	-	-	131,200
Undesignated	7,499,906	(2,075,698)	11,265,201	16,689,409
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficit)	<u>11,100,131</u>	<u>(1,591,155)</u>	<u>12,766,583</u>	<u>22,275,559</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 11,852,972</u>	<u>2,860,288</u>	<u>15,978,687</u>	<u>30,691,947</u>

CITY OF SAN BERNARDINO
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2005

	Special Revenue	Debt Service	Capital Projects	Totals
Revenues:				
Taxes	\$ -	701,692	686,643	1,388,335
Licenses and permits	375,573	-	461,692	837,265
Fines and forfeits	723,191	-	-	723,191
Investment income	319,849	13,623	371,755	705,227
Intergovernmental revenues	6,702,855	-	3,562,328	10,265,183
Charges for services	4,374,911	-	2,960,982	7,335,893
Other revenues	561,811	-	5,533,032	6,094,843
	<u>13,058,190</u>	<u>715,315</u>	<u>13,576,432</u>	<u>27,349,937</u>
Total revenues				
Expenditures:				
Current:				
General government	444,532	19,481	-	464,013
Public safety	785,284	-	2,272,132	3,057,416
Streets	4,690,380	-	6,539,229	11,229,609
Culture and recreation	739,940	-	806,040	1,545,980
Community service	4,314,114	-	-	4,314,114
Debt Service:				
Principal	-	65,000	-	65,000
Interest	-	278,040	-	278,040
	<u>10,974,250</u>	<u>362,521</u>	<u>9,617,401</u>	<u>20,954,172</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>2,083,940</u>	<u>352,794</u>	<u>3,959,031</u>	<u>6,395,765</u>
Other financing sources (uses):				
Issuance of debt	-	-	1,524,334	1,524,334
Transfers in	2,936,886	-	200,000	3,136,886
Transfers out	(4,031,459)	-	(827,023)	(4,858,482)
	<u>(1,094,573)</u>	<u>-</u>	<u>897,311</u>	<u>(197,262)</u>
Total other financing sources (uses)				
Net change in fund balances	989,367	352,794	4,856,342	6,198,503
Fund balances (deficit) at beginning of year	<u>10,110,764</u>	<u>(1,943,949)</u>	<u>7,910,241</u>	<u>16,077,056</u>
Fund balances (deficit) at end of year	<u>\$ 11,100,131</u>	<u>(1,591,155)</u>	<u>12,766,583</u>	<u>22,275,559</u>

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

Cable TV

For the cost of operating the City's cable TV station, including program production costs, from related revenues and ongoing General Fund contributions

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

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

Nonmajor Special Revenue Funds, (Continued)

Sales and Road

For local street improvement 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.

CITY OF SAN BERNARDINO
Nonmajor Special Revenue Funds

Combining Balance Sheet

June 30, 2005

	<u>Library</u>	<u>Cemetery</u>	<u>Cable TV</u>
<u>Assets</u>			
Cash and investments	\$ 365	1,709	82,400
Receivables:			
Accounts	92	-	27,784
Interest	-	4,517	51,348
Due from other governmental agencies	-	-	-
Advances to other funds	-	-	-
	<u>457</u>	<u>6,226</u>	<u>161,532</u>
 <u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 457	4,338	131
Due to other funds	-	-	79,001
	<u>457</u>	<u>4,338</u>	<u>79,132</u>
 Fund balances:			
Reserved for:			
Encumbrances	-	-	5,600
Grant restrictions	-	-	-
Advances to other funds	-	-	-
Petty cash	275	25	-
Unreserved:			
Designated for continuing appropriations	-	-	76,800
Undesignated	(275)	1,863	-
	<u>-</u>	<u>1,888</u>	<u>82,400</u>
Total fund balances	<u>-</u>	<u>1,888</u>	<u>82,400</u>
Total liabilities and fund balances	<u>\$ 457</u>	<u>6,226</u>	<u>161,532</u>

<u>Asset Seizure</u>	<u>Alternative Transportation</u>	<u>Animal Control</u>	<u>Traffic Congestion</u>	<u>Special Gas Tax</u>
269,632	44,643	925	3,924	1,034,574
-	-	2,969	-	-
1,833	304	-	27	7,035
-	57,770	69,256	-	325,949
-	-	-	-	-
<u>271,465</u>	<u>102,717</u>	<u>73,150</u>	<u>3,951</u>	<u>1,367,558</u>
17,595	2,116	19,414	2,050	219,223
<u>41,665</u>	<u>-</u>	<u>53,736</u>	<u>-</u>	<u>-</u>
<u>59,260</u>	<u>2,116</u>	<u>73,150</u>	<u>2,050</u>	<u>219,223</u>
1,200	497,400	-	9,000	-
-	-	-	-	-
-	-	-	-	-
-	-	925	-	-
16,800	1,100	-	-	-
<u>194,205</u>	<u>(397,899)</u>	<u>(925)</u>	<u>(7,099)</u>	<u>1,148,335</u>
<u>212,205</u>	<u>100,601</u>	<u>-</u>	<u>1,901</u>	<u>1,148,335</u>
<u>271,465</u>	<u>102,717</u>	<u>73,150</u>	<u>3,951</u>	<u>1,367,558</u>

(Continued)

CITY OF SAN BERNARDINO
Nonmajor Special Revenue Funds

Combining Balance Sheet

(Continued)

	Traffic Safety	Sewerline Maintenance	Sales and Road
<u>Assets</u>			
Cash and investments	\$ -	3,328,802	4,683,195
Receivables:			
Accounts	-	130	100
Interest	-	22,636	32,097
Due from other governmental agencies	58,517	721,010	487,865
Advances to other funds	-	145,000	-
 Total assets	 \$ 58,517	 4,217,578	 5,203,257
 <u>Liabilities and fund balances</u>			
Liabilities:			
Accounts payable	\$ -	65,947	115,804
Due to other funds	58,517	-	-
 Total liabilities	 58,517	 65,947	 115,804
 Fund balances:			
Reserved for:			
Encumbrances	-	4,400	2,799,200
Grant restrictions	-	-	-
Advances to other funds	-	145,000	-
Petty cash	-	-	-
Unreserved:			
Designated for continuing appropriations	-	24,500	-
Undesignated	-	3,977,731	2,288,253
 Total fund balances	 -	 4,151,631	 5,087,453
 Total liabilities and fund balances	 \$ 58,517	 4,217,578	 5,203,257

<u>Baseball Stadium</u>	<u>Soccer Field</u>	<u>IVDA</u>	<u>Totals</u>
-	700	350,434	9,801,303
33,047	-	-	64,122
-	-	2,383	122,180
-	-	-	1,720,367
-	-	-	145,000
<u>33,047</u>	<u>700</u>	<u>352,817</u>	<u>11,852,972</u>
22,686	25,002	-	494,763
<u>10,361</u>	<u>14,798</u>	<u>-</u>	<u>258,078</u>
<u>33,047</u>	<u>39,800</u>	<u>-</u>	<u>752,841</u>
-	5,300	-	3,322,100
-	-	-	-
-	-	-	145,000
-	700	-	1,925
-	12,000	-	131,200
-	<u>(57,100)</u>	<u>352,817</u>	<u>7,499,906</u>
-	<u>(39,100)</u>	<u>352,817</u>	<u>11,100,131</u>
<u>33,047</u>	<u>700</u>	<u>352,817</u>	<u>11,852,972</u>

CITY OF SAN BERNARDINO
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2004

	Library	Cemetery	Cable TV
Revenues:			
Licenses and permits	\$ -	-	-
Fines and forfeits	-	-	-
Investment income	-	15,748	-
Intergovernmental revenues	78,971	-	-
Charges for services	84,952	152,659	-
Other revenues	-	-	92,177
Total revenues	163,923	168,407	92,177
Expenditures:			
Current:			
General government	-	-	353,353
Public safety	-	-	-
Streets	-	-	-
Culture and recreation	-	-	-
Community service	2,390,055	166,544	-
Total expenditures	2,390,055	166,544	353,353
Excess (deficiency) of revenues over (under) expenditures	(2,226,132)	1,863	(261,176)
Other financing sources (uses):			
Transfers in	2,224,957	-	332,276
Transfers out	-	-	-
Total other financing sources (uses)	2,224,957	-	332,276
Net change in fund balances	(1,175)	1,863	71,100
Fund balances at beginning of year	1,175	25	11,300
Fund balances (deficit) at end of year	\$ -	1,888	82,400

<u>Asset Seizure</u>	<u>Alternative Transportation</u>	<u>Animal Control</u>	<u>Traffic Congestion</u>	<u>Special Gas Tax</u>
-	-	375,573	-	-
-	-	73,232	-	-
11,873	1,616	-	2,695	33,521
29,490	235,451	-	-	3,700,015
-	-	870,157	-	-
<u>161,318</u>	<u>5,000</u>	<u>11,186</u>	<u>-</u>	<u>11,913</u>
<u>202,681</u>	<u>242,067</u>	<u>1,330,148</u>	<u>2,695</u>	<u>3,745,449</u>
-	91,179	-	-	-
785,284	-	-	-	-
-	-	-	243,073	840,992
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>1,543,608</u>	<u>-</u>	<u>-</u>
<u>785,284</u>	<u>91,179</u>	<u>1,543,608</u>	<u>243,073</u>	<u>840,992</u>
<u>(582,603)</u>	<u>150,888</u>	<u>(213,460)</u>	<u>(240,378)</u>	<u>2,904,457</u>
-	-	212,410	-	-
<u>-</u>	<u>(181,500)</u>	<u>-</u>	<u>-</u>	<u>(2,810,000)</u>
<u>-</u>	<u>(181,500)</u>	<u>212,410</u>	<u>-</u>	<u>(2,810,000)</u>
(582,603)	(30,612)	(1,050)	(240,378)	94,457
<u>794,808</u>	<u>131,213</u>	<u>1,050</u>	<u>242,279</u>	<u>1,053,878</u>
<u>212,205</u>	<u>100,601</u>	<u>-</u>	<u>1,901</u>	<u>1,148,335</u>

(Continued)

CITY OF SAN BERNARDINO
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

(Continued)

	Traffic Safety	Sewerline Maintenance	Sales and Road
Revenues:			
Licenses and permits	\$ -	-	-
Fines and forfeits	649,959	-	-
Investment income	-	85,596	108,227
Intergovernmental revenues	-	-	2,658,928
Charges for services	-	2,830,089	-
Other revenues	-	-	<u>111,549</u>
Total revenues	<u>649,959</u>	<u>2,915,685</u>	<u>2,878,704</u>
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Streets	-	1,522,436	2,083,879
Culture and recreation	-	-	-
Community service	-	-	<u>213,907</u>
Total expenditures	<u>-</u>	<u>1,522,436</u>	<u>2,297,786</u>
Excess (deficiency) of revenues over (under) expenditures	<u>649,959</u>	<u>1,393,249</u>	<u>580,918</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	<u>(649,959)</u>	<u>(175,000)</u>	<u>(215,000)</u>
Total other financing sources (uses)	<u>(649,959)</u>	<u>(175,000)</u>	<u>(215,000)</u>
Net change in fund balances	-	1,218,249	365,918
Fund balances at beginning of year	<u>-</u>	<u>2,933,382</u>	<u>4,721,535</u>
Fund balances at end of year	<u>\$ -</u>	<u>4,151,631</u>	<u>5,087,453</u>

<u>Baseball Stadium</u>	<u>Soccer Field</u>	<u>IVDA</u>	<u>Totals</u>
-	-	-	375,573
-	-	-	723,191
-	51,978	8,595	319,849
-	-	-	6,702,855
-	302,779	134,275	4,374,911
<u>168,668</u>	<u>-</u>	<u>-</u>	<u>561,811</u>
<u>168,668</u>	<u>354,757</u>	<u>142,870</u>	<u>13,058,190</u>
-	-	-	444,532
-	-	-	785,284
-	-	-	4,690,380
343,211	396,729	-	739,940
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,314,114</u>
<u>343,211</u>	<u>396,729</u>	<u>-</u>	<u>10,974,250</u>
<u>(174,543)</u>	<u>(41,972)</u>	<u>142,870</u>	<u>2,083,940</u>
167,243	-	-	2,936,886
<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,031,459)</u>
<u>167,243</u>	<u>-</u>	<u>-</u>	<u>(1,094,573)</u>
(7,300)	(41,972)	142,870	989,367
<u>7,300</u>	<u>2,872</u>	<u>209,947</u>	<u>10,110,764</u>
<u>-</u>	<u>(39,100)</u>	<u>352,817</u>	<u>11,100,131</u>

CITY OF SAN BERNARDINO
Library Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Intergovernmental revenues	\$ 87,200	78,971	(8,229)	87,187
Charges for services	<u>86,000</u>	<u>84,952</u>	<u>(1,048)</u>	<u>86,167</u>
Total revenues	<u>173,200</u>	<u>163,923</u>	<u>(9,277)</u>	<u>173,354</u>
Expenditures:				
Current:				
Community service:				
Personnel salaries and benefits	1,880,800	1,803,385	77,415	1,714,444
Other	<u>607,600</u>	<u>586,670</u>	<u>20,930</u>	<u>592,128</u>
Total expenditures	<u>2,488,400</u>	<u>2,390,055</u>	<u>98,345</u>	<u>2,306,572</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,315,200)</u>	<u>(2,226,132)</u>	<u>89,068</u>	<u>(2,133,218)</u>
Other financing sources (uses):				
Transfers in	<u>2,314,300</u>	<u>2,224,957</u>	<u>(89,343)</u>	<u>2,134,393</u>
Total other financing sources (uses)	<u>2,314,300</u>	<u>2,224,957</u>	<u>(89,343)</u>	<u>2,134,393</u>
Net change in fund balances	(900)	(1,175)	(275)	1,175
Fund balances at beginning of year	<u>1,175</u>	<u>1,175</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ 275</u>	<u>-</u>	<u>(275)</u>	<u>1,175</u>

CITY OF SAN BERNARDINO
Cemetery Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ 16,000	15,748	(252)	12,643
Charges for services	164,400	152,659	(11,741)	160,817
Other revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Total revenues	<u>180,400</u>	<u>168,407</u>	<u>(11,993)</u>	<u>175,460</u>
Expenditures:				
Current:				
Community service:				
Personnel salaries and benefits	78,600	86,416	(7,816)	139,976
Other	<u>90,700</u>	<u>80,128</u>	<u>10,572</u>	<u>41,601</u>
Total expenditures	<u>169,300</u>	<u>166,544</u>	<u>2,756</u>	<u>181,577</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,100</u>	<u>1,863</u>	<u>(9,237)</u>	<u>(6,117)</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,142</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,142</u>
Net change in fund balances	11,100	1,863	(9,237)	25
Fund balances at beginning of year	<u>25</u>	<u>25</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ 11,125</u>	<u>1,888</u>	<u>(9,237)</u>	<u>25</u>

CITY OF SAN BERNARDINO
Cable TV Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Other revenues	\$ 100,300	92,177	(8,123)	76,093
Total revenues	100,300	92,177	(8,123)	76,093
Expenditures:				
Current:				
General government:				
Personnel salaries and benefits	334,500	280,377	54,123	350,660
Other	179,000	72,976	106,024	196,190
Total expenditures	513,500	353,353	160,147	546,850
Excess (deficiency) of revenues over (under) expenditures	(413,200)	(261,176)	152,024	(470,757)
Other financing sources (uses):				
Transfers in	401,900	332,276	(69,624)	459,783
Total other financing sources (uses)	401,900	332,276	(69,624)	459,783
Net change in fund balances	(11,300)	71,100	82,400	(10,974)
Fund balances at beginning of year	11,300	11,300	-	22,274
Fund balances at end of year	\$ -	82,400	82,400	11,300

CITY OF SAN BERNARDINO
Asset Seizure Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ 30,000	11,873	(18,127)	18,139
Intergovernmental revenues	67,000	29,490	(37,510)	63,429
Other revenues	<u>420,000</u>	<u>161,318</u>	<u>(258,682)</u>	<u>437,883</u>
Total revenues	<u>517,000</u>	<u>202,681</u>	<u>(314,319)</u>	<u>519,451</u>
Expenditures:				
Current:				
Public safety:				
Personnel salaries and benefits	227,600	227,600	-	50,000
Other	<u>645,900</u>	<u>557,684</u>	<u>88,216</u>	<u>468,550</u>
Total expenditures	<u>873,500</u>	<u>785,284</u>	<u>88,216</u>	<u>518,550</u>
Net change in fund balances	(356,500)	(582,603)	(226,103)	901
Fund balances at beginning of year	<u>794,808</u>	<u>794,808</u>	-	<u>793,907</u>
Fund balances at end of year	<u>\$ 438,308</u>	<u>212,205</u>	<u>(226,103)</u>	<u>794,808</u>

CITY OF SAN BERNARDINO
Alternative Transportation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ 3,100	1,616	(1,484)	1,834
Intergovernmental revenues	225,000	235,451	10,451	228,012
Other revenues	3,000	5,000	2,000	3,045
 Total revenues	 <u>231,100</u>	 <u>242,067</u>	 <u>10,967</u>	 <u>232,891</u>
Expenditures:				
Current:				
General government:				
Personnel salaries and benefits	60,500	60,588	(88)	55,550
Other	47,100	30,591	16,509	36,476
 Total expenditures	 <u>107,600</u>	 <u>91,179</u>	 <u>16,421</u>	 <u>92,026</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>123,500</u>	 <u>150,888</u>	 <u>27,388</u>	 <u>140,865</u>
Other financing sources (uses):				
Transfers out	(181,500)	(181,500)	-	(181,500)
 Total other financing sources (uses)	 <u>(181,500)</u>	 <u>(181,500)</u>	 <u>-</u>	 <u>(181,500)</u>
 Net change in fund balances	 (58,000)	 (30,612)	 27,388	 (40,635)
 Fund balances at beginning of year	 <u>131,213</u>	 <u>131,213</u>	 <u>-</u>	 <u>171,848</u>
 Fund balances at end of year	 <u>\$ 73,213</u>	 <u>100,601</u>	 <u>27,388</u>	 <u>131,213</u>

CITY OF SAN BERNARDINO
Animal Control Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Licenses and permits	\$ 365,800	375,573	9,773	338,932
Fines and forfeits	60,700	73,232	12,532	58,785
Charges for services	825,700	870,157	44,457	803,254
Other revenues	2,300	11,186	8,886	1,976
	<u>1,254,500</u>	<u>1,330,148</u>	<u>75,648</u>	<u>1,202,947</u>
Total revenues				
Expenditures:				
Current:				
Community service:				
Personnel salaries and benefits	1,186,500	1,118,708	67,792	1,054,590
Other	439,800	424,900	14,900	442,648
	<u>1,626,300</u>	<u>1,543,608</u>	<u>82,692</u>	<u>1,497,238</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(371,800)</u>	<u>(213,460)</u>	<u>158,340</u>	<u>(294,291)</u>
Other financing sources (uses):				
Transfers in	371,800	212,410	(159,390)	295,341
	<u>371,800</u>	<u>212,410</u>	<u>(159,390)</u>	<u>295,341</u>
Total other financing sources (uses)				
Net change in fund balances	-	(1,050)	(1,050)	1,050
Fund balances at beginning of year	1,050	1,050	-	-
Fund balances at end of year	<u>\$ 1,050</u>	<u>-</u>	<u>(1,050)</u>	<u>1,050</u>

CITY OF SAN BERNARDINO
Traffic Congestion Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 8,000	2,695	(5,305)	6,514
Intergovernmental revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>8,000</u>	<u>2,695</u>	<u>(5,305)</u>	<u>6,514</u>
 Expenditures:				
Current:				
Streets - other	<u>241,300</u>	<u>243,073</u>	<u>(1,773)</u>	<u>129,868</u>
Total expenditures	<u>241,300</u>	<u>243,073</u>	<u>(1,773)</u>	<u>129,868</u>
Net change in fund balances	(233,300)	(240,378)	(7,078)	(123,354)
Fund balances at beginning of year	<u>242,279</u>	<u>242,279</u>	<u>-</u>	<u>365,633</u>
Fund balances at end of year	<u>\$ 8,979</u>	<u>1,901</u>	<u>(7,078)</u>	<u>242,279</u>

CITY OF SAN BERNARDINO
Special Gas Tax Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ 45,000	33,521	(11,479)	17,482
Intergovernmental revenues	3,770,000	3,700,015	(69,985)	3,575,348
Other revenues	330,000	11,913	(318,087)	-
Total revenues	<u>4,145,000</u>	<u>3,745,449</u>	<u>(399,551)</u>	<u>3,592,830</u>
Expenditures:				
Current:				
Streets - other	2,785,300	840,992	1,944,308	1,274,783
Total expenditures	<u>2,785,300</u>	<u>840,992</u>	<u>1,944,308</u>	<u>1,274,783</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,359,700</u>	<u>2,904,457</u>	<u>1,544,757</u>	<u>2,318,047</u>
Other financing sources (uses):				
Transfers in	-	-	-	9,522
Transfers out	(2,810,000)	(2,810,000)	-	(2,810,000)
Total other financing sources (uses)	<u>(2,810,000)</u>	<u>(2,810,000)</u>	<u>-</u>	<u>(2,800,478)</u>
Net change in fund balances	<u>(1,450,300)</u>	<u>94,457</u>	<u>1,544,757</u>	<u>(482,431)</u>
Fund balances at beginning of year	<u>1,053,878</u>	<u>1,053,878</u>	<u>-</u>	<u>1,536,309</u>
Fund balances at end of year	<u>\$ (396,422)</u>	<u>1,148,335</u>	<u>1,544,757</u>	<u>1,053,878</u>

CITY OF SAN BERNARDINO
Traffic Safety Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Fines and forfeits	\$ 585,000	649,959	64,959	626,597
Total revenues	<u>585,000</u>	<u>649,959</u>	<u>64,959</u>	<u>626,597</u>
Expenditures	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>585,000</u>	<u>649,959</u>	<u>64,959</u>	<u>626,597</u>
Other financing sources (uses):				
Transfers out	<u>(585,000)</u>	<u>(649,959)</u>	<u>(64,959)</u>	<u>(626,597)</u>
Total other financing sources (uses)	<u>(585,000)</u>	<u>(649,959)</u>	<u>(64,959)</u>	<u>(626,597)</u>
Net change in fund balances	-	-	-	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

CITY OF SAN BERNARDINO
Sewerline Maintenance Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 96,000	85,596	(10,404)	64,219
Charges for services	<u>2,032,200</u>	<u>2,830,089</u>	<u>797,889</u>	<u>1,300,936</u>
Total revenues	<u>2,128,200</u>	<u>2,915,685</u>	<u>787,485</u>	<u>1,365,155</u>
Expenditures:				
Current:				
Streets:				
Personnel salaries and benefits	724,700	781,898	(57,198)	662,569
Other	<u>1,593,000</u>	<u>740,538</u>	<u>852,462</u>	<u>765,020</u>
Total expenditures	<u>2,317,700</u>	<u>1,522,436</u>	<u>795,264</u>	<u>1,427,589</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(189,500)</u>	<u>1,393,249</u>	<u>1,582,749</u>	<u>(62,434)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>	<u>(150,000)</u>
Total other financing sources (uses)	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>	<u>(150,000)</u>
Net change in fund balances	(364,500)	1,218,249	1,582,749	(212,434)
Fund balances at beginning of year	<u>2,933,382</u>	<u>2,933,382</u>	<u>-</u>	<u>3,145,816</u>
Fund balances at end of year	<u>\$ 2,568,882</u>	<u>4,151,631</u>	<u>1,582,749</u>	<u>2,933,382</u>

CITY OF SAN BERNARDINO
Sales and Road Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ 130,000	108,227	(21,773)	91,627
Intergovernmental revenues	2,485,000	2,658,928	173,928	2,723,292
Other revenues	627,900	111,549	(516,351)	71,100
Total revenues	3,242,900	2,878,704	(364,196)	2,886,019
Expenditures:				
Current:				
Streets - other	8,175,200	2,083,879	6,091,321	1,868,641
Community service:				
Personnel salaries and benefits	-	213,907	(213,907)	226,556
Total expenditures	8,175,200	2,297,786	5,877,414	2,095,197
Excess (deficiency) of revenues over (under) expenditures	(4,932,300)	580,918	5,513,218	790,822
Other financing sources (uses):				
Transfers out	(215,000)	(215,000)	-	(215,000)
Total other financing sources (uses)	(215,000)	(215,000)	-	(215,000)
Net change in fund balances	(5,147,300)	365,918	5,513,218	575,822
Fund balances at beginning of year	4,721,535	4,721,535	-	4,145,713
Fund balances at end of year	\$ (425,765)	5,087,453	5,513,218	4,721,535

CITY OF SAN BERNARDINO
Baseball Stadium Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ 800	-	(800)	910
Other revenues	165,000	168,668	3,668	180,170
Total revenues	165,800	168,668	2,868	181,080
Expenditures:				
Current:				
Culture and recreation:				
Personnel salaries and benefits	136,200	168,605	(32,405)	152,369
Other	228,700	174,606	54,094	137,531
Total expenditures	364,900	343,211	21,689	289,900
Excess (deficiency) of revenues over (under) expenditures	(199,100)	(174,543)	24,557	(108,820)
Other financing sources (uses):				
Transfers in	191,800	167,243	(24,557)	109,920
Total other financing sources (uses)	191,800	167,243	(24,557)	109,920
Net change in fund balances	(7,300)	(7,300)	-	1,100
Fund balances at beginning of year	7,300	7,300	-	6,200
Fund balances at end of year	\$ -	-	-	7,300

CITY OF SAN BERNARDINO
Soccer Field Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ 181,400	51,978	(129,422)	209,579
Charges for services	307,600	302,779	(4,821)	79,580
Total revenues	<u>489,000</u>	<u>354,757</u>	<u>(134,243)</u>	<u>289,159</u>
Expenditures:				
Current:				
Culture and recreation:				
Personnel salaries and benefits	103,000	72,827	30,173	119,438
Other	405,000	323,902	81,098	186,859
Total expenditures	<u>508,000</u>	<u>396,729</u>	<u>111,271</u>	<u>306,297</u>
Net change in fund balances	<u>(19,000)</u>	<u>(41,972)</u>	<u>(22,972)</u>	<u>(17,138)</u>
Fund balances at beginning of year	<u>2,872</u>	<u>2,872</u>	<u>-</u>	<u>20,010</u>
Fund balances (deficit) at end of year	<u>\$ (16,128)</u>	<u>(39,100)</u>	<u>(22,972)</u>	<u>2,872</u>

CITY OF SAN BERNARDINO
IVDA Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ -	8,595	8,595	4,422
Charges for services	-	134,275	134,275	205,525
Total revenues	-	142,870	142,870	209,947
Expenditures:	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	142,870	142,870	209,947
Fund balances at beginning of year	209,947	209,947	-	-
Fund balances at end of year	\$ 209,947	352,817	142,870	209,947

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Debt Service Funds

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

Nonmajor Funds

Assessment District #971

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

Assessment District #985

For the collection of assessment from property owners and for the remittance of such assessment 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 assessment from property owners and for the remittance of such assessment to 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 assessment from property owners and for the remittance of such assessment 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

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

Fire Station

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

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
Nonmajor Debt Service Funds

Combining Balance Sheet

June 30, 2005

	Assessment District #971	Assessment District # 985	Assessment District # 987	Assessment District # 1015
<u>Assets</u>				
Cash and investments	\$ 4,587	115,786	41,920	567
Cash and investments with fiscal agent	-	46,324	57,094	-
Receivables:				
Interest	-	787	285	4
Special assessments	-	122,103	178,953	517,491
Due from other governmental agencies	-	-	1,748	938
 Total assets	 \$ 4,587	 285,000	 280,000	 519,000
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Due to other funds	\$ -	-	-	-
Deferred revenue	-	122,103	178,953	517,491
Advances from other funds	-	-	-	519,000
 Total liabilities	 -	 122,103	 178,953	 1,036,491
 Fund balances (deficit):				
Reserved for debt service	4,587	162,897	101,047	-
Unreserved, undesignated	-	-	-	(517,491)
 Total fund balances (deficit)	 4,587	 162,897	 101,047	 (517,491)
 Total liabilities and fund balances	 \$ 4,587	 285,000	 280,000	 519,000

Verdemont Improvement Loan	Fire Station	Totals
-	214,573	377,433
-	-	103,418
2	1,439	2,517
1,555,687	-	2,374,234
<u>-</u>	<u>-</u>	<u>2,686</u>
<u>1,555,689</u>	<u>216,012</u>	<u>2,860,288</u>
2,209	-	2,209
1,555,687	-	2,374,234
<u>1,556,000</u>	<u>-</u>	<u>2,075,000</u>
<u>3,113,896</u>	<u>-</u>	<u>4,451,443</u>
-	216,012	484,543
<u>(1,558,207)</u>	<u>-</u>	<u>(2,075,698)</u>
<u>(1,558,207)</u>	<u>216,012</u>	<u>(1,591,155)</u>
<u>1,555,689</u>	<u>216,012</u>	<u>2,860,288</u>

CITY OF SAN BERNARDINO
Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2005

	Assessment District #971	Assessment District #985	Assessment District # 987	Assessment District # 1015
Revenues:				
Taxes	\$ -	72,419	61,679	65,178
Investment income	-	3,045	1,455	408
Total revenues	<u>-</u>	<u>75,464</u>	<u>63,134</u>	<u>65,586</u>
Expenditures:				
Current:				
General government:				
Other	-	7,871	5,626	5,984
Debt service:				
Principal	-	35,000	30,000	-
Interest	-	23,091	22,687	32,808
Total expenditures	<u>-</u>	<u>65,962</u>	<u>58,313</u>	<u>38,792</u>
Net change in fund balances	-	9,502	4,821	26,794
Fund balances (deficit) at beginning of year	<u>4,587</u>	<u>153,395</u>	<u>96,226</u>	<u>(544,285)</u>
Fund balances (deficit) at end of year	<u>\$ 4,587</u>	<u>162,897</u>	<u>101,047</u>	<u>(517,491)</u>

<u>Verdemont Improvement Loan</u>	<u>Fire Station Fund</u>	<u>Totals</u>
358,316	144,100	701,692
<u>4,888</u>	<u>3,827</u>	<u>13,623</u>
<u>363,204</u>	<u>147,927</u>	<u>715,315</u>
-	-	19,481
-	-	65,000
<u>199,454</u>	<u>-</u>	<u>278,040</u>
<u>199,454</u>	<u>-</u>	<u>362,521</u>
163,750	147,927	352,794
<u>(1,721,957)</u>	<u>68,085</u>	<u>(1,943,949)</u>
<u>(1,558,207)</u>	<u>216,012</u>	<u>(1,591,155)</u>

CITY OF SAN BERNARDINO
Assessment District #971 Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Taxes	\$ -	-	-	290
Total revenues	-	-	-	290
Expenditures:				
Current:	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	-	290
Fund balances at beginning of year	4,587	4,587	-	4,297
Fund balances at end of year	<u>\$ 4,587</u>	<u>4,587</u>	<u>-</u>	<u>4,587</u>

CITY OF SAN BERNARDINO
Assessment District #985 Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Taxes	\$ 62,000	72,419	10,419	89,606
Investment income	<u>2,000</u>	<u>3,045</u>	<u>1,045</u>	<u>1,884</u>
Total revenues	<u>64,000</u>	<u>75,464</u>	<u>11,464</u>	<u>91,490</u>
Expenditures:				
Current:				
General government:				
Other	6,500	7,871	(1,371)	6,231
Debt service - other:				
Principal	35,000	35,000	-	30,000
Interest	<u>21,300</u>	<u>23,091</u>	<u>(1,791)</u>	<u>25,520</u>
Total expenditures	<u>62,800</u>	<u>65,962</u>	<u>(3,162)</u>	<u>61,751</u>
Net change in fund balances	1,200	9,502	8,302	29,739
Fund balances at beginning of year	<u>153,395</u>	<u>153,395</u>	<u>-</u>	<u>123,656</u>
Fund balances at end of year	<u>\$ 154,595</u>	<u>162,897</u>	<u>8,302</u>	<u>153,395</u>

CITY OF SAN BERNARDINO
Assessment District #987 Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Taxes	\$ 56,000	61,679	5,679	52,430
Investment income	<u>1,100</u>	<u>1,455</u>	<u>355</u>	<u>868</u>
Total revenues	<u>57,100</u>	<u>63,134</u>	<u>6,034</u>	<u>53,298</u>
Expenditures:				
Current:				
General government:				
Other	7,000	5,626	1,374	4,689
Debt service - other:				
Principal	30,000	30,000	-	25,000
Interest	<u>22,700</u>	<u>22,687</u>	<u>13</u>	<u>24,738</u>
Total expenditures	<u>59,700</u>	<u>58,313</u>	<u>1,387</u>	<u>54,427</u>
Net change in fund balances	(2,600)	4,821	7,421	(1,129)
Fund balances at beginning of year	<u>96,226</u>	<u>96,226</u>	-	<u>97,355</u>
Fund balances at end of year	<u>\$ 93,626</u>	<u>101,047</u>	<u>7,421</u>	<u>96,226</u>

CITY OF SAN BERNARDINO
Assessment District #1015 Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Taxes	\$ 63,000	65,178	2,178	62,605
Investment income	200	408	208	318
Total revenues	<u>63,200</u>	<u>65,586</u>	<u>2,386</u>	<u>62,923</u>
Expenditures:				
Current:				
General government:				
Personnel salaries and benefits	-	-	-	-
Other	5,500	5,984	(484)	4,926
Debt service - other:				
Interest	32,800	32,808	(8)	34,098
Total expenditures	<u>38,300</u>	<u>38,792</u>	<u>(492)</u>	<u>39,024</u>
Net change in fund balances	24,900	26,794	1,894	23,899
Fund balances (deficit) at beginning of year	<u>(544,285)</u>	<u>(544,285)</u>	<u>-</u>	<u>(568,184)</u>
Fund balances (deficit) at end of year	<u>\$ (519,385)</u>	<u>(517,491)</u>	<u>1,894</u>	<u>(544,285)</u>

CITY OF SAN BERNARDINO
Verdemont Improvement Loan Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Taxes	\$ 115,000	358,316	243,316	179,032
Investment income	<u>300</u>	<u>4,888</u>	<u>4,588</u>	<u>1,407</u>
Total revenues	<u>115,300</u>	<u>363,204</u>	<u>247,904</u>	<u>180,439</u>
Expenditures:				
Debt service - other:				
Interest	<u>115,300</u>	<u>199,454</u>	<u>(84,154)</u>	<u>244,454</u>
Total expenditures	<u>115,300</u>	<u>199,454</u>	<u>(84,154)</u>	<u>244,454</u>
Net change in fund balances	-	163,750	163,750	(64,015)
Fund balances (deficit) at beginning of year	<u>(1,721,957)</u>	<u>(1,721,957)</u>	<u>-</u>	<u>(1,657,942)</u>
Fund balances (deficit) at end of year	<u>\$ (1,721,957)</u>	<u>(1,558,207)</u>	<u>163,750</u>	<u>(1,721,957)</u>

CITY OF SAN BERNARDINO
Fire Station Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Taxes	\$ -	144,100	144,100	67,500
Investment income	-	3,827	3,827	585
Total revenues	<u>-</u>	<u>147,927</u>	<u>147,927</u>	<u>68,085</u>
Expenditures:				
Current:	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	147,927	147,927	68,085
Fund balances at beginning of year	<u>68,085</u>	<u>68,085</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ 68,085</u>	<u>216,012</u>	<u>147,927</u>	<u>68,085</u>

CITY OF SAN BERNARDINO
Economic Development Agency Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 610,000	618,521	8,521	1,086,242
Total revenues	<u>610,000</u>	<u>618,521</u>	<u>8,521</u>	<u>1,086,242</u>
Expenditures:				
Debt service - other:				
Principal	9,660,000	5,690,000	3,970,000	5,490,000
Interest	5,885,000	9,783,053	(3,898,053)	9,868,803
Fiscal charges	-	-	-	109,361
Total expenditures	<u>15,545,000</u>	<u>15,473,053</u>	<u>71,947</u>	<u>15,468,164</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,935,000)</u>	<u>(14,854,532)</u>	<u>80,468</u>	<u>(14,381,922)</u>
Other financing sources (uses):				
Transfers in	11,820,000	14,757,407	2,937,407	14,279,593
Transfers out	-	-	-	(491,035)
Total other financing sources (uses)	<u>11,820,000</u>	<u>14,757,407</u>	<u>2,937,407</u>	<u>13,788,558</u>
Net change in fund balances	(3,115,000)	(97,125)	3,017,875	(593,364)
Fund balances at beginning of year	<u>23,241,745</u>	<u>23,241,745</u>	<u>-</u>	<u>23,835,109</u>
Fund balances at end of year	<u>\$ 20,126,745</u>	<u>23,144,620</u>	<u>3,017,875</u>	<u>23,241,745</u>

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Capital Project Funds

The city maintains the following Capital Project Funds for the purposes indicated:

Nonmajor Funds

Public Park Extension

For upgrades and improvements to parks from funds annually transferred from General Fund

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

Public Improvements

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

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, sewer line 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.

Street Lighting/Sweeping

For payment of street lighting and sweeping in accordance with City-wide assessment district 994.

Assessment District #1015

For construction of improvements from loans related to assessment district 1015.

City Hall Refunding

For acquisition of project improvements related to the proceeds of refunding bonds.

Fire Equipment Acquisition

For acquisition of fire equipment from lease proceeds

Capital Project Funds, (Continued)

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.

Sewerline Construction

For construction of sewer collection systems from development revenues

Major Fund

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
Nonmajor Capital Projects Funds

Combining Balance Sheet

June 30, 2005

	<u>Public Park Extension</u>	<u>Park Construction Fee</u>	<u>Cemetery Construction</u>	<u>Public Improvements</u>
<u>Assets</u>				
Cash and investments	\$ 23,463	1,510,756	36,445	6,092,570
Cash and investments with fiscal agent	-	-	-	-
Receivables:				
Interest	160	10,273	248	41,487
Due from other governmental agencies	-	98,420	-	-
Advances to other funds	-	-	-	-
Other assets	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 23,623</u>	<u>1,619,449</u>	<u>36,693</u>	<u>6,134,057</u>
<u>Liabilities and Fund Balances (Deficit)</u>				
Liabilities:				
Accounts payable	\$ 3,412	236,608	-	24,031
Due to other funds	-	-	-	-
Deposits payable	-	-	-	-
Retentions payable	-	2,373	-	-
Deferred revenue	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>3,412</u>	<u>238,981</u>	<u>-</u>	<u>24,031</u>
Fund balances (deficit):				
Reserved for:				
Encumbrances	-	39,500	-	254,800
Advances to other funds	-	-	-	-
Long-term receivables	-	98,420	-	-
Sewer capacity rights	-	-	-	-
Unreserved:				
Designated for continuing appropriations	-	-	-	-
Undesignated	<u>20,211</u>	<u>1,242,548</u>	<u>36,693</u>	<u>5,855,226</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficit)	<u>20,211</u>	<u>1,380,468</u>	<u>36,693</u>	<u>6,110,026</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 23,623</u>	<u>1,619,449</u>	<u>36,693</u>	<u>6,134,057</u>

<u>Storm Drain Construction</u>	<u>Special Assessments</u>	<u>Cultural Development Construction Fee</u>	<u>Traffic Systems</u>	<u>Street Lighting/ Sweeping</u>	<u>Assessment District # 1015</u>
1,421,966	-	158,897	969,647	-	29,490
-	-	-	-	-	-
9,669	12,305	429	6,594	-	200
-	12,371	-	215,562	658	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,431,635</u>	<u>24,676</u>	<u>159,326</u>	<u>1,191,803</u>	<u>658</u>	<u>29,690</u>
3,045	24,672	-	15,480	-	-
-	138,320	429	-	658	-
-	38,257	-	-	-	-
55,825	-	-	25,714	-	-
-	-	-	-	-	-
<u>58,870</u>	<u>201,249</u>	<u>429</u>	<u>41,194</u>	<u>658</u>	<u>-</u>
138,800	-	-	71,400	-	-
-	-	-	-	-	-
-	12,371	-	215,562	658	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,233,965</u>	<u>(188,944)</u>	<u>158,897</u>	<u>863,647</u>	<u>(658)</u>	<u>29,690</u>
<u>1,372,765</u>	<u>(176,573)</u>	<u>158,897</u>	<u>1,150,609</u>	<u>-</u>	<u>29,690</u>
<u>1,431,635</u>	<u>24,676</u>	<u>159,326</u>	<u>1,191,803</u>	<u>658</u>	<u>29,690</u>

(Continued)

CITY OF SAN BERNARDINO
Nonmajor Capital Projects Funds

Combining Balance Sheet

(Continued)

	City Hall Refunding	Fire Equipment Acquisition	Street Construction	Sewerline Construction	Totals
<u>Assets</u>					
Cash and investments	\$ -	-	-	4,678,827	14,922,061
Cash and investments with fiscal agent	-	170,668	-	-	170,668
Receivables:					
Interest	-	-	-	31,984	113,349
Due from other governmental agencies	-	-	85,927	-	412,938
Advances to other funds	-	-	-	145,000	145,000
Other assets	-	-	-	214,671	214,671
	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,671</u>	<u>214,671</u>
 Total assets	 \$ -	 <u>170,668</u>	 <u>85,927</u>	 <u>5,070,482</u>	 <u>15,978,687</u>
<u>Liabilities and Fund Balances (Deficit)</u>					
Liabilities:					
Accounts payable	\$ -	2,140	134,938	1,517	445,843
Due to other funds	-	1,099,403	1,099,127	-	2,337,937
Deposits payable	-	-	-	-	38,257
Retentions payable	-	228,420	52,780	-	365,112
Deferred revenue	-	-	24,955	-	24,955
	<u>-</u>	<u>-</u>	<u>24,955</u>	<u>-</u>	<u>24,955</u>
 Total liabilities	 <u>-</u>	 <u>1,329,963</u>	 <u>1,311,800</u>	 <u>1,517</u>	 <u>3,212,104</u>
 Fund balances (deficit):					
Reserved for:					
Encumbrances	-	208,300	72,000	29,900	814,700
Advances to other funds	-	-	-	145,000	145,000
Long-term receivables	-	-	-	-	327,011
Sewer capacity rights	-	-	-	214,671	214,671
Unreserved:					
Designated for continuing appropriations	-	-	-	-	-
Undesignated	-	(1,367,595)	(1,297,873)	4,679,394	11,265,201
	<u>-</u>	<u>(1,367,595)</u>	<u>(1,297,873)</u>	<u>4,679,394</u>	<u>11,265,201</u>
 Total fund balances (deficit)	 <u>-</u>	 <u>(1,159,295)</u>	 <u>(1,225,873)</u>	 <u>5,068,965</u>	 <u>12,766,583</u>
 Total liabilities and fund balances	 \$ -	 <u>170,668</u>	 <u>85,927</u>	 <u>5,070,482</u>	 <u>15,978,687</u>

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CITY OF SAN BERNARDINO
Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2005

	Park Extension	Park Construction Fee	Cemetery Construction	Public Improvements
Revenues:				
Taxes	\$ -	-	-	-
Licenses and permits	-	-	-	-
Investment income	743	22,284	859	136,253
Intergovernmental revenues	-	1,549,808	-	-
Charges for services	-	737,398	3,682	-
Other revenues	-	-	-	5,500,000
Total revenues	743	2,309,490	4,541	5,636,253
Expenditures:				
Current:				
Public safety	-	-	-	-
Streets	-	-	-	187,134
Culture and recreation	21,754	784,286	-	-
Total expenditures	21,754	784,286	-	187,134
Excess (deficiency) of revenues over (under) expenditures	(21,011)	1,525,204	4,541	5,449,119
Other financing sources (uses):				
Issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(21,011)	1,525,204	4,541	5,449,119
Fund balances (deficit) at beginning of year	41,222	(144,736)	32,152	660,907
Fund balances (deficit) at end of year	\$ 20,211	1,380,468	36,693	6,110,026

<u>Storm Drain Construction</u>	<u>Special Assessments</u>	<u>Cultural Development Construction Fee</u>	<u>Traffic Systems</u>	<u>Street Lighting/ Sweeping</u>	<u>Assessment District # 1015</u>
-	616,285	-	-	70,358	-
-	-	461,692	-	-	-
42,034	42,880	3,870	25,124	-	710
86,345	-	-	374,562	-	-
1,048,967	-	-	540,614	-	-
-	-	-	31,426	-	-
<u>1,177,346</u>	<u>659,165</u>	<u>465,562</u>	<u>971,726</u>	<u>70,358</u>	<u>710</u>
-	-	-	-	-	-
1,732,993	586,477	-	722,116	-	-
-	-	-	-	-	-
<u>1,732,993</u>	<u>586,477</u>	<u>-</u>	<u>722,116</u>	<u>-</u>	<u>-</u>
<u>(555,647)</u>	<u>72,688</u>	<u>465,562</u>	<u>249,610</u>	<u>70,358</u>	<u>710</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>(100,000)</u>	<u>-</u>	<u>(306,665)</u>	<u>(25,000)</u>	<u>(70,358)</u>	<u>-</u>
<u>(100,000)</u>	<u>-</u>	<u>(306,665)</u>	<u>(25,000)</u>	<u>(70,358)</u>	<u>-</u>
(655,647)	72,688	158,897	224,610	-	710
<u>2,028,412</u>	<u>(249,261)</u>	<u>-</u>	<u>925,999</u>	<u>-</u>	<u>28,980</u>
<u>1,372,765</u>	<u>(176,573)</u>	<u>158,897</u>	<u>1,150,609</u>	<u>-</u>	<u>29,690</u>

(Continued)

CITY OF SAN BERNARDINO
Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

(Continued)

	City Hall Refunding	Fire Equipment Acquisition	Street Construction	Sewerline Construction	Totals
Revenues:					
Taxes	\$ -	-	-	-	686,643
Licenses and permits	-	-	-	-	461,692
Investment income	2,002	562	-	94,434	371,755
Intergovernmental revenues	-	-	145,194	1,406,419	3,562,328
Charges for services	-	-	-	630,321	2,960,982
Other revenues	-	-	1,606	-	5,533,032
Total revenues	<u>2,002</u>	<u>562</u>	<u>146,800</u>	<u>2,131,174</u>	<u>13,576,432</u>
Expenditures:					
Current:					
Public safety	-	2,272,132	-	-	2,272,132
Streets	104,665	-	1,171,244	2,034,600	6,539,229
Culture and recreation	-	-	-	-	806,040
Total expenditures	<u>104,665</u>	<u>2,272,132</u>	<u>1,171,244</u>	<u>2,034,600</u>	<u>9,617,401</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(102,663)</u>	<u>(2,271,570)</u>	<u>(1,024,444)</u>	<u>96,574</u>	<u>3,959,031</u>
Other financing sources (uses):					
Issuance of debt	-	1,524,334	-	-	1,524,334
Transfers in	-	-	200,000	-	200,000
Transfers out	<u>(125,000)</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>(827,023)</u>
Total other financing sources (uses)	<u>(125,000)</u>	<u>1,524,334</u>	<u>200,000</u>	<u>(200,000)</u>	<u>897,311</u>
Net change in fund balances	<u>(227,663)</u>	<u>(747,236)</u>	<u>(824,444)</u>	<u>(103,426)</u>	<u>4,856,342</u>
Fund balances (deficit) at beginning of year	<u>227,663</u>	<u>(412,059)</u>	<u>(401,429)</u>	<u>5,172,391</u>	<u>7,910,241</u>
Fund balances (deficit) at end of year	<u>\$ -</u>	<u>(1,159,295)</u>	<u>(1,225,873)</u>	<u>5,068,965</u>	<u>12,766,583</u>

CITY OF SAN BERNARDINO
Public Park Extension Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ -	743	743	870
Total revenues	-	743	743	870
Expenditures:				
Current:				
Culture and recreation - other	48,800	21,754	27,046	44,218
Total expenditures	48,800	21,754	27,046	44,218
Excess (deficiency) of revenues over (under) expenditures	(48,800)	(21,011)	27,789	(43,348)
Other financing sources (uses):				
Transfers in	-	-	-	37,100
Total other financing sources (uses)	-	-	-	37,100
Net change in fund balances	(48,800)	(21,011)	27,789	(6,248)
Fund balances at beginning of year	41,222	41,222	-	47,470
Fund balances at end of year	\$ (7,578)	20,211	27,789	41,222

CITY OF SAN BERNARDINO
Park Construction Fee Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 14,000	22,284	8,284	3,293
Intergovernmental revenues	2,925,900	1,549,808	(1,376,092)	562,571
Charges for services	<u>300,000</u>	<u>737,398</u>	<u>437,398</u>	<u>394,457</u>
Total revenues	<u>3,239,900</u>	<u>2,309,490</u>	<u>(930,410)</u>	<u>960,321</u>
Expenditures:				
Current:				
Culture and recreation - other	<u>3,836,700</u>	<u>784,286</u>	<u>3,052,414</u>	<u>1,431,651</u>
Total expenditures	<u>3,836,700</u>	<u>784,286</u>	<u>3,052,414</u>	<u>1,431,651</u>
Net change in fund balances	(596,800)	1,525,204	2,122,004	(471,330)
Fund balances at beginning of year	<u>(144,736)</u>	<u>(144,736)</u>	-	<u>326,594</u>
Fund balances at end of year	<u>\$ (741,536)</u>	<u>1,380,468</u>	<u>2,122,004</u>	<u>(144,736)</u>

CITY OF SAN BERNARDINO
Cemetery Construction Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
investment income	\$ 1,000	859	(141)	619
Charges for services	<u>3,000</u>	<u>3,682</u>	<u>682</u>	<u>3,261</u>
Total revenues	<u>4,000</u>	<u>4,541</u>	<u>541</u>	<u>3,880</u>
Expenditures:				
Current:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,000	4,541	541	3,880
Fund balances at beginning of year	<u>32,152</u>	<u>32,152</u>	<u>-</u>	<u>28,272</u>
Fund balances at end of year	<u>\$ 36,152</u>	<u>36,693</u>	<u>541</u>	<u>32,152</u>

CITY OF SAN BERNARDINO
Public Improvements Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 17,000	136,253	119,253	12,066
Other revenues	<u>5,500,000</u>	<u>5,500,000</u>	<u>--</u>	<u>85,000</u>
Total revenues	<u>5,517,000</u>	<u>5,636,253</u>	<u>119,253</u>	<u>97,066</u>
Expenditures:				
Current:				
Streets - other	<u>6,127,000</u>	<u>187,134</u>	<u>5,939,866</u>	<u>8,863</u>
Total expenditures	<u>6,127,000</u>	<u>187,134</u>	<u>5,939,866</u>	<u>8,863</u>
Net change in fund balances	(610,000)	5,449,119	6,059,119	88,203
Fund balances at beginning of year	<u>660,907</u>	<u>660,907</u>	<u>-</u>	<u>572,704</u>
Fund balances at end of year	<u>\$ 50,907</u>	<u>6,110,026</u>	<u>6,059,119</u>	<u>660,907</u>

CITY OF SAN BERNARDINO
Storm Drain Construction Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 60,000	42,034	(17,966)	126,537
Intergovernmental	83,000	86,345	3,345	-
Charges for services	<u>1,050,000</u>	<u>1,048,967</u>	<u>(1,033)</u>	<u>746,574</u>
Total revenues	<u>1,193,000</u>	<u>1,177,346</u>	<u>(15,654)</u>	<u>873,111</u>
Expenditures:				
Current:				
Streets - other	<u>3,002,800</u>	<u>1,732,993</u>	<u>1,269,807</u>	<u>784,265</u>
Total expenditures	<u>3,002,800</u>	<u>1,732,993</u>	<u>1,269,807</u>	<u>784,265</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,809,800)</u>	<u>(555,647)</u>	<u>1,254,153</u>	<u>88,846</u>
Other financing sources (uses):				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Net change in fund balances	(1,909,800)	(655,647)	1,254,153	(11,154)
Fund balances at beginning of year	<u>2,028,412</u>	<u>2,028,412</u>	<u>-</u>	<u>2,039,566</u>
Fund balances at end of year	<u>\$ 118,612</u>	<u>1,372,765</u>	<u>1,254,153</u>	<u>2,028,412</u>

CITY OF SAN BERNARDINO
Special Assessments Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Taxes	\$ 612,900	616,285	3,385	744,984
Investment income	-	42,880	42,880	32,405
Total revenues	612,900	659,165	46,265	777,389
Expenditures:				
Current:				
Streets - other	612,900	586,477	26,423	514,207
Total expenditures	612,900	586,477	26,423	514,207
Net change in fund balances	-	72,688	72,688	263,182
Fund balances (deficit) at beginning of year	(249,261)	(249,261)	-	(512,443)
Fund balances (deficit) at end of year	\$ (249,261)	(176,573)	72,688	(249,261)

CITY OF SAN BERNARDINO
Cultural Development Construction Fee Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Licenses and permits	\$ 302,000	461,692	159,692	311,188
Investment income	2,000	3,870	1,870	2,016
Total revenues	<u>304,000</u>	<u>465,562</u>	<u>161,562</u>	<u>313,204</u>
Expenditures	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>304,000</u>	<u>465,562</u>	<u>161,562</u>	<u>313,204</u>
Other financing sources (uses):				
Transfers out	<u>(304,000)</u>	<u>(306,665)</u>	<u>(2,665)</u>	<u>(313,204)</u>
Total other financing sources (uses)	<u>(304,000)</u>	<u>(306,665)</u>	<u>(2,665)</u>	<u>(313,204)</u>
Net change in fund balances	-	158,897	158,897	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>158,897</u>	<u>158,897</u>	<u>-</u>

CITY OF SAN BERNARDINO
Traffic Systems Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 26,000	25,124	(876)	18,374
Intergovernmental revenues	106,000	374,562	268,562	-
Charges for services	415,000	540,614	125,614	474,957
Other revenues	<u>834,400</u>	<u>31,426</u>	<u>(802,974)</u>	<u>-</u>
Total revenues	<u>1,381,400</u>	<u>971,726</u>	<u>(409,674)</u>	<u>493,331</u>
Expenditures:				
Current:				
Streets - other	<u>2,517,800</u>	<u>722,116</u>	<u>1,795,684</u>	<u>372,984</u>
Total expenditures	<u>2,517,800</u>	<u>722,116</u>	<u>1,795,684</u>	<u>372,984</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,136,400)</u>	<u>249,610</u>	<u>1,386,010</u>	<u>120,347</u>
Other financing sources (uses):				
Transfers in	-	-	-	7,080
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>(25,000)</u>
Total other financing sources (uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>(17,920)</u>
Net change in fund balances	(1,161,400)	224,610	1,386,010	102,427
Fund balances at beginning of year	<u>925,999</u>	<u>925,999</u>	<u>-</u>	<u>823,572</u>
Fund balances at end of year	<u>\$ (235,401)</u>	<u>1,150,609</u>	<u>1,386,010</u>	<u>925,999</u>

CITY OF SAN BERNARDINO
Street Lighting/ Sweeping Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Taxes	\$ -	70,358	70,358	28,837
Total revenues	<u>-</u>	<u>70,358</u>	<u>70,358</u>	<u>28,837</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>70,358</u>	<u>70,358</u>	<u>28,837</u>
Other financing sources (uses):				
Transfers out	<u>(20,000)</u>	<u>(70,358)</u>	<u>(50,358)</u>	<u>(28,837)</u>
Total other financing sources (uses)	<u>(20,000)</u>	<u>(70,358)</u>	<u>(50,358)</u>	<u>(28,837)</u>
Net change in fund balances	(20,000)	-	20,000	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ (20,000)</u>	<u>-</u>	<u>20,000</u>	<u>-</u>

CITY OF SAN BERNARDINO
Assessment District #1015 Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ -	710	710	564
Total revenues	<u>-</u>	<u>710</u>	<u>710</u>	<u>564</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	710	710	564
Fund balances at beginning of year	<u>28,980</u>	<u>28,980</u>	<u>-</u>	<u>28,416</u>
Fund balances at end of year	<u>\$ 28,980</u>	<u>29,690</u>	<u>710</u>	<u>28,980</u>

CITY OF SAN BERNARDINO
City Hall Refunding Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ -	2,002	2,002	1,036
Total revenues	-	2,002	2,002	1,036
Expenditures:				
Current:				
Streets - other	99,200	104,665	(5,465)	-
Excess (deficiency) of revenues over (under) expenditures	(99,200)	(102,663)	(3,463)	1,036
Other financing sources (uses):				
Transfers out	(125,000)	(125,000)	-	-
Total other financing sources (uses)	(125,000)	(125,000)	-	-
Net change in fund balances	(224,200)	(227,663)	(3,463)	1,036
Fund balances at beginning of year	227,663	227,663	-	226,627
Fund balances at end of year	\$ 3,463	-	(3,463)	227,663

CITY OF SAN BERNARDINO
Fire Equipment Acquisition Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ -	562	562	779
Total revenues	-	562	562	779
Expenditures:				
Current:				
Public safety - other	2,282,100	2,272,132	9,968	850,302
Total expenditures	2,282,100	2,272,132	9,968	850,302
Excess (deficiency) of revenues over (under) expenditures	(2,282,100)	(2,271,570)	10,530	(849,523)
Other financing sources (uses):				
Issuance of debt	-	1,524,334	1,524,334	431,954
Transfers out	-	-	-	(4,090)
Total other financing sources (uses)	-	1,524,334	1,524,334	427,864
Net change in fund balances	(2,282,100)	(747,236)	1,534,864	(421,659)
Fund balance (deficit) at beginning of year	(412,059)	(412,059)	-	9,600
Fund balance (deficit) at end of year	\$ (2,694,159)	(1,159,295)	1,534,864	(412,059)

CITY OF SAN BERNARDINO
Street Construction Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Intergovernmental revenues	\$ 3,877,200	145,194	(3,732,006)	2,010,127
Other revenues	2,260,600	1,606	(2,258,994)	316,672
Total revenues	6,137,800	146,800	(5,991,000)	2,326,799
Expenditures:				
Streets - other	5,618,500	1,171,244	4,447,256	1,899,572
Total expenditures	5,618,500	1,171,244	4,447,256	1,899,572
Excess (deficiency) of revenues over (under) expenditures	519,300	(1,024,444)	(1,543,744)	427,227
Other financing sources (uses):				
Transfers in	65,000	200,000	135,000	1,800,000
Total other financing sources (uses)	65,000	200,000	135,000	1,800,000
Net change in fund balances	584,300	(824,444)	(1,408,744)	2,227,227
Fund balances (deficit) at beginning of year	(401,429)	(401,429)	-	(2,628,656)
Fund balances (deficit) at end of year	\$ 182,871	(1,225,873)	(1,408,744)	(401,429)

CITY OF SAN BERNARDINO
Sewerline Construction Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 150,000	94,434	(55,566)	18,784
Intergovernmental revenues	1,561,400	1,406,419	(154,981)	-
Charges for services	553,500	630,321	76,821	644,928
Other Revenues	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>
Total revenues	<u>3,264,900</u>	<u>2,131,174</u>	<u>(1,133,726)</u>	<u>663,712</u>
Expenditures:				
Streets - other	<u>8,256,600</u>	<u>2,034,600</u>	<u>6,222,000</u>	<u>808,558</u>
Total expenditures	<u>8,256,600</u>	<u>2,034,600</u>	<u>6,222,000</u>	<u>808,558</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,991,700)</u>	<u>96,574</u>	<u>5,088,274</u>	<u>(144,846)</u>
Other financing sources (uses):				
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>(100,000)</u>
Total other financing sources (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>(100,000)</u>
Net change in fund balances	(5,191,700)	(103,426)	5,088,274	(244,846)
Fund balances at beginning of year	<u>5,172,391</u>	<u>5,172,391</u>	<u>-</u>	<u>5,417,237</u>
Fund balances at end of year	<u>\$ (19,309)</u>	<u>5,068,965</u>	<u>5,088,274</u>	<u>5,172,391</u>

CITY OF SAN BERNARDINO
Economic Development Agency Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Taxes	\$ 18,500,000	22,654,341	4,154,341	20,284,699
Investment income	382,500	1,224,956	842,456	2,262,364
Other	<u>2,233,252</u>	<u>3,669,126</u>	<u>1,435,874</u>	<u>2,535,064</u>
Total revenues	<u>21,115,752</u>	<u>27,548,423</u>	<u>6,432,671</u>	<u>25,082,127</u>
Expenditures:				
Current:				
Economic development:				
Personnel salaries and benefits	326,258	482,925	(156,667)	1,069,830
Other	9,696,910	5,471,641	4,225,269	13,334,745
Debt Service - other:				
Principal	899,640	676,076	223,564	521,624
Interest	<u>800,960</u>	<u>722,955</u>	<u>78,005</u>	<u>627,415</u>
Total expenditures	<u>11,723,767</u>	<u>7,353,596</u>	<u>4,370,171</u>	<u>15,553,614</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,391,985</u>	<u>20,194,827</u>	<u>10,802,842</u>	<u>9,528,513</u>
Other financing sources (uses):				
Transfers in	6,243,023	64,000	(6,179,023)	3,534,620
Transfers out	<u>(15,635,008)</u>	<u>(17,088,449)</u>	<u>(1,453,441)</u>	<u>(17,354,882)</u>
Total other financing sources (uses)	<u>(9,391,985)</u>	<u>(17,024,449)</u>	<u>(7,632,464)</u>	<u>(13,820,262)</u>
Net change in fund balances	-	3,170,378	3,170,378	(4,291,749)
Fund balances at beginning of year, as restated	<u>51,737,143</u>	<u>51,737,143</u>	-	<u>55,423,892</u>
Fund balances at end of year	<u>\$ 51,737,143</u>	<u>54,907,521</u>	<u>3,170,378</u>	<u>51,132,143</u>

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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 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

Self Insurance Health Plans

For administration of the City's self insurance for health benefits

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 communication 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
Internal Service Funds
Combining Statement of Net Assets

June 30, 2005

<u>Assets</u>	<u>Unemployment Insurance</u>	<u>Workers' Compensation</u>	<u>Liability Insurance</u>	<u>Self-Insurance Health Plans</u>
<u>Current assets:</u>				
Cash and investments	\$ 655,836	-	2,802,598	122,018
Cash and investments with fiscal agent	-	-	-	-
<u>Receivables:</u>				
Interest	-	-	27,118	-
Other	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Due from other governmental agencies	-	44,987	-	-
Due from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,164,179</u>	<u>-</u>
Total current assets	655,836	44,987	3,993,895	122,018
<u>Capital assets:</u>				
Capital assets being depreciated, net	<u>-</u>	<u>3,433</u>	<u>8,529</u>	<u>-</u>
Total assets	<u>655,836</u>	<u>48,420</u>	<u>4,002,424</u>	<u>122,018</u>
<u>Liabilities</u>				
<u>Current liabilities:</u>				
Accounts payable	-	145,817	90,879	-
Due to other funds	-	1,103,333	-	-
Claims and judgments payable - current	-	2,329,683	1,870,317	-
Compensated absences - current portion	-	29,886	8,355	-
Capital leases payable - current portion	-	-	-	-
Lease revenue bonds payable - current	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>-</u>	<u>3,608,719</u>	<u>1,969,551</u>	<u>-</u>
<u>Long-term liabilities:</u>				
Claims and judgments payable	-	5,406,166	4,340,183	-
Compensated absences	-	-	3,404	-
Capital leases payable	-	-	-	-
Lease revenue bonds payable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>-</u>	<u>5,406,166</u>	<u>4,343,587</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>9,014,885</u>	<u>6,313,138</u>	<u>-</u>
<u>Net Assets</u>				
<u>Net assets:</u>				
Invested in capital assets, net of related debt	-	3,433	8,529	-
Unrestricted (deficit)	<u>655,836</u>	<u>(8,969,898)</u>	<u>(2,319,243)</u>	<u>122,018</u>
Total net assets (deficit)	<u>\$ 655,836</u>	<u>(8,966,465)</u>	<u>(2,310,714)</u>	<u>122,018</u>

Motorpool	Telephone Support	Information Systems	Utility	Central Services	Totals	
					2005	2004
1,011,377	96,027	1,132,671	-	388	5,820,915	3,714,156
-	-	100,818	-	-	100,818	446,759
-	-	-	-	-	27,118	24,037
2,156	12,861	-	-	576	15,593	12,578
128,308	-	-	-	-	128,308	115,090
-	-	-	-	-	-	4,739
93,084	20,576	204,461	-	3,524	366,632	117,331
-	-	-	-	-	1,164,179	4,232,511
1,234,925	129,464	1,437,950	-	4,488	7,623,563	8,667,201
<u>2,577,569</u>	<u>178,249</u>	<u>2,783,128</u>	<u>492,164</u>	<u>48,870</u>	<u>6,091,942</u>	<u>6,220,132</u>
<u>3,812,494</u>	<u>307,713</u>	<u>4,221,078</u>	<u>492,164</u>	<u>53,358</u>	<u>13,715,505</u>	<u>14,887,333</u>
156,126	43,603	50,705	316,259	7,881	811,270	1,475,923
-	-	-	60,846	-	1,164,179	1,944,569
-	-	-	-	-	4,200,000	4,125,000
174,590	6,732	160,548	11,612	12,772	404,495	386,471
448,575	-	21,962	110,891	-	581,428	561,607
30,000	-	445,000	-	-	475,000	450,000
<u>809,291</u>	<u>50,335</u>	<u>678,215</u>	<u>499,608</u>	<u>20,653</u>	<u>7,636,372</u>	<u>8,943,570</u>
-	-	-	-	-	9,746,349	6,547,744
72,253	-	44,695	-	27,176	147,528	90,441
62,812	-	985,923	394,772	-	1,443,507	1,017,050
300,000	-	465,000	-	-	765,000	1,240,000
<u>435,065</u>	<u>-</u>	<u>1,495,618</u>	<u>394,772</u>	<u>27,176</u>	<u>12,102,384</u>	<u>8,895,235</u>
<u>1,244,356</u>	<u>50,335</u>	<u>2,173,833</u>	<u>894,380</u>	<u>47,829</u>	<u>19,738,756</u>	<u>17,838,805</u>
1,736,182	178,249	966,061	(13,499)	48,870	2,927,825	3,848,234
831,956	79,129	1,081,184	(388,717)	(43,341)	(8,951,076)	(6,799,706)
<u>2,568,138</u>	<u>257,378</u>	<u>2,047,245</u>	<u>(402,216)</u>	<u>5,529</u>	<u>(6,023,251)</u>	<u>(2,951,472)</u>

CITY OF SAN BERNARDINO
Internal Service Funds

Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets

Year ended June 30, 2005

	Unemployment Insurance	Worker's Compensation	Liability Insurance	Self-Insurance Health Plans
Operating revenues:				
Charges for services	\$ 207,292	3,809,935	2,878,700	-
Total operating revenues	<u>207,292</u>	<u>3,809,935</u>	<u>2,878,700</u>	<u>-</u>
Operating expenses:				
Cost of sales and services	3,075	1,095,512	1,368,886	-
Claims expense	159,606	3,871,754	3,390,266	-
Depreciation and amortization	-	1,108	3,941	-
Total operating expenses	<u>162,681</u>	<u>4,968,374</u>	<u>4,763,093</u>	<u>-</u>
Operating income (loss)	<u>44,611</u>	<u>(1,158,439)</u>	<u>(1,884,393)</u>	<u>-</u>
Non-operating revenues (expenses):				
Investment income	-	-	83,515	-
Interest expense	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-
Net increase (decrease) in investment fair value	-	-	(5,504)	-
Miscellaneous income	-	288,967	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>288,967</u>	<u>78,011</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>44,611</u>	<u>(869,472)</u>	<u>(1,806,382)</u>	<u>-</u>
Transfers:				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total contributions and transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	44,611	(869,472)	(1,806,382)	-
Net assets (deficit) at beginning of year	<u>611,225</u>	<u>(8,096,993)</u>	<u>(504,332)</u>	<u>122,018</u>
Net assets (deficit) at end of year	<u>\$ 655,836</u>	<u>(8,966,465)</u>	<u>(2,310,714)</u>	<u>122,018</u>

Motorpool	Telephone Support	Information Systems	Utility	Central Services	Totals	
					2005	2004
<u>5,748,933</u>	<u>766,868</u>	<u>3,792,555</u>	<u>4,222,273</u>	<u>242,283</u>	<u>21,668,839</u>	<u>20,687,114</u>
<u>5,748,933</u>	<u>766,868</u>	<u>3,792,555</u>	<u>4,222,273</u>	<u>242,283</u>	<u>21,668,839</u>	<u>20,687,114</u>
4,984,568	700,502	3,147,383	3,899,228	248,179	15,447,333	14,570,871
-	-	-	-	-	7,421,626	5,876,143
<u>1,084,237</u>	<u>41,554</u>	<u>1,053,770</u>	<u>126,800</u>	<u>35,792</u>	<u>2,347,202</u>	<u>2,643,866</u>
<u>6,068,805</u>	<u>742,056</u>	<u>4,201,153</u>	<u>4,026,028</u>	<u>283,971</u>	<u>25,216,161</u>	<u>23,090,880</u>
<u>(319,872)</u>	<u>24,812</u>	<u>(408,598)</u>	<u>196,245</u>	<u>(41,688)</u>	<u>(3,547,322)</u>	<u>(2,403,766)</u>
4,154	-	-	-	-	87,669	79,511
(39,458)	-	(35,336)	(28,519)	(652)	(103,965)	(160,736)
(4,956)	-	-	-	-	(4,956)	(3,724)
-	-	-	-	-	(5,504)	(80,211)
<u>92,960</u>	<u>19,199</u>	<u>220,222</u>	<u>143,151</u>	<u>-</u>	<u>764,499</u>	<u>282,376</u>
<u>52,700</u>	<u>19,199</u>	<u>184,886</u>	<u>114,632</u>	<u>(652)</u>	<u>737,743</u>	<u>117,216</u>
<u>(267,172)</u>	<u>44,011</u>	<u>(223,712)</u>	<u>310,877</u>	<u>(42,340)</u>	<u>(2,809,579)</u>	<u>(2,286,550)</u>
-	-	-	-	60,000	60,000	-
-	<u>(322,200)</u>	-	-	-	<u>(322,200)</u>	<u>(400,000)</u>
-	<u>(322,200)</u>	-	-	<u>60,000</u>	<u>(262,200)</u>	<u>(400,000)</u>
(267,172)	(278,189)	(223,712)	310,877	17,660	(3,071,779)	(2,686,550)
<u>2,835,310</u>	<u>535,567</u>	<u>2,270,957</u>	<u>(713,093)</u>	<u>(12,131)</u>	<u>(2,951,472)</u>	<u>(264,922)</u>
<u>2,568,138</u>	<u>257,378</u>	<u>2,047,245</u>	<u>(402,216)</u>	<u>5,529</u>	<u>(6,023,251)</u>	<u>(2,951,472)</u>

CITY OF SAN BERNARDINO
Internal Service Funds

Combining Statement of Cash Flows

Year Ended June 30, 2005

	Unemployment Insurance	Workers' Compensation	Liability Insurance	Self-Insurance Health Plans
Cash flows from operating activities:				
Cash received from user departments	\$ 207,292	3,809,935	2,878,700	-
Cash payments to suppliers for goods and services	(162,681)	(722,667)	(1,867,796)	-
Cash payments for claims	-	(2,731,049)	(1,257,366)	-
Cash payments to employees for services	-	(308,066)	(99,880)	-
Cash received for other activities	-	288,967	-	-
	44,611	337,120	(346,342)	-
Net cash provided by (used for) operating activities				
Cash flows from noncapital financing activities:				
Cash received from other funds	-	-	3,068,332	-
Cash paid to other funds	-	(336,366)	-	-
	-	(336,366)	3,068,332	-
Net cash provided by (used for) noncapital financing activities				
Cash flows from capital and related financing activities:				
Cash paid for acquisition of capital assets	-	(754)	-	-
Cash received from issuance of debt	-	-	-	-
Principal payments on long-term debt	-	-	-	-
Interest paid on long-term debt	-	-	-	-
	-	(754)	-	-
Net cash provided by (used for) capital and related financing activities				
Cash flows from investing activities:				
Interest received	-	-	80,608	-
	-	-	80,608	-
Net cash provided by (used for) investing activities				
Net increase (decrease) in cash and cash equivalents	44,611	-	2,802,598	-
Cash and cash equivalents at beginning of year	611,225	-	-	122,018
Cash and cash equivalents at end of year	\$ 655,836	-	2,802,598	122,018

Motorpool	Telephone Support	Information Systems	Utility	Central Services	Totals	
					2005	2004
5,664,189	747,555	3,588,094	4,222,273	244,903	21,362,941	20,695,262
(3,163,547)	(642,280)	(1,829,032)	(3,697,218)	(134,725)	(12,219,946)	(10,483,447)
-	-	-	-	-	(3,988,415)	(4,562,339)
(1,663,311)	(65,818)	(1,472,358)	(129,377)	(105,340)	(3,844,150)	(3,796,553)
-	19,199	220,222	143,151	-	671,539	214,462
<u>837,331</u>	<u>58,656</u>	<u>506,926</u>	<u>538,829</u>	<u>4,838</u>	<u>1,981,969</u>	<u>2,067,385</u>
-	-	-	-	60,000	3,128,332	238,101
-	(322,200)	-	(404,522)	(39,502)	(1,102,590)	(707,348)
-	(322,200)	-	(404,522)	20,498	2,025,742	(469,247)
(777,231)	(6,805)	(1,439,178)	-	-	(2,223,968)	(977,244)
-	-	1,170,121	-	-	1,170,121	-
(461,523)	-	(582,236)	(105,788)	(24,296)	(1,173,843)	(1,198,420)
(39,458)	-	(35,336)	(28,519)	(652)	(103,965)	(160,736)
<u>(1,278,212)</u>	<u>(6,805)</u>	<u>(886,629)</u>	<u>(134,307)</u>	<u>(24,948)</u>	<u>(2,331,655)</u>	<u>(2,336,400)</u>
4,154	-	-	-	-	84,762	94,488
<u>4,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,762</u>	<u>94,488</u>
(436,727)	(270,349)	(379,703)	-	388	1,760,818	(643,774)
<u>1,448,104</u>	<u>366,376</u>	<u>1,613,192</u>	<u>-</u>	<u>-</u>	<u>4,160,915</u>	<u>4,804,689</u>
<u>1,011,377</u>	<u>96,027</u>	<u>1,233,489</u>	<u>-</u>	<u>388</u>	<u>5,921,733</u>	<u>4,160,915</u>

(Continued)

CITY OF SAN BERNARDINO
Internal Service Funds

Combining Statement of Cash Flows

Year Ended June 30, 2005

	Unemployment Insurance	Workers' Compensation	Liability Insurance	Self-Insurance Health Plans
Operating income (loss)	\$ 44,611	(1,158,439)	(1,884,393)	-
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	-	1,108	3,941	-
Other nonoperating revenues (expenses)	-	288,967	-	-
Net increase (decrease) in investment fair value	-	-	(5,504)	-
(Increase) decrease in other receivables	-	-	-	-
(Increase) decrease in inventories	-	-	-	-
(Increase) decrease in prepaid items	-	3,947	-	-
(Increase) decrease in due from other governmental agencies	-	53,333	-	-
(Increase) decrease in other assets	-	-	-	-
Increase (decrease) in accounts payable	-	2,767	(578,519)	-
Increase (decrease) in claims and judgments payable	-	1,140,705	2,132,900	-
Increase (decrease) in compensated absences	-	4,732	(14,767)	-
Total adjustments	-	1,495,559	1,538,051	-
Net cash provided by (used for) operating activities	\$ 44,611	337,120	(346,342)	-
Noncash financing activities:				
Acquisition of fixed assets	\$ -	-	-	-
Issuance of capital leases	-	-	-	-
Totals	\$ -	-	-	-

Motorpool	Telephone Support	Information Systems	Utility	Central Services	Totals	
					2005	2004
<u>(319,872)</u>	<u>24,812</u>	<u>(408,598)</u>	<u>196,245</u>	<u>(41,688)</u>	<u>(3,547,322)</u>	<u>(2,403,766)</u>
1,084,237	41,554	1,053,770	126,800	35,792	2,347,202	2,643,866
92,960	19,199	220,222	143,151	-	764,499	282,376
-	-	-	-	-	(5,504)	(80,211)
7,636	(11,047)	-	-	222	(3,189)	(6,675)
(13,218)	-	-	-	-	(13,218)	129,061
-	-	75	792	-	4,814	27,635
(92,380)	(8,266)	(204,461)	-	2,398	(249,376)	18,392
-	-	-	-	-	-	-
51,831	(6,857)	(200,594)	67,040	(321)	(664,653)	186,750
-	-	-	-	-	3,273,605	1,193,961
<u>26,137</u>	<u>(739)</u>	<u>46,512</u>	<u>4,801</u>	<u>8,435</u>	<u>75,111</u>	<u>75,996</u>
<u>1,157,203</u>	<u>33,844</u>	<u>915,524</u>	<u>342,584</u>	<u>46,526</u>	<u>5,529,291</u>	<u>4,471,151</u>
<u>837,331</u>	<u>58,656</u>	<u>506,926</u>	<u>538,829</u>	<u>4,838</u>	<u>1,981,969</u>	<u>2,067,385</u>
-	-	-	-	-	-	(446,759)
-	-	-	-	-	-	446,759
-	-	-	-	-	-	-

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Agency Funds

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

Assessment District #961

For the collection of assessment from property owners and for the remittance of such assessment 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 assessment from property owners and for the remittance of such assessment 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 assessment from property owners and for the remittance of such assessment 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 assessment from property owners and for the remittance of such assessment 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 Authority

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

CITY OF SAN BERNARDINO
Agency Funds

Combining Balance Sheet

June 30, 2005

	Assessment District # 961	Assessment District # 977A	Assessment District # 977B	Assessment District # 1003	Industrial Revenue Bonds
<u>Assets</u>					
Cash and investments (note 2)	\$ 2,371,977	2,362	3,920	216,914	69,351
Cash and investments with fiscal agent (note 2)	-	135,346	214,345	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	16,130	16	27	1,475	-
Due from other government agencies	-	2,238	5,796	1,335	-
Prepaid expense	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,388,107</u>	<u>139,962</u>	<u>224,088</u>	<u>219,724</u>	<u>69,351</u>
<u>Liabilities</u>					
Accounts payable	\$ -	-	-	-	-
Deposits payable	-	-	-	-	69,351
Due to bondholders	<u>2,388,107</u>	<u>139,962</u>	<u>224,088</u>	<u>219,724</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 2,388,107</u>	<u>139,962</u>	<u>224,088</u>	<u>219,724</u>	<u>69,351</u>

Community Facilities District # 995	Special Deposits	Cemetary Perpetual Care	Payroll Trust Fund	San Bernardino Regional Water Resource Authority	Totals	
					2005	2004
5,494	5,446,091	641,026	1,354,441	70,223	10,181,799	10,410,515
-	-	-	-	-	349,691	339,621
-	2,354	-	-	-	2,354	24,034
37	2,277	-	-	-	19,962	18,269
-	54,804	-	-	-	64,173	30,483
-	-	-	-	-	-	8
<u>5,531</u>	<u>5,505,526</u>	<u>641,026</u>	<u>1,354,441</u>	<u>70,223</u>	<u>10,617,979</u>	<u>10,822,930</u>
-	268,859	-	854,740	-	1,123,599	184,200
5,531	5,236,667	641,026	499,701	70,223	6,522,499	7,662,616
-	-	-	-	-	2,971,881	2,976,114
<u>5,531</u>	<u>5,505,526</u>	<u>641,026</u>	<u>1,354,441</u>	<u>70,223</u>	<u>10,617,979</u>	<u>10,822,930</u>

CITY OF SAN BERNARDINO
Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2005

	Balance at June 30, 2004	Additions	Deletions	Balance at June 30, 2005
<u>Assessment District # 961</u>				
Assets:				
Cash and investments	\$ 2,403,174	1,031,791	1,062,988	2,371,977
Receivables:				
Interest	13,600	16,130	13,600	16,130
Total assets	\$ 2,416,774	1,047,921	1,076,588	2,388,107
Liabilities:				
Due to bondholders	\$ 2,416,774	1,047,921	1,076,588	2,388,107
Total liabilities	\$ 2,416,774	1,047,921	1,076,588	2,388,107
 <u>Assessment District # 977A</u>				
Assets:				
Cash and investments	\$ 1,147	66,348	65,133	2,362
Cash and investments with fiscal agent	131,906	59,166	55,726	135,346
Receivables:				
Interest	6	16	6	16
Due from other governmental agencies	753	2,238	753	2,238
Total assets	\$ 133,812	127,768	121,618	139,962
Liabilities:				
Due to bondholders	\$ 133,812	127,768	121,618	139,962
Total liabilities	\$ 133,812	127,768	121,618	139,962

(Continued)

CITY OF SAN BERNARDINO
Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	Balance at June 30, 2004	Additions	Deletions	Balance at June 30, 2005
<u>Assessment District # 977B</u>				
Assets:				
Cash and investments	\$ 1,233	104,818	102,131	3,920
Cash and investments with fiscal agent	207,715	95,688	89,058	214,345
Receivables:				
Interest	5	27	5	27
Due from other governmental agencies	1,647	5,796	1,647	5,796
Total assets	\$ 210,600	206,329	192,841	224,088
Liabilities:				
Due to bondholders	\$ 210,600	206,329	192,841	224,088
Total liabilities	\$ 210,600	206,329	192,841	224,088
 <u>Assessment District # 1003</u>				
Assets:				
Cash and investments	\$ 211,614	85,372	80,072	216,914
Receivables:				
Interest	1,197	1,475	1,197	1,475
Due from other government agencies	2,117	1,335	2,117	1,335
Total assets	\$ 214,928	88,182	83,386	219,724
Liabilities:				
Due to bondholders	\$ 214,928	88,182	83,386	219,724
Total liabilities	\$ 214,928	88,182	83,386	219,724

(Continued)

CITY OF SAN BERNARDINO
Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	Balance at June 30, 2004	Additions	Deletions	Balance at June 30, 2005
<u>Industrial Revenue Bonds</u>				
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
 <u>Community Facilities District # 995</u>				
Assets:				
Cash and investments	\$ 5,547	128	181	5,494
Receivables:				
Interest	31	37	31	37
Total assets	\$ 5,578	165	212	5,531
Liabilities:				
Deposits payable	\$ 5,578	165	212	5,531
Total liabilities	\$ 5,578	165	212	5,531

(Continued)

CITY OF SAN BERNARDINO
Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	Balance at June 30, 2004	Additions	Deletions	Balance at June 30, 2005
<u>Special Deposits</u>				
Assets:				
Cash and investments	\$ 6,001,080	6,026,247	6,581,236	5,446,091
Receivables:				
Accounts	24,034	2,354	24,034	2,354
Interest	3,430	2,277	3,430	2,277
Prepaid items	8	-	8	-
Due from other governmental agencies	25,966	54,804	25,966	54,804
Total assets	\$ 6,054,518	6,085,682	6,634,674	5,505,526
Liabilities:				
Accounts payable	\$ 184,200	268,859	184,200	268,859
Deposits payable	5,870,318	5,816,823	6,450,474	5,236,667
Total liabilities	\$ 6,054,518	6,085,682	6,634,674	5,505,526
 <u>Cemetery Perpetual Care</u>				
Assets:				
Cash and investments	\$ 635,963	5,063	-	641,026
Total assets	\$ 635,963	5,063	-	641,026
Liabilities:				
Deposits payable	\$ 635,963	5,063	-	641,026
Total liabilities	\$ 635,963	5,063	-	641,026

(Continued)

CITY OF SAN BERNARDINO
Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	Balance at June 30, 2004	Additions	Deletions	Balance at June 30, 2005
<u>Payroll Trust Fund</u>				
Assets:				
Cash and investments	\$ 1,081,406	104,314,705	104,041,670	1,354,441
Total assets	<u>\$ 1,081,406</u>	<u>104,314,705</u>	<u>104,041,670</u>	<u>1,354,441</u>
Liabilities:				
Accounts payable	\$ -	854,740	-	854,740
Deposits payable	1,081,406	103,459,965	104,041,670	499,701
Total liabilities	<u>\$ 1,081,406</u>	<u>104,314,705</u>	<u>104,041,670</u>	<u>1,354,441</u>
 <u>San Bernardino Regional Water Resource Authority</u>				
Assets:				
Cash and investments	\$ 437,288	497,100	864,165	70,223
Total assets	<u>\$ 437,288</u>	<u>497,100</u>	<u>864,165</u>	<u>70,223</u>
Liabilities:				
Deposits payable	437,288	497,100	864,165	70,223
Total liabilities	<u>\$ 437,288</u>	<u>497,100</u>	<u>864,165</u>	<u>70,223</u>
 <u>Total - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 10,847,803	112,131,572	112,797,576	10,181,799
Cash and investments with fiscal agent	339,621	154,854	144,784	349,691
Receivables:				
Accounts	24,034	2,354	24,034	2,354
Interest	18,269	19,962	18,269	19,962
Due from other governmental agencies	30,483	64,173	30,483	64,173
Prepaid expense	8	-	8	-
Total assets	<u>\$ 11,260,218</u>	<u>112,372,915</u>	<u>113,015,154</u>	<u>10,617,979</u>
Liabilities:				
Accounts payable	\$ 184,200	1,123,599	184,200	1,123,599
Deposits payable	8,099,904	109,779,116	111,356,521	6,522,499
Due to bondholders	2,976,114	1,470,200	1,474,433	2,971,881
Total liabilities	<u>\$ 11,260,218</u>	<u>112,372,915</u>	<u>113,015,154</u>	<u>10,617,979</u>

STATISTICAL SECTION

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CITY OF SAN BERNARDINO
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(In Thousands)

<u>Fiscal Year Ended June 30</u>	<u>Property Taxes</u>	<u>Other Taxes</u>	<u>Licenses and Permits</u>	<u>Fines and Forfeits</u>	<u>Use of Money and Property</u>	<u>Inter Governmental</u>	<u>Charges for Services</u>	<u>Other Revenues</u>	<u>Total</u>
1996	29,147	40,996	5,084	724	8,398	32,436	4,549	9,943	131,277
1997	29,391	41,449	5,175	814	7,927	36,796	3,901	2,633	128,086
1998	23,705	42,543	5,299	832	9,477	39,256	4,887	2,994	128,993
1999	24,450	43,921	5,425	1,411	8,453	41,879	5,272	5,773	136,584
2000	24,673	45,243	5,931	1,431	6,172	39,707	6,462	4,558	134,177
2001	25,457	49,989	6,225	1,561	9,161	39,492	6,737	6,288	144,910
2002	26,484	52,807	6,735	1,541	6,539	38,908	7,467	7,141	147,622
2003	27,431	56,692	7,262	1,560	6,053	39,313	9,513	11,584	159,408
2004	30,298	61,458	7,877	1,758	5,206	46,349	10,067	10,856	173,869
2005	41,228	66,504	9,586	1,975	4,414	35,934	13,447	14,914	188,002

Governmental functions are those included in General, Special Revenue, Debt Service and Capital Projects Funds.

CITY OF SAN BERNARDINO

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

(In Thousands)

<u>Fiscal Year Ended June 30</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Streets</u>	<u>Public Works</u>	<u>Culture and Recreation</u>	<u>Community Development Redevelopment</u>	<u>Community Service</u>	<u>Economic Development</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
1996	22,356	45,688		9,957	7,906	37,733			21,062	18,973	163,675
1997	42,634	47,625		9,162	6,939	8,260			12,383	41,648	168,651
1998	28,461	51,331		11,774	6,467	7,373			15,051	20,291	140,748
1999	25,518	54,888		12,049	6,320	11,466			12,799	20,647	143,687
2000	19,814	57,818		12,459	6,299	10,027			10,524	21,499	138,440
2001	17,613	59,041		12,565	7,083	9,440			11,741	28,307	145,790
2002	14,869	65,805	15,900		7,671	9,629	8,563	10,798		27,274	160,509
2003	15,318	69,743	17,174		6,901	12,763	10,827	15,039		21,114	168,879
2004	18,561	73,516	17,101		7,450	20,292	6,978	17,594		22,624	184,116
2005	21,725	79,860	19,596		6,987	13,528	4,300	11,222		22,010	179,228

Note: Changes in format commencing fiscal year ended June 30, 2002, are due to GASB 34 reporting changes.

Governmental functions are those included in General, Special Revenue, Debt Service and Capital Projects Funds.

CITY OF SAN BERNARDINO

ASSESSED VALUATIONS

LAST TEN FISCAL YEARS

	<u>Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total Before Rdv. Increment</u>	<u>Total After Rdv. Increment</u>
1995-96	5,016,102,119	33,972,416	464,202,379	5,514,276,914	3,772,429,177
1996-97	5,050,173,382	34,401,872	425,903,300	5,510,478,554	3,792,490,673
1997-98	4,990,803,794	32,514,981	443,192,777	5,466,511,552	3,818,560,002
1998-99	5,039,639,802	38,281,800	441,255,042	5,519,176,644	3,856,207,176
1999-00	5,110,172,422	37,427,381	449,328,873	5,596,928,676	3,889,385,316
2000-01	5,210,691,429	37,726,029	446,251,211	5,694,668,669	3,933,968,675
2001-02	5,396,894,051	40,763,295	501,263,043	5,938,920,389	4,021,058,224
2002-03	5,617,337,264	35,780,992	510,143,037	6,163,261,293	4,131,626,923
2003-04	6,073,348,053	32,556,854	553,533,999	6,659,438,906	4,374,324,944
2004-05	6,714,301,896	30,698,036	538,433,655	7,283,433,587	4,602,193,863

Source: San Bernardino County Auditor/Controller

CITY OF SAN BERNARDINO

LISTING OF TOP 25 PROPERTY OWNERS BY ASSESSED VALUE

<u>Property Owner</u>	<u>Number of Parcels</u>	<u>2002 Assessed Value</u>
Catholic Healthcare West, Southern California	1	\$ 101,698,219
St. Bernardine Hospital/Medical Center Foundation	17	47,973,462
Pera Castlepark, Inc.	3	39,366,000
CNP & Media News Group	2	27,031,223
Rancon Realty Fund IV	13	22,626,272
Kohl's Department Stores, Inc.	1	21,907,600
Capital Foresight - San Bernardino	1	21,600,000
RRF V Tri City	3	20,160,792
Universe at Acacia LLC	1	19,400,000
6155 Palm Avenue Apartments LLC	1	18,054,000
Stater Bros Markets	20	15,846,217
Rancon Realty Fund V	17	14,662,727
San Bernardino Community Hospital	8	13,914,897
Yellow Freight System, Inc.	1	13,190,399
Delta Investors II LLC	1	12,970,084
California Newspapers Partnership	3	11,259,416
Costco Wholesale Corporation	1	10,716,279
SB Tri-City Associates	1	10,469,242
Cinemastar Luxery Theaters, Inc.	1	10,404,000
Roman Catholic Bishop of San Bernardino	29	9,127,990
Central City Companu LLC	7	8,736,700
Secretary of Housing & Urban Development	106	8,714,043
RRF IV Tri-City	6	8,705,822
Home Depot USA	3	8,464,472
C & M Fine Pack, Inc.	1	5,775,000
Grand Total		\$ 502,774,856

Source: City of San Bernardino, Real Property Section

CITY OF SAN BERNARDINO
LISTING OF TOP 25 SALES TAX GENERATORS
CALENDAR YEAR 2004
IN ALPHABETICAL ORDER

Acoustical Material Services
Arco AM/PM Mini Mart
Barr Lumber Company
Best Buy Stores
Center Chevrolet
Chaparral Motor Supply
Circuit City
Costco Wholesale
Crest Chevrolet
Fairview Ford Sales
Home Depot
Home Lumber Company
Inland Valley Pontiac/GMC/Buick
La Mesa RV Center
Metro Nissan of San Bernardino
Moss Bros. Dodge
Office Depot
Robinson-May Department Store
Sam's Club
Sears Roebuck & Company
Shaver Auto Center
Stater Bros. Markets
Target Stores
Toyota of San Bernardino
Wal-Mart Store

Source: MBIA MuniServices Company

CITY OF SAN BERNARDINO
Schedule of Direct and Overlapping Bonded Debt

2004-05 Assessed Valuation:	\$7,283,433,587
Redevelopment Incremental Valuation:	<u>2,681,239,724</u>
Adjusted Assessed Valuation:	4,602,193,863

<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>	<u>%Applicable</u>	<u>Debt 6/30/05</u>
San Bernardino Community College District	16.037 %	\$11,462,053
Colton Joint Unified School District	3.870	1,961,228
Redlands Unified School District	1.164	509,815
Rialto Unified School District	11.233	6,311,827
Colton Joint Unified School District CFD No. 2	89.535	3,944,032
San Bernardino City Unified School District	72.129	68,366,985
City of San Bernardino CFD No. 995	100.000	2,380,000
City of San Bernardino 1915 Act Bonds	100.000	2,935,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$97,870,940</u>
 <u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>		
San Bernardino County General Fund Obligations	5.452 %	\$50,569,481
San Bernardino County Pension Obligations	5.452	42,623,223
Colton Joint Unified School District Certificates of Participation	3.870	329,531
Redlands Unified School District Certificates of Participation	1.164	137,418
Rialto Unified School District Certificates of Participation	11.233	1,291,795
City of San Bernardino General Fund Obligations	100.000	33,403,001
San Bdrno Valley Muni Water Dist Cert of Part.	23.639	1,335,701
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		<u>\$129,690,150</u>
Less: City of San Bernardino self-supporting issues		7,277,760
San Bernardino Valley Muni Water Dist Certificates of Part		1,335,701
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		<u>\$121,076,689</u>
 GROSS COMBINED TOTAL DEBT		 \$227,561,090 (1)
NET COMBINED TOTAL DEBT		\$218,947,629

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2004-05 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.34 %

Ratios to Adjusted Assessed Valuation:

Gross Combined Direct Debt (\$33,403,001) 0.73 %
 Net Combined Direct Debt (\$26,125,241) 0.57 %
 Gross Combined Total Debt 4.94 %
 Net Combined Total Debt 4.76 %

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/05: \$0

Source: California Municipal Statistics, Inc.

CITY OF SAN BERNARDINO

COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2005

Total assessed value of all real and personal property:	<u>1,150,548,466</u>
Legal Debt Limit: 15% of assessed valuation	172,582,270
Amount of debt applicable to debt limit:	<u>24,745,000</u>
Legal Debt Margin:	<u>147,837,270</u>

Source: San Bernardino County Auditor/Controller, City Finance Department

Note: The San Bernardino Redevelopment Agency is not included in the above computation.

CITY OF SAN BERNARDINO
SCHEDULE OF INSURANCE IN FORCE

As of June 30, 2005

<u>Coverage</u>	<u>Limits</u>	<u>Carrier</u>	<u>Expiration</u>
General Liability incl. Auto Liability	\$1,000,000	Self-insured	Indefinite
Excess Liability	\$25,000,000 Excess \$1,000,000 SIR (plus City share of \$1,000,000 excess of SIR)	Big Independent Cities Excess Pool (BICEP) with CASAC Excess Ins. Auth. Reinsured by Ins. Co. of State of PA (AIG)	July 2006
Workers' Compensation	\$1,000,000	Self-insured	Indefinite
Excess Workers' Compensation	\$45,000,000 excess of \$5,000,000 (CSAC EIA) excess of \$1,000,000 SIR	CSAC EIA, reinsured by American Re-Insurance Company	July 2006
Auto Liability (Animal Control for City of Fontana)	\$1,000,000	National Liability & Fire Insurance Co.	April 2006
Commercial Liability for CID (Ctr. For Individuals Development)	\$1,000,000	Western World Insurance Co.	April 2006
Special Events General Liability	\$1,000,000	Evanston Insurance Co.	January 2006
Crime/Employee Dishonesty	\$500,000	St Paul Travelers Insurance Co.	July 2006
Public Official Bonds	Varies from \$1,000-\$100,000	The Hartford Insurance Co.	Varies
Property:		Commonwealth Ins. Co. and Multiple Insurance Companies	July 2006
- All Risk	\$125,000,000		
- Earthquake & Flood	\$50,000,000		
- Boiler & Machinery	\$10,000,000		

Source: Human Resources Department, City of San Bernardino

CITY OF SAN BERNARDINO

DEMOGRAPHIC STATISTICS

<u>Year</u>	<u>City of San Bernardino</u>		<u>County of San Bernardino</u>		<u>City Population as a Percentage of County</u>
	<u>Population</u>	<u>Percentage Increase</u>	<u>Population</u>	<u>Percentage Increase</u>	
1987	140,851	2.64	1,167,175	5.19	12.07
1988	148,370	5.34	1,239,967	6.24	11.97
1989	153,660	3.57	1,324,611	6.83	11.60
1990	159,923	4.08	1,423,760	7.49	11.23
1991	171,562	7.28	1,471,292	3.34	11.66
1992	175,813	2.48	1,530,562	4.03	11.49
1993	181,043	2.97	1,556,251	1.68	11.63
1994	184,397	1.85	1,591,780	2.28	11.58
1995	185,942	0.84	1,618,158	1.66	11.49
1996	181,701	-2.28	1,589,470	-1.77	11.43
1997	180,306	-0.77	1,587,387	-0.13	11.36
1998	182,554	1.25	1,621,874	2.17	11.26
1999	184,986	1.33	1,654,007	1.98	11.18
2000	186,351	0.74	1,689,281	2.13	11.03
2001	190,232	2.08	1,764,334	4.44	10.78
2002	189,800	-0.23	1,783,700	1.10	10.64
2003	194,100	2.27	1,833,000	2.76	10.59
2004	196,300	1.13	1,886,500	2.92	10.41
2005	199,803	1.78	1,946,202	3.16	10.27

Source: California Department of Finance, Demographic Research Unit

CITY OF SAN BERNARDINO

MISCELLANEOUS STATISTICAL INFORMATION

As of June 30, 2005

Date of Incorporation (General Law):	1854
Form of Government	City Charter/Strong Mayor
Land Area:	59.4416 square miles
Population:	199,803
Miles of Streets:	621
Number of Street Lights (City maintained):	5,000
Number of Street Lights (leased from SCE):	6,351
Street Traffic Controllers (signals):	251
Street Traffic Controllers (Ped-xing):	21
Recreation and Parks:	
Number of Parks:	43
Number of Acres:	510.078
Municipal Water Utility:	
Customers:	43,698
Gallons Delivered:	14,292 million
Miles of Water Main:	600.0
Municipal Sewer Utility:	
Customers:	37,662
Miles of Sanitary Sewer:	507
Police Protection/Public Safety:	
Number of Stations:	1
Sworn Personnel:	301
Non-Sworn Personnel:	159
Number of Responded Calls	99,904
Response Times:	
Dispatcher:	1:49 minutes
Officer:	3:57 minutes
Fire Protection	
Number of Stations:	12
Sworn Personnel:	159
Non-Sworn Personnel:	36
Number of Responded Calls	23,505
Response Times:	
All Categories:	5.9 minutes

Source: Various City departments

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