

CITY OF SAN BERNARDINO, CALIFORNIA  
Primary Government Basic Financial Statements  
Year Ended June 30, 2009

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**City of San Bernardino  
Primary Government Financial Statements  
Year Ended June 30, 2009**

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300 North "D" Street • San Bernardino • CA 92418-0001  
www.sbcity.org

January 15, 2010

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 primary government financial statements of the City of San Bernardino ("the City") for the fiscal year ended June 30, 2009.

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

The City's financial statements have been audited by ROGERS, ANDERSON, MALODY & SCOTT, L.L.P., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2009 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, 2009, were fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

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

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

The City provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets and other infrastructure; and recreational activities and cultural events. The City is financially accountable for a redevelopment agency and financing authority, both of which are not reported within the City's primary government financial statements but reported in the City's Comprehensive Annual Financial Report, a separate document.

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

### Factors Affecting Financial Condition

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

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

**Cash management policies and practices.** Cash temporarily idle during the year was invested by the City Treasurer in authorized investments including obligations of the U.S. Treasury, corporate bonds, investment contracts, and the State Treasurer's investment pool. The maturities of the investments range from current to 5 years, with average days to maturity of 482 at 6/30/09. The average yield on investments was 3.62 percent. Investment income includes changes in the fair value of investments. Changes in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the City intends to hold to maturity.

**Risk management.** The City of San Bernardino is self-insured for workers' compensation and liability. The unpaid claims and judgments payable as of June 30, 2009 for these activities is \$14,176,918. Third-party coverage is currently maintained from the CSAC Excess Insurance Authority and ACE American Insurance Company for workers' compensation claims in excess of \$1,000,000, with limits of \$50 million. Third-party coverage is currently maintained from the Big Independent Cities Excess Pool (BICEP) for liability coverage in excess of \$1 million with limits of \$25 million. Additional information on the City's risk management activity can be found in the notes to the financial statements.

**Pension and other postemployment benefits.** The City contributes to the California Public Employees Retirement System, an agent multiple-employer public employee defined benefit pension plan for its employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As of June 30, 2008 (the most recent year for which the calculation is available), the City of San Bernardino has succeeded in funding 92.2% of the present value of the projected benefits earned by employees.

Mayor, Council Members and Citizens of the City of San Bernardino  
January 15, 2010

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

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

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

Respectfully submitted,



Barbara S. Pachon  
Finance Director

**CITY OF SAN BERNARDINO, CALIFORNIA**

**ROSTER OF CITY OFFICIALS**

**JUNE 30, 2009**

LEGISLATIVE OFFICIALS

Patrick J. Morris . . . . .	Mayor*
Esther R. Estrada . . . . .	Member of Common Council-Ward 1*
Dennis J. Baxter. . . . .	Member of Common Council-Ward 2*
Tobin Brinker . . . . .	Member of Common Council-Ward 3*
Fred Shorett. . . . .	Member of Common Council-Ward 4*
Chas Kelley. . . . .	Member of Common Council-Ward 5*
Rikke Van Johnson. . . . .	Member of Common Council-Ward 6*
Wendy J. McCammack . . . . .	Member of Common Council-Ward 7*

CHIEF ADMINISTRATIVE OFFICERS

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

DEPARTMENT HEADS

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

\*Elected Officials



**ROGERS, ANDERSON, MALODY & SCOTT, LLP**

CERTIFIED PUBLIC ACCOUNTANTS

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

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

PHILLIP H. WALLER, C.P.A.  
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BRADFORD A. WELEBIR, C.P.A.  
JENNY LIU, C.P.A.  
TIMOTHY P. HORN, C.P.A.  
KATIE L. MILLSOM, C.P.A.  
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BRADFORD L. ROCKABRAND, C.P.A.  
PAPA MATAR THIAW, C.P.A.  
KATHERINE J. MUIR, C.P.A.

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

**INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying primary government 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, 2009, which collectively comprise the City's primary government basic financial statements, as listed in the table of contents. These primary government financial statements are the responsibility of the City of San Bernardino's management. Our responsibility is to express opinions on these primary government 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 primary government financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the primary government financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall primary government financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the primary government 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2009 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

*Rogers, Anderson, Molody + Scott, LLP*

January 15, 2010

## Management Discussion and Analysis

### General Information

In June 1999, the Governmental Accounting Standards Board (“GASB”), which sets financial reporting rules and requirements, “Generally Accepted Accounting Principals” (“GAAP”), for all state and local governments, established a new framework for financial reporting. This new framework represents the biggest single change in the history of governmental accounting. These changes, which are collectively known as *GASB Statement 34: Basic Financial Statement – and Management Discussion and Analysis – for State and Local Governments*, were implemented with the City of San Bernardino Primary Government Financial Statements for the fiscal year ended June 30, 2002.

As required by GASB 34, the information presented in the “Management Discussion and Analysis” is intended to be a narrative and analysis for the City’s financial activities for the year ended June 30, 2009. Please read this analysis in conjunction with the accompanying financial statements, footnotes and supplementary information as well as the letter of transmittal including the accompanying General Audit Information included in the Introductory Section.

### Financial Highlights

- The assets of the City of San Bernardino Primary Government exceeded its liabilities at the close of its most recent fiscal year by \$372,552,316 (*net assets*). *Unrestricted net assets* at that same time totaled \$(67,155,770).
- The City of San Bernardino Primary Government’s total net assets decreased by \$(20,132,182). \$19,450,325 of the decrease relates to governmental activities and \$681,857 of the decrease was from business type activities.
- At the close of the current fiscal year, the City of San Bernardino Primary Government’s governmental funds reported combined ending fund balances of \$37,140,358, a decrease of \$13,932,348 from the prior year. Approximately 6.7 percent of this amount, \$2,486,162, is available for spending at the government’s discretion (unreserved and designated budget reserve in the general fund).
- At June 30, 2009, the general fund has a designated reserve of \$2,486,162 and no unreserved undesignated fund balance. The total of the designated reserve and unreserved undesignated fund balances represent 1.7 percent of general fund expenditures.
- The overall increase in long-term debt of \$7,874,581 is the net of an increase of \$5,649,073 for governmental activities and an increase of \$2,225,508 for business type activities.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of San Bernardino Primary Government basic financial statements. These statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. In addition to the basic financial statements and required information, this report contains additional supplementary information.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City of San Bernardino Primary Government assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of San Bernardino is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues or unpaid liabilities.)

Both of the government-wide financial statements distinguish functions of the City of San Bernardino that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of San Bernardino Primary Government include general government, public safety, streets, culture and recreation, community services and community development. The business-type activities of the City of San Bernardino Primary Government include the integrated waste operation.

The government-wide financial statements include only the primary government. The additional component units of the City (the Economic Development Agency and the Municipal Water Department) are legally separate and produce separate financial statements. The activities of these component units include both governmental activities and business-type activities. A comprehensive financial report, including all component units of the City of San Bernardino is also produced each year.

The government-wide financial statements of the primary government can be found on pages 11 - 13 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of San Bernardino Primary Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of San Bernardino Primary Government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of San Bernardino Primary Government maintains 38 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures and changes in fund balances for the general fund and three other governmental funds, which are considered to be major funds. Data from the other 34 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of San Bernardino adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 - 23 of this report.

**Proprietary Funds.** The City of San Bernardino maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of San Bernardino uses enterprise funds to account for its Integrated Waste operations and an inactive Emergency Medical Transport activity. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of San Bernardino's various functions. The City of San Bernardino uses internal service funds to account for its fleet, information services, utilities, telephone and central services as well as for liability, workers compensation, unemployment insurance and certain medical insurance. Because these funds primarily benefit governmental rather than business-type functions, they have been included within *governmental activities* on the government-wide statements.

Proprietary funds provide the same type of information as the government-wide financial statement. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 24 - 27 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements, because the resources of those funds are *not* available to support the City of San Bernardino Primary Government's own programs.

The basic fiduciary fund financial statement can be found on page 28 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 - 63 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also contains certain *required supplementary information* concerning the City of San Bernardino Primary Government. Required supplementary information can be found on pages 64 - 73 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 74 - 152 of this report.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of San Bernardino Primary Government, assets exceed liabilities by \$372,552,316 at the close of the most recent fiscal year.

By far the largest portion of the City of San Bernardino Primary Government's net assets (111.7 percent) reflect its investment in capital assets (e.g., infrastructure, land and improvements, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City of San Bernardino uses those capital assets to provide services to citizens, consequently, those assets are not available for future spending. Although the City of San Bernardino Primary Government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided for by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of San Bernardino's Net Assets  
(Amounts expressed in thousands)

	Governmental		Total	Business Type		Total
	Activities	Activities		Governmental	Business-type	
	2009	2009		2008	2008	
Current and other assets	\$ 52,313	\$ 6,685	\$ 58,998	\$ 65,703	\$ 5,368	\$ 71,071
Capital assets	452,973	9,416	462,389	453,542	9,953	463,495
Total assets	505,286	16,101	521,387	519,245	15,321	534,566
Long-term liabilities outstanding	105,806	10,164	115,970	100,476	8,437	108,913
Other liabilities	29,285	3,580	32,865	29,123	3,845	32,968
Total liabilities	135,091	13,744	148,835	129,599	12,282	141,881
Net assets:						
Invested in capital assets, net of related debt	418,595	(2,593)	416,002	417,505	44	417,549
Restricted	23,706	-	23,706	27,748	-	27,748
Unrestricted	(72,106)	4,950	(67,156)	(55,608)	2,995	(52,613)
Total net assets	\$ 370,195	\$ 2,357	\$ 372,552	\$ 389,645	\$ 3,039	\$ 392,684

Table 1

An additional portion of the City of San Bernardino Primary Government's net assets (6.4 percent) represent resources that are subject to external restrictions on how they may be used.

The final portion of net assets is the negative unrestricted balance of (\$67,155,770).

This deficit in unrestricted net assets is the result of substantial liabilities being recognized as incurred which exceed assets available for their liquidation. The budgetary process by which the mayor and council control activity, does not consider all future liabilities related to current periods, as is required by the economic resources measurement focus used to prepare the government-wide financial statements.

**Governmental Activities.** Table 2 represents the cost of each of the City's programs: general government, public safety, streets, culture and recreation, community services and community development. The net cost is the total program expenditures less the associated program revenue earned by that activity, and shows the financial cost that was incurred by the City for that activity.

City of San Bernardino's Governmental Activities  
(Amounts expressed in thousands)

	Total cost of services 2009	Net cost of services 2009	Total cost of services 2008	Net cost of services 2008
General government	\$ 31,890	\$ 26,812	\$ 28,691	\$ 25,709
Public safety	100,516	88,928	101,495	89,082
Streets	28,472	8,063	29,851	2,676
Culture and recreation	7,119	5,157	9,008	6,488
Community development	50	(3,012)	2,612	(1,217)
Community service	9,312	3,347	7,901	2,358
Interest on long-term debt	3,334	3,334	3,663	3,663
	<u>\$ 180,693</u>	<u>\$ 132,629</u>	<u>\$ 183,221</u>	<u>\$ 128,759</u>

Table 2

The net cost of services indicates that the overall cost of government is more than the revenues generated to support it. However, general revenues, such as taxes and investment income, not associated with a particular program, are not off-set against the cost of services.

**Business-type activities.** The City of San Bernardino Primary Government included only one operating business-type activity, Integrated Waste. Net assets for this activity decreased by \$681,857, including net transfers out of \$2,782,300 corresponding to administrative charges and rental of facilities.

All activities decreased the City of San Bernardino Primary Government's net assets by \$20,132,182. Key elements of these decreases are as follows:

City of San Bernardino's Activities (Amounts expressed in thousands)					
	Governmental activities 2009	Business-type activities 2009	Total 2009	Governmental activities 2008	Business-type activities 2008
Revenues:					
Program revenues:					
Charges for services	\$ 27,652	\$ 25,095	\$ 52,747	\$ 33,486	\$ 24,410
Operating grants and contributions	10,406		10,406	9,092	
Capital grants and contributions	10,006		10,006	11,883	
General revenues:					
Sales tax	29,601		29,601	36,102	
Property taxes	32,788		32,788	31,430	
Other taxes	33,461		33,461	38,035	
Forgiveness of debt	-		-	1,556	
Intergovernmental	952		952	1,193	
Other	13,594	266	13,860	11,220	798
Total revenues	158,460	25,361	183,821	173,997	25,208
Expenses:					
General government	31,890		31,890	28,691	
Public safety	100,516		100,516	101,495	
Streets	28,472		28,472	29,851	
Culture and recreation	7,119		7,119	9,008	
Community development	50		50	2,612	
Community service	9,312		9,312	7,901	
Interest on long-term debt	3,334		3,334	3,663	
Integrated waste		23,260	23,260		24,356
Total expenses	180,693	23,260	203,953	183,221	24,356
Increase (decrease) in net assets					
before transfers	(22,233)	2,101	(20,132)	(9,224)	852
Transfers	2,783	(2,783)	0	2,617	(2,617)
Increase in net assets	(19,450)	(682)	(20,132)	(6,607)	(1,765)
Net assets July 1	389,645	3,039	392,684	396,252	4,804
Net assets June 30	\$ 370,195	\$ 2,357	\$ 372,552	\$ 389,645	\$ 3,039

Table 3

## Financial Analysis of the Government's Funds

As noted earlier, the City of San Bernardino Primary Government uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of San Bernardino Primary Government's *governmental funds* is to provide information on near-term inflows, outflow, and balances of *spendable* resources. Such information is useful in assessing the City of San Bernardino Primary Government's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of San Bernardino Primary Government's governmental funds reported combined ending fund balances of \$37,140,358, a decrease of \$13,932,348 from the prior year. Approximately 6.7% of that amount is either unreserved/undesignated or designated for budget reserve in the general fund, which is available for spending at the City's discretion. The remainder of the fund balance is either reserved or designated for Special Revenues or Capital Projects.

The general fund is the chief operating fund for the City of San Bernardino Primary Government. At the end of the current fiscal year, there was no unreserved undesignated fund balance in the general fund, while the total fund balance was \$2,708,319. As a measure of the general fund's liquidity, it may be useful to compare both unreserved undesignated fund balance and total fund balance to general fund expenditures. Unreserved undesignated fund balance represents 0% of general fund expenditures, while total fund balance represents 1.9% of the same amount.

The fund balance of the General Fund of the City of San Bernardino decreased by \$13,444,725 in the current fiscal year. Key factors in the change are:

- Revenues decreased by \$7,398,651 (5.5%). The decrease in Taxes of \$6,413,353 was combined with decreases in Licenses and Permits, Investment Income, Intergovernmental Revenue, and Other Revenue. In addition, the City issued debt of \$55,294 which increased Fund Balance.
- Expenditures increased by \$812,985 (.6%). The primary element of this increase was increased Public Safety Expenditures.

**Proprietary Funds.** The City of San Bernardino Primary Government's proprietary funds provide the same type of information found in the government-wide financial statements for enterprise funds, but in more detail. In addition, the proprietary funds include internal service funds, whose purpose is to accumulate and allocate costs internally.

The total net assets for proprietary funds were \$(3,947,382) at June 30, 2009. While business-type activities in enterprise funds had a positive net assets of \$2,357,057, internal service funds had an ending balance of negative \$(6,304,439). The change in net assets for the year was a decrease of \$(2,281,830) which consists of \$(681,857) decrease for enterprise funds and a decrease of \$(1,599,973) for internal service funds.

### **General Fund Budgetary Highlights**

Differences between appropriations in the original budget and the final amended budget were \$2,064,600 (1.4%) and can be summarized as follows:

- Appropriations were increased by \$1,135,300 for encumbrance and continuing appropriation carryovers, and \$226,900 for Charter 186 increases.
- \$2,400,000 was transferred from general government to departments to cover Charter 186 increases.

## **Capital Asset and Debt Administration**

**Capital Assets.** The City of San Bernardino Primary Government's investment in capital assets for its governmental and business activities as of June 30, 2009 amounts to \$462,389,471 (net of cumulated depreciation). The investment in capital assets included infrastructure, land and improvements, buildings, and equipment. Of this amount, \$288,092,258 relates to infrastructure and \$15,145,438 relates to infrastructure construction in progress. The City of San Bernardino Primary Government recorded infrastructure initially related to general government functions during the year ended June 30, 2006.

Additional information on the City of San Bernardino Primary Government's capital assets can be found in note 4 on pages 45 - 46 of this report.

**Long-Term Debt.** At the end of the current year, the City of San Bernardino Primary Government has total outstanding long-term liabilities of \$139,414,508. Of this amount, \$48,599,907 relates to Pension Obligation Bonds, \$27,761,827 relates to facilities leases and loans, \$18,375,510 to equipment leases, \$19,963,455 relates to compensated absences, \$14,176,918 for claims and judgments payable, \$10,286,891 for OPEB Obligation, and \$250,000 for special assessment debt for which the City is liable.

The City of San Bernardino Primary Government's long term debt increased by \$7,874,581 (6.0%) in the current year. While OPEB Obligation increased by \$4,955,901, equipment leases increased by \$2,424,253, facilities leases payable increased by \$1,657,519, and claims and judgments payable increased by \$956,094, compensated absences decreased by \$1,069,186, Pension Obligation Bonds decreased by \$965,000, and Assessment District Bonds decreased by \$85,000.

Additional information on the City of San Bernardino Primary Government's long-term liabilities can be found in notes 5 through 12 on pages 46 - 56 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

Primary Factors used in the preparation of the 2009/2010 budget include:

- Revenues have been estimated with realistic changes based on performance of the local economy. Certain revenues provided by the State of California have been adjusted as a result of state budget deficits.
- Personnel costs are only projected to increase based on salary increases for safety employees mandated by City charter and pension benefit contribution rate increases as dictated by CalPERS and other benefit increases.

All of these factors were considered in preparing the City of San Bernardino Primary Government's budget for the 2010 fiscal year.

## **Requests for Information**

This financial report is designed to provide a general overview of the City of San Bernardino Primary Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director 300 N. "D" Street, San Bernardino, CA 92418-0001.

**City of San Bernardino  
Statement of Net Assets  
June 30, 2009**

(with prior year data for comparative purposes only)

	Governmental Activities	Business-type Activities	Totals	
			2009	2008
<b>ASSETS</b>				
Cash and investments	\$ 32,701,766	\$ 50	\$ 32,701,816	\$ 40,847,191
Cash and investments with fiscal agents	950,074	3,647,212	4,597,286	6,028,678
Receivables:				
Accounts, net	3,562,147	2,621,927	6,184,074	6,601,497
Interest	341,357	6,192	347,549	492,049
Special assessments	442,585	-	442,585	501,667
Internal balances	(409,603)	409,603	-	-
Inventory	441,324	-	441,324	326,716
Prepays	47,520	-	47,520	199,846
Due from other governments	13,946,593	-	13,946,593	15,804,460
Other	289,169	-	289,169	268,857
Capital assets:				
Land, improvements and construction in progress	129,540,355	-	129,540,355	126,369,770
Other capital assets, net	323,432,761	9,416,355	332,849,116	337,124,878
<b>Total assets</b>	<b>505,286,048</b>	<b>16,101,339</b>	<b>521,387,387</b>	<b>534,565,609</b>
<b>LIABILITIES</b>				
Accounts payable	4,209,670	601,833	4,811,503	6,473,058
Deposits payable	-	383,626	383,626	367,505
Accrued interest	790,192	-	790,192	846,927
Retentions payable	62,861	-	62,861	446,451
Unearned revenue	2,291,081	-	2,291,081	1,009,045
Due to other governments	1,081,300	-	1,081,300	1,198,198
Noncurrent liabilities:				
Due within one year	20,850,254	2,594,335	23,444,589	22,627,577
Due in more than one year	105,805,431	10,164,488	115,969,919	108,912,350
<b>Total liabilities</b>	<b>135,090,789</b>	<b>13,744,282</b>	<b>148,835,071</b>	<b>141,881,111</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	418,595,559	(2,593,426)	416,002,133	417,548,834
Restricted for:				
Capital projects – streets	20,451,041	-	20,451,041	22,109,775
Capital projects – other	2,118,161	-	2,118,161	3,171,392
Special revenue	1,136,751	-	1,136,751	978,510
Debt service	-	-	-	1,488,961
Unrestricted	(72,106,253)	4,950,483	(67,155,770)	(52,612,974)
<b>Total net assets</b>	<b>\$ 370,195,259</b>	<b>\$ 2,357,057</b>	<b>\$ 372,552,316</b>	<b>\$ 392,684,498</b>

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

**City of San Bernardino**  
**Statement of Activities**  
**For the year ended June 30, 2009**  
(with prior year data for comparative purposes only)

<b>Functions/Programs</b>	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
General government	\$ 31,889,888	\$ 3,520,136	\$ 1,557,925	\$ -
Public safety	100,515,707	8,132,156	3,455,958	-
Streets	28,471,766	10,402,510	-	10,006,137
Culture and recreation	7,119,434	1,045,559	917,110	-
Community development	50,039	2,986,531	75,240	-
Community services	9,311,565	1,564,959	4,399,478	-
Interest on long-term debt	3,334,374	-	-	-
Total governmental activities	<u>180,692,773</u>	<u>27,651,851</u>	<u>10,405,711</u>	<u>10,006,137</u>
Business-type activities:				
Integrated waste	<u>23,260,087</u>	<u>25,095,208</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>23,260,087</u>	<u>25,095,208</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 203,952,860</u>	<u>\$ 52,747,059</u>	<u>\$ 10,405,711</u>	<u>\$ 10,006,137</u>

General revenues:

Taxes:

Sales tax

Property tax

Other taxes

Franchises

Loss on sale of land held for resale

Unrestricted investment earnings

Other

Intergovernmental (unrestricted)

Forgiveness of debt

Transfers

Total general revenues and transfers

Change in net assets

Net assets, beginning of year

Net assets, end of year

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

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-type Activities	Totals	
		2009	2008
\$ (26,811,827)	\$ -	\$ (26,811,827)	\$ (25,708,975)
(88,927,593)	-	(88,927,593)	(89,082,343)
(8,063,119)	-	(8,063,119)	(2,675,634)
(5,156,765)	-	(5,156,765)	(6,488,450)
3,011,732	-	3,011,732	1,217,369
(3,347,128)	-	(3,347,128)	(2,358,197)
(3,334,374)	-	(3,334,374)	(3,663,018)
<u>(132,629,074)</u>	<u>-</u>	<u>(132,629,074)</u>	<u>(128,759,248)</u>
-	1,835,121	1,835,121	53,922
-	1,835,121	1,835,121	53,922
29,601,414	-	29,601,414	36,101,446
32,788,532	-	32,788,532	31,429,967
33,460,958	-	33,460,958	34,423,896
3,513,508	-	3,513,508	3,611,073
-	(443,789)	(443,789)	-
139,901	19,126	159,027	529,440
9,940,308	689,985	10,630,293	11,488,926
951,828	-	951,828	1,193,170
-	-	-	1,556,000
2,782,300	(2,782,300)	-	-
<u>113,178,749</u>	<u>(2,516,978)</u>	<u>110,661,771</u>	<u>120,333,918</u>
(19,450,325)	(681,857)	(20,132,182)	(8,371,408)
<u>389,645,584</u>	<u>3,038,914</u>	<u>392,684,498</u>	<u>401,055,906</u>
<u>\$ 370,195,259</u>	<u>\$ 2,357,057</u>	<u>\$ 372,552,316</u>	<u>\$ 392,684,498</u>

**City of San Bernardino**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**  
(with prior year data for comparative purposes only)

	General	Special Revenue Fund Federal and State Programs
<b>ASSETS</b>		
Cash and investments	\$ 4,930	\$ -
Cash and investments with fiscal agents	130,979	-
Receivables, net:		
Accounts	3,435,610	65,225
Interest	13,401	18,472
Special assessments	-	-
Inventory	19,327	-
Prepays	-	47,520
Due from other governments	7,613,753	2,871,975
Due from other funds	-	-
Advances to other funds	-	-
Other assets	74,498	-
	<b>\$ 11,292,498</b>	<b>\$ 3,003,192</b>
Total assets	<b>\$ 11,292,498</b>	<b>\$ 3,003,192</b>

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

Capital Projects Funds		Nonmajor Governmental Funds	Total	
Street Construction	Impact Fees		2009	2008
\$ -	\$ 5,694,516	\$ 26,958,842	\$ 32,658,288	\$ 38,812,345
-	-	65,063	196,042	3,625,724
-	-	59,886	3,560,721	4,038,129
-	70,837	207,853	310,563	444,771
-	-	442,585	442,585	501,667
-	-	-	19,327	19,489
-	-	-	47,520	19,033
460,104	104,213	2,441,608	13,491,653	15,693,143
-	4,710,347	2,886,431	7,596,778	1,348,667
-	-	513,374	513,374	607,774
-	-	214,671	289,169	268,857
<u>\$ 460,104</u>	<u>\$ 10,579,913</u>	<u>\$ 33,790,313</u>	<u>\$ 59,126,020</u>	<u>\$ 65,379,599</u>

**City of San Bernardino**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**  
(with prior year data for comparative purposes only)  
(Continued)

	General	Special Revenue Fund Federal and State Programs
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ 1,068,865	\$ 255,641
Due to other funds	7,515,314	715,407
Retentions payable	-	-
Deferred revenues	-	2,694,844
Advances from other funds	-	-
Due to other governments	-	-
	8,584,179	3,665,892
Fund balances:		
Reserved for:		
Encumbrances	197,900	-
Inventory	19,327	-
Prepaid items	-	47,520
Debt service	-	-
Advances to other funds	-	-
Sewer capacity rights	-	-
Petty cash	4,930	-
Unreserved:		
General fund:		
Designated for continuing appropriations	-	-
Designated for budget reserve	2,486,162	-
Undesignated	-	-
Special revenue funds:		
Designated for continuing appropriations	-	-
Undesignated	-	(710,220)
Debt service funds:		
Undesignated	-	-
Capital projects funds:		
Designated for continuing appropriations	-	-
Undesignated	-	-
	2,708,319	(662,700)
Total fund balances (deficit)	2,708,319	(662,700)
Total liabilities and fund balances	\$ 11,292,498	\$ 3,003,192

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

Capital Projects Funds		Nonmajor Governmental Funds	Total	
Street Construction	Impact Fees		2009	2008
\$ 143,050	\$ 113,663	\$ 1,722,839	\$ 3,304,058	\$ 4,081,224
3,060,132	-	2,540,604	13,831,457	6,059,083
-	-	62,861	62,861	446,451
-	-	781,542	3,476,386	2,275,938
-	-	229,600	229,600	246,000
900,000	-	181,300	1,081,300	1,198,197
<u>4,103,182</u>	<u>113,663</u>	<u>5,518,746</u>	<u>21,985,662</u>	<u>14,306,893</u>
-	14,300	300,700	512,900	758,500
-	-	-	19,327	19,489
-	-	-	47,520	19,033
-	-	275,343	275,343	277,632
-	-	513,374	513,374	914,163
-	-	214,671	214,671	214,671
-	-	1,925	6,855	6,030
-	-	-	-	610,000
-	-	-	2,486,162	10,779,300
-	-	-	-	4,163,503
-	215,600	52,700	268,300	300,600
-	10,236,350	10,099,203	19,625,333	9,584,517
-	-	(406,895)	(406,895)	1,623,105
-	-	202,600	202,600	8,400
(3,643,078)	-	17,017,946	13,374,868	21,793,763
<u>(3,643,078)</u>	<u>10,466,250</u>	<u>28,271,567</u>	<u>37,140,358</u>	<u>51,072,706</u>
<u>\$ 460,104</u>	<u>\$ 10,579,913</u>	<u>\$ 33,790,313</u>	<u>\$ 59,126,020</u>	<u>\$ 65,379,599</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, 2009**

Fund balances of governmental funds		\$ 37,140,358
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.		447,545,147
Internal service funds are used by management to charge various costs to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		
Capital assets, net	\$ 5,427,969	
Long-term liabilities	(13,099,308)	
Other assets and liabilities	<u>1,366,900</u>	(6,304,439)
Certain assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		1,185,306
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in funds, less internal service fund liabilities.		
Bonds, notes and leases payable	\$ (90,253,017)	
Accrued interest payable	(790,192)	
Compensated absences payable	<u>(18,327,904)</u>	<u>(109,371,113)</u>
Net assets of governmental activities		<u>\$ 370,195,259</u>

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

**City of San Bernardino**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2009**  
(with prior year data for comparative purposes only)

	General	Special Revenue Fund Federal and State Programs
<b>REVENUES</b>		
Taxes	\$ 94,030,428	\$ -
Licenses and permits	9,385,470	-
Impact fees	-	-
Fines and forfeitures	2,250,060	-
Investment income	736,536	-
Intergovernmental	8,916,249	6,906,878
Charges for services	6,419,995	-
Other revenues	4,122,007	162,155
	<u>125,860,745</u>	<u>7,069,033</u>
Total revenues		
<b>EXPENDITURES</b>		
Current:		
General government	22,936,346	20,989
Public safety	100,610,784	2,274,467
Streets	8,280,754	-
Culture and recreation	5,770,269	247,949
Community development	-	75,240
Community service	2,039,117	4,329,133
Debt service:		
Principal	3,144,372	-
Interest	3,129,553	-
	<u>145,911,195</u>	<u>6,947,778</u>
Total expenditures		
Excess (deficiency) of revenues over (under) expenditures	<u>(20,050,450)</u>	<u>121,255</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Issuance of debt	55,294	-
Transfers in	11,326,953	-
Transfers out	(4,776,522)	-
	<u>6,605,725</u>	<u>-</u>
Total other financing sources (uses)		
<b>SPECIAL ITEM</b>		
Forgiveness of debt	-	-
Net change in fund balances	(13,444,725)	121,255
Fund balances (deficit), beginning of year	16,153,044	(783,955)
Fund balances (deficit), end of year	<u>\$ 2,708,319</u>	<u>\$ (662,700)</u>

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

Capital Projects Funds		Nonmajor Governmental Funds	Totals	
Street Construction	Impact Fees		2009	2008
\$ -	\$ -	\$ 2,123,881	\$ 96,154,309	\$ 101,710,330
-	-	663,363	10,048,833	11,116,513
-	1,065,305	-	1,065,305	5,268,475
-	-	2,471,665	4,721,725	3,880,674
-	235,377	1,013,999	1,985,912	3,757,220
1,888,984	-	11,045,345	28,757,456	29,195,582
-	-	4,600,649	11,020,644	13,465,003
149,316	104,213	308,888	4,846,579	5,448,165
<u>2,038,300</u>	<u>1,404,895</u>	<u>22,227,790</u>	<u>158,600,763</u>	<u>173,841,962</u>
-	-	511,229	23,468,564	24,983,025
-	507,675	2,220,287	105,613,213	100,534,357
2,352,227	172,110	14,345,295	25,150,386	27,129,532
-	79,542	744,898	6,842,658	9,480,585
-	-	-	75,240	2,602,273
-	-	3,047,568	9,415,818	6,914,615
-	79,249	1,225,721	4,449,342	4,270,878
-	76,064	185,492	3,391,109	3,323,315
<u>2,352,227</u>	<u>914,640</u>	<u>22,280,490</u>	<u>178,406,330</u>	<u>179,238,580</u>
<u>(313,927)</u>	<u>490,255</u>	<u>(52,700)</u>	<u>(19,805,567)</u>	<u>(5,396,618)</u>
-	-	4,163,641	4,218,935	3,638,489
297,700	785,535	4,658,178	17,068,366	13,818,974
-	-	(10,637,560)	(15,414,082)	(11,687,574)
<u>297,700</u>	<u>785,535</u>	<u>(1,815,741)</u>	<u>5,873,219</u>	<u>5,769,889</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,556,000</u>
(16,227)	1,275,790	(1,868,441)	(13,932,348)	1,929,271
<u>(3,626,851)</u>	<u>9,190,460</u>	<u>30,140,008</u>	<u>51,072,706</u>	<u>49,143,435</u>
<u>\$ (3,643,078)</u>	<u>\$ 10,466,250</u>	<u>\$ 28,271,567</u>	<u>\$ 37,140,358</u>	<u>\$ 51,072,706</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**  
**For the year ended June 30, 2009**

Net change in fund balance – total governmental funds \$ (13,932,348)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay was exceeded by depreciation, net of disposals.

Capital outlay	\$ 18,084,352	
Depreciation	<u>(18,425,692)</u>	(341,340)

Revenues that are measurable but not available are not recorded as revenues under the modified accrual basis of accounting. (81,588)

Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of debt principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net assets.

Debt issued	\$ (4,218,935)	
Principal payments on debt	<u>4,390,315</u>	171,380

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	\$ 1,232,710	
OPEB obligation	(4,955,901)	
Accrued interest payable	<u>56,735</u>	(3,666,456)

Internal service funds are used by management to charge various costs to individual funds. The net revenue of the internal service funds are reported with governmental activities. (1,599,973)

Changes in net assets of governmental activities \$ (19,450,325)

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

**City of San Bernardino  
Statement of Net Assets  
Proprietary Funds  
June 30, 2009**

(with prior year data for comparative purposes only)

	Business-type Activities - Enterprise Fund Integrated Waste	Governmental Activities - Internal Service Funds	Totals	
			2009	2008
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 50	\$ 43,478	\$ 43,528	\$ 2,034,846
Cash and investments with fiscal agents	3,647,212	754,032	4,401,244	2,402,954
Receivables:				
Accounts, net	2,621,927	-	2,621,927	2,557,586
Interest	6,192	30,794	36,986	47,279
Other	-	1,426	1,426	5,782
Inventory	-	421,997	421,997	307,227
Prepays	-	-	-	180,813
Due from other governments	-	454,940	454,940	111,318
Due from other funds	409,603	5,855,082	6,264,685	4,725,386
Total current assets	<u>6,684,984</u>	<u>7,561,749</u>	<u>14,246,733</u>	<u>12,373,191</u>
Capital assets, net:				
Property, plant and equipment	<u>9,416,355</u>	<u>5,427,968</u>	<u>14,844,323</u>	<u>15,608,160</u>
Total assets	<u>16,101,339</u>	<u>12,989,717</u>	<u>29,091,056</u>	<u>27,981,351</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	601,833	905,612	1,507,445	2,391,832
Due to other funds	-	30,006	30,006	14,970
Deposits payable	383,626	-	383,626	367,505
Advances from other funds	-	283,774	283,774	361,774
Claims and judgments payable - current	-	3,661,400	3,661,400	4,061,400
Compensated absences - current	584,886	287,953	872,839	1,060,860
Capital lease payable - current	2,009,449	991,103	3,000,552	2,436,012
Facility lease payable - current	-	35,000	35,000	35,000
Total current liabilities	<u>3,579,794</u>	<u>6,194,848</u>	<u>9,774,642</u>	<u>10,729,353</u>
Noncurrent liabilities:				
Claims and judgments payable	-	10,515,518	10,515,518	9,159,424
Compensated absences	164,156	598,556	762,712	411,173
Capital lease payable	10,000,332	1,820,234	11,820,566	9,146,953
Facility lease payable	-	165,000	165,000	200,000
Total noncurrent liabilities	<u>10,164,488</u>	<u>13,099,308</u>	<u>23,263,796</u>	<u>18,917,550</u>
Total liabilities	<u>13,744,282</u>	<u>19,294,156</u>	<u>33,038,438</u>	<u>29,646,903</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	(2,593,426)	2,348,201	(245,225)	3,743,671
Unrestricted (deficit)	<u>4,950,483</u>	<u>(8,652,640)</u>	<u>(3,702,157)</u>	<u>(5,409,223)</u>
Total net assets (deficit)	<u>\$ 2,357,057</u>	<u>\$ (6,304,439)</u>	<u>\$ (3,947,382)</u>	<u>\$ (1,665,552)</u>

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

**City of San Bernardino**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the year ended June 30, 2009**  
(with prior year data for comparative purposes only)

	Business-type Activities - Enterprise Fund Integrated Waste	Governmental Activities - Internal Service Funds	Totals	
			2009	2008
<b>OPERATING REVENUES</b>				
Charges for services	\$ 25,095,208	\$ 22,980,577	\$ 48,075,785	\$ 51,014,925
Total operating revenues	25,095,208	22,980,577	48,075,785	51,014,925
<b>OPERATING EXPENSES</b>				
Cost of sales and service	17,213,260	16,781,293	33,994,553	37,055,281
Administration	3,325,872	-	3,325,872	3,342,095
Claims expense	-	7,102,350	7,102,350	3,427,374
Depreciation	2,399,761	2,326,638	4,726,399	4,527,004
Total operating expenses	22,938,893	26,210,281	49,149,174	48,351,754
Operating income (loss)	2,156,315	(3,229,704)	(1,073,389)	2,663,171
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	19,126	94,961	114,087	232,195
Interest expense	(321,194)	(110,470)	(431,664)	(267,105)
Gain/(loss) on disposal of capital assets	(443,789)	49,140	(394,649)	(6,226)
Miscellaneous	689,985	468,084	1,158,069	831,296
Total nonoperating revenues (expenses)	(55,872)	501,715	445,843	790,160
Income before contributions and transfers	2,100,443	(2,727,989)	(627,546)	3,453,331
Transfers in	-	1,128,016	1,128,016	550,900
Transfers out	(2,782,300)	-	(2,782,300)	(2,682,300)
Change in net assets	(681,857)	(1,599,973)	(2,281,830)	1,321,931
Net assets (deficit), beginning of year	3,038,914	(4,704,466)	(1,665,552)	(2,987,483)
Net assets (deficit), end of year	\$ 2,357,057	\$ (6,304,439)	\$ (3,947,382)	\$ (1,665,552)

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

**City of San Bernardino**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2009**  
(with prior year data for comparative purposes only)

	Business-type Activities - Enterprise Fund Integrated Waste	Governmental Activities - Internal Service Funds	Totals	
			2009	2008
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 25,046,988	\$ -	\$ 25,046,988	\$ 24,384,106
Cash received from user departments	-	22,656,346	22,656,346	26,285,854
Cash payments to suppliers for goods and services	(14,305,709)	(12,029,315)	(26,335,024)	(30,335,853)
Cash payments for claims	-	(5,851,248)	(5,851,248)	(4,423,314)
Cash payments for employees for services	(6,888,646)	(5,046,588)	(11,935,234)	(11,240,246)
Cash received from other activities	689,985	468,084	1,158,069	831,297
Net cash provided by operating activities	<u>4,542,618</u>	<u>197,279</u>	<u>4,739,897</u>	<u>5,501,844</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfer from other funds	-	1,128,016	1,128,016	550,900
Transfer to other funds	(2,782,300)	-	(2,782,300)	(2,682,300)
Interfund loans	(409,603)	(1,207,695)	(1,617,298)	(4,404,215)
Net cash (used for) noncapital financing activities	<u>(3,191,903)</u>	<u>(79,679)</u>	<u>(3,271,582)</u>	<u>(6,535,615)</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets	(123,530)	(632,522)	(756,052)	(2,155,357)
Proceeds from capital debt	1,369,107	880,687	2,249,794	-
Principal paid on capital debt	(1,537,772)	(1,245,265)	(2,783,037)	(1,832,888)
Proceeds from sale of capital assets	86,252	49,140	135,392	82,366
Interest paid on capital debt	(321,194)	(110,470)	(431,664)	(267,105)
Net cash (used for) capital and related financing activities	<u>(527,137)</u>	<u>(1,058,430)</u>	<u>(1,585,567)</u>	<u>(4,172,984)</u>
<b>Cash flows from investing activities:</b>				
Interest received	<u>22,764</u>	<u>101,460</u>	<u>124,224</u>	<u>232,267</u>
Net cash provided by investing activities	<u>22,764</u>	<u>101,460</u>	<u>124,224</u>	<u>232,267</u>
Net increase (decrease) in cash and investments	846,342	(839,370)	6,972	(4,974,488)
Cash and investments, beginning of year	<u>2,800,920</u>	<u>1,636,880</u>	<u>4,437,800</u>	<u>9,412,288</u>
Cash and investments, end of year	<u>\$ 3,647,262</u>	<u>\$ 797,510</u>	<u>\$ 4,444,772</u>	<u>\$ 4,437,800</u>

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

**City of San Bernardino**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2009**  
(with prior year data for comparative purposes only)  
(Continued)

	Business Type Activities - Enterprise Fund Integrated Waste	Governmental Activities - Internal Service Service Funds	Totals	
			2009	2008
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ 2,156,315	\$ (3,229,704)	\$ (1,073,389)	\$ 2,663,171
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	2,399,761	2,326,638	4,726,399	4,527,004
Other nonoperating revenues (expense)	689,985	468,084	1,158,069	831,296
(Increase) decrease in assets:				
Accounts receivable	(64,341)	-	(64,341)	(41,173)
Other receivables	-	68,378	68,378	1,784
Inventory	-	(114,770)	(114,770)	(59,470)
Prepays	-	180,813	180,813	212,455
Due from other funds	-	203	203	(5,668)
Due from other governments	-	(407,847)	(407,847)	(8,493)
Increase (decrease) in liabilities:				
Accounts payable	(779,365)	(105,022)	(884,387)	(1,501,527)
Deposits payable	16,121	-	16,121	14,786
Claims and judgments payable	-	956,094	956,094	(970,654)
Retentions payable	-	-	-	(40,405)
Due to other funds	-	15,036	15,036	(306,201)
Compensated absences	124,142	39,376	163,518	184,939
Net cash provided by operating activities	<u>\$ 4,542,618</u>	<u>\$ 197,279</u>	<u>\$ 4,739,897</u>	<u>\$ 5,501,844</u>
<b>Noncash, investing, capital and financing activities:</b>				
Acquisition of capital assets through financing	\$ 2,270,030	\$ 1,466,521	\$ 3,736,551	\$ 6,196,904

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

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**City of San Bernardino**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2009**  
(with prior year data for comparative purposes only)

	2009	2008
<b>ASSETS</b>		
Cash and investments	\$ 7,752,383	\$ 10,754,740
Cash and investments with fiscal agents	251,890	390,522
Receivables:		
Accounts	90,145	89,475
Interest	8,943	11,039
Due from other governmental agencies	222,107	255,131
Total assets	\$ 8,325,468	\$ 11,500,907
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 184,433
Deposits payable	7,282,125	10,313,104
Due to bond holders	1,043,343	1,003,370
Total liabilities	\$ 8,325,468	\$ 11,500,907

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

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 1: Summary of significant accounting policies**

The City of San Bernardino, California (City) was incorporated on April 13, 1854, as a Charter City. The City operates under a Mayor/Council 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**

These financial statements present the activities of the City, the primary government, and do not include the activities of the City's component units or of the Municipal Water Department. The component units are the City of San Bernardino Economic Development Agency and the San Bernardino Joint Powers Financing 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 primary government 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. 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 Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 1: Summary of significant accounting policies, (continued)**

***b. Basis of accounting and measurement focus, (continued)***

*Government-wide financial statements, (continued)*

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transaction 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 Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 1: Summary of significant accounting policies, (continued)**

**b. Basis of accounting and measurement focus, (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.

Revenue recognition is subject to the *measurable* and *availability* 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.

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.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 1: Summary of significant accounting policies, (continued)**

***b. Basis of accounting and measurement focus, (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 decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

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

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

Due to their 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 Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 1: Summary of significant accounting policies, (continued)**

**b. Basis of accounting and measurement focus, (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. Nonoperating 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 another 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 expense. Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of City revenues and expenses. Therefore, they have no measurement focus.

*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 Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 1: Summary of significant accounting policies, (continued)**

***b. Basis of accounting and measurement focus, (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.

*Street Construction.* For right-of-way acquisition, construction and improvements related to the Citrus street system. These projects are funded by various state and federal programs and matching city funds.

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

The City reports the following major enterprise funds:

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

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.

*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 No. 961, No. 977A, No. 977B, and No. 1003 and Community Facilities District No. 995.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 1: Summary of significant accounting policies, (continued)**

**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.

**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 \$50,000 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, or extraordinarily extends the life of the asset beyond original expectations. Generally, street slurry seals and repairing adding one inch or less of asphalt are considered to be routine maintenance regardless of the cost of the project.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 1: Summary of significant accounting policies, (continued)**

**e. Capital assets, (continued)**

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

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

	Years
Infrastructure	20-50
Buildings and improvements	15-45
Machinery, vehicles and equipment	2-20
Computer system	2-20

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

GASB 34 controls the reporting of infrastructure assets, consequently, public domain assets are now recorded in the government-wide financial statements.

**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.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 1: Summary of significant accounting policies, (continued)**

***h. 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.

***i. Comparative data***

Comparative total data for the prior year have been presented in the accompanying 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.

***j. 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.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 2: Cash and investments**

Cash and investments are presented in the accompanying financial statements as follows:

Statement of net assets	
Cash and investments	\$ 32,701,816
Statement of fiduciary assets and liabilities	
Cash and investments	<u>7,752,383</u>
Total cash and investments	<u>40,454,199</u>
Statement of net assets	
Cash and investments with fiscal agents	4,597,286
Statement of fiduciary assets and liabilities:	
Cash and investments with fiscal agents	<u>251,890</u>
Total cash and investments with fiscal agents	<u>4,849,176</u>
Total cash and investments	<u>\$ 45,303,375</u>

Cash and investments at June 30, 2009, consisted of the following:

Petty cash	\$ 7,155
Demand deposits	(4,275,413)
Investments	<u>124,400,110</u>
Total cash and investments	120,131,852
Less: amount held by Water Department	<u>(74,828,477)</u>
Total cash and investments	<u>\$ 45,303,375</u>

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

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 2: Cash and investments (continued)**

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

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, 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 policy.

Investment types authorized by state law	Authorized by investment policy	*Maximum maturity	*Maximum percentage of portfolio	*Maximum investment in one issuer
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	No	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	Yes	5 years	30%	None
Mutual Funds	Yes	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	Yes	5 years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Funds (LAIF)	Yes	N/A	None	None
JPA Pools (other investment pools)	No	N/A	None	None

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

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 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 that City's investment policy. The table below identifies the investment types that are generally 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.

Authorized investment type	Maximum maturity	Maximum percentage allowed	Maximum investment in one issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	180 days	None	None
Money Market Mutual Funds	N/A	None	None
Repurchase Agreements	N/A	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 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, and callable securities are assumed to be held to maturity.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 2: Cash and investments, (continued)**

Investment type	Total	Remaining maturity		
		12 months or less	13 to 24 months	25 to 60 months
Federal agency securities	\$ 47,597,111	\$ 19,457,417	\$ 7,805,267	\$ 20,334,427
US Treasury securities	4,651,613	-	-	4,651,613
Corporate debt securities	6,728,817	954,487	847,846	4,926,484
Sweep account (money market fund)	4,144,487	4,144,487	-	-
Money market mutual funds	4,981,940	4,981,940	-	-
State investment pool	30,327,075	30,327,075	-	-
Held by bond trustee:				
Money market funds	4,849,178	4,849,178	-	-
Federal consent decree:				
State investment pool	10,122,495	10,122,495	-	-
Federal agency securities	10,997,394	-	-	10,997,394
<b>Total</b>	<b>\$ 124,400,110</b>	<b>\$ 74,837,079</b>	<b>\$ 8,653,113</b>	<b>\$ 40,909,918</b>

*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 policy, or debt agreements, and the actual rating as of year end for each investment type.

Investment type	Total	Minimum legal rating	Ratings as of year end	Not rated
Federal agency securities	\$ 47,597,111	AA-Aa2	Aaa	\$ -
US Treasury securities	4,651,613	N/A	Not rated	4,651,613
Corporate debt securities	6,728,817	AA/Aa2	Aaa-Aa2	-
Sweep account (money market fund)	4,144,487	N/A	Not rated	4,144,487
Money market mutual funds	4,981,940	N/A	Not rated	4,981,940
State investment pool	30,327,075	N/A	Not rated	30,327,075
Held by bond trustee:				
Money market funds	4,849,178	N/A	Not rated	4,849,178
Federal consent decree:				
State investment pool	10,122,495	N/A	Not rated	10,122,495
Federal agency securities	10,997,394	AA/Aa2	Aaa	-
<b>Total</b>	<b>\$ 124,400,110</b>			<b>\$ 59,076,788</b>

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 2: Cash and investments, (continued)**

*Concentration of credit risk*

The investment policy 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% more of total City investments are as follows:

Issuer	Investment type	Reported amount
Federal National Mortgage Association	Federal agency securities	\$ 15,652,181
Federal Home Loan Bank Federal Home Loan Mortgage Corporation	Federal agency securities	10,844,650
	Federal agency securities	16,460,569

*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 policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: 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.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 2: Cash and investments, (continued)**

*Investment in state investment pool*

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

**Note 3: Interfund receivables, payables, and transfers**

Current interfund receivables and payables at June 30, 2009, are as follows:

	Amount
Due to nonmajor funds from:	
Federal and State Grant Programs	\$ 715,407
General fund	90,384
Special Assessments Capital Projects fund	2,080,640
Due to Integrated waste fund from:	
General Fund	409,603
Due to Impact Fee fund from:	
General Fund	4,710,347
Due to internal service funds from:	
CIEDB Street Construction fund	54,662
Street Construction fund	3,060,132
Internal service funds	30,006
General Fund	2,304,980
Nonmajor governmental funds	405,302
Total interfund receivables and payables	\$ 13,861,463

The interfund balances above resulted from loans to cover cash deficits.

Long-term interfund receivables and payables at June 30, 2009, are as follows:

Advances from nonmajor governmental funds to:	
Internal service funds	\$ 283,774
Other nonmajor governmental funds	229,600
Total advances	\$ 513,374

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

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 3: Interfund receivables, payables, and transfers (continued)**

Interfund transfers during the year ended June 30, 2009, were as follows:

Fund receiving transfers	Fund making transfers	Amount
<i>General Fund</i>	Nonmajor funds	\$ 8,544,653 (A)
	Integrated Waste	2,782,300 (B)
<i>Impact Fees</i>	General Fund	785,535
<i>Nonmajor Funds</i>	General Fund	3,648,506 (C)
	Nonmajor funds	1,009,672
<i>Street Construction</i>	Nonmajor funds	297,700
<i>Internal service funds</i>	General Fund	<u>1,128,016</u>
Total transfers in		<u><u>\$ 18,196,382</u></u>

(A) \$2,769,500 was transferred to the General Fund from the Gas Tax Fund for various street projects financed by the General Fund. The remainder was transferred to the General Fund from several nonmajor governmental funds for various projects financed by the General Fund and for administrative costs incurred.

(B) \$2,782,300 was transferred to the General Fund from the Integrated Waste Fund for administrative costs, the fund's portion of capital lease debt service payments and various street repairs.

(C) \$2,769,500 was transferred to the Library Fund from the General Fund for operating expenditures. Other transfers in to nonmajor governmental funds from the General Fund totaled \$879,006.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 4: Capital assets**

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

	Beginning balance	Additions	Deletions	Ending balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 114,394,917	\$ -	\$ -	\$ 114,394,917
Construction in progress	11,974,853	9,958,425	(6,787,840)	15,145,438
Total capital assets, not being depreciated	<u>126,369,770</u>	<u>9,958,425</u>	<u>(6,787,840)</u>	<u>129,540,355</u>
Capital assets, being depreciated:				
Infrastructure	515,727,774	7,023,318	(21,658)	522,729,434
Buildings and improvements	66,308,148	2,862,169	-	69,170,317
Machinery, vehicles and equipment	65,308,682	7,387,390	(1,417,743)	71,278,329
Total capital assets, being depreciated	<u>647,344,604</u>	<u>17,272,877</u>	<u>(1,439,401)</u>	<u>663,178,080</u>
Less accumulated depreciation for:				
Infrastructure	(220,785,307)	(13,866,348)	14,479	(234,637,176)
Buildings and improvements	(48,358,238)	(1,916,035)	183,258	(50,091,015)
Machinery, vehicles and equipment	(51,028,778)	(4,969,947)	981,597	(55,017,128)
Total accumulated depreciation	<u>(320,172,323)</u>	<u>(20,752,330)</u>	<u>1,179,334</u>	<u>(339,745,319)</u>
Total capital assets, being depreciated, net	<u>327,172,281</u>	<u>(3,479,453)</u>	<u>(260,067)</u>	<u>323,432,761</u>
Governmental activities capital assets, net	<u>\$ 453,542,051</u>	<u>\$ 6,478,972</u>	<u>\$ (7,047,907)</u>	<u>\$ 452,973,116</u>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Machinery, vehicles and equipment	\$ 21,538,843	\$ 2,393,560	\$ (2,886,843)	\$ 21,045,560
Total capital assets, being depreciated	<u>21,538,843</u>	<u>2,393,560</u>	<u>(2,886,843)</u>	<u>21,045,560</u>
Less accumulated depreciation for:				
Machinery, vehicles and equipment	(11,586,246)	(2,399,761)	2,356,802	(11,629,205)
Total accumulated depreciation	<u>(11,586,246)</u>	<u>(2,399,761)</u>	<u>2,356,802</u>	<u>(11,629,205)</u>
Business-type activities capital assets, net	<u>\$ 9,952,597</u>	<u>\$ (6,201)</u>	<u>\$ (530,041)</u>	<u>\$ 9,416,355</u>

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 4: Capital assets, (continued)**

Depreciation expense was charged to functions of the primary government as follows:

	Governmental Activities	Business-type Activities
Governmental activities:		
General government	\$ 930,290	\$ -
Public safety	2,251,017	-
Streets	14,499,022	-
Culture and recreation	503,248	-
Community development	384	-
Community services	241,731	-
Integrated waste	-	2,399,761
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	2,326,638	-
Total depreciation expense	\$ 20,752,330	\$ 2,399,761

**Note 5: Changes in long-term liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2009:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
<b>Governmental activities:</b>					
<i>Capital leases payable</i>					
Fire equipment	\$ 3,910,509	\$ -	\$ (545,881)	\$ 3,364,628	\$ 565,466
Energy efficiency	156,676	902,000	(329,308)	729,368	70,420
Police vehicles	1,255,869	1,500,345	(691,957)	2,064,257	975,032
Mobile data computers	351,729	-	(232,660)	119,069	119,069
Fire station ADA/ roofing projects	261,159	-	(172,752)	88,407	81,407
Subtotal capital leases payable	5,935,942	2,402,345	(1,972,558)	6,365,729	1,811,394
<i>Facilities leases payable</i>					
Public facilities lease (Lease Revenue Refunding 1997A, Series A)	3,836,429	-	(696,581)	3,139,848	705,000
City Hall Lease (Refunding Bonds, Series 1996)	8,905,573	-	(394,416)	8,511,157	465,000
Police Facility Lease (1999 COP)	4,886,265	-	(204,977)	4,681,288	210,000
<i>California infrastructure loans</i>					
Streets	4,440,350	4,163,641	(1,033,821)	7,570,170	1,058,323
Fire station	2,398,183	-	(79,249)	2,318,934	81,563
Harriman Place Street Extension Lease	1,637,508	-	(97,078)	1,540,430	99,805
Subtotal facilities leases payable	26,104,308	4,163,641	(2,506,122)	27,761,827	2,619,691

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 5: Changes in long-term liabilities, (continued)**

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
<b>Governmental activities (continued):</b>					
<i>Bond payable</i>					
Taxable Pension Obligation Bonds, 2005 Series A	\$ 49,564,907	\$ -	\$ (965,000)	\$ 48,599,907	\$ 1,010,000
<i>Purchase agreement</i>					
Foundation for California State University, San Bernardino	106,900	-	(106,900)	-	-
<i>Assessment District Bonds</i>					
Assessment District No. 985	160,000	-	(45,000)	115,000	55,000
Assessment District No. 987	175,000	-	(40,000)	135,000	40,000
Claims and judgments	13,220,824	5,287,581	(4,331,487)	14,176,918	3,661,400
OPEB Obligation	5,330,990	6,516,765	(1,560,864)	10,286,891	-
Compensated absences	20,407,741	11,664,426	(12,857,754)	19,214,413	11,652,769
Governmental activities long-term liabilities	<u>\$ 121,006,612</u>	<u>\$ 30,034,758</u>	<u>\$ (24,385,685)</u>	<u>\$ 126,655,685</u>	<u>\$ 20,850,254</u>
<b>Business-type activities:</b>					
<i>Capital leases:</i>					
Refuse equipment	\$ 9,908,415	\$ 3,639,138	\$ (1,537,772)	\$ 12,009,781	\$ 2,009,449
Compensated absences	624,900	584,886	(460,744)	749,042	584,886
Business-type activity long-term liabilities	<u>\$ 10,533,315</u>	<u>\$ 4,224,024</u>	<u>\$ (1,998,516)</u>	<u>\$ 12,758,823</u>	<u>\$ 2,594,335</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, \$886,510 of compensated absences, \$14,176,918 of claims and judgments payable, \$2,811,337 of capital leases payable, and \$200,000 of facility leases payable 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 and designated internal service funds.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 6: Capital leases payable**

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

	<u>Amount outstanding at June 30, 2009</u>
<b>Governmental activities:</b>	
<i>Fire equipment</i>	
The City entered into several lease purchase agreements for financing the acquisition of seventeen fire trucks. The terms of the leases vary from 3 to 10 years with individual annual payments ranging from \$26,710 to \$244,450.	\$ 3,364,628
<i>Energy efficiency</i>	
The City entered into two lease purchase agreements to finance the acquisition of air conditioning and lighting equipment. In 2009, the City entered into a lease purchase agreement to finance the acquisition of 4 air conditioners. The terms of these leases vary from 10 to 11 years with individual payments ranging from \$15,607 to \$88,509.	729,368
<i>Police vehicles</i>	
The City entered into several lease purchase agreements for the financing of the acquisition of numerous police patrol cars. The terms of the leases are for 36 months with individual semi-annual payments ranging from \$19,033 to \$265,686.	2,064,257
<i>Mobile data computers</i>	
The City entered into several lease purchase agreements for the financing of the acquisition of mobile data computers for various city vehicles. The terms of the leases are for 60 months with individual semi-annual payments of \$120,932.	119,069

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 6: Capital leases payable, (continued)**

	<u>Amount outstanding at June 30, 2009</u>
<i>Fire station ADA / roofing projects</i>	
The City entered into several lease purchase agreements for the financing of the construction and acquisition of upgrades required by the Americans with Disabilities Act at several fire stations and various other projects. The terms of the leases are for 60 months with individual semi-annual payments of \$89,792.	<u>88,407</u>
Total capital leases payable – governmental activities	<u><u>\$ 6,365,729</u></u>

**Business-type activities:**

<i>Refuse equipment</i>	
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 \$33,339 to \$595,502.	<u>\$ 12,009,781</u>
Total capital leases payable – business-type activities	<u><u>\$ 12,009,781</u></u>

Assets acquired through capital leases are as follows:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Machinery, vehicles and equipment	\$ 10,885,966	\$ 12,039,072
Less: accumulated depreciation	(5,131,430)	(4,146,432)
Totals	<u>\$ 5,754,536</u>	<u>\$ 7,892,640</u>

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

<u>Year ending June 30,</u>	<u>Governmental activities</u>		<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 1,818,393	\$ 216,086	\$ 2,009,450	\$ 400,157
2011	1,359,815	154,953	2,080,504	329,103
2012	918,811	109,640	2,120,757	255,511
2013	549,537	81,289	2,641,841	190,364
2014	543,422	60,695	1,267,833	96,545
2015-2019	1,175,751	82,595	1,310,147	54,231
2020-2024	-	-	579,249	16,254
Totals	<u>\$ 6,365,729</u>	<u>\$ 705,258</u>	<u>\$ 12,009,781</u>	<u>\$ 1,342,165</u>

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 7: Facilities leases payable**

*Public facilities lease (Lease revenue refunding bonds, 1997 Series A)*

On July 1, 1997, the San Bernardino Joint Powers Financing Authority issued \$10,370,000 of Public Facilities Lease Revenue Refunding Bonds, 1997 Series A, 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 consisted of \$5,580,000 of serial bonds with interest rates varying from 3.85% to 4.75%, maturing annually on September 1, 1998 through September 1, 2007 and \$4,790,000 of term bonds due September 1, 2013, bearing interest at 5.00%.

The refunded bonds, referred to above, were used to advance refund other outstanding bonds that were issued to construct certain public facilities.

The City entered into lease agreements to use and occupy those facilities and the fueling station. Pursuant to the lease, the City agrees to make lease payments in amounts to provide adequate funds each year to pay all debt service on the bonds. Lease payments are required to be paid by the City on the 15<sup>th</sup> day of the month preceding the interest payment date, for rental of the leased premises. The lease payments are payable from any source and available funds of the City. The City maintains a reserve account, which will be used to offset the final payments of the lease. The lease amount outstanding, net of cash with fiscal agent, at June 30, 2009 is \$3,139,848.

*City hall facility lease (Lease revenue refunding bonds, Series 1996)*

The San Bernardino Joint Powers Financing Authority issued \$16,320,000 of Lease Revenue Refunding Bonds (City Hall Project), Series 1996, 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%.

The Bonds and the interest thereon are payable from, and secured by a pledge of, lease payments to be paid by the City of San Bernardino pursuant to a Lease Purchase Agreement between the Agency as lessor and the City as lessee. In order for the City to secure its obligations pursuant to the Lease Agreement, the City will grant to the Agency, which will be assigned to First Trust of California National Association, as trustee its interest in the Lease Agreement which includes its rights to acquire the Leased Premises, upon payment of principal of and interest on the Bonds. The City maintains a reserve account, which will be used to offset the final payments of the lease. The lease amount outstanding, net of cash with fiscal agent, at June 30, 2009 is \$8,511,157.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 7: Facilities leases payable, (continued)**

*Police facilities lease 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 to advance refund \$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 of Participation (1995 Police Station Financing Project) included a leasing arrangement with the City.

On September 1, 1999, the Authority and City entered into a lease agreement in regard to the Police Station Site. The City currently has possession of the Police Station Site. Subject to the provisions of the lease, the City agrees to pay to the Authority as rental for use and occupancy of the Police Station lease payments sufficient to satisfy the debt service owed on \$6,730,000 of bonds issued. The debt service payments are payable on February 15 and August 15 of each year commencing February 15, 2001. The City maintains a reserve account, which will be used to offset the final payments of the lease. The lease amount outstanding, net of cash with fiscal agent, at June 30, 2009 is \$4,681,288.

*Fire station lease*

On August 2, 2004, the California Infrastructure and Economic Development Bank (CIEDB) and the City entered into a lease agreement in regard to the purchase of a Fire Station. Subject to the provisions of the lease, the City agrees to pay to the CIEDB as rental for use and occupancy of the Fire Station lease payments on February 1 and August 1 of each year. The lease amount outstanding at June 30, 2009 is \$2,318,934.

*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. The lease amount outstanding at June 30, 2009 is \$1,540,430.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 7: Facilities leases payable, (continued)**

On September 27, 2005, the California Infrastructure and Economic Development Bank (CIEDB) and the City entered into a financing agreement for the pavement Reconstruction and Rehabilitation Project, which consists of 3.4 miles of pavement reconstruction and 25.5 miles of pavement rehabilitation projects on public streets throughout the City. The City agrees to pay the CIEDB on August 1 and February 1, beginning in fiscal year 2009. During the fiscal year ended June 30, 2009, the City had drawn a total of \$9,613,878 of the \$10,000,000 available. The lease amount outstanding at June 30, 2009 was \$7,570,170. Since the full amount of the debt has not been drawn, there is no set debt service schedule.

The following schedule summarizes annual debt service requirements to maturity, net of cash with fiscal agent, for facility leases payable:

Year ending June 30,	Governmental activities	
	Principal	Interest
2010	\$ 2,653,241	\$ 1,303,124
2011	2,759,260	1,199,557
2012	2,863,171	1,089,488
2013	2,739,842	974,525
2014	2,203,295	831,640
2015-2019	8,067,349	3,026,389
2020-2024	5,451,222	1,279,864
2025-2029	879,404	96,438
2030-2034	145,043	2,116
Totals	<u>\$ 27,761,827</u>	<u>\$ 9,803,141</u>

**Note 8: 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, 2009 was \$115,000.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 8: Assessment district bonds, (continued)**

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 day 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, 2009 was \$135,000.

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

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

Year ending June 30,	Governmental activities	
	Principal	Interest
2010	\$ 95,000	\$ 15,650
2011	105,000	7,929
2012	50,000	1,938
Totals	\$ 250,000	\$ 25,517

**Note 9: Compensated absences liability**

The City employees receive from 10 to 25 vacation days each year depending upon length of service. An employee may accumulate earned vacation time to a maximum not to exceed 60 days. Upon termination, employees are paid the full value of their unused vacation time at their existing salary. The City employees receive 12 personal necessity/sick leave days each year. Upon termination or retirement, employees are paid one-half the value of their unused personal necessity/sick leave time at their existing salary. At June 30, 2009, \$19,214,413 and \$749,042 have been recorded, respectively, for governmental activities and business-type activities accrued vacation and sick leave.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 10: 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 and 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, 2009 and 2008, are as follows:

	Liability beginning of year	Claims and changes in estimates	Claims paid	Liability end of year
2007-2008				
Workers comp.	\$ 8,541,478	\$ 1,544,535	\$ (2,330,189)	\$ 7,755,824
Liability claims	5,650,000	703,954	(888,954)	5,465,000
Total 2007-2008	<u>\$ 14,191,478</u>	<u>\$ 2,248,489</u>	<u>\$ (3,219,143)</u>	<u>\$ 13,220,824</u>
2008-2009				
Workers comp.	\$ 7,755,824	\$ 4,266,252	\$ (3,042,228)	\$ 8,979,848
Liability claims	5,465,000	1,021,329	(1,289,259)	5,197,070
Total 2008-2009	<u>\$ 13,220,824</u>	<u>\$ 5,287,581</u>	<u>\$ (4,331,487)</u>	<u>\$ 14,176,918</u>

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

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

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

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 10: Claims and judgments payable (continued)**

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

Estimated claims liabilities at June 30, 2009, including estimates for claims incurred but not reported, have been recorded by BICEP and the City's corresponding share of cost (Premium) is included in claims expense in the Liability Insurance Internal Service Fund.

**Note 11: Pension obligation bonds**

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

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

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

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

Fiscal years ending June 30,	Principal	Interest
2010	\$ 829,038	\$ 2,028,894
2011	826,800	2,028,894
2012	934,391	2,028,894
2013	916,280	2,028,894
2014	895,138	2,028,894
2015-2019	4,157,060	10,144,470
2019-2024	3,591,100	10,144,470
2025-2029	7,841,283	9,017,041
2029-2034	15,910,000	5,455,777
2035-2039	12,698,817	507,646
Totals	<u>\$ 48,599,907</u>	<u>\$ 45,413,874</u>

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 12: Purchase agreement**

In July 2005, the City entered into a purchase agreement with The Foundation for California State University, San Bernardino (Foundation) to purchase certain television broadcast equipment from the Foundation for \$427,600. The payment is due in 4 equal installments of \$106,900, with the 1<sup>st</sup> payment due within 30 days of the execution of the agreement. The remaining payments shall be each made on or before July 30 of each year beginning in 2006, with the final payment being made by July 30, 2008. The final payment was made during the current fiscal year.

**Note 13: Fund deficits/accumulated deficits and expenditures in excess of appropriations**

At June 30, 2009, the following governmental funds have deficits that are anticipated to be funded from future grants, other revenues and operating transfers, as follows:

	Deficit amount
<i>Special revenue fund:</i>	
Federal and state programs	\$ 662,700
Cemetery	38,614
Fire Station	126
 <i>Debt service funds:</i>	
Assessment district #1015	406,591
Verdemont Improvement	299
Fire Station	5
 <i>Capital projects funds:</i>	
Street construction	3,643,078
CIEDB street construction	54,663

At June 30, 2009, the following proprietary funds have accumulated deficits that are anticipated to be recovered in future periods from user charges and/or transfers, as follows:

	Deficit amount
<i>Internal service funds:</i>	
Workers' compensation	\$ 8,967,329
Liability insurance	720,809
Utility	403,925
Central services	57,733

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 13: Fund deficits/accumulated deficits and expenditures in excess of appropriations (continued)**

As of June 30, 2009, 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, which accounts for self-insurance activities is due to higher claims experiences versus amounts charged to various departments.

The following funds/departments reported an excess of expenditures over appropriations at June 30, 2009:

	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Debt service funds:</i>			
Assessment district No. 987	\$ 63,800	\$ 70,461	\$ (6,661)
Assessment district No. 1015	60,400	67,034	(6,634)
<i>Capital projects funds</i>			
Special Assessments	\$ 1,362,100	\$ 1,524,640	\$ (162,540)

**Note 14: Defined benefit pension plan (PERS)**

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

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

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 14: Defined benefit pension plan (PERS) (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, 2008 to June 30, 2009 has been determined by an actuarial valuation of the plan as of June 30, 2006. The contribution rate indicated for the period July 2008 through December 2008 is 18.951% of payroll and for the period January 2009 through June 2009 it is 24.009% of payroll for the safety plan. The contribution rate indicated for the miscellaneous plan for the period July 2008 through June 2009 is 13.427% of payroll. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2009, this contribution rate would be multiplied by the payroll of covered employees that was actually paid during the period July 1, 2008 to June 30, 2009.

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

Valuation Date	June 30, 2006
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	15 Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return	7.75% (net of administrative expenses)
Projected Salary Increases	3.25% to 13.15% depending on age, service, and type of employment (3.25% and 14.45% for miscellaneous)
Inflation	3.00%
Payroll Growth	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.00% 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 % of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization period may not be lower than the payment calculated over a 30 year amortization period.

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/07	\$ 11,390	100%	\$ -
6/30/08	13,422	100%	-
6/30/09	15,582	100%	-

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 15: Other retirement plan (PARS)**

Effective January 1, 2004, pursuant to sections 4041(a) and 501(a) of the Internal Revenue Code, the City adopted a tax-qualified governmental defined benefit plan, the City of San Bernardino Public Agency Retirement System (PARS) – Retirement Enhancement Plan (the Plan). The Plan is administered by the City and was established to provide certain police safety or management employees employed as of January 1, 2004, meeting specific requirements as outlined in the Plan document, supplemental retirement benefits in addition to the benefits employees will receive from the Public Employees Retirement System (PERS). The Plan is entirely funded through City contributions amounting to 1.70% of employee salaries. The City's contributions to the plan amounted to \$559,119 in 2009 and \$392,159 in 2008.

**Note 16: Other post-employment benefits**

*Plan Description*

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

*Funding Policy*

Contribution requirements of the Plan are also established through negotiations between the City and union representatives. The required contribution is based on pay-as-you-go financing requirements. For fiscal year 2008-08, the City contributed \$392,209 to the plan. The City currently contributes \$101 of the required premium costs of active employees. Retired employees are permitted to participate with active employees in the health-care plan but retirees must pay all premiums as calculated by Mercer, less the City's payment of \$101, assigned to them, except for public safety. Public safety pays in accordance with the following schedule:

Years of service	Payment
20	\$ 200
25	350
30	450

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 16: Other post-employment benefits (continued)**

*Annual OPEB Cost and Net OPEB Obligation*

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

	June 30, 2009
Annual required contribution	\$ 6,250,215
Interest on net OPEB obligation	266,550
Adjustment to annual required contribution	(418,655)
Annual OPEB cost (expense)	6,098,110
Contributions made	
Benefit payments (cash subsidy)	(392,209)
Benefit payments (implied subsidy)	(750,000)
Total contributions made	(1,142,209)
Increase in net OPEB obligation	4,955,901
Net OPEB obligation - beginning of year	5,330,990
Net OPEB obligation - end of year	\$ 10,286,891

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2007	N/A	N/A	N/A
June 30, 2008	\$ 5,648,000	5.6%	\$ 5,330,990
June 30, 2009	6,098,110	18.7%	10,286,891

*Funded Status and Progress*

As of June 30, 2007, the most recent valuation date, the actuarial accrued liability for benefits was \$60,158,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by plan) was \$78,511,537, and the ratio of the UAAL to the covered payroll was 76.6%.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 16: Other post-employment benefits (continued)**

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

*Actuarial Methods and Assumptions*

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

The June 30, 2007, actuarial cost method used for determining the benefit obligations is the entry age normal cost method. The actuarial assumptions included a 5.0% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10.0% initially, reduced by increments of 0.5% per year to an ultimate rate of 4.5% after the tenth year. The UAAL is being amortized as a level percentage of projected payroll over 30 years. It is assumed the City's payroll will increase 3.25% per year.

**Note 17: Special assessment debt without government commitment**

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 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, 2009, \$575,000 of Improvement Bonds remain outstanding.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 18: Contingencies**

In the normal course of operations, the City has been named as a defendant in 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 primary government basic financial statements.

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.

**Note 19: 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, 2009, the outstanding balance due from IVDA is \$185,162.

*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.

**City of San Bernardino**  
**Notes to Primary Government Basic Financial Statements**  
**For the year ended June 30, 2009**

**Note 19:      Jointly governed organizations (continued)**

*San Bernardino Regional Water Resources 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, 2009, the outstanding balance due from the Authority is \$306,389.

**Note 20:      Net Assets**

The government-wide statement of net assets reports \$23,705,953 of restricted net assets, of which \$21,100,966 is restricted by enabling legislation.

REQUIRED SUPPLEMENTARY INFORMATION

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**Required Supplementary Information**  
**City of San Bernardino**  
**Budgetary Comparison Schedule – General Fund**  
**For the year ended June 30, 2009**

	Budgeted amounts		Actual amounts	Variance with final budget	Prior year actual
	Original	Final			
<b>REVENUES</b>					
Taxes:					
Sales and use	\$ 38,550,000	\$ 38,550,000	\$30,465,303	\$ (8,084,697)	\$ 37,084,248
Utility users	24,788,400	24,788,400	24,355,172	(433,228)	24,407,034
Property	31,130,000	31,130,000	32,788,532	1,658,532	31,429,967
Franchise	3,496,000	3,496,000	3,513,505	17,505	3,611,072
Transient occupancy	3,100,000	3,100,000	2,517,102	(582,898)	3,262,131
Property transfer	600,000	600,000	390,814	(209,186)	649,329
<b>Total taxes</b>	<b>101,664,400</b>	<b>101,664,400</b>	<b>94,030,428</b>	<b>(7,633,972)</b>	<b>100,443,781</b>
Licenses and permits:					
Business registration	6,638,800	6,638,800	6,197,871	(440,929)	6,105,401
Building permits	615,000	615,000	498,626	(116,374)	646,352
Mechanical permits	200,000	200,000	144,792	(55,208)	208,593
Onsite permits	600,700	600,700	623,489	22,789	1,183,749
Onsite plan check fees	300,000	300,000	209,377	(90,623)	341,996
Public works construction permit	250,000	250,000	122,992	(127,008)	300,800
Paramedics/EMS subscription	15,000	15,000	2,172	(12,828)	6,148
Street cut permit	175,000	175,000	295,086	120,086	229,645
Other	1,209,000	1,429,000	1,291,065	(137,935)	1,100,313
<b>Total licenses and permits</b>	<b>10,003,500</b>	<b>10,223,500</b>	<b>9,385,470</b>	<b>(838,030)</b>	<b>10,122,997</b>
Fines and forfeitures:					
General fines	183,300	183,300	135,875	(47,425)	153,371
Parking citation	1,350,000	1,350,000	1,145,492	(204,508)	1,126,510
Code admin. citations	240,000	240,000	182,982	(57,018)	145,468
Fire citation	65,000	65,000	96,767	31,767	73,865
Other	-	-	688,944	688,944	-
<b>Total fines and forfeitures</b>	<b>1,838,300</b>	<b>1,838,300</b>	<b>2,250,060</b>	<b>411,760</b>	<b>1,499,214</b>
Investment income:					
Investment income	500,000	500,000	198,928	(301,072)	993,492
Land and building rental	415,000	433,700	498,389	64,689	407,302
Other	70,000	70,000	39,219	(30,781)	40,622
<b>Total investment income</b>	<b>985,000</b>	<b>1,003,700</b>	<b>736,536</b>	<b>(267,164)</b>	<b>1,441,416</b>

**Required Supplementary Information**  
**City of San Bernardino**  
**Budgetary Comparison Schedule – General Fund**  
**For the year ended June 30, 2009**  
**(Continued)**

	Budgeted amounts		Actual amounts	Variance with final budget	Prior year actual
	Original	Final			
<b>Intergovernmental:</b>					
Motor vehicle in lieu tax	\$ 800,000	\$ 800,000	\$ 817,737	\$ 17,737	\$ 1,038,879
Homeowners exemption	150,000	150,000	134,091	(15,909)	154,290
State police training grants	100,000	100,000	100,876	876	127,242
State grants	560,000	560,000	795,269	235,269	1,206,619
Other	6,049,500	6,198,300	7,068,276	869,976	6,654,649
<b>Total intergovernmental</b>	<b>7,659,500</b>	<b>7,808,300</b>	<b>8,916,249</b>	<b>1,107,949</b>	<b>9,181,679</b>
<b>Charges for services:</b>					
Plan check fees	350,000	350,000	230,880	(119,120)	392,707
Paramedics/emergency medical services	789,100	828,000	670,531	(157,469)	486,470
Board up/demolition assessment	675,000	675,000	765,997	90,997	740,701
Storm drain utility fee	260,000	260,000	271,148	11,148	288,708
Weed abatement	200,000	200,000	150,733	(49,267)	204,399
Planning development projects	250,000	250,000	301,612	51,612	483,683
Sale of photos	30,000	30,000	15,187	(14,813)	58,757
Alarm system fee	60,000	60,000	55,806	(4,194)	54,034
Engineering fees	92,700	92,700	96,408	3,708	95,656
Miscellaneous police receipts	800,000	800,000	882,574	82,574	794,747
Swimming pool fees	50,000	53,000	54,250	1,250	62,028
Other charges	4,713,100	4,204,500	2,924,869	(1,279,631)	2,726,979
<b>Total charges for services</b>	<b>8,269,900</b>	<b>7,803,200</b>	<b>6,419,995</b>	<b>(1,383,205)</b>	<b>6,388,869</b>
<b>Other revenues:</b>					
Off track betting	120,000	120,000	110,107	(9,893)	132,643
Miscellaneous receipts	149,900	273,000	441,034	168,034	305,450
Other	4,161,600	4,960,800	3,570,866	(1,389,934)	3,743,347
<b>Total other revenues</b>	<b>4,431,500</b>	<b>5,353,800</b>	<b>4,122,007</b>	<b>(1,231,793)</b>	<b>4,181,440</b>
<b>Total revenues</b>	<b>\$ 134,852,100</b>	<b>\$ 135,695,200</b>	<b>\$ 125,860,745</b>	<b>\$ (9,834,455)</b>	<b>\$ 133,259,396</b>

**Required Supplementary Information  
City of San Bernardino  
Budgetary Comparison Schedule – General Fund  
For the year ended June 30, 2009  
(Continued)**

EXPENDITURES	Budgeted amounts		Actual amounts	Variance with final budget	Prior year actual
	Original	Final			
Current:					
General government:					
Mayor:					
Personnel salaries and benefits	\$ 730,300	\$ 730,300	\$ 667,661	\$ 62,639	\$ 714,805
Other	294,600	237,000	137,906	99,094	231,134
Common council:					
Personnel salaries and benefits	452,200	452,200	431,286	20,914	452,568
Other	61,200	124,400	56,931	67,469	55,179
City clerk:					
Personnel salaries and benefits	1,309,100	1,309,100	1,297,421	11,679	1,330,435
Other	419,100	419,100	320,082	99,018	785,192
City treasurer:					
Personnel salaries and benefits	181,300	181,300	191,768	(10,468)	168,817
Other	21,100	21,100	17,693	3,407	20,132
City attorney:					
Personnel salaries and benefits	2,580,400	2,641,100	2,566,122	74,978	2,515,573
Other	474,600	960,700	1,043,377	(82,677)	975,097
City administrator:					
Personnel salaries and benefits	761,500	796,500	948,113	(151,613)	805,011
Other	48,600	48,600	42,810	5,790	42,736
Personnel:					
Personnel salaries and benefits	427,200	427,200	400,321	26,879	371,883
Other	72,800	72,800	40,038	32,762	64,207
Finance:					
Personnel salaries and benefits	1,476,100	1,476,100	1,363,009	113,091	1,328,130
Other	178,500	180,500	225,405	(44,905)	311,285
Civil service:					
Personnel salaries and benefits	276,000	276,000	280,266	(4,266)	329,421
Other	14,100	14,100	12,389	1,711	54,737
Code compliance:					
Personnel salaries and benefits	3,491,500	3,491,500	3,037,806	453,694	2,526,776
Other	1,443,400	1,404,200	1,078,272	325,928	1,440,604
Facilities management:					
Personnel salaries and benefits	1,988,000	1,988,000	1,917,964	70,036	2,106,369
Other	1,643,700	1,766,200	1,429,701	336,499	1,790,744
Nondepartmental:					
Personnel salaries and benefits	1,578,600	-	-	-	-
Other	6,274,800	5,489,400	5,430,005	59,395	5,886,621
Total general government	26,198,700	24,507,400	22,936,346	1,571,054	24,307,456

**Required Supplementary Information**  
**City of San Bernardino**  
**Budgetary Comparison Schedule – General Fund**  
**For the year ended June 30, 2009**  
**(Continued)**

	Budgeted amounts		Actual amounts	Variance with final budget	Prior year actual
	Original	Final			
Public safety:					
Police					
Personnel salaries and benefits	\$ 56,525,600	\$ 58,592,900	\$ 58,073,303	\$ 519,597	\$ 55,217,922
Other	8,040,800	8,571,300	5,865,205	2,706,095	7,857,008
Fire					
Personnel salaries and benefits	30,402,500	30,952,200	31,561,260	(609,060)	30,292,818
Other	1,679,200	1,901,900	5,111,016	(3,209,116)	2,244,170
Total public safety	<u>96,648,100</u>	<u>100,018,300</u>	<u>100,610,784</u>	<u>(592,484)</u>	<u>95,611,918</u>
Streets:					
Development services					
Personnel salaries and benefits	2,906,300	2,906,300	2,395,717	510,583	2,537,490
Other	747,600	855,400	651,863	203,537	1,019,363
Public services					
Personnel salaries and benefits	2,438,300	2,095,500	1,922,689	172,811	2,757,554
Other	3,381,200	3,516,400	3,310,485	205,915	3,352,405
Total streets	<u>9,473,400</u>	<u>9,373,600</u>	<u>8,280,754</u>	<u>1,092,846</u>	<u>9,666,812</u>
Culture and recreation:					
Park, recreation and community services					
Personnel salaries and benefits	4,029,500	4,195,200	3,786,821	408,379	4,114,145
Other	2,316,500	2,586,600	1,983,448	603,152	2,785,376
Total culture and recreation	<u>6,346,000</u>	<u>6,781,800</u>	<u>5,770,269</u>	<u>1,011,531</u>	<u>6,899,521</u>
Community development:					
Planning, plan check and building inspection					
Personnel salaries and benefits	2,103,500	2,103,500	1,842,909	260,591	2,117,122
Other	450,500	518,700	196,208	322,492	364,918
Total community development	<u>2,554,000</u>	<u>2,622,200</u>	<u>2,039,117</u>	<u>583,083</u>	<u>2,482,040</u>
Debt service:					
Principal	2,663,681	2,654,402	3,144,372	(489,970)	3,030,591
Interest	2,646,919	2,637,698	3,129,553	(491,855)	3,099,872
Total debt service	<u>5,310,600</u>	<u>5,292,100</u>	<u>6,273,925</u>	<u>(981,825)</u>	<u>6,130,463</u>
Total expenditures	<u>146,530,800</u>	<u>148,595,400</u>	<u>145,911,195</u>	<u>2,684,205</u>	<u>145,098,210</u>
Excess of (deficiency) of revenues over (under) expenditures	<u>(11,678,700)</u>	<u>(12,900,200)</u>	<u>(20,050,450)</u>	<u>(7,150,250)</u>	<u>(11,838,814)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of debt	-	-	55,294	55,294	3,620,684
Transfers in	12,444,900	12,444,900	11,326,953	(1,117,947)	10,072,200
Transfers out	(4,759,000)	(5,081,600)	(4,776,522)	305,078	(4,297,674)
Total other financing sources (uses)	<u>7,685,900</u>	<u>7,363,300</u>	<u>6,605,725</u>	<u>(757,575)</u>	<u>9,395,210</u>
Net change in fund balance	(3,992,800)	(5,536,900)	(13,444,725)	(7,907,825)	(2,443,604)
Fund balance, beginning of year	<u>16,153,044</u>	<u>16,153,044</u>	<u>16,153,044</u>	<u>-</u>	<u>18,596,648</u>
Fund balance, end of year	<u>\$ 12,160,244</u>	<u>\$ 10,616,144</u>	<u>\$ 2,708,319</u>	<u>\$ (7,907,825)</u>	<u>\$ 16,153,044</u>

**Required Supplementary Information**  
**City of San Bernardino**  
**Budgetary Comparison Schedule – Federal and State Programs Fund**  
**For the year ended June 30, 2009**

	Budgeted amounts		Actual amounts	Variance with final budget	Prior year actual
	Original	Final			
<b>REVENUES</b>					
Investment income	\$ -	\$ -	\$ -	\$ -	\$ 15
Intergovernmental	6,872,100	8,474,600	6,906,878	(1,567,722)	7,599,874
Other	-	-	162,155	162,155	77,862
Total revenues	<u>6,872,100</u>	<u>8,474,600</u>	<u>7,069,033</u>	<u>(1,405,567)</u>	<u>7,677,751</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	57,400	20,989	36,411	62,385
Public safety	2,894,200	4,351,900	2,274,467	2,077,433	2,451,230
Streets	-	-	-	-	1,870
Culture and recreation	266,000	335,400	247,949	87,451	371,894
Community development	-	232,200	75,240	156,960	120,233
Community service	3,711,900	3,497,700	4,329,133	(831,433)	3,750,054
Total expenditures	<u>6,872,100</u>	<u>8,474,600</u>	<u>6,947,778</u>	<u>1,526,822</u>	<u>6,757,666</u>
Excess (deficiency) of revenues over expenditures	-	-	121,255	121,255	920,085
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	-	-	-	(350,000)
Net change in fund balance		-	121,255	121,255	570,085
Fund balance (deficit), beginning of year	<u>(783,955)</u>	<u>(783,955)</u>	<u>(783,955)</u>	<u>-</u>	<u>(1,354,040)</u>
Fund balance (deficit), end of year	<u>\$ (783,955)</u>	<u>\$ (783,955)</u>	<u>\$ (662,700)</u>	<u>\$ 121,255</u>	<u>\$ (783,955)</u>

**Required Supplementary Information**  
**City of San Bernardino**  
**Schedule of Funding Progress (in thousands)**  
**Miscellaneous and Safety Plan of the California Public Employees Retirement System**  
**For the year ended June 30, 2009**

Valuation date	Accrued liability	Actuarial value of assets	Unfunded liability	Funded status	Annual covered payroll	UAAL as a % of payroll
<b>6/30/2006</b>						
Miscellaneous	\$ 306,404	\$ 281,823	\$ 24,580	92.0%	\$ 47,912	51.3%
Safety	407,001	373,943	33,058	91.9%	40,445	81.7%
	<u>\$ 713,405</u>	<u>\$ 655,766</u>	<u>\$ 57,638</u>	<u>91.9%</u>	<u>\$ 88,357</u>	<u>65.0%</u>
<b>6/30/2007</b>						
Miscellaneous	\$ 321,501	\$ 301,929	\$ 19,572	93.9%	\$ 49,541	39.5%
Safety	452,834	401,023	51,811	88.6%	44,581	116.2%
	<u>\$ 774,335</u>	<u>\$ 702,952</u>	<u>\$ 71,383</u>	<u>90.8%</u>	<u>\$ 94,122</u>	<u>75.8%</u>
<b>6/30/2008</b>						
Miscellaneous	\$ 350,911	\$ 323,746	\$ 27,165	82.3%	\$ 52,567	51.7%
Safety	482,224	426,485	55,739	88.4%	48,292	115.4%
	<u>\$ 833,135</u>	<u>\$ 750,231</u>	<u>\$ 82,904</u>	<u>90.0%</u>	<u>\$ 100,859</u>	<u>82.2%</u>

**City of San Bernardino**  
**Notes to Required Supplementary Information**  
**For the year ended June 30, 2009**

**Note 1:           Budgetary control and accounting**

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

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

The City Manager and City Council are authorized to make the necessary changes to the budget to ensure adequate and proper standards of services. During the year, there were supplemental budget appropriations amounting to \$2,064,600 in the General Fund.

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**  
**For the year ended June 30, 2009**

**Note 1: Budgetary control and accounting, (continued)**

*Expenditures in excess of appropriations*

The General Fund and major special revenue fund reported an excess of expenditures over appropriations as follows at June 30, 2009:

	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
<i>General fund:</i>			
City treasurer - personnel salaries and benefits	\$ 181,300	\$ 191,768	\$ (10,468)
City attorney - other	960,700	1,043,377	(82,677)
City administrator - personnel salaries and benefits	796,500	948,113	(151,613)
Finance – other	180,500	225,405	(44,905)
Civil service - personnel salaries and benefits	276,000	280,266	(4,266)
Fire - personnel salaries and benefits	30,952,200	31,561,260	(609,060)
Public services - personnel salaries and benefits	1,901,900	5,111,016	(3,209,116)

The following major special revenue fund reported a deficit fund balance at June 30, 2009:

*Fund deficit*

	<u>Deficit amount</u>
<i>Special revenue funds:</i>	
Federal and State Programs	<u>\$ (662,700)</u>

SUPPLEMENTARY SCHEDULES

**City of San Bernardino  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2009**

	Special Revenue	Debt Service	Capital Projects	Totals	
				2009	2008
<b>ASSETS</b>					
Cash and investments	\$ 6,870,619	\$ 217,872	\$ 19,870,351	\$ 26,958,842	\$ 29,637,275
Cash and investments with fiscal agents	-	65,063	-	65,063	70,475
Receivables, net:					
Accounts	59,886	-	-	59,886	71,699
Interest	71,893	1,503	134,457	207,853	307,395
Special assessments	-	442,585	-	442,585	501,667
Due from other governments	1,789,665	1,939	650,004	2,441,608	2,795,680
Due from other funds	2,886,431	-	-	2,886,431	1,348,667
Advances to other funds	398,574	-	114,800	513,374	607,774
Other assets	-	-	214,671	214,671	214,670
	<u>\$12,077,068</u>	<u>\$ 728,962</u>	<u>\$ 20,984,283</u>	<u>\$ 33,790,313</u>	<u>\$ 35,555,302</u>
Total assets					
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 479,708	\$ 7,029	\$ 1,236,102	\$ 1,722,839	\$ 1,313,561
Due to other funds	405,301	-	2,135,303	2,540,604	2,421,817
Retentions payable	-	-	62,861	62,861	390,066
Deferred revenues	338,957	442,585	-	781,542	849,650
Advances from other funds	-	229,600	-	229,600	246,000
Due to other governments	-	181,300	-	181,300	194,200
	<u>1,223,966</u>	<u>860,514</u>	<u>3,434,266</u>	<u>5,518,746</u>	<u>5,415,294</u>
Total liabilities					
Fund balances:					
Reserved for:					
Encumbrances	300,700	-	-	300,700	461,600
Debt service	-	275,343	-	275,343	277,632
Advances to other funds	398,574	-	114,800	513,374	607,774
Sewer capacity rights	-	-	214,671	214,671	214,671
Petty cash	1,925	-	-	1,925	1,100
Unreserved:					
Designated for continuing appropriations	52,700	-	202,600	255,300	300,600
Undesignated	10,099,203	(406,895)	17,017,946	26,710,254	28,276,631
	<u>10,853,102</u>	<u>(131,552)</u>	<u>17,550,017</u>	<u>28,271,567</u>	<u>30,140,008</u>
Total fund balances					
Total liabilities and fund balances	<u>\$ 12,077,068</u>	<u>\$ 728,962</u>	<u>\$ 20,984,283</u>	<u>\$ 33,790,313</u>	<u>\$ 35,555,302</u>

**City of San Bernardino**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2009**

	Special	Debt	Capital	Totals	
	Revenue	Service	Projects	2009	2008
<b>REVENUES</b>					
Taxes	\$ 557,899	\$ 201,406	\$ 1,364,576	\$ 2,123,881	\$ 1,266,549
Licenses and permits	350,652	-	312,711	663,363	993,516
Fines and forfeitures	2,471,665	-	-	2,471,665	2,381,460
Investment income	562,823	30,161	421,015	1,013,999	1,902,162
Intergovernmental	8,031,529	-	3,013,816	11,045,345	10,908,757
Charges for services	4,256,629	-	344,020	4,600,649	7,076,134
Other revenues	308,402	-	486	308,888	1,184,050
Total revenues	16,539,599	231,567	5,456,624	22,227,790	25,712,628
<b>EXPENDITURES</b>					
Current:					
General government	474,270	36,959	-	511,229	613,184
Public safety	2,078,924	-	141,363	2,220,287	2,361,297
Streets	6,240,944	-	8,104,351	14,345,295	13,865,016
Culture and recreation	487,667	-	257,231	744,898	1,839,245
Community service	3,047,568	-	-	3,047,568	3,164,561
Debt service:					
Principal	1,140,721	85,000	-	1,225,721	1,240,287
Interest	136,502	48,990	-	185,492	223,443
Total expenditures	13,606,596	170,949	8,502,945	22,280,490	23,307,033
Excess (deficiency) of revenues over expenditures	2,933,003	60,618	(3,046,321)	(52,700)	2,405,595
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of debt	-	-	4,163,641	4,163,641	17,805
Transfers in	3,648,506	-	1,009,672	4,658,178	3,746,774
Transfers out	(7,344,953)	(2,092,907)	(1,199,700)	(10,637,560)	(7,039,900)
Total other financing sources (uses)	(3,696,447)	(2,092,907)	3,973,613	(1,815,741)	(3,275,321)
<b>SPECIAL ITEM</b>					
Forgiveness of debt	-	-	-	-	1,556,000
Net change in fund balances	(763,444)	(2,032,289)	927,292	(1,868,441)	686,274
Fund balances, beginning of year	11,616,546	1,900,737	16,622,725	30,140,008	29,453,734
Fund balances, end of year	\$ 10,853,102	\$ (131,552)	\$ 17,550,017	\$ 28,271,567	\$30,140,008

## **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 under AB 2766 (Health and Safety Code Sections 44220 and 44227) used to improve air quality.

#### **Animal Control**

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

#### **Traffic Congestion**

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

#### **Special Gas Tax**

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

#### **Traffic Safety**

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

#### **Sewerline Maintenance**

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

#### **Sales and Road**

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

**Nonmajor Special Revenue Funds,  
(Continued)**

**Baseball Stadium**

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

**Soccer Field**

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

**IVDA**

For local street improvements around former Norton Air Force Base as provided for by developer fees (There is no adopted budget for the year-ended June 30, 2009 for this fund; therefore, no budget and actual data are presented in the following pages).

**Fire Station**

For the operation and maintenance of the Verdemont Fire Station.

**City of San Bernardino  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2009**

	<u>Library</u>	<u>Cemetery</u>	<u>Cable TV</u>
<b>ASSETS</b>			
Cash and investments	\$ 33,295	\$ 25	\$ -
Receivables, net:			
Accounts	397	140	-
Interest	-	4,542	-
Due from other governments	-	10,000	-
Due from other funds	-	-	-
Advances to other funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 33,692</u>	<u>\$ 14,707</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 3,682	\$ 3,137	\$ -
Due to other funds	-	50,184	-
Retentions payable	-	-	-
Deferred revenues	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>3,682</u>	<u>53,321</u>	<u>-</u>
Fund balances:			
Reserved for:			
Encumbrances	-	-	-
Advances to other funds	-	-	-
Petty cash	275	25	-
Unreserved:			
Designated for continuing appropriations	30,000	-	-
Undesignated	(265)	(38,639)	-
	<hr/>	<hr/>	<hr/>
Total fund balances (deficit)	<u>30,010</u>	<u>(38,614)</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 33,692</u>	<u>\$ 14,707</u>	<u>\$ -</u>

<u>Asset Seizure</u>	<u>Alternative Transportation</u>	<u>Animal Control</u>	<u>Traffic Congestion</u>	<u>Special Gas Tax</u>
\$ 612,988	\$ 14,192	\$ 925	\$ 1,184,168	\$ 761,187
-	-	43,418	-	-
4,234	97	-	8,172	6,120
-	123,919	131,598	412,072	255,710
-	-	-	-	-
-	-	-	-	-
<u>\$ 617,222</u>	<u>\$ 138,208</u>	<u>\$ 175,941</u>	<u>\$ 1,604,412</u>	<u>\$ 1,023,017</u>
\$ 12,667	\$ 2,086	\$ 15,099	\$ 141,831	\$ 39,102
-	-	138,533	-	-
-	-	-	-	-
-	-	-	-	-
<u>12,667</u>	<u>2,086</u>	<u>153,632</u>	<u>141,831</u>	<u>39,102</u>
12,300	-	22,300	-	-
-	-	-	-	-
-	-	925	-	-
-	-	-	-	-
<u>592,255</u>	<u>136,122</u>	<u>(916)</u>	<u>1,462,581</u>	<u>983,915</u>
<u>604,555</u>	<u>136,122</u>	<u>22,309</u>	<u>1,462,581</u>	<u>983,915</u>
<u>\$ 617,222</u>	<u>\$ 138,208</u>	<u>\$ 175,941</u>	<u>\$ 1,604,412</u>	<u>\$ 1,023,017</u>

**City of San Bernardino  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2009  
(continued)**

	Traffic Safety	Sewerline Maintenance	Sales and Road
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 66,318	\$ 3,142,027
Receivables, net:			
Accounts	-	13,249	-
Interest	-	19,919	21,356
Due from other governments	216,584	275,521	364,261
Due from other funds	-	2,886,431	-
Advances to other funds	-	398,574	-
	<u>216,584</u>	<u>3,660,012</u>	<u>3,527,644</u>
Total assets	<u>\$ 216,584</u>	<u>\$ 3,660,012</u>	<u>\$ 3,527,644</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ 122,944	\$ 101,667
Due to other funds	216,584	-	-
Retentions payable	-	-	-
Deferred revenues	-	-	-
	<u>216,584</u>	<u>122,944</u>	<u>101,667</u>
Total liabilities	<u>216,584</u>	<u>122,944</u>	<u>101,667</u>
Fund balances:			
Reserved for:			
Encumbrances	-	222,300	-
Advances to other funds	-	398,574	-
Petty cash	-	-	-
Unreserved:			
Designated for continuing appropriations	-	-	-
Undesignated	-	2,916,194	3,425,977
	<u>-</u>	<u>3,537,068</u>	<u>3,425,977</u>
Total fund balances (deficit)	<u>-</u>	<u>3,537,068</u>	<u>3,425,977</u>
Total liabilities and fund balances	<u>\$ 216,584</u>	<u>\$ 3,660,012</u>	<u>\$ 3,527,644</u>

Baseball Stadium	Soccer Field	IVDA	Fire Station	Totals	
				2009	2008
\$ 35,989	\$ 279,366	\$ 393,359	\$ 346,780	\$ 6,870,619	\$ 7,851,824
-	2,682	-	-	59,886	71,699
248	1,923	2,715	2,567	71,893	97,168
-	-	-	-	1,789,665	2,736,106
-	-	-	-	2,886,431	1,348,667
-	-	-	-	398,574	484,774
<u>\$ 36,237</u>	<u>\$ 283,971</u>	<u>\$ 396,074</u>	<u>\$ 349,347</u>	<u>\$ 12,077,068</u>	<u>\$ 12,590,238</u>
\$ 9,679	\$ 17,298	\$ -	\$ 10,516	\$ 479,708	\$ 218,073
-	-	-	-	405,301	367,970
-	-	-	-	-	39,666
-	-	-	338,957	338,957	347,983
<u>9,679</u>	<u>17,298</u>	<u>-</u>	<u>349,473</u>	<u>1,223,966</u>	<u>973,692</u>
20,100	23,700	-	-	300,700	461,600
-	-	-	-	398,574	484,774
-	700	-	-	1,925	1,100
6,700	16,000	-	-	52,700	300,600
(242)	226,273	396,074	(126)	10,099,203	10,368,472
<u>26,558</u>	<u>266,673</u>	<u>396,074</u>	<u>(126)</u>	<u>10,853,102</u>	<u>11,616,546</u>
<u>\$ 36,237</u>	<u>\$ 283,971</u>	<u>\$ 396,074</u>	<u>\$ 349,347</u>	<u>\$ 12,077,068</u>	<u>\$ 12,590,238</u>

**City of San Bernardino**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the year ended June 30, 2009**

	<u>Library</u>	<u>Cemetery</u>	<u>Cable TV</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	12,917	-
Intergovernmental	69,967	-	-
Charges for services	58,646	40,410	4,348
Other revenues	33,829	-	106,900
	<hr/>	<hr/>	<hr/>
Total revenues	162,442	53,327	111,248
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	369,763
Public safety	-	-	-
Streets	-	-	-
Culture and recreation	-	-	-
Community service	2,910,274	137,294	-
Debt service:			
Principal	-	-	106,900
Interest	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	2,910,274	137,294	476,663
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	(2,747,832)	(83,967)	(365,415)
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,769,500	-	365,415
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	2,769,500	-	365,415
	<hr/>	<hr/>	<hr/>
Net change in fund balances	21,668	(83,967)	-
Fund balances (deficit), beginning of year	8,342	45,353	-
	<hr/>	<hr/>	<hr/>
Fund balances (deficit), end of year	\$ 30,010	\$ (38,614)	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<u>Asset Seizure</u>	<u>Alternative Transportation</u>	<u>Animal Control</u>	<u>Traffic Congestion</u>	<u>Special Gas Tax</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	350,652	-	-
-	-	63,745	-	-
10,237	942	-	9,642	26,510
149,915	245,794	-	1,736,686	3,258,844
-	-	993,766	-	-
162,473	5,200	-	-	-
<u>322,625</u>	<u>251,936</u>	<u>1,408,163</u>	<u>1,746,328</u>	<u>3,285,354</u>
-	104,507	-	-	-
179,438	-	1,899,486	-	-
-	-	-	286,754	125,497
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>179,438</u>	<u>104,507</u>	<u>1,899,486</u>	<u>286,754</u>	<u>125,497</u>
<u>143,187</u>	<u>147,429</u>	<u>(491,323)</u>	<u>1,459,574</u>	<u>3,159,857</u>
-	-	513,591	-	-
-	(140,000)	-	-	(3,715,600)
-	(140,000)	513,591	-	(3,715,600)
143,187	7,429	22,268	1,459,574	(555,743)
461,368	128,693	41	3,007	1,539,658
<u>\$ 604,555</u>	<u>\$ 136,122</u>	<u>\$ 22,309</u>	<u>\$ 1,462,581</u>	<u>\$ 983,915</u>

**City of San Bernardino**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the year ended June 30, 2009**  
**(Continued)**

	Traffic Safety	Sewerline Maintenance	Sales and Road
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines and forfeitures	2,407,920	-	-
Investment income	-	83,601	75,515
Intergovernmental	-	-	2,570,323
Charges for services	-	3,059,926	-
Other revenues	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	2,407,920	3,143,527	2,645,838
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Streets	-	4,063,918	1,764,775
Culture and recreation	-	-	-
Community service	-	-	-
Debt service:			
Principal	-	-	1,033,821
Interest	-	-	136,502
	<hr/>	<hr/>	<hr/>
Total expenditures	-	4,063,918	2,935,098
Excess (deficiency) of revenues over expenditures	2,407,920	(920,391)	(289,260)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	(2,407,920)	(250,000)	(250,000)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(2,407,920)	(250,000)	(250,000)
Net change in fund balances	-	(1,170,391)	(539,260)
Fund balance (deficit), beginning of year	-	4,707,459	3,965,237
	<hr/>	<hr/>	<hr/>
Fund balances (deficit), end of year	\$ -	\$ 3,537,068	\$ 3,425,977
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Baseball Stadium	Soccer Field	IVDA	Fire Station	Totals	
				2009	2008
\$ -	\$ -	\$ -	\$ 557,899	\$ 557,899	\$ 66,655
-	-	-	-	350,652	383,314
-	-	-	-	2,471,665	2,381,460
297	327,947	7,625	7,590	562,823	876,710
-	-	-	-	8,031,529	7,486,621
10,000	89,533	-	-	4,256,629	4,377,319
-	-	-	-	308,402	320,721
<u>10,297</u>	<u>417,480</u>	<u>7,625</u>	<u>565,489</u>	<u>16,539,599</u>	<u>15,892,800</u>
-	-	-	-	474,270	582,257
-	-	-	-	2,078,924	2,205,735
-	-	-	-	6,240,944	8,018,579
75,992	411,675	-	-	487,667	404,677
-	-	-	-	3,047,568	3,164,561
-	-	-	-	1,140,721	1,116,787
-	-	-	-	136,502	127,007
<u>75,992</u>	<u>411,675</u>	<u>-</u>	<u>-</u>	<u>13,606,596</u>	<u>15,619,603</u>
<u>(65,695)</u>	<u>5,805</u>	<u>7,625</u>	<u>565,489</u>	<u>2,933,003</u>	<u>273,197</u>
-	-	-	-	3,648,506	3,746,774
-	-	-	(581,433)	(7,344,953)	(5,951,931)
-	-	-	(581,433)	(3,696,447)	(2,205,157)
(65,695)	5,805	7,625	(15,944)	(763,444)	(1,931,960)
<u>92,253</u>	<u>260,868</u>	<u>388,449</u>	<u>15,818</u>	<u>11,616,546</u>	<u>13,548,506</u>
<u>\$ 26,558</u>	<u>\$ 266,673</u>	<u>\$ 396,074</u>	<u>\$ (126)</u>	<u>\$ 10,853,102</u>	<u>\$ 11,616,546</u>

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**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Library Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Intergovernmental	\$ 78,800	\$ 69,967	\$ (8,833)	\$ 78,752
Charges for services	75,000	58,646	(16,354)	72,293
Other	-	33,829	33,829	78,000
	<u>153,800</u>	<u>162,442</u>	<u>8,642</u>	<u>229,045</u>
<b>EXPENDITURES</b>				
Current:				
Community service:				
Personnel salaries and benefits	2,319,900	2,317,341	2,559	2,372,424
Other	649,400	592,933	56,467	611,454
	<u>2,969,300</u>	<u>2,910,274</u>	<u>59,026</u>	<u>2,983,878</u>
Excess (deficiency) of revenues over expenditures	<u>(2,815,500)</u>	<u>(2,747,832)</u>	<u>67,668</u>	<u>(2,754,833)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,815,500	2,769,500	(46,000)	2,762,900
	<u>2,815,500</u>	<u>2,769,500</u>	<u>(46,000)</u>	<u>2,762,900</u>
Net change in fund balances	-	21,668	21,668	8,067
Fund balances, beginning of year	<u>8,342</u>	<u>8,342</u>	<u>-</u>	<u>275</u>
Fund balances, end of year	<u>\$ 8,342</u>	<u>\$ 30,010</u>	<u>\$ 21,668</u>	<u>\$ 8,342</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Cemetery Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Investment income	\$ 22,000	\$ 12,917	\$ (9,083)	\$ 22,766
Charges for services	169,200	40,410	(128,790)	165,697
Total revenues	<u>191,200</u>	<u>53,327</u>	<u>(137,873)</u>	<u>188,463</u>
<b>EXPENDITURES</b>				
Current:				
Community service:				
Personnel salaries and benefits	106,400	104,558	1,842	101,542
Other	84,400	32,736	51,664	79,141
Total expenditures	<u>190,800</u>	<u>137,294</u>	<u>53,506</u>	<u>180,683</u>
Net change in fund balances	400	(83,967)	(84,367)	7,780
Fund balances, beginning of year	<u>45,353</u>	<u>45,353</u>	<u>-</u>	<u>37,573</u>
Fund balances, end of year	<u>\$ 45,753</u>	<u>\$ (38,614)</u>	<u>\$ (84,367)</u>	<u>\$ 45,353</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Cable TV Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Charges for services	\$ 70,000	\$ 4,348	\$ (65,652)	\$ 81,918
Other revenues	-	106,900	106,900	-
Total revenues	<u>70,000</u>	<u>111,248</u>	<u>41,248</u>	<u>81,918</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Personnel salaries and benefits	458,500	331,770	126,730	417,384
Other	68,800	37,993	30,807	63,908
Debt service:				
Principal	106,900	106,900	-	106,900
Total expenditures	<u>634,200</u>	<u>476,663</u>	<u>157,537</u>	<u>588,192</u>
Excess (deficiency) of revenues over expenditures	<u>(564,200)</u>	<u>(365,415)</u>	<u>198,785</u>	<u>(506,274)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	564,200	365,415	(198,785)	499,874
Total other financing sources (uses)	<u>564,200</u>	<u>365,415</u>	<u>(198,785)</u>	<u>499,874</u>
Net change in fund balances	-	-	-	(6,400)
Fund balances, beginning of year	-	-	-	6,400
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Asset Seizure Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Investment income	\$ 12,500	\$ 10,237	\$ (2,263)	\$ 15,534
Intergovernmental revenues	100,000	149,915	49,915	292,924
Other revenues	143,000	162,473	19,473	119,252
Total revenues	<u>255,500</u>	<u>322,625</u>	<u>67,125</u>	<u>427,710</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Other	266,000	179,438	86,562	305,827
Total expenditures	<u>266,000</u>	<u>179,438</u>	<u>86,562</u>	<u>305,827</u>
Net change in fund balances	(10,500)	143,187	153,687	121,883
Fund balances, beginning of year	461,368	461,368	-	339,485
Fund balances, end of year	<u>\$ 450,868</u>	<u>\$ 604,555</u>	<u>\$ 153,687</u>	<u>\$ 461,368</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Alternative Transportation Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Investment income	\$ 3,000	\$ 942	\$ (2,058)	\$ 3,056
Intergovernmental revenues	245,000	245,794	794	246,936
Other revenues	5,100	5,200	100	5,100
	<u>253,100</u>	<u>251,936</u>	<u>(1,164)</u>	<u>255,092</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Personnel salaries and benefits	88,100	81,563	6,537	76,619
Other	44,800	22,944	21,856	24,346
	<u>132,900</u>	<u>104,507</u>	<u>28,393</u>	<u>100,965</u>
Excess (deficiency) of revenues over expenditures	<u>120,200</u>	<u>147,429</u>	<u>27,229</u>	<u>154,127</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(140,000)	(140,000)	-	(140,000)
	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>	<u>(140,000)</u>
Net change in fund balances	(19,800)	7,429	27,229	14,127
Fund balances, beginning of year	128,693	128,693	-	114,566
Fund balances, end of year	<u>\$ 108,893</u>	<u>\$ 136,122</u>	<u>\$ 27,229</u>	<u>\$ 128,693</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Animal Control Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Licenses and permits	\$ 459,700	\$ 350,652	\$ (109,048)	\$ 383,314
Fines and forfeitures	81,200	63,745	(17,455)	84,529
Charges for services	1,034,500	993,766	(40,734)	943,307
Other revenues	4,500	-	(4,500)	4,099
Total revenues	<u>1,579,900</u>	<u>1,408,163</u>	<u>(171,737)</u>	<u>1,415,249</u>
<b>EXPENDITURES</b>				
Current:				
Community service:				
Personnel salaries and benefits	1,461,300	1,449,835	11,465	1,478,869
Other	512,100	449,651	62,449	421,039
Total expenditures	<u>1,973,400</u>	<u>1,899,486</u>	<u>73,914</u>	<u>1,899,908</u>
Excess (deficiency) of revenues over expenditures	<u>(393,500)</u>	<u>(491,323)</u>	<u>(97,823)</u>	<u>(484,659)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	393,500	513,591	120,091	484,000
Total other financing sources (uses)	<u>393,500</u>	<u>513,591</u>	<u>120,091</u>	<u>484,000</u>
Net change in fund balances	-	22,268	22,268	(659)
Fund balances, beginning of year	<u>41</u>	<u>41</u>	<u>-</u>	<u>700</u>
Fund balances, end of year	<u>\$ 41</u>	<u>\$ 22,309</u>	<u>\$ 22,268</u>	<u>\$ 41</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Traffic Congestion Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Investment income	\$ 40,000	\$ 9,642	\$ (30,358)	\$ 43,243
Intergovernmental	1,435,900	1,736,686	300,786	-
Other revenues	-	-	-	21,220
	<u>1,475,900</u>	<u>1,746,328</u>	<u>270,428</u>	<u>64,463</u>
<b>EXPENDITURES</b>				
Current:				
Streets:				
Personnel salaries and benefits	-	15,921	(15,921)	49,150
Other	1,022,700	270,833	751,867	1,377,723
	<u>1,022,700</u>	<u>286,754</u>	<u>735,946</u>	<u>1,426,873</u>
Net change in fund balances	453,200	1,459,574	1,006,374	(1,362,410)
Fund balances, beginning of year	3,007	3,007	-	1,365,417
Fund balances, end of year	<u>\$ 456,207</u>	<u>\$1,462,581</u>	<u>\$1,006,374</u>	<u>\$ 3,007</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Special Gas Tax Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Investment income	\$ 25,000	\$ 26,510	\$ 1,510	\$ 17,870
Intergovernmental revenues	3,580,000	3,258,844	(321,156)	3,592,976
Other revenues	246,700	-	(246,700)	-
Total revenues	<u>3,851,700</u>	<u>3,285,354</u>	<u>(566,346)</u>	<u>3,610,846</u>
<b>EXPENDITURES</b>				
Current:				
Streets - other	1,167,700	125,497	1,042,203	183,233
Total expenditures	<u>1,167,700</u>	<u>125,497</u>	<u>1,042,203</u>	<u>183,233</u>
Excess (deficiency) of revenues over expenditures	<u>2,684,000</u>	<u>3,159,857</u>	<u>475,857</u>	<u>3,427,613</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(3,590,000)	(3,715,600)	(125,600)	(2,910,000)
Total other financing sources (uses)	<u>(3,590,000)</u>	<u>(3,715,600)</u>	<u>(125,600)</u>	<u>(2,910,000)</u>
Net change in fund balances	(906,000)	(555,743)	350,257	517,613
Fund balances, beginning of year	<u>1,539,658</u>	<u>1,539,658</u>	<u>-</u>	<u>1,022,045</u>
Fund balances, end of year	<u>\$ 633,658</u>	<u>\$ 983,915</u>	<u>\$ 350,257</u>	<u>\$ 1,539,658</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Traffic Safety Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Fines and forfeitures	\$ 3,776,700	\$ 2,407,920	\$(1,368,780)	\$ 2,296,931
Total revenues	3,776,700	2,407,920	(1,368,780)	2,296,931
<b>EXPENDITURES</b>	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	3,776,700	2,407,920	(1,368,780)	2,296,931
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(3,776,700)	(2,407,920)	1,368,780	(2,296,931)
Total other financing sources (uses)	(3,776,700)	(2,407,920)	1,368,780	(2,296,931)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Sewerline Maintenance Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Investment income	\$ 160,000	\$ 83,601	\$ (76,399)	\$ 209,892
Charges for services	3,150,000	3,059,926	(90,074)	3,042,121
Other revenues	-	-	-	11,597
Total revenues	<u>3,310,000</u>	<u>3,143,527</u>	<u>(166,473)</u>	<u>3,263,610</u>
<b>EXPENDITURES</b>				
Current:				
Streets - other	<u>8,445,800</u>	<u>4,063,918</u>	<u>4,381,882</u>	<u>3,840,729</u>
Total expenditures	<u>8,445,800</u>	<u>4,063,918</u>	<u>4,381,882</u>	<u>3,840,729</u>
Excess (deficiency) of revenues over expenditures	<u>(5,135,800)</u>	<u>(920,391)</u>	<u>4,215,409</u>	<u>(577,119)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	78,000	-	(78,000)	-
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>
Total other financing sources (uses)	<u>(172,000)</u>	<u>(250,000)</u>	<u>(78,000)</u>	<u>(250,000)</u>
Net change in fund balances	(5,307,800)	(1,170,391)	4,137,409	(827,119)
Fund balances, beginning of year	<u>4,707,459</u>	<u>4,707,459</u>	<u>-</u>	<u>5,534,578</u>
Fund balances, end of year	<u>\$ (600,341)</u>	<u>\$ 3,537,068</u>	<u>\$ 4,137,409</u>	<u>\$ 4,707,459</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Sales and Road Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Investment income	\$ 130,000	\$ 75,515	\$ (54,485)	\$ 180,145
Intergovernmental revenues	3,000,000	2,570,323	(429,677)	3,275,033
Other revenues	1,287,800	-	(1,287,800)	-
<b>Total revenues</b>	<b>4,417,800</b>	<b>2,645,838</b>	<b>(1,771,962)</b>	<b>3,455,178</b>
<b>EXPENDITURES</b>				
Current:				
Streets - other	8,351,700	1,764,775	6,586,925	2,567,744
Debt service:				
Principal	-	1,033,821	(1,033,821)	1,009,887
Interest	-	136,502	(136,502)	127,007
<b>Total expenditures</b>	<b>8,351,700</b>	<b>2,935,098</b>	<b>5,416,602</b>	<b>3,704,638</b>
Excess (deficiency) of revenues over expenditures	(3,933,900)	(289,260)	3,644,640	(249,460)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(250,000)	(250,000)	-	(250,000)
<b>Total other financing sources (uses)</b>	<b>(250,000)</b>	<b>(250,000)</b>	<b>-</b>	<b>(250,000)</b>
Net change in fund balances	(4,183,900)	(539,260)	3,644,640	(499,460)
Fund balances, beginning of year	3,965,237	3,965,237	-	4,464,697
Fund balances, end of year	<u>\$ (218,663)</u>	<u>\$ 3,425,977</u>	<u>\$ 3,644,640</u>	<u>\$ 3,965,237</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Baseball Stadium Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Charges for services	\$ 32,600	\$ 10,000	\$ (22,600)	\$ 81,453
Investment earnings	-	297	297	4,691
Other revenues	1,000	-	(1,000)	-
Total revenues	<u>33,600</u>	<u>10,297</u>	<u>(23,303)</u>	<u>86,144</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Personnel salaries and benefits	-	90	(90)	34
Other	124,900	75,902	48,998	75,782
Total expenditures	<u>124,900</u>	<u>75,992</u>	<u>48,908</u>	<u>75,816</u>
Net change in fund balances	(91,300)	(65,695)	25,605	10,328
Fund balances, beginning of year	<u>92,253</u>	<u>92,253</u>	<u>-</u>	<u>81,925</u>
Fund balances, end of year	<u>\$ 953</u>	<u>\$ 26,558</u>	<u>\$ 25,605</u>	<u>\$ 92,253</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Soccer Field Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Investment income	\$ 305,000	\$ 327,947	\$ 22,947	\$ 352,829
Charges for services	67,300	89,533	22,233	71,983
Total revenues	<u>372,300</u>	<u>417,480</u>	<u>45,180</u>	<u>424,812</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Personnel salaries and benefits	197,100	170,423	26,677	119,339
Other	268,400	241,252	27,148	209,522
Total expenditures	<u>465,500</u>	<u>411,675</u>	<u>53,825</u>	<u>328,861</u>
Net change in fund balances	(93,200)	5,805	99,005	95,951
Fund balances, beginning of year	<u>260,868</u>	<u>260,868</u>	<u>-</u>	<u>164,917</u>
Fund balances, end of year	<u><u>\$ 167,668</u></u>	<u><u>\$ 266,673</u></u>	<u><u>\$ 99,005</u></u>	<u><u>\$ 260,868</u></u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Fire Station**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Taxes	\$ 1,105,000	\$ 557,899	\$ (547,101)	\$ 66,655
Investment income	26,600	7,590	(19,010)	13,445
Total revenues	<u>1,131,600</u>	<u>565,489</u>	<u>(566,111)</u>	<u>80,100</u>
<b>EXPENDITURES</b>	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,131,600</u>	<u>565,489</u>	<u>(566,111)</u>	<u>80,100</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(556,200)</u>	<u>(581,433)</u>	<u>(25,233)</u>	<u>(105,000)</u>
Total other financing sources (uses)	<u>(556,200)</u>	<u>(581,433)</u>	<u>(25,233)</u>	<u>(105,000)</u>
Net change in fund balances	575,400	(15,944)	(591,344)	(24,900)
Fund balances, beginning of year	<u>15,818</u>	<u>15,818</u>	<u>-</u>	<u>40,718</u>
Fund balances, end of year	<u>\$ 591,218</u>	<u>\$ (126)</u>	<u>\$ (591,344)</u>	<u>\$ 15,818</u>

## **Debt Service Funds**

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

### **Nonmajor Funds**

#### **Assessment District No. 985**

For the collection of assessments 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 No. 987**

For the collection of assessments 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 No. 1015**

For the collection of assessments 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 (There is no adopted budget for the year-ended June 30, 2009 for this fund; therefore, no budget and actual data are presented in the following pages).

#### **Fire Station**

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

**City of San Bernardino  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
June 30, 2009**

	Assessment District #985	Assessment District #987
<b>ASSETS</b>		
Cash and investments	\$ 163,369	\$ 50,681
Cash and investments with fiscal agents	16,251	48,812
Receivables, net:		
Interest	1,127	350
Special assessments	-	35,507
Due from other governments	-	1,478
	<b>\$ 180,747</b>	<b>\$ 136,828</b>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ -	\$ 6,725
Deferred revenues	-	35,507
Advances from other funds	-	-
Due to other governments	-	-
	-	42,232
 Fund balances (deficit):		
Reserved for debt service	180,747	94,596
Unreserved, undesignated	-	-
	180,747	94,596
 Total fund balances (deficit)	 180,747	 94,596
 Total liabilities and fund balances	 \$ 180,747	 \$ 136,828

Assessment District #1015	Verdemont Improvement Loan	Fire Station	Totals	
			2009	2008
\$ 3,822	\$ -	\$ -	\$ 217,872	\$ 2,250,766
-	-	-	65,063	70,473
26	-	-	1,503	20,710
407,078	-	-	442,585	501,667
461	-	-	1,939	5,713
<u>\$ 411,387</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 728,962</u>	<u>\$ 2,849,329</u>
\$ -	\$ 299	\$ 5	\$ 7,029	\$ 6,725
407,078	-	-	442,585	501,667
229,600	-	-	229,600	246,000
181,300	-	-	181,300	194,200
<u>817,978</u>	<u>299</u>	<u>5</u>	<u>860,514</u>	<u>948,592</u>
-	-	-	275,343	277,632
(406,591)	(299)	(5)	(406,895)	1,623,105
<u>(406,591)</u>	<u>(299)</u>	<u>(5)</u>	<u>(131,552)</u>	<u>1,900,737</u>
<u>\$ 411,387</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 728,962</u>	<u>\$ 2,849,329</u>

**City of San Bernardino**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the year ended June 30, 2009**

	Assessment District #985	Assessment District #987
<b>REVENUES</b>		
Taxes	\$ 72,534	\$ 58,969
Investment income	2,798	905
Total revenues	<u>75,332</u>	<u>59,874</u>
<b>EXPENDITURES</b>		
Current:		
General government	14,885	15,032
Debt Service:		
Principal	45,000	40,000
Interest	<u>10,576</u>	<u>12,002</u>
Total expenditures	<u>70,461</u>	<u>67,034</u>
Excess (deficiency) of revenues over expenditures	<u>4,871</u>	<u>(7,160)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers out	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
<b>SPECIAL ITEM</b>		
Forgiveness of debt	<u>-</u>	<u>-</u>
Net change in fund balances	4,871	(7,160)
Fund balances (deficit), beginning of year	<u>175,876</u>	<u>101,756</u>
Fund balances (deficit), end of year	<u>\$ 180,747</u>	<u>\$ 94,596</u>

Assessment District #1015	Verdemont Improvement Loan	Fire Station	Totals	
			2009	2008
\$ 61,665 349	\$ 750 21,637	\$ 7,488 4,472	\$ 201,406 30,161	\$ 186,543 78,662
62,014	22,387	11,960	231,567	265,205
7,042	-	-	36,959	30,927
-	-	-	85,000	123,500
26,412	-	-	48,990	96,436
33,454	-	-	170,949	250,863
28,560	22,387	11,960	60,618	14,342
-	(1,307,372)	(785,535)	(2,092,907)	-
-	(1,307,372)	(785,535)	(2,092,907)	-
-	-	-	-	1,556,000
28,560	(1,284,985)	(773,575)	(2,032,289)	1,570,342
(435,151)	1,284,686	773,570	1,900,737	330,395
<u>\$ (406,591)</u>	<u>\$ (299)</u>	<u>\$ (5)</u>	<u>\$ (131,552)</u>	<u>\$ 1,900,737</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Assessment District #985 Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Taxes	\$ 67,000	\$ 72,534	\$ 5,534	\$ 61,419
Investment income	3,700	2,798	(902)	4,596
	<u>70,700</u>	<u>75,332</u>	<u>4,632</u>	<u>66,015</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Other	8,200	14,885	(6,685)	8,803
Debt Service:				
Principal	45,000	45,000	-	45,000
Interest	10,600	10,576	24	14,008
	<u>63,800</u>	<u>70,461</u>	<u>(6,661)</u>	<u>67,811</u>
Net change in fund balances	6,900	4,871	(2,029)	(1,796)
Fund balances, beginning of year	<u>175,876</u>	<u>175,876</u>	<u>-</u>	<u>177,672</u>
Fund balances, end of year	<u><u>\$ 182,776</u></u>	<u><u>\$ 180,747</u></u>	<u><u>\$ (2,029)</u></u>	<u><u>\$ 175,876</u></u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Assessment District #987 Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Taxes	\$ 59,100	\$ 58,969	\$ (131)	\$ 51,583
Investment income	1,100	905	(195)	2,969
	<u>60,200</u>	<u>59,874</u>	<u>(326)</u>	<u>54,552</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Other	8,400	15,032	(6,632)	8,253
Debt Service:				
Principal	40,000	40,000	-	40,000
Interest	12,000	12,002	(2)	15,083
	<u>60,400</u>	<u>67,034</u>	<u>(6,634)</u>	<u>63,336</u>
Net change in fund balances	(200)	(7,160)	(6,960)	(8,784)
Fund balances, beginning of year	<u>101,756</u>	<u>101,756</u>	<u>-</u>	<u>110,540</u>
Fund balances, end of year	<u>\$ 101,556</u>	<u>\$ 94,596</u>	<u>\$ (6,960)</u>	<u>\$ 101,756</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Assessment District #1015 Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Taxes	\$ 69,300	\$ 61,665	\$ (7,635)	\$ 73,541
Investment income	500	349	(151)	475
Total revenues	<u>69,800</u>	<u>62,014</u>	<u>(7,786)</u>	<u>74,016</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Other	13,300	7,042	6,258	13,871
Debt Service:				
Interest	<u>26,400</u>	<u>26,412</u>	<u>(12)</u>	<u>28,170</u>
Total expenditures	<u>39,700</u>	<u>33,454</u>	<u>6,246</u>	<u>42,041</u>
Net change in fund balances	30,100	28,560	(1,540)	31,975
Fund balances (deficit), beginning of year	<u>(435,151)</u>	<u>(435,151)</u>	<u>-</u>	<u>(467,126)</u>
Fund balances (deficit), end of year	<u><u>\$ (405,051)</u></u>	<u><u>\$ (406,591)</u></u>	<u><u>\$ (1,540)</u></u>	<u><u>\$ (435,151)</u></u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Fire Station Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Taxes	\$ -	\$ 7,488	\$ 7,488	\$ -
Investment income	-	4,472	4,472	26,836
Total revenues	-	11,960	11,960	26,836
<b>EXPENDITURES</b>				
Debt service:				
Principal	-	-	-	38,500
Interest	-	-	-	39,175
Total expenditures	-	-	-	77,675
Excess (deficiency) of revenues over (under) expenditures	-	11,960	11,960	(50,839)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer out	(769,000)	(785,535)	(16,535)	-
Total other financing sources (uses)	(769,000)	(785,535)	(16,535)	-
Net change in fund balances	(769,000)	(773,575)	(4,575)	(50,839)
Fund balances, beginning of year	773,570	773,570	-	824,409
Fund balances, end of year	\$ 4,570	\$ (5)	\$ (4,575)	\$ 773,570

## Capital Projects Funds

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

### **Nonmajor Funds**

#### **Verdemont**

For improvements in the Verdemont area from development fees collected (no budget adopted, therefore no budget and actual presented).

#### **Public Park Extension**

For upgrades and improvements to parks from funds annually transferred from General Fund (There is no adopted budget for the year-ended June 30, 2009 for this fund; therefore, no budget and actual data are presented in the following pages).

#### **Fire Equipment Acquisition**

For acquisition of fire equipment from lease proceeds.

#### **Park Construction Fee**

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

#### **Cemetery Construction**

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

#### **Sewerline Construction**

For construction of sewer collection systems from development revenues.

#### **Storm Drain Construction**

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

#### **Special Assessments**

For assessment districts related to improvement construction and maintenance including landscape maintenance, 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.

#### **CIEDB Street Construction**

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

#### **Assessment District No. 1015**

For construction of improvements from loans related to assessment district 1015 (There is no adopted budget for the year-ended June 30, 2009 for this fund; therefore, no budget and actual data are presented in the following pages).

## **Capital Projects Funds, (Continued)**

### **Public Improvements**

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

### **Proposition 1b**

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

### **Major Funds**

#### **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.

#### **Impact Fee**

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

**City of San Bernardino  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2009**

	Verdemont	Public Extension	Fire Equipment Acquisition
<b>ASSETS</b>			
Cash and investments	\$ 902,147	\$ 4,497	\$ 202,649
Cash and investments with fiscal agents	-	-	-
Receivables, net:			
Interest	6,525	31	-
Due from other governments	-	-	-
Advances to other funds	-	-	-
Other assets	-	-	-
	<u>908,672</u>	<u>4,528</u>	<u>202,649</u>
Total assets	<u>\$ 908,672</u>	<u>\$ 4,528</u>	<u>\$ 202,649</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Retentions payable	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit):			
Reserved for:			
Advances to other funds	-	-	-
Sewer capacity rights	-	-	-
Unreserved:			
Designated for continuing appropriations	-	-	202,600
Undesignated	908,672	4,528	49
	<u>908,672</u>	<u>4,528</u>	<u>202,649</u>
Total fund balances	<u>908,672</u>	<u>4,528</u>	<u>202,649</u>
Total liabilities and fund balances	<u>\$ 908,672</u>	<u>\$ 4,528</u>	<u>\$ 202,649</u>

Park Construction Fee	Cemetery Construction	Sewerline Construction	Storm Drain Construction	Special Assessments	Cultural Development Construction Fee
\$ 61,353	\$ 50,755	\$ 4,081,994	\$ 4,516,283	\$ 2,441,925	\$ 1,161,041
-	-	-	-	-	-
424	350	27,929	30,441	16,738	8,012
610,016	-	-	-	39,988	-
-	-	114,800	-	-	-
-	-	214,671	-	-	-
<u>\$ 671,793</u>	<u>\$ 51,105</u>	<u>\$ 4,439,394</u>	<u>\$ 4,546,724</u>	<u>\$ 2,498,651</u>	<u>\$ 1,169,053</u>
\$ 11,340	\$ -	\$ -	\$ 463,660	\$ 131,960	\$ 689
-	-	-	-	2,080,640	-
2,989	-	-	-	-	-
<u>14,329</u>	<u>-</u>	<u>-</u>	<u>463,660</u>	<u>2,212,600</u>	<u>689</u>
-	-	114,800	-	-	-
-	-	214,671	-	-	-
-	-	-	-	-	-
<u>657,464</u>	<u>51,105</u>	<u>4,109,923</u>	<u>4,083,064</u>	<u>286,051</u>	<u>1,168,364</u>
<u>657,464</u>	<u>51,105</u>	<u>4,439,394</u>	<u>4,083,064</u>	<u>286,051</u>	<u>1,168,364</u>
<u>\$ 671,793</u>	<u>\$ 51,105</u>	<u>\$ 4,439,394</u>	<u>\$ 4,546,724</u>	<u>\$ 2,498,651</u>	<u>\$ 1,169,053</u>

**City of San Bernardino  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2009  
(continued)**

	Traffic Systems	CIEDB Street Construction	Assessment District #1015
<b>ASSETS</b>			
Cash and investments	\$ 27,240	\$ -	\$ 33,102
Cash and investments with fiscal agents	-	-	-
Receivables, net:			
Interest	187	-	228
Due from other governments	-	-	-
Advances to other funds	-	-	-
Other assets	-	-	-
	<u>\$ 27,427</u>	<u>\$ -</u>	<u>\$ 33,330</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	54,663	-
Retentions payable	-	-	-
	<u>-</u>	<u>54,663</u>	<u>-</u>
Fund balances (deficit):			
Reserved for:			
Advances to other funds	-	-	-
Sewer capacity rights	-	-	-
Unreserved:			
Designated for continuing appropriations	-	-	-
Undesignated	27,427	(54,663)	33,330
	<u>27,427</u>	<u>(54,663)</u>	<u>33,330</u>
Total fund balances	<u>27,427</u>	<u>(54,663)</u>	<u>33,330</u>
Total liabilities and fund balances	<u>\$ 27,427</u>	<u>\$ -</u>	<u>\$ 33,330</u>

Public Improvements	Prop 1b Local Street	Totals	
		2009	2008
\$ 1,841,582	\$ 4,545,783	\$ 19,870,351	\$ 19,534,685
-	-	-	2
12,722	30,870	134,457	189,517
-	-	650,004	53,861
-	-	114,800	123,000
-	-	214,671	214,670
<u>\$ 1,854,304</u>	<u>\$ 4,576,653</u>	<u>\$ 20,984,283</u>	<u>\$ 20,115,735</u>
\$ 21,103	\$ 607,350	\$ 1,236,102	\$ 1,088,763
-	-	2,135,303	2,053,847
-	59,872	62,861	350,400
<u>21,103</u>	<u>667,222</u>	<u>3,434,266</u>	<u>3,493,010</u>
-	-	114,800	123,000
-	-	214,671	214,671
-	-	202,600	-
<u>1,833,201</u>	<u>3,909,431</u>	<u>17,017,946</u>	<u>16,285,054</u>
<u>1,833,201</u>	<u>3,909,431</u>	<u>17,550,017</u>	<u>16,622,725</u>
<u>\$ 1,854,304</u>	<u>\$ 4,576,653</u>	<u>\$ 20,984,283</u>	<u>\$ 20,115,735</u>

**City of San Bernardino**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the year ended June 30, 2009**

	Verdemont	Public Park Extension	Fire Equipment Acquisition
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Investment income	-	(10)	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Other revenues	-	-	-
Total revenues	-	(10)	-
<b>EXPENDITURES</b>			
Current:			
Public safety	-	-	141,363
Streets	-	-	-
Culture and recreation	-	-	-
Total expenditures	-	-	141,363
Excess (deficiency) of revenues over expenditures	-	(10)	(141,363)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	908,672	-	-
Transfers out	-	-	(425,000)
Issuance of debt	-	-	-
Total other financing sources (uses)	908,672	-	(425,000)
Net change in fund balances	908,672	(10)	(566,363)
Fund balances, beginning of year	-	4,538	769,012
Fund balances, end of year	<u>\$ 908,672</u>	<u>\$ 4,528</u>	<u>\$ 202,649</u>

Park Construction Fee	Cemetery Construction	Sewerline Construction	Storm Drain Construction	Special Assessments	Cultural Development Construction Fee
\$ -	\$ -	\$ -	\$ -	\$ 1,364,576	\$ -
-	-	-	-	-	312,711
(1,606)	985	104,663	106,369	44,037	25,442
610,016	-	-	-	-	-
-	296	54,850	288,874	-	-
150	-	-	-	-	-
<u>608,560</u>	<u>1,281</u>	<u>159,513</u>	<u>395,243</u>	<u>1,408,613</u>	<u>338,153</u>
-	-	-	-	-	-
-	-	311,229	1,678,515	1,524,640	-
257,231	-	-	-	-	-
<u>257,231</u>	<u>-</u>	<u>311,229</u>	<u>1,678,515</u>	<u>1,524,640</u>	<u>-</u>
351,329	1,281	(151,716)	(1,283,272)	(116,027)	338,153
101,000	-	-	-	-	-
-	-	(225,000)	(132,700)	-	(357,000)
-	-	-	-	-	-
<u>101,000</u>	<u>-</u>	<u>(225,000)</u>	<u>(132,700)</u>	<u>-</u>	<u>(357,000)</u>
452,329	1,281	(376,716)	(1,415,972)	(116,027)	(18,847)
205,135	49,824	4,816,110	5,499,036	402,078	1,187,211
<u>\$ 657,464</u>	<u>\$ 51,105</u>	<u>\$ 4,439,394</u>	<u>\$ 4,083,064</u>	<u>\$ 286,051</u>	<u>\$ 1,168,364</u>

**City of San Bernardino**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the year ended June 30, 2009**  
**(continued)**

	Traffic Systems	CIEDB Street Construction	Assessment District #1015
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Investment income	2,796	-	641
Intergovernmental	-	-	-
Charges for services	-	-	-
Other revenues	336	-	-
Total revenues	<u>3,132</u>	<u>-</u>	<u>641</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	-	-	-
Streets	98,943	1,990,747	-
Culture and recreation	-	-	-
Total expenditures	<u>98,943</u>	<u>1,990,747</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(95,811)</u>	<u>(1,990,747)</u>	<u>641</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	(60,000)	-	-
Issuance of debt	-	4,163,641	-
Total other financing sources (uses)	<u>(60,000)</u>	<u>4,163,641</u>	<u>-</u>
Net change in fund balances	(155,811)	2,172,894	641
Fund balances, beginning of year	<u>183,238</u>	<u>(2,227,557)</u>	<u>32,689</u>
Fund balances, end of year	<u>\$ 27,427</u>	<u>\$ (54,663)</u>	<u>\$ 33,330</u>

Public Improvement	Prop 1b Local Street	Totals	
		2009	2008
\$ -	\$ -	\$ 1,364,576	\$ 1,013,351
-	-	312,711	610,202
39,459	98,239	421,015	946,790
-	2,403,800	3,013,816	3,422,136
-	-	344,020	2,698,815
-	-	486	863,329
<u>39,459</u>	<u>2,502,039</u>	<u>5,456,624</u>	<u>9,554,623</u>
-	-	141,363	155,562
862,622	1,637,655	8,104,351	5,846,437
-	-	257,231	1,434,568
<u>862,622</u>	<u>1,637,655</u>	<u>8,502,945</u>	<u>7,436,567</u>
<u>(823,163)</u>	<u>864,384</u>	<u>(3,046,321)</u>	<u>2,118,056</u>
-	-	1,009,672	-
-	-	(1,199,700)	(1,087,969)
-	-	4,163,641	17,805
<u>-</u>	<u>-</u>	<u>3,973,613</u>	<u>(1,070,164)</u>
(823,163)	864,384	927,292	1,047,892
<u>2,656,364</u>	<u>3,045,047</u>	<u>16,622,725</u>	<u>15,574,833</u>
<u>\$ 1,833,201</u>	<u>\$ 3,909,431</u>	<u>\$ 17,550,017</u>	<u>\$ 16,622,725</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Fire Equipment Acquisition Fund**  
**For the year ended June 30, 2009**

	<u>Final budget</u>	<u>Actual amounts</u>	<u>Variance with final budget</u>	<u>Prior year actual</u>
<b>REVENUES</b>				
Other revenues	\$ -	\$ -	\$ -	\$ 863,329
Total revenues	-	-	-	863,329
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Personnel salaries and benefits	115,700	115,600	100	7,193
Other	194,100	25,763	168,337	148,369
Total expenditures	309,800	141,363	168,437	155,562
Excess (deficiency) of revenues over expenditures	(309,800)	(141,363)	168,437	707,767
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(425,000)	(425,000)	-	(50,100)
Issuance of debt	-	-	-	17,805
Total other financing sources (uses)	(425,000)	(425,000)	-	(32,295)
Net change in fund balances	(734,800)	(566,363)	168,437	675,472
Fund balances, beginning of year	769,012	769,012	-	93,540
Fund balances, end of year	<u>\$ 34,212</u>	<u>\$ 202,649</u>	<u>\$ 168,437</u>	<u>\$ 769,012</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Park Construction Fee Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Investment income	\$ 20,000	\$ -	\$ (20,000)	\$ 26,207
Intergovernmental	2,144,700	610,016	(1,534,684)	50,145
Charges for services	-	-	-	70
Other revenues	-	150	150	-
<b>Total revenues</b>	<b>2,164,700</b>	<b>610,166</b>	<b>(1,554,534)</b>	<b>76,422</b>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation - other	2,369,800	258,837	2,110,963	1,434,568
<b>Total expenditures</b>	<b>2,369,800</b>	<b>258,837</b>	<b>2,110,963</b>	<b>1,434,568</b>
Excess (deficiency) of revenues over (under) expenditures	(205,100)	351,329	556,429	(1,358,146)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	101,000	101,000	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>101,000</b>	<b>101,000</b>	<b>-</b>
Net change in fund balances	(205,100)	452,329	657,429	(1,358,146)
Fund balances, beginning of year	205,135	205,135	-	1,563,281
Fund balances, end of year	<u>\$ 35</u>	<u>\$ 657,464</u>	<u>\$ 657,429</u>	<u>\$ 205,135</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Cemetery Construction Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Investment income	\$ 1,600	\$ 985	\$ (615)	\$ 1,675
Charges for services	3,700	296	(3,404)	3,743
Total revenues	5,300	1,281	(4,019)	5,418
<b>EXPENDITURES</b>				
Current:				
Community services - other	15,000	-	15,000	-
Total expenditures	15,000	-	15,000	-
Net change in fund balances	(9,700)	1,281	10,981	5,418
Fund balances, beginning of year	49,824	49,824	-	44,406
Fund balances, end of year	<u>\$ 40,124</u>	<u>\$ 51,105</u>	<u>\$ 10,981</u>	<u>\$ 49,824</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Sewerline Construction Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Investment income	\$ 150,000	\$ 104,663	\$ (45,337)	\$ 247,367
Charges for services	250,000	54,850	(195,150)	378,884
Total revenues	400,000	159,513	(240,487)	626,251
<b>EXPENDITURES</b>				
Current:				
Streets - other	4,455,800	311,229	4,144,571	752,304
Total expenditures	4,455,800	311,229	4,144,571	752,304
Excess (deficiency) of revenues over expenditures	(4,055,800)	(151,716)	3,904,084	(126,053)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(225,000)	(225,000)	-	(225,000)
Total other financing sources (uses)	(225,000)	(225,000)	-	(225,000)
Net change in fund balances	(4,280,800)	(376,716)	3,904,084	(351,053)
Fund balances, beginning of year	4,816,110	4,816,110	-	5,167,163
Fund balances, end of year	\$ 535,310	\$ 4,439,394	\$ 3,904,084	\$ 4,816,110

**City of San Bernardino**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Storm Drain Construction Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Investment income	\$ 100,000	\$ 106,369	\$ 6,369	\$ 277,287
Charges for services	1,800,000	288,874	(1,511,126)	2,316,118
Total revenues	1,900,000	395,243	(1,504,757)	2,593,405
<b>EXPENDITURES</b>				
Current:				
Streets - other	3,818,000	1,678,515	2,139,485	289,269
Total expenditures	3,818,000	1,678,515	2,139,485	289,269
Excess (deficiency) of revenues over (under) expenditures	(1,918,000)	(1,283,272)	634,728	2,304,136
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(132,700)	(132,700)	-	(132,700)
Total other financing sources (uses)	(132,700)	(132,700)	-	(132,700)
Net change in fund balances	(2,050,700)	(1,415,972)	634,728	2,171,436
Fund balances, beginning of year	5,499,036	5,499,036	-	3,327,600
Fund balances, end of year	\$ 3,448,336	\$ 4,083,064	\$ 634,728	\$ 5,499,036

**City of San Bernardino**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Special Assessments Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Taxes	\$ 1,362,100	\$ 1,364,576	\$ 2,476	\$ 1,010,182
Investment income	-	44,037	44,037	83,734
Total revenues	1,362,100	1,408,613	46,513	1,093,916
<b>EXPENDITURES</b>				
Current:				
Streets - other	1,362,100	1,524,640	(162,540)	1,043,620
Total expenditures	1,362,100	1,524,640	(162,540)	1,043,620
Net change in fund balances	-	(116,027)	(116,027)	50,296
Fund balances, beginning of year	402,078	402,078	-	351,782
Fund balances, end of year	\$ 402,078	\$ 286,051	\$ (116,027)	\$ 402,078

**City of San Bernardino**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Cultural Development Construction Fee Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Licenses and permits	\$ 400,000	\$ 312,711	\$ (87,289)	\$ 610,202
Investment income	50,000	25,442	(24,558)	48,352
Total revenues	450,000	338,153	(111,847)	658,554
<b>EXPENDITURES</b>				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	450,000	338,153	(111,847)	658,554
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(357,000)	(357,000)	-	(617,000)
Total other financing sources (uses)	(357,000)	(357,000)	-	(617,000)
Net change in fund balances	93,000	(18,847)	(111,847)	41,554
Fund balances, beginning of year	1,187,211	1,187,211	-	1,145,657
Fund balances, end of year	<u>\$ 1,280,211</u>	<u>\$ 1,168,364</u>	<u>\$ (111,847)</u>	<u>\$ 1,187,211</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Traffic Systems Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Investment income	\$ -	\$ 2,796	\$ 2,796	\$ -
Intergovernmental	75,000	-	(75,000)	74,545
Other revenues	-	336	336	-
<b>Total revenues</b>	<b>75,000</b>	<b>3,132</b>	<b>(71,868)</b>	<b>74,545</b>
<b>EXPENDITURES</b>				
Current:				
Streets - other	481,100	98,943	382,157	178,809
<b>Total expenditures</b>	<b>481,100</b>	<b>98,943</b>	<b>382,157</b>	<b>178,809</b>
Excess (deficiency) of revenues over (under) expenditures	(406,100)	(95,811)	310,289	(104,264)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(60,000)	(60,000)	-	(60,000)
<b>Total other financing sources (uses)</b>	<b>(60,000)</b>	<b>(60,000)</b>	<b>-</b>	<b>(60,000)</b>
<b>Net change in fund balances</b>	<b>(466,100)</b>	<b>(155,811)</b>	<b>310,289</b>	<b>(164,264)</b>
Fund balances, beginning of year	183,238	183,238	-	347,502
<b>Fund balances (deficit), end of year</b>	<b>\$ (282,862)</b>	<b>\$ 27,427</b>	<b>\$ 310,289</b>	<b>\$ 183,238</b>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**CIEDB Street Construction Fund**  
**For the Year Ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Current:				
Streets - other	<u>2,217,500</u>	<u>1,990,747</u>	<u>226,753</u>	<u>558,247</u>
Total expenditures	<u>2,217,500</u>	<u>1,990,747</u>	<u>226,753</u>	<u>558,247</u>
Excess (deficiency) of revenues over expenditures	<u>(2,217,500)</u>	<u>(1,990,747)</u>	<u>226,753</u>	<u>(558,247)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	<u>-</u>	<u>4,163,641</u>	<u>4,163,641</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>4,163,641</u>	<u>4,163,641</u>	<u>-</u>
Net change in fund balances	<u>(2,217,500)</u>	<u>2,172,894</u>	<u>4,390,394</u>	<u>(558,247)</u>
Fund balances (deficit), beginning of year	<u>(2,227,557)</u>	<u>(2,227,557)</u>	<u>-</u>	<u>(1,669,310)</u>
Fund balances (deficit), end of year	<u><u>\$ (4,445,057)</u></u>	<u><u>\$ (54,663)</u></u>	<u><u>\$ 4,390,394</u></u>	<u><u>\$ (2,227,557)</u></u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Public Improvements Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Investment income	\$ 125,000	\$ 39,459	\$ (85,541)	\$ 161,335
Total revenues	125,000	39,459	(85,541)	161,335
<b>EXPENDITURES</b>				
Current:				
Streets - other	2,674,700	862,622	1,812,078	2,672,224
Total expenditures	2,674,700	862,622	1,812,078	2,672,224
Excess (deficiency) of revenues over (under) expenditures	(2,549,700)	(823,163)	1,726,537	(2,510,889)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(398,191)	-	398,191	-
Total other financing sources (uses)	(398,191)	-	398,191	-
Net change in fund balances	(2,947,891)	(823,163)	2,124,728	(2,510,889)
Fund balances, beginning of year	2,656,364	2,656,364	-	5,167,253
Fund balances (deficit), end of year	\$ (291,527)	\$ 1,833,201	\$ 2,124,728	\$ 2,656,364

**City of San Bernardino**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Proposition 1b Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Investment income	\$ 100,000	\$ 98,239	\$ (1,761)	\$ 99,565
Intergovernmental	4,045,800	2,403,800	(1,642,000)	3,297,446
Total revenues	4,145,800	2,502,039	(1,643,761)	3,397,011
<b>EXPENDITURES</b>				
Current:				
Streets	7,190,800	1,637,655	5,553,145	351,964
Total expenditures	7,190,800	1,637,655	5,553,145	351,964
Net change in fund balances	(3,045,000)	864,384	3,909,384	3,045,047
Fund balances, beginning of year	3,045,047	3,045,047	-	-
Fund balances, end of year	\$ 47	\$ 3,909,431	\$ 3,909,384	\$ 3,045,047

**City of San Bernardino**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Major Fund - Street Construction Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Intergovernmental	\$ 21,153,400	\$ 1,888,984	\$ (19,264,416)	\$ 1,505,272
Other revenues	12,276,400	149,316	(12,127,084)	4,813
Total revenues	<u>33,429,800</u>	<u>2,038,300</u>	<u>(31,391,500)</u>	<u>1,510,085</u>
<b>EXPENDITURES</b>				
Current:				
Streets - other	29,802,900	2,352,227	27,450,673	3,412,754
Total expenditures	<u>29,802,900</u>	<u>2,352,227</u>	<u>27,450,673</u>	<u>3,412,754</u>
Excess (deficiency) of revenues over expenditures	<u>3,626,900</u>	<u>(313,927)</u>	<u>(3,940,827)</u>	<u>(1,902,669)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	297,700	297,700	-
Total other financing sources (uses)	<u>-</u>	<u>297,700</u>	<u>297,700</u>	<u>-</u>
Net change in fund balances	3,626,900	(16,227)	(3,643,127)	(1,902,669)
Fund balances (deficit), beginning of year	<u>(3,626,851)</u>	<u>(3,626,851)</u>	<u>-</u>	<u>(1,724,182)</u>
Fund balances (deficit), end of year	<u>\$ 49</u>	<u>\$ (3,643,078)</u>	<u>\$ (3,643,127)</u>	<u>\$ (3,626,851)</u>

**City of San Bernardino**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Major Fund - Impact Fees Fund**  
**For the year ended June 30, 2009**

	Final budget	Actual amounts	Variance with final budget	Prior year actual
<b>REVENUES</b>				
Impact fees	\$ 1,975,000	\$ 1,065,305	\$ (909,695)	\$ 5,268,475
Investment income	268,500	235,377	(33,123)	413,627
Other	-	104,213	104,213	-
	<u>2,243,500</u>	<u>1,404,895</u>	<u>(838,605)</u>	<u>5,682,102</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	677,200	507,675	169,525	109,912
Streets	2,907,200	172,110	2,735,090	183,080
Culture and recreation	1,380,000	79,542	1,300,458	369,925
Debt service:				
Principal	-	79,249	(79,249)	-
Interest	-	76,064	(76,064)	-
	<u>4,964,400</u>	<u>914,640</u>	<u>4,049,760</u>	<u>662,917</u>
Excess (deficiency) of revenues over expenditures	<u>(2,720,900)</u>	<u>490,255</u>	<u>3,211,155</u>	<u>5,019,185</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>769,000</u>	<u>785,535</u>	<u>16,535</u>	<u>-</u>
Total other financing sources (uses)	<u>769,000</u>	<u>785,535</u>	<u>16,535</u>	<u>-</u>
Net change in fund balances	(1,951,900)	1,275,790	3,227,690	5,019,185
Fund balances, beginning of year	<u>9,190,460</u>	<u>9,190,460</u>	<u>-</u>	<u>4,171,275</u>
Fund balances, end of year	<u>\$ 7,238,560</u>	<u>\$ 10,466,250</u>	<u>\$ 3,227,690</u>	<u>\$ 9,190,460</u>

## Internal Service Funds

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

### **Unemployment Insurance**

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

### **Workers' Compensation**

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

### **Liability Insurance**

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

### **Motorpool**

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

### **Telephone Support**

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

### **Information Systems**

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

### **Utility**

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

### **Central Services**

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

**City of San Bernardino**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2009**

	<u>Unemployment Insurance</u>	<u>Workers' Compensation</u>	<u>Liability Insurance</u>	<u>Motorpool</u>
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ -	\$ -	\$ 43,228	\$ 250
Cash and investments with fiscal agents	-	-	-	754,032
Receivables:				
Interest	-	-	30,794	-
Other	-	-	167	266
Inventory	-	-	-	421,997
Prepays	-	-	-	-
Due from other governments	-	84,500	-	2,608
Due from other funds	219,961	179,747	4,462,288	290,327
	<u>219,961</u>	<u>264,247</u>	<u>4,536,477</u>	<u>1,469,480</u>
Total current assets				
Noncurrent assets:				
Capital assets; net				
Property, plant and equipment	-	213	1,641	3,141,369
	<u>-</u>	<u>213</u>	<u>1,641</u>	<u>3,141,369</u>
	<u>219,961</u>	<u>264,460</u>	<u>4,538,118</u>	<u>4,610,849</u>
Total assets				
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	-	179,355	53,081	172,943
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Claims and judgments payable - current	-	2,581,400	1,080,000	-
Compensated absences - current	-	49,526	10,526	198,226
Capital lease payable - current	-	-	-	920,683
Facility lease payable - current	-	-	-	35,000
	<u>-</u>	<u>2,810,281</u>	<u>1,143,607</u>	<u>1,326,852</u>
	<u>-</u>	<u>2,810,281</u>	<u>1,143,607</u>	<u>1,326,852</u>
Total current liabilities				
Noncurrent liabilities:				
Claims and judgments payable	-	6,400,198	4,115,320	-
Compensated absences	-	21,310	-	179,314
Capital lease payable	-	-	-	1,042,218
Facility lease payable	-	-	-	165,000
	<u>-</u>	<u>6,421,508</u>	<u>4,115,320</u>	<u>1,386,532</u>
	<u>-</u>	<u>6,421,508</u>	<u>4,115,320</u>	<u>1,386,532</u>
Total noncurrent liabilities				
	<u>-</u>	<u>9,231,789</u>	<u>5,258,927</u>	<u>2,713,384</u>
Total liabilities				
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	-	-	-	978,468
Unrestricted (deficit)	219,961	(8,967,329)	(720,809)	918,997
	<u>219,961</u>	<u>(8,967,329)</u>	<u>(720,809)</u>	<u>918,997</u>
	<u>219,961</u>	<u>(8,967,329)</u>	<u>(720,809)</u>	<u>918,997</u>
Total net assets (deficit)				
	<u>\$ 219,961</u>	<u>\$ (8,967,329)</u>	<u>\$ (720,809)</u>	<u>\$ 1,897,465</u>

Telephone Support	Information Systems	Utility	Central Services	Totals	
				2009	2008
\$ -	\$ -	\$ -	\$ -	\$ 43,478	\$ 1,536,062
-	-	-	-	754,032	100,818
-	-	-	-	30,794	37,450
993	-	-	-	1,426	5,782
-	-	-	-	421,997	307,227
-	-	-	-	-	180,813
10,834	354,012	-	2,986	454,940	111,318
275,169	424,040	-	3,550	5,855,082	4,725,386
<u>286,996</u>	<u>778,052</u>	<u>-</u>	<u>6,536</u>	<u>7,561,749</u>	<u>7,004,856</u>
<u>66,576</u>	<u>1,512,598</u>	<u>705,571</u>	<u>-</u>	<u>5,427,968</u>	<u>5,655,563</u>
<u>353,572</u>	<u>2,290,650</u>	<u>705,571</u>	<u>6,536</u>	<u>12,989,717</u>	<u>12,660,419</u>
56,694	106,807	330,196	6,536	905,612	1,010,634
-	-	30,006	-	30,006	14,970
-	283,774	-	-	283,774	361,774
-	-	-	-	3,661,400	4,061,400
-	-	17,000	12,675	287,953	501,909
-	-	70,420	-	991,103	898,312
-	-	-	-	35,000	35,000
<u>56,694</u>	<u>390,581</u>	<u>447,622</u>	<u>19,211</u>	<u>6,194,848</u>	<u>6,883,999</u>
-	-	-	-	10,515,518	9,159,424
2,478	347,470	2,926	45,058	598,556	345,224
-	119,068	658,948	-	1,820,234	776,238
-	-	-	-	165,000	200,000
<u>2,478</u>	<u>466,538</u>	<u>661,874</u>	<u>45,058</u>	<u>13,099,308</u>	<u>10,480,886</u>
<u>59,172</u>	<u>857,119</u>	<u>1,109,496</u>	<u>64,269</u>	<u>19,294,156</u>	<u>17,364,885</u>
-	1,393,530	(23,797)	-	2,348,201	3,699,489
294,400	40,001	(380,128)	(57,733)	(8,652,640)	(8,403,955)
<u>\$ 294,400</u>	<u>\$ 1,433,531</u>	<u>\$ (403,925)</u>	<u>\$ (57,733)</u>	<u>\$ (6,304,439)</u>	<u>\$ (4,704,466)</u>

**City of San Bernardino**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the year ended June 30, 2009**

	Unemployment Insurance	Workers' Compensation	Liability Insurance	Motorpool
<b>OPERATING REVENUES</b>				
Charges for services	\$ 260,368	\$ 3,773,713	\$ 3,082,400	\$ 7,131,826
Total operating revenues	260,368	3,773,713	3,082,400	7,131,826
<b>OPERATING EXPENSES</b>				
Cost of sales and services	4,609	1,128,133	269,833	6,214,891
Claims expense	295,008	4,266,252	2,541,090	-
Depreciation	-	476	1,367	1,392,464
Total operating expenses	299,617	5,394,861	2,812,290	7,607,355
Operating income (loss)	(39,249)	(1,621,148)	270,110	(475,529)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	-	-	93,539	157
Interest expense	-	-	-	(64,257)
Gain on disposal of assets	-	-	-	49,140
Miscellaneous	-	-	-	89,757
Total nonoperating revenues (expenses)	-	-	93,539	74,797
Income before contributions and transfers	(39,249)	(1,621,148)	363,649	(400,732)
Transfers in	-	384,200	400,000	-
Change in net assets	(39,249)	(1,236,948)	763,649	(400,732)
Net assets (deficit), beginning of year	259,210	(7,730,381)	(1,484,458)	2,298,197
Net assets (deficit), end of year	\$ 219,961	\$ (8,967,329)	\$ (720,809)	\$ 1,897,465

Telephone Support	Information Systems	Utility	Central Services	Totals	
				2009	2008
\$ 542,707	\$ 4,155,100	\$ 3,850,201	\$ 184,262	\$ 22,980,577	\$ 26,604,432
542,707	4,155,100	3,850,201	184,262	22,980,577	26,604,432
771,055	4,245,041	3,899,785	247,946	16,781,293	18,588,478
-	-	-	-	7,102,350	3,427,374
29,445	686,834	216,052	-	2,326,638	2,166,983
800,500	4,931,875	4,115,837	247,946	26,210,281	24,182,835
(257,793)	(776,775)	(265,636)	(63,684)	(3,229,704)	2,421,597
-	-	1,265	-	94,961	173,912
-	(9,202)	(37,011)	-	(110,470)	(79,453)
-	-	-	-	49,140	(8,340)
11,999	366,328	-	-	468,084	93,542
11,999	357,126	(35,746)	-	501,715	179,661
(245,794)	(419,649)	(301,382)	(63,684)	(2,727,989)	2,601,258
-	-	300,000	43,816	1,128,016	485,900
(245,794)	(419,649)	(1,382)	(19,868)	(1,599,973)	3,087,158
540,194	1,853,180	(402,543)	(37,865)	(4,704,466)	(7,791,624)
\$ 294,400	\$ 1,433,531	\$ (403,925)	\$ (57,733)	\$ (6,304,439)	\$ (4,704,466)

**City of San Bernardino**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2009**

	Unemployment Insurance	Workers' Compensation	Liability Insurance	Motorpool
<b>Cash flows from operating activities:</b>				
Cash received from user departments	\$ 260,368	\$ 3,753,236	\$ 3,082,400	\$ 7,137,082
Cash payments to suppliers for goods and services	(299,617)	(617,706)	(151,925)	(4,144,843)
Cash payments for claims	-	(3,042,228)	(2,809,020)	-
Cash payments to employees for services	-	(498,709)	(75,278)	(2,130,361)
Cash received from other activities	-	-	-	89,757
Net cash provided by (used for) operating activities	(39,249)	(405,407)	46,177	951,635
<b>Cash flows from noncapital financing activities:</b>				
Transfer from other funds	-	384,200	400,000	-
Interfund loans	(219,961)	(179,747)	(525,166)	26,568
Net cash (used for) noncapital financing activities	(219,961)	204,453	(125,166)	26,568
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets	-	-	-	(370,410)
Proceeds from capital debt	-	-	-	754,032
Principal paid on capital debt	-	-	-	(683,296)
Proceeds from sale of capital assets	-	-	-	49,140
Interest paid on capital debt	-	-	-	(64,257)
Net cash (used for) capital and related financing activities	-	-	-	(314,791)
<b>Cash flows from investing activities:</b>				
Interest received	-	1,858	98,337	-
Net cash provided by investing activities	-	1,858	98,337	-
Net increase (decrease) in cash and investments	(259,210)	(199,096)	19,348	663,412
Cash and investments, beginning of year	259,210	199,096	23,880	90,870
Cash and investments, end of year	\$ -	\$ -	\$ 43,228	\$ 754,282

Telephone Support	Information Systems	Utility	Central Services	Totals	
				2009	2008
\$ 559,292	\$ 3,813,031	\$ 3,865,237	\$ 185,700	\$ 22,656,346	\$26,285,854
(694,716)	(2,277,851)	(3,720,338)	(122,319)	(12,029,315)	(14,313,880)
-	-	-	-	(5,851,248)	(4,423,314)
(66,153)	(1,973,725)	(174,954)	(127,408)	(5,046,588)	(5,329,156)
11,999	366,328	-	-	468,084	93,542
(189,578)	(72,217)	(30,055)	(64,027)	197,279	2,313,046
-	-	300,000	43,816	1,128,016	485,900
196,200	(502,040)	-	(3,549)	(1,207,695)	(4,404,215)
196,200	(502,040)	300,000	40,267	(79,679)	(3,918,315)
(6,622)	(223,944)	(31,546)	-	(632,522)	(1,062,155)
-	-	126,655	-	880,687	-
-	(232,661)	(329,308)	-	(1,245,265)	(913,550)
-	-	-	-	49,140	-
-	(9,202)	(37,011)	-	(110,470)	(79,453)
(6,622)	(465,807)	(271,210)	-	(1,058,430)	(2,055,158)
-	-	1,265	-	101,460	171,070
-	-	1,265	-	101,460	171,070
-	(1,040,064)	-	(23,760)	(839,370)	(3,489,357)
-	1,040,064	-	23,760	1,636,880	5,126,237
\$ -	\$ -	\$ -	\$ -	\$ 797,510	\$ 1,636,880

**City of San Bernardino**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2009**  
**(continued)**

	Unemployment Insurance	Workers' Compensation	Liability Insurance	Motorpool
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ (39,249)	\$ (1,621,148)	\$ 270,110	\$ (475,529)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	-	476	1,367	1,392,464
Other nonoperating revenues (expenses)	-	-	-	89,757
(Increase) decrease in assets:				
Other receivables	-	64,023	-	1,095
Inventory	-	-	-	(114,770)
Prepays	-	-	-	180,813
Due from other funds	-	-	-	-
Due from other governments	-	(84,500)	-	4,162
Increase (decrease) in liabilities:				
Accounts payable	-	(727)	39,838	(166,489)
Claims and judgments payable	-	1,224,024	(267,930)	-
Due to other funds	-	-	-	-
Compensated absences	-	12,445	2,792	40,132
Net cash provided by (used for) operating activities	\$ (39,249)	\$ (405,407)	\$ 46,177	\$ 951,635
<b>Noncash, investing, capital and financing activities:</b>				
Acquisition of capital assets through financing	\$ -	\$ -	\$ -	\$ 691,175

Telephone Support	Information Systems	Utility	Central Services	Totals	
				2009	2008
\$ (257,793)	\$ (776,775)	\$ (265,636)	\$ (63,684)	\$ (3,229,704)	\$ 2,421,597
29,445	686,834	216,052	-	2,326,638	2,166,983
11,999	366,328	-	-	468,084	93,542
2,025	-	-	1,235	68,378	1,784
-	-	-	-	(114,770)	(59,470)
-	-	-	-	180,813	212,455
-	-	-	203	203	(5,668)
14,560	(342,069)	-	-	(407,847)	(8,493)
10,170	17,256	(510)	(4,560)	(105,022)	(1,334,180)
-	-	-	-	956,094	(970,654)
-	-	15,036	-	15,036	(306,201)
16	(23,791)	5,003	2,779	39,376	101,351
<u>\$ (189,578)</u>	<u>\$ (72,217)</u>	<u>\$ (30,055)</u>	<u>\$ (64,027)</u>	<u>\$ 197,279</u>	<u>\$ 2,313,046</u>
\$ -	\$ -	\$ 775,346	\$ -	\$ 1,466,521	\$ 1,374,759

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## **Agency Funds**

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

### **Assessment district No. 961**

For the collection of assessments 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 No. 977A**

For the collection of assessments 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 No. 977B**

For the collection of assessments 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 No. 1003**

For the collection of assessments 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 No. 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.

**City of San Bernardino**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**June 30, 2009**

	Assessment District #961	Assessment District #977A	Assessment District # 977B	Assessment District #1003
<b>ASSETS</b>				
Cash and investments	\$ 362,308	\$ 60,780	\$ 96,266	\$ 257,703
Cash and investments with fiscal agents	-	95,661	156,229	-
Accounts receivable	-	-	-	-
Interest receivable	2,501	419	665	1,778
Due from other governments	-	3,565	4,648	820
	<u>\$ 364,809</u>	<u>\$ 160,425</u>	<u>\$ 257,808</u>	<u>\$ 260,301</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Due to bond holders	364,809	160,425	257,808	260,301
	<u>\$ 364,809</u>	<u>\$ 160,425</u>	<u>\$ 257,808</u>	<u>\$ 260,301</u>

Industrial Revenue Bonds	Community Facilities District #995	Special Deposits	Cemetery Perpetual Care	Payroll Trust Fund	Totals	
					2009	2008
\$ 69,351	\$ 1,795	\$ 6,085,336	\$ 658,050	\$ 160,794	\$ 7,752,383	\$ 10,754,740
-	-	-	-	-	251,890	390,522
-	-	90,145	-	-	90,145	89,475
-	12	3,568	-	-	8,943	11,039
-	-	206,384	-	6,690	222,107	255,131
<u>\$ 69,351</u>	<u>\$ 1,807</u>	<u>\$ 6,385,433</u>	<u>\$ 658,050</u>	<u>\$ 167,484</u>	<u>\$ 8,325,468</u>	<u>\$ 11,500,907</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184,433
69,351	1,807	6,385,433	658,050	167,484	7,282,125	10,313,104
-	-	-	-	-	1,043,343	1,003,370
<u>\$ 69,351</u>	<u>\$ 1,807</u>	<u>\$ 6,385,433</u>	<u>\$ 658,050</u>	<u>\$ 167,484</u>	<u>\$ 8,325,468</u>	<u>\$ 11,500,907</u>

**City of San Bernardino**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**For the year ended June 30, 2009**

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
<b>Assessment District # 961</b>				
<b>ASSETS</b>				
Cash and investments	\$ 354,524	\$ 7,784	\$ -	\$ 362,308
Interest receivable	3,263	5,121	5,883	2,501
Total assets	<u>\$ 357,787</u>	<u>\$ 12,905</u>	<u>\$ 5,883</u>	<u>\$ 364,809</u>
<b>LIABILITIES</b>				
Due to bond holders	\$ 357,787	\$ 12,905	\$ 5,883	\$ 364,809
Total liabilities	<u>\$ 357,787</u>	<u>\$ 12,905</u>	<u>\$ 5,883</u>	<u>\$ 364,809</u>
<b>Assessment District # 977A</b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,456	\$ 68,159	\$ 9,835	\$ 60,780
Cash and investments with fiscal agents	148,856	618	53,813	95,661
Interest receivable	22	859	462	419
Due from other governments	3,043	3,565	3,043	3,565
Total assets	<u>\$ 154,377</u>	<u>\$ 73,201</u>	<u>\$ 67,153</u>	<u>\$ 160,425</u>
<b>LIABILITIES</b>				
Due to bond holders	\$ 154,377	\$ 73,201	\$ 67,153	\$ 160,425
Total liabilities	<u>\$ 154,377</u>	<u>\$ 73,201</u>	<u>\$ 67,153</u>	<u>\$ 160,425</u>
<b>Assessment District #977B</b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,243	\$ 179,692	\$ 85,669	\$ 96,266
Cash and investments with fiscal agents	241,666	78,056	163,493	156,229
Interest receivable	21	1,361	717	665
Due from other governments	1,937	4,648	1,937	4,648
Total assets	<u>\$ 245,867</u>	<u>\$ 263,757</u>	<u>\$ 251,816</u>	<u>\$ 257,808</u>
<b>LIABILITIES</b>				
Due to bond holders	\$ 245,867	\$ 263,757	\$ 251,816	\$ 257,808
Total liabilities	<u>\$ 245,867</u>	<u>\$ 263,757</u>	<u>\$ 251,816</u>	<u>\$ 257,808</u>

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**City of San Bernardino**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**For the year ended June 30, 2009**  
**(continued)**

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
<b>Assessment District #1003</b>				
<b>ASSETS</b>				
Cash and investments	\$ 240,542	\$ 95,112	\$ 77,951	\$ 257,703
Interest receivable	2,213	3,642	4,077	1,778
Due from other governments	2,584	820	2,584	820
Total assets	<u>\$ 245,339</u>	<u>\$ 99,574</u>	<u>\$ 84,612</u>	<u>\$ 260,301</u>
<b>LIABILITIES</b>				
Due to bond holders	<u>\$ 245,339</u>	<u>\$ 99,574</u>	<u>\$ 84,612</u>	<u>\$ 260,301</u>
Total liabilities	<u>\$ 245,339</u>	<u>\$ 99,574</u>	<u>\$ 84,612</u>	<u>\$ 260,301</u>
<b>Industrial Revenue Bonds</b>				
<b>ASSETS</b>				
Cash and investments	<u>\$ 69,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,351</u>
Total assets	<u>\$ 69,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,351</u>
<b>LIABILITIES</b>				
Deposits payable	<u>\$ 69,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,351</u>
Total liabilities	<u>\$ 69,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,351</u>
<b>Community Facilities District # 995</b>				
<b>ASSETS</b>				
Cash and investments	\$ 3,295	\$ -	\$ 1,500	\$ 1,795
Interest receivable	30	25	43	12
Total assets	<u>\$ 3,325</u>	<u>\$ 25</u>	<u>\$ 1,543</u>	<u>\$ 1,807</u>
<b>LIABILITIES</b>				
Deposits payable	<u>\$ 3,325</u>	<u>\$ 25</u>	<u>\$ 1,543</u>	<u>\$ 1,807</u>
Total liabilities	<u>\$ 3,325</u>	<u>\$ 25</u>	<u>\$ 1,543</u>	<u>\$ 1,807</u>

**City of San Bernardino**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**For the year ended June 30, 2009**  
**(continued)**

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
<b>Special Deposits</b>				
<b>ASSETS</b>				
Cash and investments	\$ 6,814,308	\$ 6,996,919	\$ 7,725,891	\$ 6,085,336
Accounts receivable	89,475	419,842	419,172	90,145
Interest receivable	5,490	7,307	9,229	3,568
Due from other governments	247,567	206,384	247,567	206,384
Total assets	<u>\$ 7,156,840</u>	<u>\$ 7,630,452</u>	<u>\$ 8,401,859</u>	<u>\$ 6,385,433</u>
<b>LIABILITIES</b>				
Deposits payable	<u>\$ 7,156,840</u>	<u>\$ 7,630,452</u>	<u>\$ 8,401,859</u>	<u>\$ 6,385,433</u>
Total liabilities	<u>\$ 7,156,840</u>	<u>\$ 7,630,452</u>	<u>\$ 8,401,859</u>	<u>\$ 6,385,433</u>
<b>Perpetual Cemetery Care</b>				
<b>ASSETS</b>				
Cash and investments	\$ 657,024	\$ 1,026	\$ -	\$ 658,050
Total assets	<u>\$ 657,024</u>	<u>\$ 1,026</u>	<u>\$ -</u>	<u>\$ 658,050</u>
<b>LIABILITIES</b>				
Deposits payable	<u>\$ 657,024</u>	<u>\$ 1,026</u>	<u>\$ -</u>	<u>\$ 658,050</u>
Total liabilities	<u>\$ 657,024</u>	<u>\$ 1,026</u>	<u>\$ -</u>	<u>\$ 658,050</u>
<b>Payroll Trust Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,610,997	\$ 135,189,823	\$ 137,640,026	\$ 160,794
Due from other governments	-	6,690	-	6,690
Total assets	<u>\$ 2,610,997</u>	<u>\$ 135,196,513</u>	<u>\$ 137,640,026</u>	<u>\$ 167,484</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 184,433	\$ 3,398,945	\$ 3,583,378	\$ -
Deposits payable	2,426,564	131,797,568	134,056,648	167,484
Total liabilities	<u>\$ 2,610,997</u>	<u>\$ 135,196,513</u>	<u>\$ 137,640,026</u>	<u>\$ 167,484</u>

**City of San Bernardino**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**For the year ended June 30, 2009**  
**(continued)**

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
<b>TOTALS – ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 10,754,740	\$ 142,538,515	\$ 145,540,872	\$ 7,752,383
Cash and investments with fiscal agents	390,522	78,674	217,306	251,890
Accounts receivable	89,475	419,842	419,172	90,145
Interest receivable	11,039	18,315	20,411	8,943
Due from other governments	255,131	222,107	255,131	222,107
	<u>\$ 11,500,907</u>	<u>\$ 143,277,453</u>	<u>\$ 146,452,892</u>	<u>\$ 8,325,468</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 184,433	\$ 3,398,945	\$ 3,583,378	\$ -
Deposits payable	10,313,104	139,429,071	142,460,050	7,282,125
Due to bond holders	1,003,370	449,437	409,464	1,043,343
	<u>\$ 11,500,907</u>	<u>\$ 143,277,453</u>	<u>\$ 146,452,892</u>	<u>\$ 8,325,468</u>