



San Bernardino County
State of California

COMPREHENSIVE
ANNUAL FINANCIAL
REPORT



Fiscal Year Ended June 30, 2020
ENSEN MASON CPA, CFA
Auditor-Controller/Treasurer/Tax Collector

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2020**

**SAN BERNARDINO COUNTY
CALIFORNIA
1853**



Supervisor Col. Paul Cook (Ret.).....First District
Supervisor Janice Rutherford.....Second District
Supervisor Dawn Rowe, Vice Chair.....Third District
Supervisor Curt Hagman, Chairman.....Fourth District
Supervisor Joe Baca, Jr.....Fifth District

Leonard X. Hernandez – Chief Executive Officer

**Prepared by the Office of the Auditor-Controller/Treasurer/Tax Collector
Ensen Mason, Auditor-Controller/Treasurer/Tax Collector**

**COUNTY OF SAN BERNARDINO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2020**

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SAN BERNARDINO
COUNTY



SAN BERNARDINO
COUNTY

INTRODUCTORY SECTION





Auditor–Controller/Treasurer/Tax Collector

Ensen Mason CPA, CFA
Auditor–Controller/Treasurer/Tax Collector

Douglas R. Boyd Sr., ESQ.
Assistant Auditor–Controller/Treasurer/Tax Collector

Tori Roberts CPA
Assistant Auditor–Controller/Treasurer/Tax Collector

February 1, 2021

Citizens of San Bernardino County
Honorable Board of Supervisors
385 North Arrowhead Avenue
San Bernardino, CA 92415-0110

Citizens of San Bernardino County and Honorable Board Members:

The Comprehensive Annual Financial Report of the County of San Bernardino, California for the fiscal year ended June 30, 2020, is submitted herewith in compliance with Section 25253 of the California Government Code and Article V, Section 8, of the County of San Bernardino Charter.

The accompanying Basic Financial Statements were prepared in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board, the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The responsibility to ensure the accuracy of the presented data and the completeness and fairness of its presentation, including all disclosures, rests with the County of San Bernardino (County). We believe the data is presented in a manner which fairly sets forth the financial position and results of County operations, and that all disclosures necessary to enable the reader to gain a full understanding of the County’s financial activities have been included.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget 2 CFR Part 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to the single audit, including the schedule of expenditures of federal awards, schedule of findings and questioned costs, and the independent auditor’s report on compliance and internal control are published separately from this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complements this transmittal letter and should be read in conjunction with it.

THE REPORTING ENTITY AND ITS SERVICES

The County, located in Southern California, was established by an act of the State Legislature on April 26, 1853, forming the County from parts of Los Angeles, San Diego, and Mariposa Counties. The County is a charter law county divided into five supervisorial districts on the basis of population. The County encompasses an area of over 20,160 square miles and includes 24 incorporated cities. In terms of land area, it is the largest county in the contiguous United States. The County is also one of the fastest growing areas in the nation and is the fifth most populous of the 58 counties in California.

The County provides a wide range of services to its residents, including police protection, criminal prosecution, medical and health services, education, senior citizen assistance, roads, library services, support for judicial institutions, airport services, cultural and environmental services, parks, and a variety of public assistance programs. Special districts and county service areas provide services to remote geographical areas and rapidly growing communities. These services include fire protection, parks, flood control, water, sewer, sanitation, street lighting, and roads.

The accompanying Basic Financial Statements include all County organizations and entities, functions, and activities for which the County Board of Supervisors is financially accountable. Also included are numerous self-governed school and special district funds for which the County acts as depository. The financial reporting for these entities, which are not governed by and act independently of the County, is limited to reporting, as Investment and Private-Purpose Trust Funds, the total amount of cash, investments, and other assets collected for, disbursed by, and held for these entities.

INTERNAL AND BUDGETARY CONTROLS

The County's internal accounting control system exists to provide reasonable – but not absolute – assurance that assets are safeguarded against loss or unauthorized disposition, and to provide reliable records for preparing financial statements and maintaining accountability for assets because the cost of a control should not exceed the benefits to be derived. The Auditor-Controller/Treasurer/Tax Collector's Auditor Division actively participates in evaluating and improving the internal control processes of County departments.

As a recipient of federal and state financial awards, the County is also responsible for ensuring that an adequate internal control structure is in place to assure compliance with applicable laws and regulations related to public assistance programs. This internal control structure is subject to periodic evaluation by management and internal audit staff.

The County uses the modified accrual basis of accounting for its Governmental Funds. Revenues are recognized when they become measurable and available to finance operations of the year. Expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term obligations, which is recognized when payment is due. The accrual basis of accounting is used for all Proprietary Fund Types and the Fiduciary Funds. Revenues are recognized when they are earned and become measurable and expenses are recorded when they are incurred.

The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's Board of Supervisors. Budgets are adopted for the General Fund, certain Special Revenue Funds, Debt Service Funds, and Capital Project Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the appropriation unit level. Encumbrance accounting is utilized to assure effective budgetary control. Purchase orders and contracts are reviewed and a determination is made that valid and sufficient appropriations exist for payment of ordered goods and services. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Unencumbered appropriations expire at year-end and encumbrances outstanding at that time are included within restricted, committed, or assigned fund balance, as appropriate.

MAJOR INITIATIVES

In response to the COVID-19 Pandemic, the County has been proactively engaged in measures to protect the health and safety of the community and is committed to the safe continuity of operations of essential governmental services. Some examples of critical activities led by the County are provided here:

- In response to revenue shortfalls, CAO – Finance and Administration implemented position control measures and began evaluating all operating expenditures within department budgets to determine areas that can be reduced or eliminated if revenues did not materialize. In addition, given the uncertainty, new departmental requested positions that were originally projected to be funded with new revenue sources were excluded from the 2020/21 adopted budget.
- The County of San Bernardino received an allocation of approximately \$380 million from the Federal Coronavirus Relief Fund (CRF) in FY 2020. An additional \$50 million allocation of CRF was received from the California Department of Finance in FY 2021. These sources are being used to offset the necessary expenditures incurred with regard to responding to the COVID-19 pandemic. These funding sources are managed by County Finance and are allocated to departments throughout the County as COVID-19 related expenditures are incurred.
- To support local small businesses and help ensure ongoing compliance with State and County Health orders and direction, San Bernardino County implemented the COVID Compliant Business Partnership Program. The program reimburses and/or offsets costs and impacts directly related to complying with COVID-19 related business protocols to those eligible. Prior to receiving funding, San Bernardino County small businesses must demonstrate compliance with State/County public health orders, and incorporate safety and social distancing practices and measures in their business operations.
- Project Roomkey was established in March 2020 as part of the State's response to the COVID-19 pandemic. In order to combat the spread of COVID-19 and address the needs of the most vulnerable individuals living within the community, the County, local jurisdictions and housing service providers have collaborated to implement a hotel/motel program through the Project Roomkey model to provide temporary housing for persons experiencing homelessness who are most at-risk of contracting COVID-19. The intent of the collaboration is to protect the community by limiting the community's exposure to populations that are generally at higher risk of transmitting the virus, while simultaneously protecting the overall health of unsheltered individuals and families.
- On April 24, 2020, Governor Gavin Newsom announced the launch of a first-in-the-nation Great Plates Delivered program, in which San Bernardino County participates. The program supports adults 65 and older and adults 60-64 who are at high-risk for COVID-19, in staying home and staying healthy by delivering three nutritious meals a day, and also provide essential economic stimulus to local businesses and workers struggling to stay afloat during the COVID-19 crisis. The Department of Aging and Adult Services works with multiple local food providers to deliver daily meals to individuals enrolled in the program.
- Under Project Homekey, the County will acquire and rehabilitate housing solutions in order to serve people experiencing homelessness. Building on the success of Project Roomkey, Homekey is the next phase in the County's response to protecting individuals experiencing homelessness who are at high risk for serious illness and are impacted by COVID-19.

ECONOMIC CONDITION AND OUTLOOK

Overview

San Bernardino County's economy has slowed from its record breaking expansion due to the COVID-19 downturn. From the 2007 peak to 2019, the CA Employment Development Department found its major sectors had experienced 19.1% growth compared to 12.6% for California. The September 2020 release of data for the 2019 American Community Survey showed that while employment was expanding, the County's poverty rate fell significantly from 20.4% in 2011 to 13.3% in 2019. Meanwhile through September 2019-2020, the Riverside-San Bernardino County metropolitan area (SB-RivCo) of which the County has the largest share of jobs saw average COVID-19 related job losses of 6.38%. This was less than the 6.90% loss for California. Importantly, while California's sales taxable revenue fell 17.5% in second quarter 2020, the drop in San Bernardino County was only 7.76%.

Industry and Employment

San Bernardino County had been experiencing strong employment growth before COVID-19 hit. During the Great Recession (2008-2011), the County lost 67,800 jobs. However during 2011-2019, it added back 180,878 positions. The County thus had 788,400 jobs in 2019, up 16.7% or 113,100 positions more than at its 2007 pre-recession peak of 675,300. In 2020, the SB-RivCo area is on track to lose 102,300 jobs or 7.99% due to COVID-19's impact. This was less than California's loss of 8.75%.

Among economic base sectors driving San Bernardino County's economy, logistics activity has consistently led the County's job growth. In 2020, the sector is up 2,080 jobs despite the pandemic. The gain in 2019 was 11,200 over the prior year. In 2019, logistics created 43% of the County's 35,700 new inland county jobs as companies like Amazon continued major expansions. The sector is being driven by national e-commerce activity which expanded at a 44.5% rate in second quarter 2019-2020. In Southern California, nearly all the fulfillment centers are in the County due to its expansive land area. The sector's 2020 median pay was \$49,952.

Until 2020, health care was the only San Bernardino County sector to have never lost jobs from one year to the next. However for 2020, it is anticipated to lose 1,000 positions as people have been reticent to be in close contact with health care workers. In 2019, the sector added 5,600 new workers or 15.6% percent of the 35,700 job employment growth. Health Care's 2020 median pay is \$67,497. The County's population growth helped drive this sector as did the Affordable Care Act. It caused the share of uninsured people to drop from 21% of residents in 2012 to 8.9% in 2019.

Construction is San Bernardino County's other traditional sector expanding its economic base. In 2020, this group is on course to lose 4,200 jobs due to the pandemic. However, its foundation is strong with residential prices having recently exceeded their 2007 highs due to a high demand and low supply of homes. Also, many construction jobs are directly related to the continuing need to add large facilities for logistics firms. Construction workers received a median pay of \$54,757 in 2020.

Assessed Valuation

In third quarter 2020, the median priced existing home in San Bernardino County was \$414,207. That was 6.2% above the 2007 record of \$389,924. New homes sold for \$477,603, 6.2% above their 2007 record. Homebuyers find San Bernardino County affordable compared to other Southern California areas. Current 2020 affordability data from the CA Board of Realtors shows that 54% of the County's families could afford the prices of its bottom 50% of homes, making it Southern California's most affordable county. This compared to Riverside (43%), Los Angeles (32%) or Orange (25%) counties. With residential prices rising, along with industrial prices that are 38.2% above their pre-recession peak, the County's 2020-2021 assessed valuation has reached 36.4% above its July 1, 2008 high. With 2008-2020 inflation up 24.0%, the purchasing power of the County's property taxes are at a record level.

Retail Sales

Also important to the funding of local governments, San Bernardino County's retail sales increased 3.2% in 2019 with total taxable sales reaching a record \$41.8 billion. That was 33.4% above the record high

ECONOMIC CONDITION AND OUTLOOK - Continued

in 2006 (\$31.3 billion) and above the 30.3% rise in prices from 2006-2019. The 2019 purchasing power of the County's sales taxes was thus above the 2006 level. In second quarter 2020, when the worst of the COVID-19 downturn hit retail activity, the County's taxable sales fell 7.76% far less than the 17.50% decline for California. In first quarter 2020, the County's sales were up 1.06% while the State's fell 0.2%.

LONG-TERM FINANCIAL PLANNING

Long-term financial planning is a strategic process that provides the information needed to establish five-year budget solutions, and financial policies that address the needs of the County and its residents while maintaining fiscal strength. The County maintains a multi-year financial forecast that projects ongoing discretionary revenues and expenditures of the General Fund. This forecast establishes a framework for use in decision making by highlighting significant issues that must be addressed to maintain a structurally balanced budget. This forecast assists the County in understanding the fiscal challenges ahead and the need to establish priorities.

The County's five-year financial forecast identifies key factors that affect the County's fiscal outlook. This includes changes in major revenue streams such as property tax, and changes in costs due to retirement assumptions, Memoranda of Understanding (MOUs) with employee groups, and impacts from the State budget.

The County has established several general fund reserves for long-term financial planning purposes. This includes a general purpose reserve which holds funds to protect the County from unforeseen increases in expenditures or reductions in revenues, or other extraordinary events which could adversely impact the fiscal health of the County. Specific purpose reserves are created to meet identified future obligations and to fund capital projects.

The County's five-year Capital Improvement Plan (CIP) is reviewed annually and revised to reflect current circumstances and opportunities. The review identifies and prioritizes capital projects, estimates capital requirements, coordinates their necessary financing and timing, and estimates operational expenses of the project subsequent to completion. The County allocates base funding in the amount of \$12.0 million annually for maintenance and non-major projects.

In recent years, the County cash funded major capital projects detailed below:

- County Buildings and Acquisition and Retrofit Project (formerly named the Downtown Building Project).
- Valley Dispatch Center.
- 800 MHz Upgrade Project.
- Information Services Department building and improvements.
- Arrowhead Regional Medical Center parking structure.

Construction of the projects listed above are currently in progress.

RELEVANT FINANCIAL POLICIES

Fund Balance and Reserve Policy

The County has established a number of General Fund reserves for a variety of purposes. On June 28, 2011, the Board of Supervisors revised the County policy that provides guidelines and goals for reserve levels. This revision calls for a general purpose reserve targeted at 20% of locally funded appropriation built up with one-time sources until the established target is achieved. This general purpose reserve is designed to protect the County from unforeseen increases in expenditures or reductions in revenues and other extraordinary events which could adversely impact its financial condition.

RELEVANT FINANCIAL POLICIES - Continued

County policy also includes provisions for the creation of specific purpose reserves. Specific purpose reserves are created to meet identified future obligations and to fund capital projects. The County may redirect funds in any specific purpose reserve for another purpose. Specific purpose reserves are categorized as either Committed or Assigned Fund Balance in the County's Fund Balance and Reserve Policy.

County policy also requires the establishment of a contingency account targeted at 1.5% of locally funded appropriation. This mandatory contingency account is designed to accommodate unanticipated operational changes, legislative impacts, or other economic events affecting the County's operations which could not reasonably have been foreseen at the time the budget was prepared. In addition to the mandatory contingency account, the County has two other types of contingencies:

Contingency for Uncertainties represents unallocated financing available from current year sources (both ongoing and one-time) that has not been set aside or contributed to reserves.

Ongoing Set-Aside Contingencies represent ongoing sources of financing that have been targeted for future ongoing program needs. The County has no Ongoing Set-Aside Contingencies in the 2020-21 Adopted Budget.

Investment Policy

The County Treasurer's investment policy allows for the purchase of a variety of securities with limitations as to exposure, maturity, and ratings, which vary with each security type. The composition of the portfolio will change over time as existing investments mature or are sold, and as new investments are made. The Treasury Pool provides monthly reporting of its assets by sector, duration, fair value, and other features to both the Treasury Oversight Committee, who reviews investment policy, and the County Board of Supervisors, who reviews and approves investment policy.

The County's investment policy prohibits investment in inverse floaters, range notes, interest only strips that are derived from a pool of mortgages, private placement notes or bonds, funding agreements, master notes, loan participation instruments or in any other instrument that could result in zero interest if held to maturity. Additionally, investments in mutual bond funds that do not maintain a constant Net Asset Value (NAV) are also prohibited.

The County believes that the Treasury Pool is prudently invested and that investments therein are scheduled to mature at the times and in the amounts that are necessary to meet the County's expenditures and other schedule withdrawals. The Treasury Pool does not include investments of the Deferred Compensation program or the San Bernardino County Employees' Retirement Association, which are separately managed. The County utilizes a Countywide banking program, referred to as "Consolidated Banking", which accelerates the collection and deposit of monies by participating departments into the County Treasury, making them readily available for investment.

Debt Management Policy

The County's debt management policy minimizes the amount of outstanding debt necessary to fulfill its infrastructure and economic development responsibilities, while maintaining its ability to incur present and future debt at minimal interest rates. The County's debt policy provides the following general guidelines: 1) Debt will not be used to finance ongoing operational costs. However, debt may be used where economically efficient, to reduce or eliminate current long-term operational liabilities. 2) Whenever possible, the County shall pursue alternative sources of funding when cost effective in order to minimize the level of debt. 3) Whenever practical, voter approval on the method of debt shall be utilized.

The County maintains a Debt Advisory Committee (DAC) with the responsibility for oversight and review of all debt policy and debt issuance activities. DAC makes recommendations to the Board of Supervisors regarding appropriate actions on debt matters.

INDEPENDENT AUDIT

The County's financial statements have been audited by independent auditors Eide Bailly LLP, Certified Public Accountants. The independent auditors have issued an unmodified (clean) opinion on the County's basic financial statements for the year ending June 30, 2020. The Independent Auditor's Report is included in the Financial Section, which is an integral part of this Comprehensive Annual Financial Report.

CERTIFICATE OF ACHIEVEMENT AND AWARDS

Financial Reporting Certificate of Achievement: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the thirty-second consecutive year that the County received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which must conform to certificate program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Popular Financial Reporting Award: The County also received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended June 30, 2019. This was the fourteenth consecutive year that the County has received this prestigious award. In order to receive this award, a government unit must publish a Popular Annual Financial Report, the contents of which must conform to program standards of creativity, presentation, understandability, and reader appeal.

Budget Presentation Award: The County received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

ACKNOWLEDGEMENTS

The preparation of the Comprehensive Annual Financial Report and its timely issuance is the result of a concentrated, dedicated, and coordinated effort by the entire Auditor-Controller/Treasurer/Tax Collector staff. I would like to acknowledge the special efforts of the General Accounting, Internal Audits, and Management Services sections, and of our independent auditors, Eide Bailly LLP, for their assistance in the report preparation. I would also like to thank all County departments who have participated in its preparation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ensen Mason', enclosed within a large, hand-drawn oval shape.

Ensen Mason CPA, CFA
Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

**COUNTY OF SAN BERNARDINO
DIRECTORY OF COUNTY OFFICIALS**

ELECTED OFFICES

COUNTY SUPERVISOR, FIRST DISTRICT COL. PAUL COOK (RET.)

COUNTY SUPERVISOR, SECOND DISTRICT..... JANICE RUTHERFORD

COUNTY SUPERVISOR, THIRD DISTRICT (VICE CHAIR)DAWN ROWE

COUNTY SUPERVISOR, FOURTH DISTRICT (CHAIRMAN)..... CURT HAGMAN

COUNTY SUPERVISOR, FIFTH DISTRICTJOE BACA, JR.

ASSESSOR/RECORDER/COUNTY CLERK..... BOB DUTTON

AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR ENSEN MASON

DISTRICT ATTORNEY JASON ANDERSON

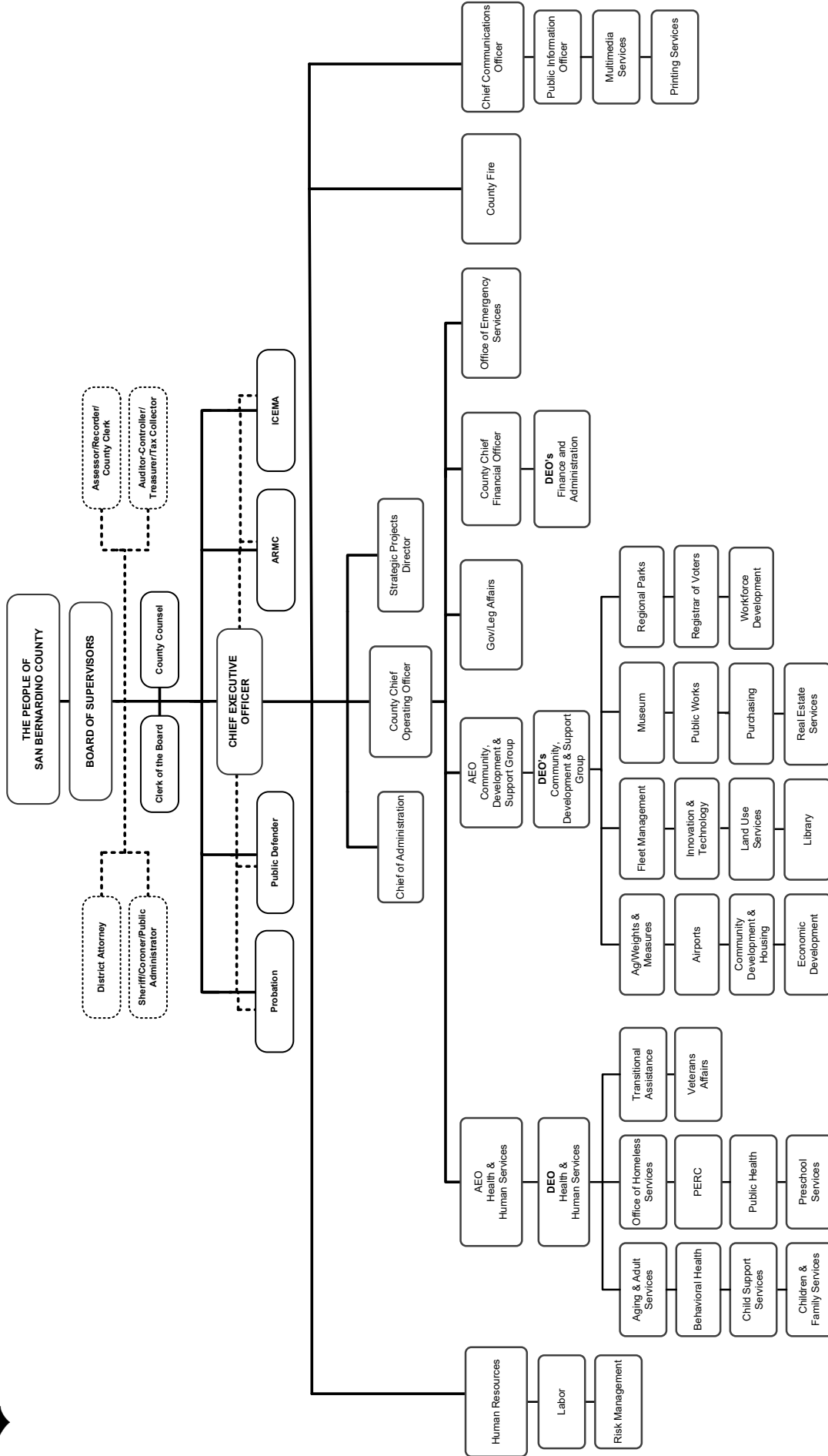
SHERIFF/CORONER/PUBLIC ADMINISTRATORJOHN McMAHON

**COUNTY OF SAN BERNARDINO
DIRECTORY OF COUNTY OFFICIALS**

APPOINTED

AGING AND ADULT SERVICES	SHARON NEVINS
AGRICULTURAL COMMISSIONER/SEALER	ROBERTA WILLHITE
AIRPORTS	JAMES JENKINS
ARROWHEAD REGIONAL MEDICAL CENTER	WILLIAM GILBERT
BEHAVIORAL HEALTH	VERONICA KELLEY
CHIEF EXECUTIVE OFFICER	LEONARD X. HERNANDEZ
CHIEF FINANCIAL OFFICER	MATTHEW ERICKSON
CHIEF OPERATING OFFICER.....	LUTHER SNOKE
CHILD SUPPORT SERVICES.....	MARIE GIRULAT
CHILDREN AND FAMILY SERVICES	MARLENE HAGEN
CLERK OF THE BOARD OF SUPERVISORS	LYNNA MONELL
COMMUNITY DEVELOPMENT	GARY HALLEN
COUNTY COUNSEL	MICHELLE BLAKEMORE
COUNTY LIBRARIAN.....	MICHAEL JIMENEZ
COUNTY MUSEUM	MELISSA RUSSO
ECONOMIC DEVELOPMENT AGENCY (<i>INTERIM</i>)	SOUA VANG
FIRE DEPARTMENT/FIRE WARDEN	DAN MUNSEY
FLEET MANAGEMENT	RON LINDSEY
HOUSING AUTHORITY	MARIA RAZO
HUMAN RESOURCES.....	DIANE RUNDLES
HUMAN SERVICES.....	CaSONYA THOMAS
INFORMATION SERVICES	LARRY AINSWORTH
INLAND COUNTIES EMERGENCY MEDICAL AGENCY	TOM LYNCH
LABOR RELATIONS	BOB WINDLE
LAND USE SERVICES.....	TERRI RAHHAL
OFFICE OF HOMELESS SERVICES.....	TOM HERNANDEZ
PRESCHOOL SERVICES	PHALOS HAIRE
PROBATION.....	MICHELLE SCRAY BROWN
PUBLIC DEFENDER (<i>INTERIM</i>)	TISHA BACA
PUBLIC HEALTH	CORWIN PORTER
PUBLIC WORKS	BRENDON BIGGS
PURCHASING (<i>INTERIM</i>).....	VALERIE CLAY
REAL ESTATE SERVICES	TERRY THOMPSON
REGIONAL PARKS	BEAHTA DAVIS
REGISTRAR OF VOTERS	BOB PAGE
RISK MANAGEMENT.....	LEANNA WILLIAMS
TRANSITIONAL ASSISTANCE DEPARTMENT.....	GILBERT RAMOS
VETERANS AFFAIRS	FRANK GUEVARA
WORKFORCE DEVELOPMENT	MARLENA SESSIONS

COUNTY OF SAN BERNARDINO
ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**San Bernardino County
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO





SAN BERNARDINO
COUNTY

**FINANCIAL
SECTION**







Independent Auditor’s Report

To the Honorable Board of Supervisors
County of San Bernardino, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of San Bernardino, California (County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the County of San Bernardino Fire Protection District, the County of San Bernardino Redevelopment Successor Agency Private-Purpose Trust Fund, and the Housing Authority of the County of San Bernardino, which represent the following percentages of assets, net position/fund balances and revenues of the opinion units listed below as of and for the fiscal year ended June 30, 2020:

Opinion Units	Assets	Net Position/ Fund Balances	Revenues
Governmental Activities	4%	2%	6%
Business-Type Activities	11%	13%	14%
Housing Authority Enterprise Fund (Major Fund)	100%	100%	100%
Aggregate Remaining Fund Information	3%	2%	2%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the County's proportionate share of the net pension liability, schedule of the County's contributions, schedules of changes in the Housing Authority's net pension liability and related ratios, schedule of the Housing Authority's retirement contributions, schedule of changes in the Housing Authority's net OPEB liability and related ratios, and schedule of the Housing Authority's OPEB contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We, and other auditors, have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual nonmajor fund financial statements and other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2021, on our consideration of the County'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 solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
February 1, 2021



**MANAGEMENT'S
DISCUSSION
AND ANALYSIS**





MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2020

This section of the County's annual financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the County's Basic Financial Statements following this section.

FINANCIAL HIGHLIGHTS (Amounts in thousands)

- The County's total net position increased by \$383,389. The net increase is attributable to the \$333,839 increase in governmental activities net position and the \$49,550 increase in business-type activities net position.
- As of June 30, 2020, the County governmental funds reported combined fund balances of \$2,676,330, an increase of \$223,529 in comparison with the prior year. Amounts available for spending include restricted, committed, assigned, and unassigned fund balances; these totaled \$2,627,452 or 98.17% of the ending fund balance. Of this amount, \$1,454,144 is restricted by law or externally imposed requirements, and \$258,226 is committed for specific purposes.
- At the end of the fiscal year, amounts available for spending for the General Fund totaled \$1,175,760 or 40.20% of total General Fund expenditures. This is an increase of \$12,069 in comparison with the prior year.
- At the end of the fiscal year, the County's total capital assets (net of accumulated depreciation) increased by \$76,428 and 2.86% in comparison with the prior year (See further detail on page 32).
- At the end of the fiscal year, the County's total long-term obligations decreased by \$175,764 and 17.53% in comparison with the prior year. (See further detail on page 32.)

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components; 1) **Government-Wide** Financial Statements; 2) **Fund** Financial Statements and 3) **Notes** to the Basic Financial Statements.

Government-Wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business. These statements include *all* assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the County using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Management's Discussion and Analysis **(Amounts in thousands)**

The statement of net position presents information on all County assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollectible taxes and earned but unused vacation leave).

Both of these Government-Wide financial statements distinguish between the functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or part of their costs through user fees and charges (business-type activities). The County's governmental activities include General Government, Public Protection, Public Ways and Facilities, Health and Sanitation, Public Assistance, Education, and Recreation and Cultural Services. The County's business-type activities include Medical Center, Waste Systems Division, Housing Authority, the County Service Areas (water, sewer, sanitation), and other nonmajor enterprise funds (i.e. Museum Gift Shop).

Component units are blended in the basic financial statements and consist of legally separate entities for which the County is financially accountable. They share substantially the same board as the County and have an operational or financial relationship with the County. The following component units have been blended into the basic financial statements: Fire Protection District, Flood Control District, Park and Recreation Districts, County Service Areas, various Joint Powers Authorities (JPAs), Inland Empire Public Facilities Corporation, San Bernardino County Financing Authority, and The Housing Authority of the County of San Bernardino.

The Government-Wide financial statements also include a discretely presented component unit, FIRST 5 of San Bernardino County. FIRST 5 is a discretely presented component unit as its governing body is not substantially the same as that of the County and FIRST 5 does not provide services entirely or almost entirely to the County but rather to the citizenry.

The Government-Wide financial statements can be found on pages 36-37 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Government-Wide financial statements,

Management's Discussion and Analysis (Amounts in thousands)

It is useful to compare the information presented for 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County reports thirty-one individual governmental funds including two major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Improvement Fund. Data from the other 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 located in a separate section in this report.

The governmental fund financial statements can be found on pages 40-42 of this report.

Proprietary funds include two types of funds, enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide statements. Enterprise funds are used to account for the Medical Center, Waste Systems Division, Housing Authority, the County Service Areas (water, sewer, sanitation), and other enterprise funds (i.e. Museum Gift Shop). Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its general services group, consisting of printing services, central mail services, and surplus property, telecommunication services, computer operations including business solutions development, fleet management, risk management, and flood control equipment. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the Government-Wide financial statements.

Proprietary funds provide the same type of information as the Government-Wide financial statements, only in more detail. The Medical Center, Waste Systems Division, and the Housing Authority are considered to be major enterprise funds of the County. The County's six internal service fund activities are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in this report. Data from the other nonmajor enterprise funds are combined into a single aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements located in a separate section of this report.

The proprietary fund financial statements can be found on pages 44-49 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the primary government. Fiduciary funds are not reflected in the Government-Wide financial statements because the resources of those funds are not available to support County programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 50-51 of this report.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund financial statements.

The notes can be found on pages 53-130 of this report.

Required Supplementary Information and Supplemental Information

Management's Discussion and Analysis (Amounts in thousands)

The Required Supplementary Information provides the County's proportionate share of the net pension liabilities and related ratios, employer contributions to the pension plans, and changes in the Housing Authority's net other post-employment benefits (OPEB) liability and the Housing Authority's OPEB contributions.

Required supplementary information can be found on pages 131-136 of this report.

The Supplemental Information section of this report contains the combining statements and budgetary comparison schedules. This section provides additional information to the users of these financial statements.

The Supplemental Information section can be found on pages 138-204 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$3,608,498 at the close of the most recent fiscal year.

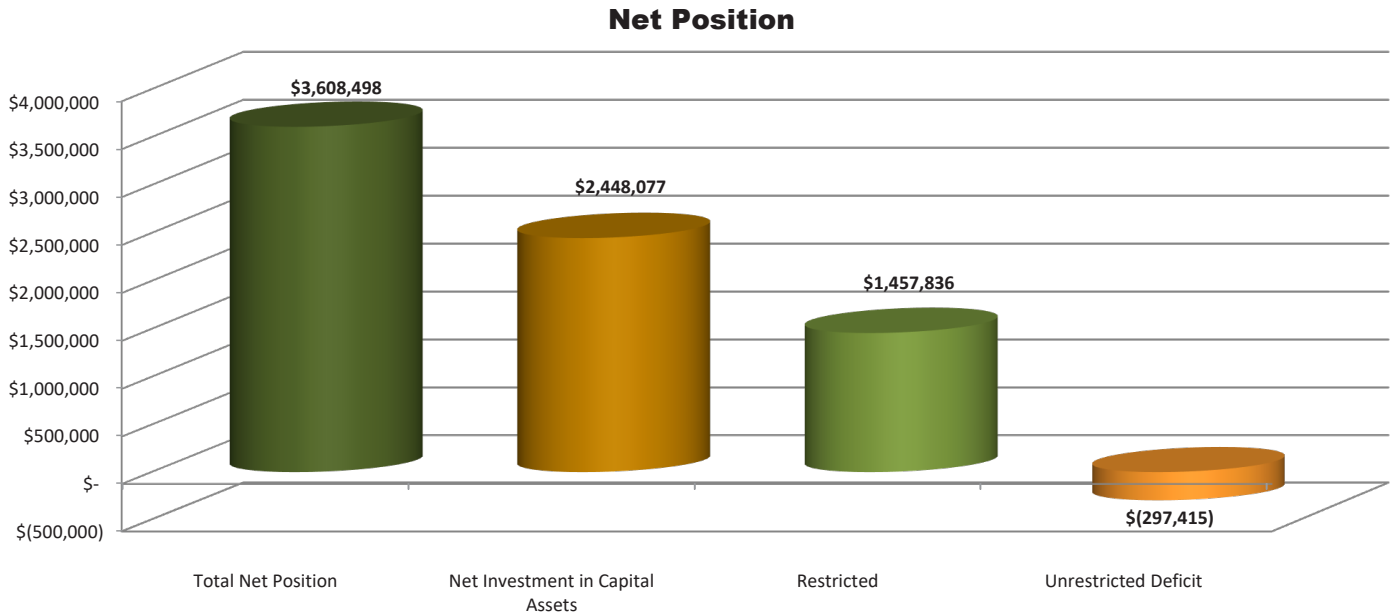
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 3,982,463	\$ 3,225,253	\$ 877,145	\$ 914,943	\$ 4,859,608	\$ 4,140,196
Capital assets	2,132,326	2,072,848	618,875	601,925	2,751,201	2,674,773
Total assets	<u>6,114,789</u>	<u>5,298,101</u>	<u>1,496,020</u>	<u>1,516,868</u>	<u>7,610,809</u>	<u>6,814,969</u>
Deferred outflows of resources	711,059	758,277	116,669	110,685	827,728	868,962
Current and other liabilities	776,360	315,976	79,306	84,238	855,666	400,214
Long-term liabilities	2,939,555	2,858,407	901,854	949,924	3,841,409	3,808,331
Total liabilities	<u>3,715,915</u>	<u>3,174,383</u>	<u>981,160</u>	<u>1,034,162</u>	<u>4,697,075</u>	<u>4,208,545</u>
Deferred inflows of resources	117,478	223,379	15,486	26,898	132,964	250,277
Net Position:						
Net investment in capital assets	2,113,071	2,050,846	335,006	255,966	2,448,077	2,306,812
Restricted	1,426,618	1,322,967	31,218	70,922	1,457,836	1,393,889
Unrestricted	(547,234)	(715,197)	249,819	239,605	(297,415)	(475,592)
Total Net Position	<u><u>\$ 2,992,455</u></u>	<u><u>\$ 2,658,616</u></u>	<u><u>\$ 616,043</u></u>	<u><u>\$ 566,493</u></u>	<u><u>\$ 3,608,498</u></u>	<u><u>\$ 3,225,109</u></u>

The largest portion of the County's net position of \$2,448,077 reflects the net investment in capital assets (e.g. land, land use rights, structures and improvements, equipment and software, and infrastructure); as well as capital-related deferred outflows of resources less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

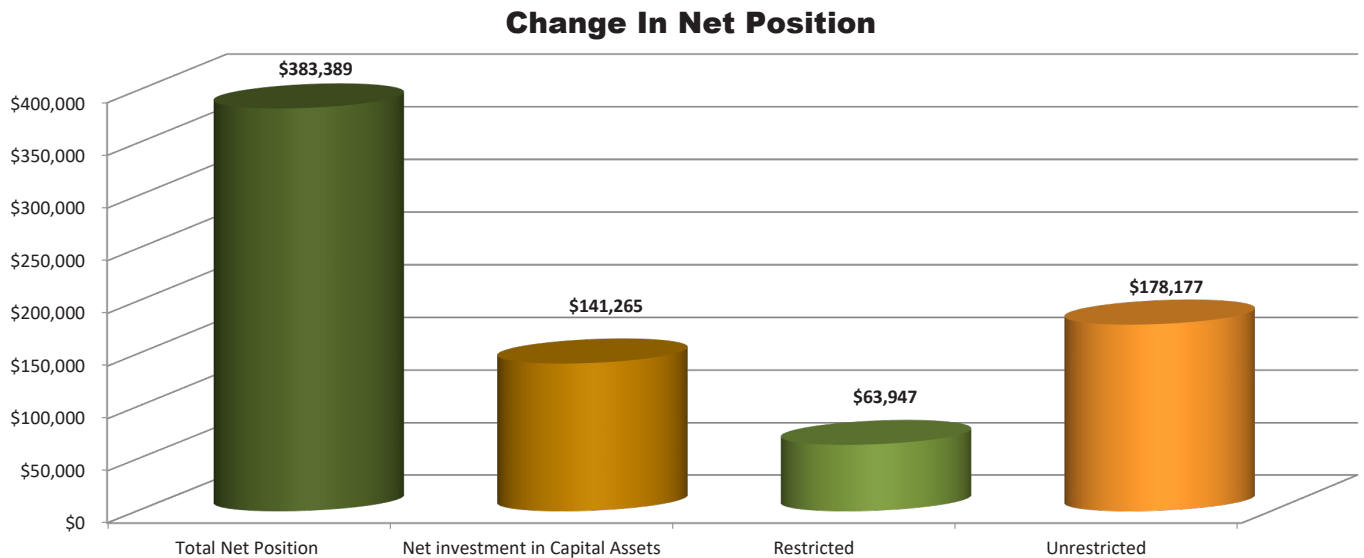
Restricted net position of \$1,457,836 represents another significant portion of County net position. These amounts are subject to external restrictions imposed by creditors, grantors, contributors, laws and regulation of other governments, and restrictions imposed by law through constitutional provisions and enabling legislation.

Management's Discussion and Analysis (Amounts in thousands)

The final component of net position is unrestricted net position. Unrestricted net position represents resources that the County may use to meet its current and ongoing obligations to citizens and creditors. The overall unrestricted net position balance increased by \$178,177 primarily as the result of an overall increase in current assets.



The County's total net position increased by \$383,389 (\$333,839 increase in governmental activities plus \$49,550 increase in business-type activities) indicating that the County generated revenue sufficient to cover the cost of operations during the current fiscal year.



Management's Discussion and Analysis (Amounts in thousands)

The following table illustrates the changes in net position for governmental and business-type activities.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues						
Charges for Services	\$ 550,615	\$ 513,155	\$ 485,391	\$ 500,453	\$ 1,036,006	\$ 1,013,608
Operating Grants/Contributions	2,249,167	2,126,873	384,372	338,080	2,633,539	2,464,953
Capital Grants/Contributions	4,364	262	20,654	23,074	25,018	23,336
General Revenue						
Property Taxes, Levied for General Purposes	836,582	785,169	4,397	3,424	840,979	788,593
Public Safety Tax	195,009	197,665	-	-	195,009	197,665
Other Taxes	28,221	27,465	-	-	28,221	27,465
Revenues from Use of Money and Property	92,872	88,199	11,402	11,336	104,274	99,535
Miscellaneous	73,902	82,549	2,685	18,076	76,587	100,625
Gains on Sale of Capital Assets	72,043	4,073	55	4,499	72,098	8,572
Total Revenues	4,102,775	3,825,410	908,956	898,942	5,011,731	4,724,352
Expenses:						
General Government	297,199	193,206	-	-	297,199	193,206
Public Protection	1,399,634	1,301,638	-	-	1,399,634	1,301,638
Public Ways and Facilities	107,443	89,908	-	-	107,443	89,908
Health and Sanitation	531,405	491,059	-	-	531,405	491,059
Public Assistance	1,368,711	1,232,193	-	-	1,368,711	1,232,193
Education	23,170	22,375	-	-	23,170	22,375
Recreation and Cultural Services	27,889	26,583	-	-	27,889	26,583
Interest on Long Term Debt	20,021	28,131	-	-	20,021	28,131
Medical Center	-	-	622,695	572,061	622,695	572,061
Waste Systems	-	-	72,411	82,267	72,411	82,267
Housing Authority	-	-	141,340	129,967	141,340	129,967
Water, Sewer, and Sanitation	-	-	16,322	19,263	16,322	19,263
Others	-	-	102	69	102	69
Total Expenses	3,775,472	3,385,093	852,870	803,627	4,628,342	4,188,720
Excess (Deficiency) before Transfers	327,303	440,317	56,086	95,315	383,389	535,632
Transfers	6,536	(16,802)	(6,536)	16,802	-	-
Change in Net Position	333,839	423,515	49,550	112,117	383,389	535,632
Net Position -- Beginning of Year	2,658,616	2,235,101	566,493	454,376	3,225,109	2,689,477
Net Position -- End of Year	\$ 2,992,455	\$ 2,658,616	\$ 616,043	\$ 566,493	\$ 3,608,498	\$ 3,225,109

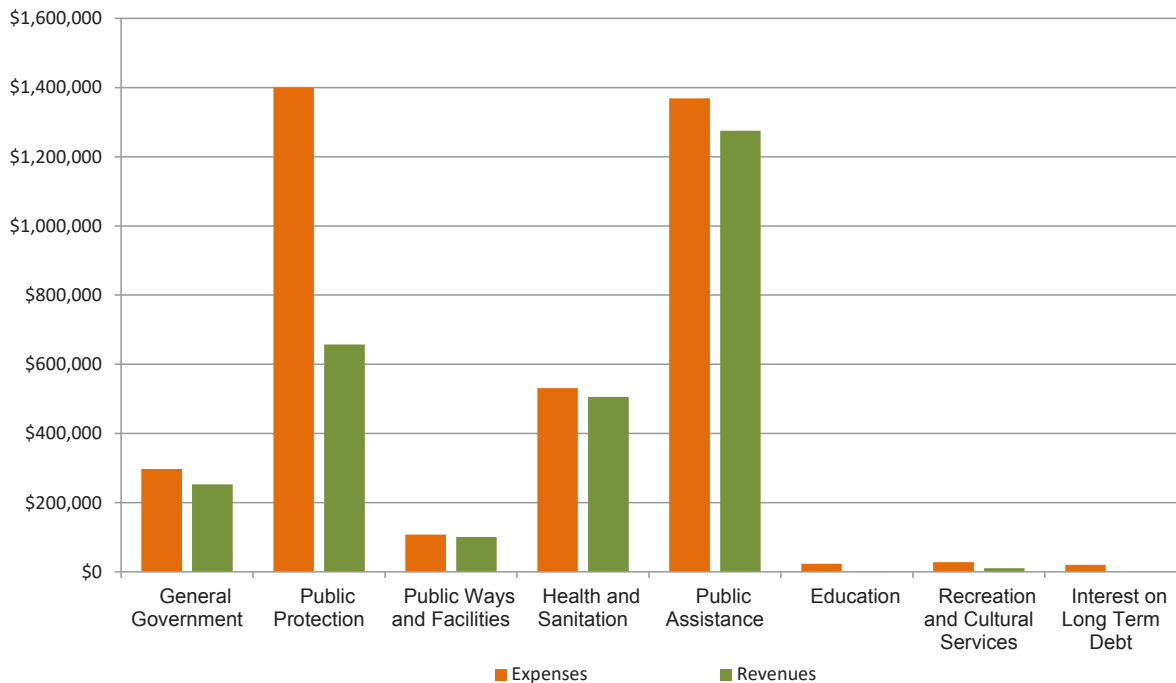
Net position within the Governmental Activities opinion unit increased from \$2,658,616 to \$2,992,455. The overall increase in net position is due to one-time and ongoing revenues exceeding related expenses.

Total revenues of County governmental activities increased primarily due to increases in Operating Grants/Contributions, Gains on Sale of Capital Assets and Property Taxes, Levied for General Purposes.

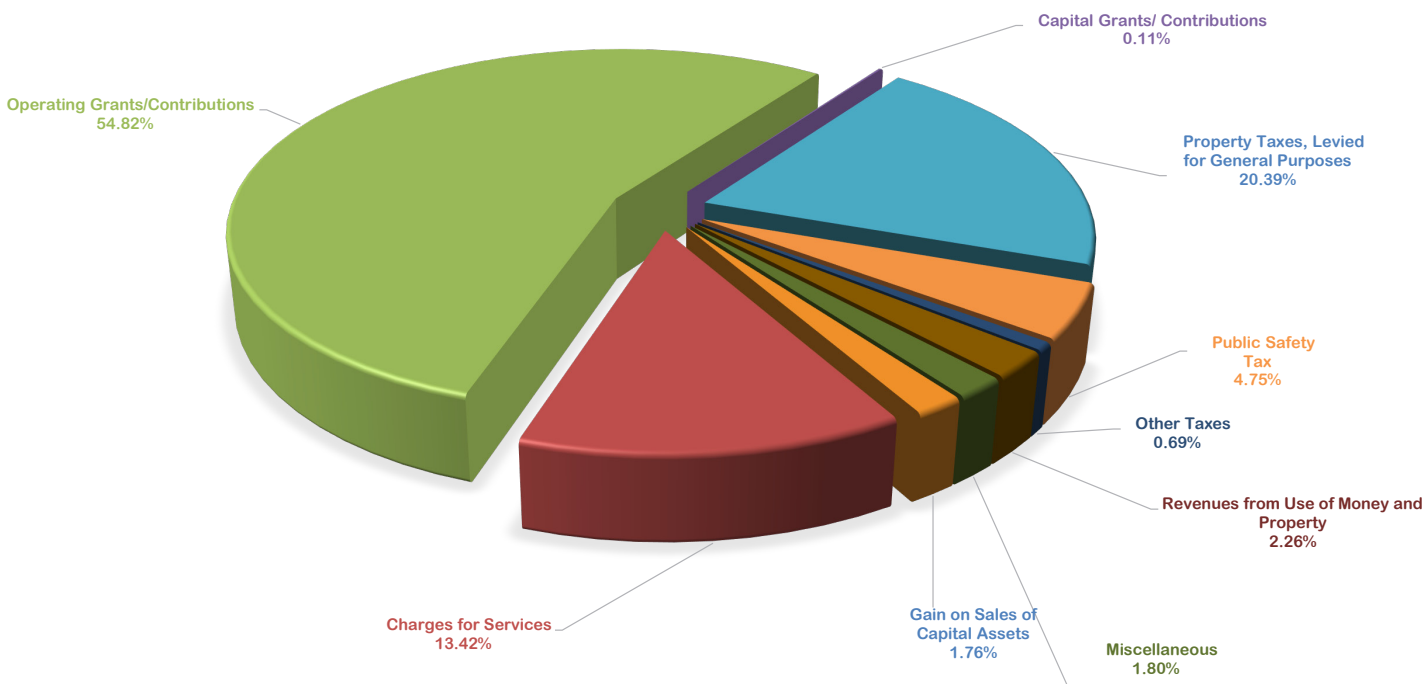
Program expenses for County governmental activities increased as a result of increases in Public Assistance, Public Protection, and Health and Sanitation expenses. All of these program expenses had increases in staffing expenses. The Human Service Administrative Claim Division added 46 positions. Additionally, there was an increase in projected overtime. The Department of Behavioral Health added 6 new positions and incurred the annual step increases for staff in the Department. Operating expenses increased primarily due to the Human Services Group incurring increased expenses in In-Home Supportive Services (IHSS) provider payments, other public assistance by state mandate, and increases in costs for Risk management, security services, and outside legal counsel.

Management's Discussion and Analysis (Amounts in thousands)

Expenses and Program Revenues-Governmental Activities



REVENUES BY SOURCE-GOVERNMENTAL ACTIVITIES



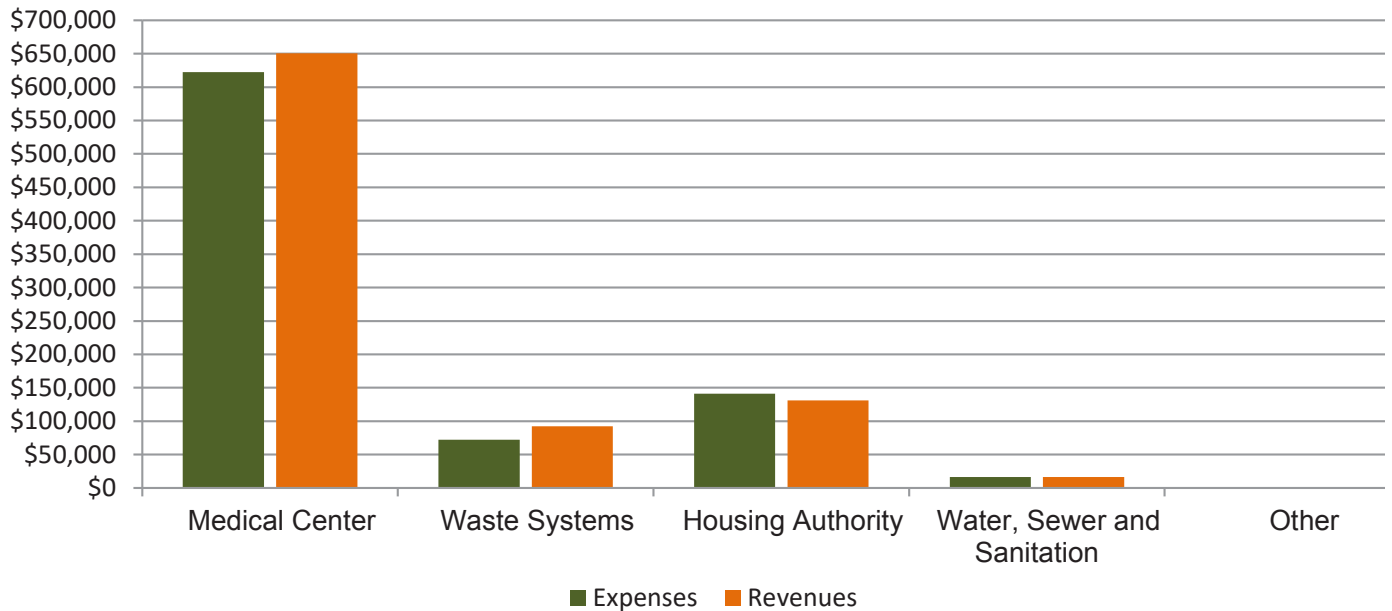
Management's Discussion and Analysis (Amounts in thousands)

Business-type Activities increased the County's net position from \$566,493 to \$616,043. This is primarily due to the Medical Center receiving increasingly higher supplemental revenues.

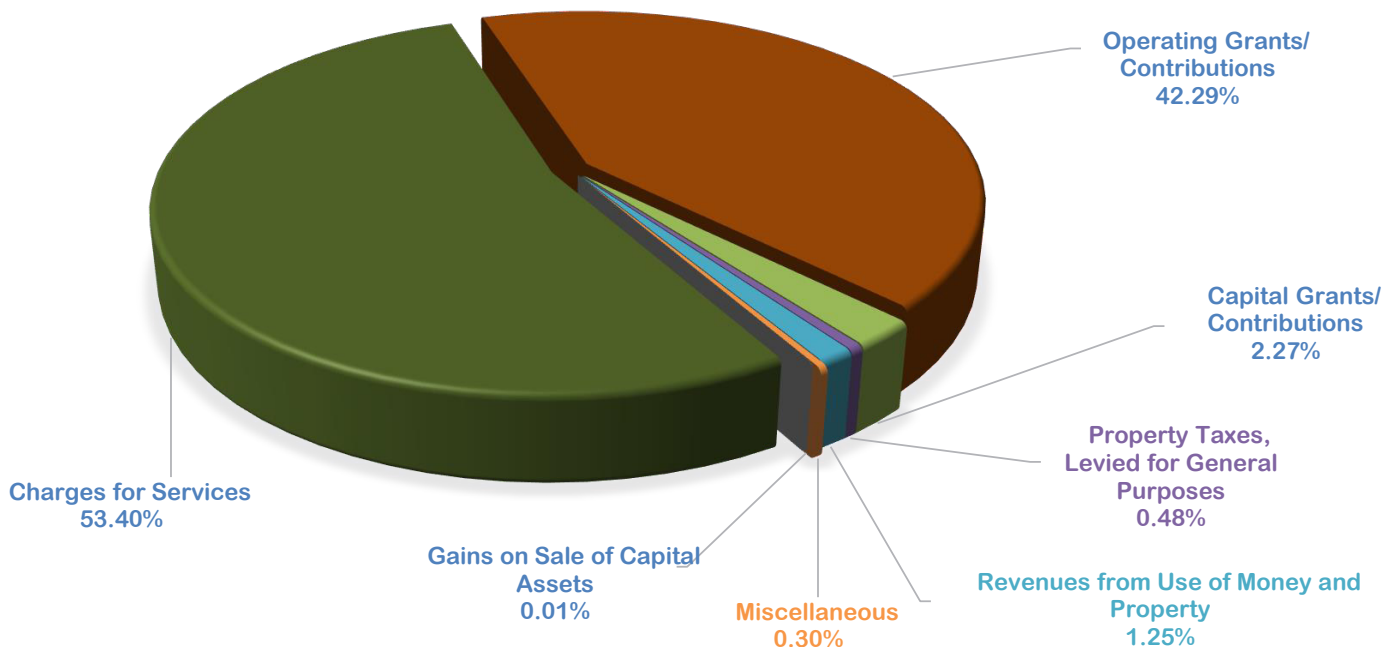
Business-Type Activities expenses increased mainly due to the Medical Center increased staffing cost.

The following table shows actual revenues and expenses for the current fiscal year:

Expenses and Program Revenues-Business-Type Activities



REVENUES BY SOURCE-BUSINESS-TYPE ACTIVITIES



Management's Discussion and Analysis (Amounts in thousands)

FINANCIAL ANALYSIS OF COUNTY FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unrestricted fund balance, which includes committed, assigned, and unassigned fund balances, may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds include the General, Special Revenue, Debt Service, Capital Project, and Permanent Funds. Included in these funds are the special districts governed by the Board of Supervisors.

On June 30, 2020, the County's governmental funds reported a total fund balance of \$2,676,330, an increase of \$223,529 in comparison with the prior year. Approximately 54.3% of the total fund balance, \$1,454,144, constitutes restricted fund balance, which is restricted by external parties and enabling legislation. The remaining fund balance is comprised of a nonspendable amounts of \$48,878; committed amounts of \$258,226, which are committed for specific purposes; assigned amounts of \$472,018 set-aside for specific purposes; and an unassigned amount of \$443,064.

The most significant restricted amounts in the governmental funds include \$184,666 for the Mental Health Services Act, \$149,860 for Flood Control, \$132,633 for Fire Protection. Significant restricted amounts in the General Fund include \$128,008 for Health Services Realignment, \$105,611 for Social Services Realignment, and \$96,820 Behavioral Health Realignment (See Note 17).

The County reports the General Fund and the Capital Improvement Fund as major governmental funds.

General Fund: The General Fund is the chief operating fund of the County. On June 30, 2020, the total fund balance was \$1,215,943, an increase of \$15,746 in comparison with the prior year. Approximately 38.6% or \$469,130 of the total fund balance constitutes restricted fund balance. The remaining fund balance is made up of \$40,138 of nonspendable amounts; \$258,226 of committed amounts, including \$32,075 for debt service, \$36,843 for the Valley Dispatch Center Reserve, \$34,128 for asset replacement, \$16,260 for litigation expenses, and \$15,364 for 825 East 3rd Street expenses; \$2,644 of assigned amounts primarily for automated systems development; and \$445,760 in unassigned amount available for spending.

As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total General Fund expenditures. Unrestricted fund balance represents 24.2% of total fund expenditures; while total fund balance represents 41.6%.

Capital Improvement Fund: The Capital Improvement Fund accounts for the County's major capital acquisition and construction projects. On June 30, 2020, the total fund balance of the Capital Improvement Fund was \$488,941. The capital improvement fund had an increase of \$143,664, primarily as the result of significantly increased contributions for maintenance and upgrades of County facilities.

Revenues for total governmental funds totaled \$4,008,148 in fiscal year 2020, representing a \$201,526 increase from the prior year.

Management's Discussion and Analysis (Amounts in thousands)

The following table presents the amount of revenues from various sources in the governmental funds as well as the changes from the prior year:

Revenues	Fiscal Year 2020		Over (Under) Fiscal Year 2019	
	Amount	Percent of Total	Amount Changed	Percent
Taxes	\$ 1,099,185	27%	\$ 57,149	5%
Licenses, Permits and Franchises	27,613	1%	192	1%
Fines, Forfeitures and Penalties	10,787	0%	(1,896)	-15%
Revenues From Use of Money and Property	122,370	3%	10,620	10%
Aid From Other Governmental Agencies	2,169,418	54%	97,784	5%
Charges for Current Services	510,203	13%	41,744	9%
Other Revenues	68,572	2%	(4,067)	-6%
Total Revenues	<u>\$ 4,008,148</u>	<u>100%</u>	<u>\$ 201,526</u>	

The County's three major funding sources: aid from other governmental agencies, taxes, and charges for current services, constitute 94% of all revenues.

Tax revenues increased by \$57,149 mainly due to: an increase in taxes that are deposited into the Countywide Discretionary General Fund budget unit, continued increase in both assessed valuation of properties within the County and Proposition 172 half-cent sales tax, and increase in taxes for the Fire Protection District.

Aid from Other Government Agencies increased by \$97,784 primarily due to increase in Human Services funding available in Medi-Cal, IHSS, Adult Protective Services and non-realigned Children and Family Services programs.

The following table presents expenditures of governmental funds by function compared to prior year amounts:

Expenditures	Fiscal Year 2020		Over (Under) Fiscal Year 2019	
	Amount	Percent of Total	Amount Changed	Percent
Current:				
General Government	\$ 275,911	7%	\$ 96,996	54%
Public Protection	1,310,238	34%	54,160	4%
Public Ways and Facilities	90,159	2%	19,906	28%
Health and Sanitation	519,330	13%	26,058	5%
Public Assistance	1,346,279	35%	102,647	8%
Education	21,792	1%	225	1%
Recreation and Cultural Services	22,293	1%	283	1%
Debt Service:				
Principal	111,638	3%	76	0%
Interest and Fiscal Charges	12,115	0%	(2,869)	-19%
Capital Outlay	159,189	4%	4,346	3%
Total Expenditures	<u>\$ 3,868,944</u>	<u>100%</u>	<u>\$ 301,828</u>	

Total County governmental funds expenditures increased by \$301,828 from the prior year.

Public Assistance expenditures increased by \$102,647 primarily due to increase in direct payments of benefits to clients, increase in payments to service providers that provide vital, necessary services to children in Adoptions, Foster Care and Kinship Assistance programs and increase in staff to support the implementation of Head Start Extended Duration.

General Government expenditures increased by \$96,996 primarily due to an increase in staffing expenses as a result of negotiated MOU increases and increases in retirement costs, as well as an increase in rent and lease payments to landlords.

Management's Discussion and Analysis
(Amounts in thousands)

Public Protection expenditures increased by \$54,160 primarily due to increase in staff expenses related to addition of positions to meet growing need for augmented health and mental health correctional services and negotiated salary increases.

Health and Sanitation expenditures increased by \$26,058 primarily due to increase in staff expenses related to the Mental Health Services Act programs and increase in costs related to providing therapeutic services.

Other financing sources and uses are presented below to illustrate changes from the prior year:

Other Financing Sources (Uses) Governmental Funds	Fiscal Year 2020	Over (Under) Fiscal Year 2019	
	Amount	Amount Changed	Percent
Transfers Out	\$ (397,527)	\$ (64,968)	20%
Transfers In	405,889	89,001	28%
Inception of Capital Lease Obligation (Note 12)	-	(1,043)	100%
Sale of Capital Assets	75,963	71,890	1765%
Total Other Financing Sources and (Uses)	<u>\$ 84,325</u>	<u>\$ 94,880</u>	

Transfers in increased by \$89,001 primarily due to higher transfers related to capital projects.

The following table illustrates the changes in fund balances for governmental funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

	Governmental Funds			
	General Fund	Capital Improvement Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues	\$ 3,164,661	\$ 7,398	\$ 836,089	\$ 4,008,148
Expenditures	(2,924,943)	(51,257)	(892,744)	(3,868,944)
Excess/(Deficiency) of Revenues				
Over/(Under) Expenditures	<u>239,718</u>	<u>(43,859)</u>	<u>(56,655)</u>	<u>139,204</u>
Total Other Financing Sources and (Uses)	<u>(223,972)</u>	<u>187,523</u>	<u>120,774</u>	<u>84,325</u>
Net Changes In Fund Balance	15,746	143,664	64,119	223,529
Fund Balance, Beginning	<u>1,200,197</u>	<u>345,277</u>	<u>907,327</u>	<u>2,452,801</u>
Fund Balance, Ending	<u>\$ 1,215,943</u>	<u>\$ 488,941</u>	<u>\$ 971,446</u>	<u>\$ 2,676,330</u>

In fiscal year 2020, the fund balance of total governmental funds increased by \$223,529. This increase is the result of a continued trend of revenues exceeding associated expenditures, with notable increases seen in tax revenue, aid from other governments, and charges for current services.

Management's Discussion and Analysis
(Amounts in thousands)

Proprietary funds: County proprietary funds include two types of funds, enterprise and internal service, which provide the same type of information found in the government wide financial statements, but in more detail.

The following table shows revenues, expenses, and results of operations for the current fiscal year:

	Business-Type Activities				Total Enterprise Funds
	Enterprise Funds				
	Medical Center	Waste Systems Division	Housing Authority (9/30/2019)	Total Nonmajor Enterprise Funds	
Operating Revenues					
Net Patient Care and Services	\$ 353,683	\$ -	\$ -	\$ -	\$ 353,683
Charges for Current Services	-	78,434	24,794	13,960	117,188
Other	236,906	13,974	-	546	251,426
Total Operating Revenues	<u>590,589</u>	<u>92,408</u>	<u>24,794</u>	<u>14,506</u>	<u>722,297</u>
Operating Expenses					
Professional Services	76,978	31,249	-	1,662	109,889
Salaries and Employee Benefits	316,699	7,778	16,784	5,266	346,527
Self Insurance Claims	-	-	-	49	49
Services and Supplies	172,778	30,893	115,596	6,121	325,388
Depreciation and Amortization	25,448	2,491	5,939	2,709	36,587
Other	14,350	-	1,399	450	16,199
Total Operating Expenses	<u>606,253</u>	<u>72,411</u>	<u>139,718</u>	<u>16,257</u>	<u>834,639</u>
Operating Income (Loss)	<u>(15,664)</u>	<u>19,997</u>	<u>(114,924)</u>	<u>(1,751)</u>	<u>(112,342)</u>
Nonoperating Revenues (Expenses)					
Interest Revenue	466	8,038	524	2,374	11,402
Interest Expense	(10,224)	-	(1,622)	(167)	(12,013)
Bond Issuance Costs	(6,218)	-	-	-	(6,218)
Tax Revenue	-	-	-	4,397	4,397
Grant Revenue	39,223	90	106,066	2,087	147,466
Gain (Loss) on Sale of Capital Assets	-	-	55	-	55
Other Nonoperating Revenues	687	1,271	-	727	2,685
Other Nonoperating Expenses	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	<u>23,934</u>	<u>9,399</u>	<u>105,023</u>	<u>9,418</u>	<u>147,774</u>
Change in Net Position Before Contributions and Transfers	8,270	29,396	(9,901)	7,667	35,432
Capital Contributions	20,654	-	-	-	20,654
Transfers Out	(12,521)	(2,160)	-	(33)	(14,714)
Transfers In	8,178	-	-	-	8,178
Change in Net Position	24,581	27,236	(9,901)	7,634	49,550
Net Position, Beginning	219,511	152,169	92,856	101,957	566,493
Net Position, Ending	<u>\$ 244,092</u>	<u>\$ 179,405</u>	<u>\$ 82,955</u>	<u>\$ 109,591</u>	<u>\$ 616,043</u>

The net increase of \$49,550 in net position was primarily due to the Medical Center receiving increasingly higher supplemental revenues during the current fiscal year including Enhanced Payment Program, Quality Incentive Program, and Low Income Health Program settlement.

Management's Discussion and Analysis (Amounts in thousands)

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund final expenditure budget differs from the original budget by approximately 6.2%. A net increase in appropriations of \$206,214 was approved during the fiscal year. The significant components of this net increase are summarized below:

General

- On December 17, 2019, the Board adopted a budget amendment which increased the Registrar of Voters' budget by \$14,085 primarily to fund additional costs associated with the implementation of the new voting system and one-time capital expenditures for new voting system equipment and specialty warehouse equipment used for newly acquired leased warehouse space.
- On March 24, 2020, the Board adopted a budget amendment which decreased the Countywide Discretionary budget unit's budget by \$17,000 in contingencies for an ongoing allocation to various County departments to reflect the general fund share of ongoing cost resulting from previously approved Memorandum of Understanding (MOU) agreements.
- On April 21, 2020, the Board adopted a budget amendment to have an initial \$50,000 budgeted within the Countywide Discretionary Fund to support the County's coordinated response to the global pandemic. The County's allocation from the new Coronavirus Relief Fund will be used to offset the necessary expenditures incurred with regard to responding to COVID-19 from March 1, 2020 to December 30, 2020.
- On May 7, 2020, the Board adopted a budget amendment which increased \$38,000 to fund costs associated with the Readiness and Recovery Plan. It includes costs of \$30,000 for the COVID Compliant Business Partnership Program along with \$500 for grant administration made from the Economic Development Agency budget unit, and \$7,500 for protective equipment supplies, including face masks and disinfectants made from the Purchasing budget unit.

Health and Sanitation

- On December 17, 2019, the Board adopted a budget amendment which increased the Department of Behavioral Health's budget by \$8,353 primarily to fund costs associated with the compliance with and implementation of network adequacy requirements as specified by the Department of Health Care Services, the 37 positions to support administrative activities and 14 positions to provide services for behavioral health clients, compliance monitoring, and the Health Homes Program.
- On October 27, 2020, the Board adopted budget amendments to increase the Departments of Public Health and Behavioral Health's budgets by \$7,817 and \$2,596, respectively funded with an increase in sources from the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, through the Coronavirus Relief Fund, for eligible and necessary costs incurred in response to the Coronavirus pandemic.

Public Assistance

- On March 24, 2020, the Board adopted a budget amendment which increased the Human Services Subsistence Payments budget unit's budget by \$10,381 primarily to fund costs for the Aid to Indigents, Aid to Adoptive Children, and Kinship Guardianship Assistance due to policy changes to better assist adults in need, caseload increase from 200 cases per month to an estimated 2,500 cases, and state mandated Consolidated Net Income growth of 4%.

Management's Discussion and Analysis **(Amounts in thousands)**

The Board also adopted a budget amendment which increased the Department of Aging and Adult Services' budget by \$1,474 primarily to fund costs associated with the service contracts that provide senior services such as meals, senior center activities, and respite care.

Additionally, the Board also adopted a budget amendment which increased the Human Services Administrative Claim budget unit's budget by \$1,434 to reflect the use of general fund contingencies to fund on-going costs incurred in 2019-20 associated with approved MOU agreements.

- On October 27, 2020, the Board adopted a budget amendment to increase the Human Services Administrative Claim budget unit's budget by \$8,684 funded with an increase in sources from the CARES Act funding, through the Coronavirus Relief Fund, for eligible and necessary costs incurred in response to the coronavirus pandemic.

Public Protection

- On December 17, 2019, the Board adopted a budget amendment which increased the Sheriff's Department's budget by \$5,487 and \$2,422 for the Detentions unit and Operations unit, respectively. The increase in the Sheriff's Detention unit is primarily for the purchase of radios funded by the asset replacement reserve and the Jail Based Competency Treatment program. The increase in Sheriff's Operations unit is primarily to fund costs associated with transportation services, software systems upgrades to the records management system, the Homeless Mentally Ill Outreach and Treatment program, the DNA Capacity Enhancement for Backlog Reduction program, the purchase of equipment and licensed software to improve services, and departmental staff who separated from the County employment in the first quarter of 2019-20.
- On March 24, 2020, the Board adopted a budget amendment which increased the Sheriff's Department's budget by \$20,282, \$10,529, and \$5,736 for the Detentions unit, Operations unit, and Contracts unit, respectively. The increase in the Sheriff's Detention unit is primarily to fund costs associated with the implementation of remedial measures to increase the level of physical and mental health care in the detention facilities, employee compensation plans, the Generator Replacement project, and increased overtime and temporary help. The increase in Sheriff's Operations unit is primarily to fund costs associated with employee MOU agreements and compensation plans, increased services, and departmental staff who separated from the County employment during the second quarter of 2019-20. The increase in Sheriff's Contracts unit reflects updates to contracts for patrol services. This includes increases to salaries and benefits primarily due to recent negotiated Memoranda of Understanding changes approved by the Board with various represented employee's bargaining unit and for the reimbursement of personnel costs to the Sheriff's Operations Division.
- On October 27, 2020, the Board adopted a budget amendment which increased the Sheriff's Department's budget by \$14,165 and \$6,191 for the Detentions unit and Operations unit, respectively. In addition, the Board adopted a budget amendment which increased the Probation Department's budget by \$10,276. The increases are primarily for costs funded with an increase in sources from the CARES Act funding, through the Coronavirus Relief Fund, for eligible and necessary costs incurred in response to the coronavirus pandemic and departmental staff who separated from the County employment during the second and third quarters of 2019-20, and employee MOU agreements and compensation plans.

During the current fiscal year, the Health and Sanitation, General Government, Public Assistance, and Public Protection functions accounted for the largest expenditure variances of \$234,790, \$182,509, \$96,878, and \$71,660, respectively between the final budget and actual expenditures. The Health and Sanitation variance is primarily the result of the matching reimbursement received by the Health Administration budget unit for intergovernmental transfers to cover the required local match for various healthcare programs from the State on behalf of the Medical Center. The General Government variance is primarily the result of the establishment of

Management's Discussion and Analysis (Amounts in thousands)

contingency accounts and the initial \$50,000 budgeted within the Countywide Discretionary Fund to support the County's coordinated response to the global pandemic. The Public Protection variance is primarily the result of the actual salary expenditures and contracted services that were less than final budgeted amounts. The Public Assistance variance is primarily due to the County taking a conservative approach in budgeting for the highest potential expenditures in the Human Services Department's budget across many social services programs.

The total difference of \$415,643 between estimated revenues and actual revenues was caused by the receipts of aid from other governments, interest revenue, and taxes exceeding estimates; offset by a negative variance in charges for current services primarily due to the reclassification of the matching reimbursement received by the Health Administration budget unit for intergovernmental transfers to cover the required local match for various healthcare programs from the State on behalf of the Medical Center. The differences of the receipts are primarily due to increases in the following: 1991 and 2011 Realignment revenues, the CARES Act funding, property taxes, and interest revenue from higher cash balances.

The General Fund budget to actual statement can be found on page 42 of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's total capital assets and related deferred outflows of resources for governmental and business-type activities as of June 30, 2020, amounted to \$2,751,201, and \$19,265, respectively. The County's total related debt used to acquire those assets as of June 30, 2020, amounted to \$321,516. This investment in capital assets less any related debt includes land, land use rights, improvements to land, structures and improvements, equipment and software, development-in-progress, and infrastructure, less bonds and capital leases payable related to those assets.

Major capital asset activity during the current fiscal year includes the following:

- Development in Progress (DIP) increased approximately \$91,104 due to an increase related to the following significant projects: \$31,022 increase in DIP related to Solid Waste in the following major projects (\$12,616 to expand landfill liner at the San Timoteo Landfill and \$10,003 to expand the liner at the Mid-Valley landfill) and \$30,248 related to the following Flood Control projects (West Fontana Channel, Cactus Basin #4).
- Equipment and Software increased approximately \$48,385. The primary increase consists of an overall increase of \$16,276 in Public Protection equipment, machinery and tools equipment totaling \$12,193, and medical equipment totaling \$7,058.
- Infrastructure increased approximately \$28,458, due to the completion of Flood Control projects for the Amethyst Basin / Oro Grande Wash Detention Basin, Sand Creek / Warm Creek Confluence and English Channel Carbon Canyon totaling \$21,473, and projects related to Transportation Road Reconstructions of Cherry Ave. and Park Blvd. totaling \$6,535.

Management's Discussion and Analysis (Amounts in thousands)

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

	Governmental Activities		Business-Type Activities		Total		Increase/ (decrease)
	2020	2019	2020	2019	2020	2019	Percent of Change
Land	\$ 143,363	\$ 142,410	\$ 32,462	\$ 32,482	\$ 175,825	\$ 174,892	0.53%
Land Use Rights (non-amortizable)	26,281	25,460	351	351	26,632	25,811	3.18%
Land Use Rights (amortizable)	-	-	1,109	1,109	1,109	1,109	0.00%
Development in Progress	366,658	319,878	90,800	46,476	457,458	366,354	24.87%
Improvements other than Buildings	317,093	292,416	278,127	277,341	595,220	569,757	4.47%
Structures and Improvements	1,170,271	1,158,987	772,240	772,051	1,942,511	1,931,038	0.59%
Infrastructure	1,463,066	1,434,608	-	-	1,463,066	1,434,608	1.98%
Equipment and Software	513,462	472,234	207,695	200,538	721,157	672,772	7.19%
Accumulated Depreciation/Amortization	(1,867,868)	(1,773,145)	(763,909)	(728,423)	(2,631,777)	(2,501,568)	5.21%
Total	<u>\$ 2,132,326</u>	<u>\$ 2,072,848</u>	<u>\$ 618,875</u>	<u>\$ 601,925</u>	<u>\$ 2,751,201</u>	<u>\$ 2,674,773</u>	2.86%

Additional information on the County's capital assets can be found on Note 8 on pages 82-83 of this report.

Long-term Debt and Obligations

Long-term obligations of the governmental and business-type activities are presented below to illustrate changes from the prior year:

	Governmental Activities		Business-Type Activities		Total		Increase/ (decrease)
	2020	2019	2020	2019	2020	2019	Percent of Change
Certificates of Participation, Net	\$ -	\$ -	\$ 272,453	\$ 332,598	\$ 272,453	\$ 332,598	-18.08%
General Obligation Bonds	-	-	50	50	50	50	0.00%
Revenue Bonds, Net	129,939	184,576	-	-	129,939	184,576	-29.60%
Revenue Bonds from Direct Placements	12,335	12,770	-	-	12,335	12,770	-
Other Bonds and Notes	259,458	302,532	27,883	26,158	287,341	328,690	-12.58%
Other Bonds and Notes from Direct Borrowings and Direct Placements	16,382	20,030	1,243	1,313	17,625	21,343	-
Capital Lease Obligations from Direct Financing	722	903	1,924	2,593	2,646	3,496	-24.31%
Other Long-Term Liabilities	-	-	104,255	118,885	104,255	118,885	-12.31%
Total	<u>\$ 418,836</u>	<u>\$ 520,811</u>	<u>\$ 407,808</u>	<u>\$ 481,597</u>	<u>\$ 826,644</u>	<u>\$ 1,002,408</u>	-17.53%

Additional information on the County's long-term debt can be found in Note 11 on pages 85-97 of this report.

The County's major long-term obligations activity during the fiscal year is as follows: reduction in long-term debt of certificates of participation (COPs) (including issuance of COPs totaling \$259,680 to refund \$335,155 of outstanding COPs), bonds and notes, and capital leases.

A significant portion of the revenue bonds are the Pension Obligation Bonds (1995) totaling \$129,939 with an AA rating from Standard & Poor's that were issued by the San Bernardino Financing Authority. Included in long-term debt are also the Pension Obligation Bonds (2004) totaling \$100,000 with an AA+ rating from Standard & Poor's and the Pension Obligation Refunding Bonds (2008) totaling \$116,915 with an AA+ rating from Standard & Poor's.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Supervisors adopted the County's fiscal year 2020 final budget on June 9, 2020. The budget plan does not use reserves to fund ongoing costs and there is limited use of one-time sources to fund operating costs. It is the policy of the County that one-time sources will not be used to fund ongoing operational costs, except within the context of a larger plan to balance ongoing revenues and costs over a multi-year period. Such a plan could involve short-term use of one-time funds to preserve essential public services where longer-term financial

Management's Discussion and Analysis (Amounts in thousands)

forecasts demonstrate the near-term future potential for ongoing revenues to fund those services.

The General Fund spending authority totals \$3.86 billion and is funded by departmental revenues, Countywide discretionary revenues, and other financing sources.

As of June 30, 2020, the County's General Fund projects a cumulative structural deficit of \$104.8 million through fiscal year 2025. The General Fund currently has an unallocated balance of \$76.0 million in ongoing Discretionary General Funding available along with continued estimated growth in Property-Related revenue of \$40.9 million to help mitigate increased costs and revenue losses.

In addition, the County's fiscal planning efforts are presented with major challenges in fiscal year 2021 and beyond. These challenges include fiscal uncertainty inherent in the State budget process, sales tax volatility, responding to the COVID-19 pandemic, and projected increases in retirement costs.

The County continues to monitor other outstanding issues including:

- COVID-19 Impacts – County government has been on the front line in governments' response to the COVID-19 pandemic and has allocated substantial resources towards this effort. Although the County is in receipt of Federal stimulus funding, the current restrictions placed on those funds leave many risks that the County could be forced to invest substantial Discretionary General Funding in combatting the virus without federal reimbursement.
- Sales Tax – More than any other source, County sales tax receipts will be impacted greatly by the COVID-19 pandemic. However, the exact impact detailed from economists and state finance organizations has ranged from an 8% reduction to a 21% reduction when comparing 2020-21 projections to 2018-19 actual receipts. The exposure to sales tax within the County budget is approximately 14.6%, meaning that every 1% change from projections has pronounced impacts on the County's finances.
- Fee Supported Departments – Many fee supported departments have closed during portions of the outbreak which has resulted in a significant decrease in revenue earned during the last quarter of the 2019-20 fiscal year. Their ability to generate revenue during the phases of reopening are a significant risk to funding operations within those departments.
- Mental Health Service Act Funding – On November 2, 2004, voters passed the Mental Health Services Act, which established a state personal income tax surcharge of one percent on the portion of taxpayers' annual taxable income that exceeds \$1.0 million to reduce the long-term adverse impacts from untreated serious mental illness. Although the Department of Behavioral Health currently has healthy estimated reserve levels (\$132.0 million through 2020-21) in the MHSA special revenue fund, this source will be greatly impacted by the global pandemic and ensuing recession. This revenue source will be closely monitored as receipts come in to determine mitigation measures that will be required.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, grantors, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or separate reports of the County's component units, or if you need any additional financial information, contact the Auditor-Controller/Treasurer/Tax Collector's Office, 268 W. Hospitality Lane, County of San Bernardino, California, 92415-0018.





BASIC FINANCIAL STATEMENTS





**GOVERNMENT-WIDE
FINANCIAL
STATEMENTS**





**COUNTY OF SAN BERNARDINO
STATEMENT OF NET POSITION
JUNE 30, 2020 (IN THOUSANDS)**

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	FIRST 5 SAN BERNARDINO
ASSETS				
CASH AND CASH EQUIVALENTS (NOTE 4)	\$ 3,248,275	\$ 601,401	\$ 3,849,676	\$ 100,402
INVESTMENTS (NOTE 4)	2,797	-	2,797	-
ACCOUNTS RECEIVABLE, NET (NOTE 5)	7,644	45,844	53,488	-
DUE FROM OTHER GOVERNMENTS, NET (NOTE 5)	480,539	114,717	595,256	3,170
TAXES RECEIVABLE (NOTE 5)	49,762	196	49,958	-
INTEREST RECEIVABLE (NOTE 5)	42,675	1,075	43,750	433
LOANS RECEIVABLE (NOTE 5)	32,882	12,177	45,059	-
OTHER RECEIVABLES, NET (NOTE 5)	6,713	29,655	36,368	-
INTERNAL BALANCES (NOTE 6)	17,217	(17,217)	-	-
LAND HELD FOR RESALE	50,038	-	50,038	-
INVENTORIES	10,357	4,341	14,698	-
PREPAID ITEMS	15,086	11,370	26,456	67
RESTRICTED CASH AND INVESTMENTS (NOTES 4 & 7)	18,478	73,586	92,064	-
CAPITAL ASSETS NOT BEING DEPRECIATED AND AMORTIZED:				
LAND (NOTE 8)	143,363	32,462	175,825	-
LAND USE RIGHTS (NOTE 8)	26,281	351	26,632	-
DEVELOPMENT IN PROGRESS (NOTE 8)	366,658	90,800	457,458	-
CAPITAL ASSETS BEING DEPRECIATED AND AMORTIZED:				
LAND USE RIGHTS (NOTE 8)	-	1,109	1,109	-
STRUCTURES, IMPROVEMENTS, AND INFRASTRUCTURE (NOTE 8)	2,950,430	1,050,367	4,000,797	130
EQUIPMENT AND SOFTWARE (NOTE 8)	513,462	207,695	721,157	14
ACCUMULATED DEPRECIATION AND AMORTIZATION (NOTE 8)	(1,867,868)	(763,909)	(2,631,777)	(99)
TOTAL ASSETS	6,114,789	1,496,020	7,610,809	104,117
DEFERRED OUTFLOWS OF RESOURCES (NOTE 9)	711,059	116,669	827,728	725
LIABILITIES				
ACCOUNTS PAYABLE AND CURRENT LIABILITIES	204,038	44,086	248,124	45
SALARIES AND BENEFITS PAYABLE	130,311	22,778	153,089	156
DUE TO OTHER GOVERNMENTS	416,277	4,336	420,613	6,414
INTEREST PAYABLE	5,597	5,386	10,983	-
ADVANCES FROM OTHERS (NOTE 10)	20,137	2,720	22,857	-
NONCURRENT LIABILITIES:				
PORTION DUE PAYABLE IN ONE YEAR:				
COMPENSATED ABSENCES PAYABLE (NOTE 11)	121,594	13,348	134,942	69
TERMINATION BENEFITS PAYABLE (NOTE 11)	11	-	11	-
COPS, BONDS AND NOTES PAYABLE (NOTE 11)	119,974	25,883	145,857	-
CAPITAL LEASE OBLIGATIONS (NOTES 11 & 12)	180	860	1,040	-
OTHER LONG TERM LIABILITIES (NOTE 11)	-	92,404	92,404	-
POLLUTION REMEDIATION OBLIGATIONS (NOTE 11)	-	3,364	3,364	-
ESTIMATED LIABILITY FOR CLOSURE/POST-CLOSURE CARE COSTS (NOTES 11 & 13)	-	25,482	25,482	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS (NOTES 11 & 14)	69,506	-	69,506	-
PORTION DUE OR PAYABLE AFTER ONE YEAR:				
COMPENSATED ABSENCES PAYABLE (NOTE 11)	95,627	13,820	109,447	176
TERMINATION BENEFITS PAYABLE (NOTE 11)	3	-	3	-
COPS, BONDS AND NOTES PAYABLE, NET (NOTE 11)	298,140	275,746	573,886	-
CAPITAL LEASE OBLIGATIONS (NOTES 11 & 12)	542	1,064	1,606	-
OTHER LONG TERM LIABILITIES (NOTE 11)	-	11,851	11,851	-
POLLUTION REMEDIATION OBLIGATIONS (NOTE 11)	-	66,836	66,836	-
ESTIMATED LIABILITY FOR CLOSURE/POST-CLOSURE CARE COSTS (NOTES 11 & 13)	-	112,677	112,677	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS (NOTES 11 & 14)	247,473	-	247,473	-
NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY FOR HOUSING AUTHORITY (NOTE 20)	-	8,506	8,506	-
NET PENSION LIABILITY (NOTE 19)	1,986,505	250,013	2,236,518	1,887
TOTAL LIABILITIES	3,715,915	981,160	4,697,075	8,747
DEFERRED INFLOWS OF RESOURCES (NOTE 16)	117,478	15,486	132,964	299
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	2,113,071	335,006	2,448,077	45
RESTRICTED FOR:				
GRANTS AND OTHER COUNTY PROGRAMS (NOTE 1)	1,424,780	-	1,424,780	-
PERPETUAL CARE - NONEXPENDABLE	1,838	-	1,838	-
LANDFILL CLOSURE	-	26,789	26,789	-
HOUSING PROGRAMS	-	4,429	4,429	-
UNRESTRICTED	(547,234)	249,819	(297,415)	95,751
TOTAL NET POSITION	\$ 2,992,455	\$ 616,043	\$ 3,608,498	\$ 95,796

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

**COUNTY OF SAN BERNARDINO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			PRIMARY GOVERNMENT			COMPONENT UNIT
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE)/REVENUE AND CHANGES IN NET POSITION	TOTAL	
PRIMARY GOVERNMENT:							
GOVERNMENTAL ACTIVITIES:							
GENERAL GOVERNMENT	\$ 297,199	\$ 171,032	\$ 81,325	\$ 201	\$ (44,641)	\$ (44,641)	\$ -
PUBLIC PROTECTION	1,399,634	323,211	334,240	-	(742,183)	(742,183)	-
PUBLIC WAYS AND FACILITIES	107,443	9,303	87,642	3,895	(6,603)	(6,603)	-
HEALTH AND SANITATION	531,405	34,999	471,039	-	(25,367)	(25,367)	-
PUBLIC ASSISTANCE	1,368,711	3,574	1,271,794	-	(93,343)	(93,343)	-
EDUCATION	23,170	1,042	644	-	(21,484)	(21,484)	-
RECREATION AND CULTURAL SERVICES	27,869	7,454	2,483	268	(17,684)	(17,684)	-
INTEREST ON LONG TERM DEBT	20,021	-	-	-	(20,021)	(20,021)	-
TOTAL GOVERNMENTAL ACTIVITIES	3,775,472	550,615	2,249,167	4,364	(971,326)	(971,326)	-
BUSINESS-TYPE ACTIVITIES:							
MEDICAL CENTER	622,695	353,683	276,129	20,654	-	27,771	-
WASTE SYSTEMS	72,411	92,408	90	-	-	20,087	-
HOUSING AUTHORITY	141,340	24,794	106,066	-	-	(10,480)	-
WATER, SEWER, AND SANITATION	16,322	14,331	2,085	-	-	94	-
OTHERS	102	175	2	-	-	75	-
TOTAL BUSINESS-TYPE ACTIVITIES	852,870	485,391	384,372	20,654	-	37,547	-
TOTAL PRIMARY GOVERNMENT	\$ 4,628,342	\$ 1,036,006	\$ 2,633,539	\$ 25,018	(971,326)	(933,779)	-
COMPONENT UNIT							
FIRST 5 SAN BERNARDINO	\$ 19,121	\$ -	\$ 21,971	\$ -	-	-	2,850
GENERAL REVENUES:							
PROPERTY TAXES, LEVIED FOR GENERAL PURPOSES					836,582	840,979	-
PUBLIC SAFETY TAX					195,009	195,009	-
OTHER TAXES					28,221	28,221	-
REVENUES FROM USE OF MONEY AND PROPERTY					92,872	104,274	3,236
MISCELLANEOUS					73,902	76,587	491
GAIN ON SALE OF CAPITAL ASSETS					72,043	72,098	-
TRANSFERS (NOTE 6)					6,536	(6,536)	-
TOTAL GENERAL REVENUES AND TRANSFERS					1,305,165	1,317,168	3,727
CHANGE IN NET POSITION					333,839	383,389	6,577
NET POSITION - BEGINNING					2,658,616	3,225,109	89,219
NET POSITION - ENDING					\$ 2,992,455	\$ 3,608,498	\$ 95,796

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





FUND FINANCIAL STATEMENTS





**COUNTY OF SAN BERNARDINO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020 (IN THOUSANDS)**

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
CASH AND CASH EQUIVALENTS (NOTE 4)	\$ 1,408,963	\$ 441,011	\$ 958,445	\$ 2,808,419
INVESTMENTS (NOTE 4)	-	-	2,797	2,797
ACCOUNTS RECEIVABLE, NET (NOTE 5)	3,368	-	3,856	7,224
TAXES RECEIVABLE (NOTE 5)	41,802	-	7,960	49,762
INTEREST RECEIVABLE (NOTE 5)	39,151	1,419	2,105	42,675
LOANS RECEIVABLE (NOTE 5)	32,118	-	764	32,882
OTHER RECEIVABLES (NOTE 5)	4,345	-	1,377	5,722
DUE FROM OTHER FUNDS (NOTE 6)	52,850	1,858	34,385	89,093
DUE FROM OTHER GOVERNMENTS (NOTE 5)	408,604	-	70,718	479,322
LAND HELD FOR RESALE	549	47,827	1,662	50,038
INVENTORIES	5,422	-	153	5,575
PREPAID ITEMS	2,091	-	6,704	8,795
INTERFUND RECEIVABLE (NOTE 6)	11,391	-	18,384	29,775
RESTRICTED CASH AND INVESTMENTS (NOTES 4 & 7)	5,335	-	13,143	18,478
TOTAL ASSETS	<u>\$ 2,015,989</u>	<u>\$ 492,115</u>	<u>\$ 1,122,453</u>	<u>\$ 3,630,557</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 151,747	\$ 1,225	\$ 44,724	\$ 197,696
SALARIES AND BENEFITS PAYABLE	104,030	-	22,410	126,440
DUE TO OTHER FUNDS (NOTE 6)	39,763	524	53,963	94,250
DUE TO OTHER GOVERNMENTS	412,388	-	3,584	415,972
INTEREST PAYABLE	-	-	127	127
ADVANCES FROM OTHERS (NOTE 10)	13,618	6	6,311	19,935
INTERFUND PAYABLE (NOTE 6)	-	-	7,346	7,346
TOTAL LIABILITIES	<u>721,546</u>	<u>1,755</u>	<u>138,465</u>	<u>861,766</u>
DEFERRED INFLOWS OF RESOURCES (NOTE 16)	<u>78,500</u>	<u>1,419</u>	<u>12,542</u>	<u>92,461</u>
FUND BALANCES (NOTE 17):				
NONSPENDABLE	40,183	-	8,695	48,878
RESTRICTED	469,130	93,962	891,052	1,454,144
COMMITTED	258,226	-	-	258,226
ASSIGNED	2,644	394,979	74,395	472,018
UNASSIGNED	445,760	-	(2,696)	443,064
TOTAL FUND BALANCES	<u>1,215,943</u>	<u>488,941</u>	<u>971,446</u>	<u>2,676,330</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,015,989</u>	<u>\$ 492,115</u>	<u>\$ 1,122,453</u>	
Amounts reported for governmental activities in the statement of net position are different due to the following (Note 2):				
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds.				
				2,067,271
Receivables that are not available to pay for current-period expenditures are deferred in the governmental funds.				
				92,461
Internal service funds are used by management to charge the costs of general services, telecommunication services, computer operations, fleet management, risk management, and flood control equipment to individual funds. The assets, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service funds are included in the governmental activities in the statement of net position.				
				152,967
Interest payable on long-term debt				
				(5,470)
Deferred outflows and inflows of resources related to pensions and deferred amounts on refunding are applicable to future periods and therefore are not reported in the funds.				
				576,883
Long-term liabilities, including net pension liability, bonds payables, and related items, are not due and payable in the current period and, therefore not reported in the funds.				
				(2,567,987)
Net position of governmental activities (page 36)				<u>\$ 2,992,455</u>

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

COUNTY OF SAN BERNARDINO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
TAXES	\$ 904,278	\$ -	\$ 194,907	\$ 1,099,185
LICENSES, PERMITS, AND FRANCHISES	26,089	-	1,524	27,613
FINES, FORFEITURES, AND PENALTIES	5,192	-	5,595	10,787
REVENUE FROM USE OF MONEY AND PROPERTY	89,282	646	32,442	122,370
AID FROM OTHER GOVERNMENTAL AGENCIES	1,756,131	414	412,873	2,169,418
CHARGES FOR CURRENT SERVICES	375,312	-	134,891	510,203
OTHER REVENUES	8,377	6,338	53,857	68,572
TOTAL REVENUES	3,164,661	7,398	836,089	4,008,148
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT	266,221	-	9,690	275,911
PUBLIC PROTECTION	1,057,735	-	252,503	1,310,238
PUBLIC WAYS AND FACILITIES	3,945	-	86,214	90,159
HEALTH AND SANITATION	309,377	-	209,953	519,330
PUBLIC ASSISTANCE	1,239,857	-	106,422	1,346,279
EDUCATION	3,043	-	18,749	21,792
RECREATION AND CULTURAL SERVICES	12,754	-	9,539	22,293
DEBT SERVICE:				
PRINCIPAL	-	-	111,638	111,638
INTEREST AND FISCAL CHARGES	-	-	12,115	12,115
CAPITAL OUTLAY	32,011	51,257	75,921	159,189
TOTAL EXPENDITURES	2,924,943	51,257	892,744	3,868,944
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	239,718	(43,859)	(56,655)	139,204
OTHER FINANCING SOURCES (USES)				
TRANSFERS OUT (NOTE 6)	(322,030)	(2,736)	(72,761)	(397,527)
TRANSFERS IN (NOTE 6)	31,914	190,259	183,716	405,889
SALE OF CAPITAL ASSETS	66,144	-	9,819	75,963
TOTAL OTHER FINANCING SOURCES AND (USES)	(223,972)	187,523	120,774	84,325
NET CHANGES IN FUND BALANCE	15,746	143,664	64,119	223,529
FUND BALANCES, BEGINNING	1,200,197	345,277	907,327	2,452,801
FUND BALANCES, ENDING	\$ 1,215,943	\$ 488,941	\$ 971,446	\$ 2,676,330
NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL				\$ 223,529
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:				
Expenditures for general capital assets, infrastructure and other related capital asset adjustments			\$ 168,505	
Less current year depreciation/amortization expense.			(103,693)	
Less current year program expenses related to capital assets adjustments.			(8,068)	56,744
Internal service funds are used by management to charge the costs of general service group, telecommunication service, computer operations, fleet management services, risk management, and flood control equipment.				
The net revenues of the internal service fund is reported within governmental activities.				24,302
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.				18,664
Expenses in the statement of activities that do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.				(29,947)
Governmental funds report pension contributions as expenditures. However, in the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense:				
Expenditures for pension contributions			334,945	
Less current year pension expense.			(405,989)	(71,044)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds, report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.				
				111,591
Changes in net position of governmental activities (page 37)				\$ 333,839

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

COUNTY OF SAN BERNARDINO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL ON BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
TAXES	\$ 874,051	\$ 874,051	\$ 904,278	\$ 30,227
LICENSES, PERMITS AND FRANCHISES	8,807	8,807	26,089	17,282
FINES, FORFEITURES AND PENALTIES	5,492	5,492	5,192	(300)
REVENUES FROM USE OF MONEY AND PROPERTY	47,667	47,730	89,282	41,552
AID FROM OTHER GOVERNMENTAL AGENCIES	1,418,258	1,606,930	2,127,387	520,457
CHARGES FOR CURRENT SERVICES	556,260	563,459	375,312	(188,147)
OTHER REVENUES	12,558	13,805	8,377	(5,428)
TOTAL REVENUES	2,923,093	3,120,274	3,535,917	415,643
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT	375,243	456,446	273,937	182,509
PUBLIC PROTECTION	1,048,584	1,125,901	1,054,241	71,660
PUBLIC WAYS AND FACILITIES	4,301	4,144	4,320	(176)
HEALTH AND SANITATION	538,627	558,400	323,610	234,790
PUBLIC ASSISTANCE	1,311,959	1,333,303	1,236,425	96,878
EDUCATION	3,152	3,152	3,043	109
RECREATION AND CULTURAL SERVICES	13,244	13,174	12,571	603
DEBT SERVICE:				
INTEREST AND FISCAL CHARGES	6,500	1,000	-	1,000
CAPITAL OUTLAY	30,145	42,449	28,876	13,573
TOTAL EXPENDITURES	3,331,755	3,537,969	2,937,023	600,946
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(408,662)	(417,695)	598,894	1,016,589
OTHER FINANCING SOURCES (USES)				
TRANSFERS OUT (NOTE 6)	(327,928)	(340,748)	(322,030)	18,718
TRANSFERS IN (NOTE 6)	36,684	45,682	31,914	(13,768)
SALE OF CAPITAL ASSETS	66,100	65,821	66,144	323
TOTAL OTHER FINANCING SOURCES AND (USES)	(225,144)	(229,245)	(223,972)	5,273
NET CHANGE IN FUND BALANCES	(633,806)	(646,940)	374,922	1,021,862
FUND BALANCES, BEGINNING	1,133,208	1,133,208	1,133,208	-
FUND BALANCES, ENDING	\$ 499,402	\$ 486,268	\$ 1,508,130	\$ 1,021,862

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



**COUNTY OF SAN BERNARDINO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020 (IN THOUSANDS)**

BUSINESS-TYPE ACTIVITIES -

ENTERPRISE FUNDS

	MEDICAL CENTER 6/30/2020	WASTE SYSTEMS DIVISION 6/30/2020	HOUSING AUTHORITY 9/30/2019
ASSETS			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS (NOTE 4)	\$ 331,054	\$ 179,463	\$ 33,184
ACCOUNTS RECEIVABLE, NET (NOTE 5)	32,601	9,210	2,524
INTEREST RECEIVABLE (NOTE 5)	-	-	1,075
LOANS RECEIVABLE (NOTE 5)	-	-	375
OTHER RECEIVABLES, NET (NOTE 5)	1,990	3,068	-
DUE FROM OTHER FUNDS (NOTE 6)	7,253	1,019	-
DUE FROM OTHER GOVERNMENTS (NOTE 5)	105,261	1,185	2,700
INVENTORIES	3,833	-	358
PREPAID ITEMS	8,149	239	333
RESTRICTED CASH AND CASH EQUIVALENTS (NOTES 4 & 7)	1	61,329	12,256
TOTAL CURRENT ASSETS	490,142	255,513	52,805
NONCURRENT ASSETS:			
LOANS RECEIVABLE (NOTE 5)	-	-	11,802
OTHER RECEIVABLES (NOTE 5)	-	22,337	2,130
PREPAID ITEMS	-	-	2,649
CAPITAL ASSETS NOT BEING DEPRECIATED AND AMORTIZED:			
LAND (NOTE 8)	-	17,352	11,249
LAND USE RIGHTS (NOTE 8)	-	93	-
DEVELOPMENT IN PROGRESS (NOTE 8)	15,609	57,697	5,408
CAPITAL ASSETS BEING DEPRECIATED AND AMORTIZED:			
LAND USE RIGHTS (NOTE 8)	-	105	-
STRUCTURE, IMPROVEMENTS, AND INFRASTRUCTURE (NOTE 8)	576,198	183,149	200,231
EQUIPMENT AND SOFTWARE (NOTE 8)	201,440	984	3,795
ACCUMULATED DEPRECIATION AND AMORTIZATION (NOTE 8)	(462,849)	(125,199)	(121,124)
TOTAL NONCURRENT ASSETS	330,398	156,518	116,140
TOTAL ASSETS	820,540	412,031	168,945
DEFERRED OUTFLOWS OF RESOURCES (NOTE 9)	110,850	2,345	3,474
LIABILITIES			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE AND CURRENT LIABILITIES	27,918	12,543	2,797
SALARIES AND BENEFITS PAYABLE	22,223	551	-
DUE TO OTHER FUNDS (NOTE 6)	835	49	-
DUE TO OTHER GOVERNMENTS	-	4,317	-
INTEREST PAYABLE	2,724	-	2,476
ADVANCES FROM OTHERS (NOTE 10)	-	921	1,752
COMPENSATED ABSENCES PAYABLE (NOTE 11)	12,510	560	278
BONDS AND NOTES PAYABLE (NOTE 11)	25,045	-	716
CAPITAL LEASE OBLIGATIONS (NOTES 11 & 12)	860	-	-
OTHER LONG TERM LIABILITIES, DUE IN ONE YEAR (NOTE 11)	92,404	-	-
POLLUTION REMEDIATION OBLIGATIONS (NOTE 11)	-	3,364	-
ESTIMATED LIABILITY FOR CLOSURES/POST-CLOSURE CARE COSTS (NOTES 11 & 13)	-	25,482	-
TOTAL CURRENT LIABILITIES	184,519	47,787	8,019
NONCURRENT LIABILITIES:			
INTERFUND PAYABLE (NOTE 6)	-	-	16,579
COMPENSATED ABSENCES PAYABLE (NOTE 11)	12,446	651	723
BONDS AND NOTES PAYABLE (NOTE 11)	247,409	-	27,167
CAPITAL LEASE OBLIGATIONS (NOTES 11 & 12)	1,064	-	-
OTHER LONG TERM LIABILITIES (NOTE 11)	8,657	-	3,194
POLLUTION REMEDIATION OBLIGATIONS (NOTE 11)	-	66,836	-
ESTIMATED LIABILITY FOR CLOSURE/POST-CLOSURE CARE COSTS (NOTES 11 & 13)	-	112,677	-
NET OTHER POSTEMPLOYMENT BENEFITS OBLIGATION FOR HOUSING AUTHORITY (NOTE 20)	-	-	8,506
NET PENSION LIABILITY (NOTE 19)	221,760	6,184	22,069
TOTAL NONCURRENT LIABILITIES	491,336	186,348	78,238
TOTAL LIABILITIES	675,855	234,135	86,257
DEFERRED INFLOWS OF RESOURCES (NOTE 16)	11,443	836	3,207
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	74,412	134,181	71,676
RESTRICTED FOR:			
LANDFILL CLOSURE COSTS	-	26,789	-
HOUSING PROGRAMS	-	-	4,429
UNRESTRICTED	169,680	18,435	6,850
TOTAL NET POSITION	\$ 244,092	\$ 179,405	\$ 82,955

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

**COUNTY OF SAN BERNARDINO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2020 (IN THOUSANDS)**

	BUSINESS- TYPE ACTIVITIES		GOVERNMENTAL
	ENTERPRISE FUNDS		ACTIVITIES
	TOTAL NONMAJOR ENTERPRISE FUNDS 6/30/2020	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS 6/30/2020
ASSETS			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS (NOTE 4)	\$ 57,700	\$ 601,401	\$ 439,856
ACCOUNTS RECEIVABLE, NET (NOTE 5)	1,509	45,844	420
TAXES RECEIVABLE (NOTE 5)	196	196	-
INTEREST RECEIVABLE (NOTE 5)	-	1,075	-
LOANS RECEIVABLE (NOTE 5)	-	375	-
OTHER RECEIVABLES, NET (NOTE 5)	130	5,188	991
DUE FROM OTHER FUNDS (NOTE 6)	43	8,315	2,392
DUE FROM OTHER GOVERNMENTS (NOTE 5)	5,571	114,717	1,217
INVENTORIES	150	4,341	4,782
PREPAID ITEMS	-	8,721	6,982
RESTRICTED CASH AND CASH EQUIVALENTS (NOTES 4 & 7)	-	73,586	-
TOTAL CURRENT ASSETS	<u>65,299</u>	<u>863,759</u>	<u>456,640</u>
NONCURRENT ASSETS:			
LOANS RECEIVABLE (NOTE 5)	-	11,802	-
OTHER RECEIVABLES (NOTE 5)	-	24,467	-
PREPAID ITEMS	-	2,649	-
CAPITAL ASSETS NOT BEING DEPRECIATED AND AMORTIZED:			
LAND (NOTE 8)	3,861	32,462	1,504
LAND USE RIGHTS (NOTE 8)	258	351	-
DEVELOPMENT IN PROGRESS (NOTE 8)	12,086	90,800	12,689
CAPITAL ASSETS BEING DEPRECIATED AND AMORTIZED:			
LAND USE RIGHTS (NOTE 8)	1,004	1,109	-
STRUCTURE, IMPROVEMENTS, AND INFRASTRUCTURE (NOTE 8)	90,789	1,050,367	28,918
EQUIPMENT AND SOFTWARE (NOTE 8)	1,476	207,695	128,758
ACCUMULATED DEPRECIATION AND AMORTIZATION (NOTE 8)	(54,737)	(763,909)	(106,814)
TOTAL NONCURRENT ASSETS	<u>54,737</u>	<u>657,793</u>	<u>65,055</u>
TOTAL ASSETS	<u>120,036</u>	<u>1,521,552</u>	<u>521,695</u>
DEFERRED OUTFLOWS OF RESOURCES (NOTE 9)	-	116,669	24,426
LIABILITIES			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE AND CURRENT LIABILITIES	828	44,086	6,342
SALARIES AND BENEFITS PAYABLE	4	22,778	3,871
DUE TO OTHER FUNDS (NOTE 6)	2,219	3,103	2,447
DUE TO OTHER GOVERNMENTS	19	4,336	305
INTEREST PAYABLE	186	5,386	-
ADVANCES FROM OTHERS (NOTE 10)	47	2,720	893
COMPENSATED ABSENCES PAYABLE (NOTE 11)	-	13,348	4,099
BONDS AND NOTES PAYABLE (NOTE 11)	122	25,883	-
CAPITAL LEASE OBLIGATIONS (NOTES 11 & 12)	-	860	-
OTHER LONG TERM LIABILITIES, DUE IN ONE YEAR (NOTE 11)	-	92,404	-
POLLUTION REMEDIATION OBLIGATIONS (NOTE 11)	-	3,364	-
ESTIMATED LIABILITY FOR CLOSURES/POST-CLOSURE CARE COSTS (NOTES 11 & 13)	-	25,482	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS (NOTES 11 & 14)	-	-	69,506
TOTAL CURRENT LIABILITIES	<u>3,425</u>	<u>243,750</u>	<u>87,463</u>
NONCURRENT LIABILITIES:			
INTERFUND PAYABLE (NOTE 6)	5,850	22,429	-
COMPENSATED ABSENCES PAYABLE (NOTE 11)	-	13,820	3,905
BONDS AND NOTES PAYABLE (NOTE 11)	1,170	275,746	-
CAPITAL LEASE OBLIGATIONS (NOTES 11 & 12)	-	1,064	-
OTHER LONG TERM LIABILITIES (NOTE 11)	-	11,851	-
POLLUTION REMEDIATION OBLIGATIONS (NOTE 11)	-	66,836	-
ESTIMATED LIABILITY FOR CLOSURE/POST-CLOSURE CARE COSTS (NOTES 11 & 13)	-	112,677	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS (NOTES 11 & 14)	-	-	247,473
NET OTHER POSTEMPLOYMENT BENEFITS OBLIGATION FOR HOUSING AUTHORITY (NOTE 20)	-	8,506	-
NET PENSION LIABILITY (NOTE 19)	-	250,013	46,585
TOTAL NONCURRENT LIABILITIES	<u>7,020</u>	<u>762,942</u>	<u>297,963</u>
TOTAL LIABILITIES	<u>10,445</u>	<u>1,006,692</u>	<u>385,426</u>
DEFERRED INFLOWS OF RESOURCES (NOTE 16)	-	15,486	7,728
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	54,737	335,006	65,055
RESTRICTED FOR:			
LANDFILL CLOSURE COSTS	-	26,789	-
HOUSING PROGRAMS	-	4,429	-
UNRESTRICTED	54,854	249,819	87,912
TOTAL NET POSITION	<u>\$ 109,591</u>	<u>\$ 616,043</u>	<u>\$ 152,967</u>

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

COUNTY OF SAN BERNARDINO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES -		
	ENTERPRISE FUNDS		
	MEDICAL CENTER 6/30/2020	WASTE SYSTEM DIVISION 6/30/2020	HOUSING AUTHORITY 9/30/2019
OPERATING REVENUES:			
NET PATIENT CARE AND SERVICE CHARGES FOR CURRENT SERVICES	\$ 353,683	\$ -	\$ -
OTHER	-	78,434	24,794
	236,906	13,974	-
TOTAL OPERATING REVENUES	590,589	92,408	24,794
OPERATING EXPENSES:			
PROFESSIONAL SERVICES	76,978	31,249	-
SALARIES AND EMPLOYEE BENEFITS	316,699	7,778	16,784
SERVICES AND SUPPLIES	172,778	30,893	115,596
DEPRECIATION AND AMORTIZATION	25,448	2,491	5,939
OTHER	14,350	-	1,399
TOTAL OPERATING EXPENSES	606,253	72,411	139,718
OPERATING INCOME (LOSS)	(15,664)	19,997	(114,924)
NONOPERATING REVENUES (EXPENSES):			
INTEREST REVENUE	466	8,038	524
INTEREST EXPENSE	(10,224)	-	(1,622)
BOND ISSUANCE COSTS	(6,218)	-	-
GRANT REVENUE	39,223	90	106,066
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	-	-	55
OTHER NONOPERATING REVENUES	687	1,271	-
TOTAL NONOPERATING REVENUES (EXPENSES)	23,934	9,399	105,023
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS AND TRANSFERS	8,270	29,396	(9,901)
CAPITAL CONTRIBUTIONS	20,654	-	-
TRANSFERS OUT (NOTE 6)	(12,521)	(2,160)	-
TRANSFERS IN (NOTE 6)	8,178	-	-
CHANGE IN NET POSITION	24,581	27,236	(9,901)
TOTAL NET POSITION, BEGINNING	219,511	152,169	92,856
TOTAL NET POSITION, ENDING	\$ 244,092	\$ 179,405	\$ 82,955

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

COUNTY OF SAN BERNARDINO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES -		GOVERNMENTAL
	ENTERPRISE FUNDS		ACTIVITIES
	TOTAL NONMAJOR ENTERPRISE FUNDS 6/30/2020	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS 6/30/2020
OPERATING REVENUES:			
NET PATIENT CARE AND SERVICE CHARGES FOR CURRENT SERVICES	\$ -	\$ 353,683	\$ -
OTHER	13,960	117,188	269,609
	546	251,426	-
TOTAL OPERATING REVENUES	14,506	722,297	269,609
OPERATING EXPENSES:			
PROFESSIONAL SERVICES	1,662	109,889	33,224
SALARIES AND EMPLOYEE BENEFITS	5,266	346,527	57,274
SELF-INSURED CLAIMS	49	49	83,389
SERVICES AND SUPPLIES	6,121	325,388	72,658
DEPRECIATION AND AMORTIZATION	2,709	36,587	12,504
OTHER	450	16,199	1,869
TOTAL OPERATING EXPENSES	16,257	834,639	260,918
OPERATING INCOME (LOSS)	(1,751)	(112,342)	8,691
NONOPERATING REVENUES (EXPENSES):			
INTEREST REVENUE	2,374	11,402	15,023
INTEREST EXPENSE	(167)	(12,013)	(3)
BOND ISSUANCE COSTS	-	(6,218)	-
TAX REVENUE	4,397	4,397	-
GRANT REVENUE	2,087	147,466	1,111
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	-	55	842
OTHER NONOPERATING REVENUES	727	2,685	464
TOTAL NONOPERATING REVENUES (EXPENSES)	9,418	147,774	17,437
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS AND TRANSFERS	7,667	35,432	26,128
CAPITAL CONTRIBUTIONS	-	20,654	-
TRANSFERS OUT (NOTE 6)	(33)	(14,714)	(2,571)
TRANSFERS IN (NOTE 6)	-	8,178	745
CHANGE IN NET POSITION	7,634	49,550	24,302
TOTAL NET POSITION, BEGINNING	101,957	566,493	128,665
TOTAL NET POSITION, ENDING	\$ 109,591	\$ 616,043	\$ 152,967

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

**COUNTY OF SAN BERNARDINO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

**BUSINESS-TYPE ACTIVITIES -
ENTERPRISE FUNDS**

	MEDICAL CENTER 6/30/2020	WASTE SYSTEMS DIVISION 6/30/2020	HOUSING AUTHORITY 9/30/2019
CASH FLOWS FROM OPERATING ACTIVITIES:			
CASH RECEIVED FROM PATIENT CARE AND SERVICES	\$ 590,580	\$ 114,205	\$ (83,026)
CASH RECEIVED FROM OPERATING GRANT FOR HOUSING	-	-	101,896
CASH PAYMENTS FOR HOUSING ASSISTANCE	-	-	(94,653)
CASH PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES	(286,193)	(55,726)	(22,850)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(305,956)	(7,756)	(16,201)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,569)</u>	<u>50,723</u>	<u>(114,834)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
GRANTS RECEIVED	39,223	90	106,066
TRANSFERS RECEIVED	8,178	-	-
TRANSFERS PAID	(12,521)	(2,160)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>34,880</u>	<u>(2,070)</u>	<u>106,066</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(15,320)	(32,317)	(2,608)
CAPITAL GRANTS AND CONTRIBUTIONS	20,654	-	1
PRINCIPAL PAID ON CAPITAL LEASE OBLIGATIONS	(1,121)	-	-
NET PROCEEDS FROM CERTIFICATES OF PARTICIPATION TO REFUND CAPITAL DEBT	297,958	-	-
BOND ISSUANCE COST PAID	(6,218)	-	-
PRINCIPAL PAID TO BOND ESCROW AGENT	(339,259)	-	-
PRINCIPAL PAID ON BONDS AND NOTES	(21,846)	-	(442)
INTEREST PAID ON BONDS AND NOTES	(14,707)	-	(2,338)
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	-	132
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(79,859)</u>	<u>(32,317)</u>	<u>(5,255)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
INTEREST ON INVESTMENTS	466	8,038	267
INVESTMENTS ACTIVITY	61	-	3,204
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>527</u>	<u>8,038</u>	<u>3,471</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(46,021)	24,374	(10,552)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	377,076	216,418	55,992
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 331,055</u>	<u>\$ 240,792</u>	<u>\$ 45,440</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	\$ (15,664)	\$ 19,997	\$ (114,924)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
DEPRECIATION AND AMORTIZATION	25,448	2,491	5,939
NONOPERATING REVENUE (EXPENSE) RELATED TO OPERATING ACTIVITIES	687	1,271	-
CHANGES IN ASSETS, DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS:			
ACCOUNTS RECEIVABLE	(3,735)	1,847	(3,667)
DUE FROM OTHER FUNDS	(375)	17,732	-
DUE FROM OTHER GOVERNMENTS	4,376	316	(2,011)
OTHER RECEIVABLES	(962)	1,860	757
INVENTORIES	(662)	-	(28)
PREPAID ITEMS	(3,254)	(105)	224
ACCOUNTS PAYABLE AND OTHER LIABILITIES	(18,977)	3,822	(704)
SALARIES AND BENEFITS PAYABLE	2,947	24	-
DUE TO OTHER FUNDS	806	(298)	-
DUE TO OTHER GOVERNMENTS	-	256	-
ADVANCES FROM OTHERS	-	42	(1,003)
COMPENSATED ABSENCES PAYABLE	2,456	49	8
TERMINATION BENEFITS PAYABLE	(15)	-	-
OTHER NON-CASH ITEMS	5,355	1,419	575
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (1,569)</u>	<u>\$ 50,723</u>	<u>\$ (114,834)</u>
NONCASH CAPITAL AND FINANCING ACTIVITIES:			
LEASE PURCHASE OF CAPITAL ASSETS	\$ 452	\$ -	\$ -
INCREASE IN CAPITAL ASSETS INCLUDED IN ACCOUNTS PAYABLE	-	-	73
BREAKDOWN OF CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS	\$ 331,054	\$ 179,463	\$ 33,184
RESTRICTED CASH AND INVESTMENTS	1	61,329	12,256
TOTAL	<u>\$ 331,055</u>	<u>\$ 240,792</u>	<u>\$ 45,440</u>

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

**COUNTY OF SAN BERNARDINO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
	TOTAL NONMAJOR ENTERPRISE FUNDS 6/30/2020	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS 6/30/2020
CASH FLOWS FROM OPERATING ACTIVITIES:			
CASH RECEIVED FROM PATIENT CARE AND SERVICES	\$ 13,936	\$ 635,695	\$ -
CASH RECEIVED FROM OPERATING GRANT FOR HOUSING	-	101,896	-
CASH PAYMENTS FOR HOUSING ASSISTANCE	-	(94,653)	-
CASH RECEIVED FROM OTHER FUNDS FOR INTERNAL SERVICES	-	-	286,428
CASH PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES	(7,325)	(372,094)	(186,709)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(5,266)	(335,179)	(54,911)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,345</u>	<u>(64,335)</u>	<u>44,808</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
TAXES RECEIVED	4,368	4,368	-
GRANTS RECEIVED	2,087	147,466	1,111
INTEREST PAID ON INTERFUND LOAN	-	-	(3)
TRANSFERS RECEIVED	-	8,178	745
TRANSFERS PAID	(87)	(14,768)	(2,571)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>6,368</u>	<u>145,244</u>	<u>(718)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(3,027)	(53,272)	(13,920)
CAPITAL GRANTS AND CONTRIBUTIONS	-	20,655	-
PRINCIPAL PAID ON CAPITAL LEASE OBLIGATIONS	-	(1,121)	-
NET PROCEEDS FROM CERTIFICATES OF PARTICIPATION TO REFUND CAPITAL DEBT	-	297,958	-
BOND ISSUANCE COST PAID	-	(6,218)	-
PRINCIPAL PAID TO BOND ESCROW AGENT	-	(339,259)	-
PRINCIPAL PAID ON BONDS AND NOTES	(71)	(22,359)	-
INTEREST PAID ON BONDS AND NOTES	(39)	(17,084)	-
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	132	897
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(3,137)</u>	<u>(120,568)</u>	<u>(13,023)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
INTEREST ON INVESTMENTS	2,374	11,145	15,023
INVESTMENTS ACTIVITY	-	3,265	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>2,374</u>	<u>14,410</u>	<u>15,023</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,950	(25,249)	46,090
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>50,750</u>	<u>700,236</u>	<u>393,766</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 57,700</u>	<u>\$ 674,987</u>	<u>\$ 439,856</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	\$ (1,751)	\$ (112,342)	\$ 8,691
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
DEPRECIATION AND AMORTIZATION	2,709	36,587	12,504
NONOPERATING REVENUE (EXPENSE) RELATED TO OPERATING ACTIVITIES	727	2,685	464
CHANGES IN ASSETS, DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS:			
ACCOUNTS RECEIVABLE	671	(4,884)	1,032
DUE FROM OTHER FUNDS	-	17,357	(1,570)
DUE FROM OTHER GOVERNMENTS	(1,911)	770	101
OTHER RECEIVABLES	-	1,655	16,659
INVENTORIES	(117)	(807)	(370)
PREPAID ITEMS	-	(3,135)	(5,363)
ACCOUNTS PAYABLE AND OTHER LIABILITIES	1,274	(14,585)	(19,231)
SALARIES AND BENEFITS PAYABLE	-	2,971	460
DUE TO OTHER FUNDS	-	508	-
DUE TO OTHER GOVERNMENTS	(200)	56	74
ADVANCES FROM OTHERS	(57)	(1,018)	133
COMPENSATED ABSENCES PAYABLE	-	2,513	73
TERMINATION BENEFITS PAYABLE	-	(15)	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	-	-	29,321
OTHER NON-CASH ITEMS	-	7,349	1,830
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,345</u>	<u>\$ (64,335)</u>	<u>\$ 44,808</u>
NONCASH CAPITAL AND FINANCING ACTIVITIES:			
LEASE PURCHASE OF CAPITAL ASSETS	\$ -	\$ 452	\$ -
INCREASE IN CAPITAL ASSETS INCLUDED IN ACCOUNTS PAYABLE	-	73	-
BREAKDOWN OF CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS	\$ 57,700	\$ 601,401	\$ 439,856
RESTRICTED CASH AND INVESTMENTS	-	73,586	-
TOTAL	<u>\$ 57,700</u>	<u>\$ 674,987</u>	<u>\$ 439,856</u>

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

COUNTY OF SAN BERNARDINO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020 (IN THOUSANDS)

	INVESTMENT TRUST FUND	PRIVATE- PURPOSE TRUST FUND	AGENCY
ASSETS			
CASH AND CASH EQUIVALENTS (NOTE 4)	\$ 3,845,442	\$ 5,996	\$ 770,987
ACCOUNTS RECEIVABLE - NET	-	-	22,683
TAXES RECEIVABLE	-	-	167,240
INTEREST RECEIVABLE	-	-	296
DUE FROM OTHER GOVERNMENTS	-	-	52,968
LAND HELD FOR RESALE	-	13,276	-
PREPAID ITEMS	-	513	-
RESTRICTED CASH AND CASH EQUIVALENTS	-	8,480	-
TOTAL ASSETS	3,845,442	28,265	\$ 1,014,174
LIABILITIES:			
DUE TO OTHER GOVERNMENTS	-	89	\$ 1,014,174
INTEREST PAYABLE	-	1,407	-
BONDS AND NOTES PAYABLE			
DUE IN ONE YEAR	-	2,815	-
DUE AFTER ONE YEAR	-	69,191	-
TOTAL LIABILITIES	-	73,502	\$ 1,014,174
DEFERRED INFLOWS OF RESOURCES	-	593	
NET POSITION			
NET (DEFICIT) HELD IN TRUST FOR PRIVATE PURPOSE	-	(45,830)	
NET POSITION HELD IN TRUST FOR POOL PARTICIPANTS	3,845,442	-	
NET POSITION (DEFICIT) HELD IN TRUST	\$ 3,845,442	\$ (45,830)	

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

COUNTY OF SAN BERNARDINO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>INVESTMENT TRUST FUND</u>	<u>PRIVATE- PURPOSE TRUST FUND</u>
ADDITIONS:		
CONTRIBUTIONS:		
CONTRIBUTIONS ON POOLED INVESTMENTS	\$ 11,192,314	\$ -
REDEVELOPMENT AGENCY PROPERTY TAX TRUST FUND	-	7,973
OTHER REVENUES	-	489
TOTAL CONTRIBUTIONS	<u>11,192,314</u>	<u>8,462</u>
INTEREST AND INVESTMENT REVENUE:		
NET INCREASE IN FAIR VALUE OF INVESTMENTS	50,544	120
INTEREST INCOME ON CASH AND SECURITIES	63,834	163
TOTAL INTEREST AND INVESTMENT REVENUES	<u>114,378</u>	<u>283</u>
TOTAL ADDITIONS	<u>11,306,692</u>	<u>8,745</u>
DEDUCTIONS:		
DISTRIBUTION FROM POOLED INVESTMENTS	10,923,788	-
DISTRIBUTION AND OBLIGATION RETIREMENTS	-	4,259
ADMINISTRATIVE EXPENSES	-	264
TOTAL DEDUCTIONS	<u>10,923,788</u>	<u>4,523</u>
CHANGE IN NET POSITION	382,904	4,222
NET POSITION (DEFICIT) HELD IN TRUST, BEGINNING	<u>3,462,538</u>	<u>(50,052)</u>
NET POSITION (DEFICIT) HELD IN TRUST, ENDING	<u>\$ 3,845,442</u>	<u>\$ (45,830)</u>

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





**NOTES TO THE
BASIC FINANCIAL
STATEMENTS**



COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The County of San Bernardino (County), which was established by an act of the State Legislature on April 26, 1853, is a legal subdivision of the State of California charged with governmental powers. The County's powers are exercised through a five-member Board of Supervisors (Board) which, as the governing body of the County, is responsible for the legislative and executive control of the County. As required by generally accepted accounting principles (GAAP), the accompanying financial statements present the activities of the County (the primary government) and its component units.

Blended Component Units

Because of their relationship with the County and the nature of their operations, blended component units are, in substance, part of the County's operations and, accordingly, the activities of these component units are combined, or blended, with the activities of the County for purposes of reporting in the accompanying basic financial statements. The basis for blending the component units is that their governing bodies are substantially the same as the County's Board and their operational or financial relationships with the County.

While each of these component units is legally separate from the County, the County has financial benefit or burden and/or fiscal dependence for these entities, and potential exclusion would result in misleading financial reporting of the County. Financial accountability is demonstrated by the County's Board acting as the governing board for each of the component units.

The component units below are included in the County's reporting entity:

- *Fire Protection District* - Established per Local Agency Formation Commission (LAFCO) Resolution 2986/2989 (adopted on January 16, 2008), effective July 1, 2008. Services provided include fire management, ambulance billing, fire prevention, hazardous materials, household hazardous waste, and the Office of Emergency Services. The district is included in the reporting entity because it has the same governing board and management as the County.
- *Flood Control District (Flood Control)* - Established under Chapter 73 of the 1939 Statutes for the State of California. The District maintains and constructs flood control channels, basins, storm drains and dams in six geographical zones within the County. The District is included in the reporting entity because it has the same governing board and management as the County.
- *Park and Recreation Districts* - Responsible for the operation and maintenance of parks and improvement zones located throughout the County. The Districts are included in the reporting entity because they have the same governing board and management as the County.
- *County Service Areas* - Established to provide specific services to distinct geographical areas within the County. Services include, but are not limited to, management and maintenance of streetlights, roads, sanitation collection systems and water distribution systems. The County Service Areas are included in the reporting entity because they have the same governing board and management as the County.
- *Various Joint Powers Authorities (JPAs)* – Includes In Home Support Services (IHSS), Inland Counties Emergency Medical Agency (ICEMA), and San Bernardino County Industrial Development Authority (COIDA). With the exception of ICEMA, separate financial statements are not available for these JPAs. The JPAs are included in the reporting entity because they have the same governing board and management as the County.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Inland Empire Public Facilities Corporation (IEPFC)* - A nonprofit public benefit corporation, formed on May 30, 1986, to serve the County by financing, refinancing, acquiring, constructing, improving, leasing and selling buildings, building improvements, equipment, land, land improvements, and any other real or personal property for the benefit of residents of the County. The Corporation is included in the reporting entity because it has the same governing board as the County, and there is a financial benefit or burden relationship with the County.
- *San Bernardino County Financing Authority (SBCFA)* - Created pursuant to a Joint Exercise of Powers Agreement dated May 16, 1966 as amended on July 1, 1982, and May 1, 1983, as amended and restated on March 27, 1989, and as amended on February 15, 1994. SBCFA provides financing for public capital improvements for the County, to acquire such public capital improvements, and to purchase certain underlying obligations issued by or on behalf of the County. The Authority is included in the reporting entity because it has the same governing board as the County, and there is a financial benefit or burden relationship with the County.
- *Housing Authority of the County of San Bernardino (Housing Authority or HACSB)* – a public agency established in 1941, whose primary goal is to provide decent housing in a suitable living environment for families that cannot afford standard private housing such as economically disadvantaged or elderly individuals. It accomplishes this goal through various federal, state and other funded programs. The Housing Authority is included in the reporting entity because they have the same governing board and management as the County. The Authority has a September 30th year-end and the information incorporated into the County's financial statements is from September 30, 2019. Since it was determined that a common fiscal year-end is impractical, the County incorporates financial statements for the Housing Authority's fiscal year ending during the County's fiscal year in accordance with GASB 14, *Financial Reporting Entity, as amended*.

Additional detailed financial information, including separately issued financial statements (except as noted above) of the County's component units, can be obtained from the Auditor-Controller/Treasurer/Tax Collector's Office at 268 W. Hospitality Lane, San Bernardino, CA 92415-0018.

Discretely Presented Component Unit

FIRST 5 San Bernardino, formerly known as the Children and Families First Commission, was formed in 1998 under the California Health and Safety Code - Section 130100, Chapter 29 of Title 1 of the San Bernardino County Code, and the California Children and Families First Act of 1998. The Commission was created for the purpose of promoting, supporting and improving the early development of children from the prenatal stage to five years of age and is funded by allocations of California Proposition 10 Tobacco Tax. The FIRST 5 is a discretely presented component unit because its governing body is not substantially the same as the County's governing body, it does not provide services entirely or exclusively to the County, and the County has the ability to impose its will by appointing all of the Commissioners who serve at the pleasure of the San Bernardino County Board of Supervisors.

Additional detailed financial information, including separately issued financial statements can be obtained from First 5 San Bernardino's Office at 735 E. Carnegie Drive, Suite 150, San Bernardino, CA 92408.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and fund financial statements

The basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements, and
- Notes to the basic financial statements

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the primary government, the County, and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Certain indirect costs are included in the program expenses of the appropriate functions. Program revenues include 1) charges paid by the recipient for goods or services offered by the program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund group classification – governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in separate columns. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

- The *General Fund* accounts for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as General Government, Public Protection, Public Ways and Facilities, Health and Sanitation, Public Assistance, Education, and Recreation and Cultural Services.
- The *Capital Improvement Fund* accounts for construction, rehabilitation, and repair projects for numerous facilities and structures administered by the Project Management Division. The fund is primarily financed by transfers from the general fund.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County reports the following major enterprise funds:

- *Medical Center* accounts for the operation of Arrowhead Regional Medical Center inpatient and outpatient care operations, including emergency room services and indigent care to County residents. The fund is financed primarily by patient care services. Separately issued financial statements for the County Medical Center can be obtained from the Auditor-Controller/Treasurer/Tax Collector's Office at 268 W. Hospitality Lane, San Bernardino, CA 92415-0018.
- *Waste Systems Division* accounts for refuse disposal services provided to the public by five landfill sites. The waste disposal program is financed by funds derived from gate fees at the San Bernardino Valley landfill sites and from land use fees charged to property owners in both the mountain and desert areas.
- *Housing Authority* accounts for the activities of the Housing Authority of the County of San Bernardino, a blended component unit of the County. Housing Authority provides various types of housing assistance to low and moderate income residents of San Bernardino County. Housing Authority's fiscal year-end was September 30, 2019.

The County reports the following additional fund types in the fund financial statements:

- *Internal Service Funds* account for central services group that provides services to other departments or agencies of the County on a cost reimbursement basis. Central services group includes printing services, surplus property, central mail, telecommunication services, computer operations, business solutions development, fleet management, risk management, and flood control equipment operations.
- The *Investment Trust Fund* accounts for the external portion of pooled investments of numerous self-governed school and special districts for which cash and investments are held by the County Treasurer. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments and other assets, and the related fiduciary responsibility of the County for disbursements of these assets. Activities of the school districts and special districts are administered by their own separate elected boards and are independent of the County Board of Supervisors. The County Auditor-Controller/Treasurer/Tax Collector makes disbursements upon the request of the responsible school and self-governed district officers. The County Board of Supervisors has no effective authority to govern, manage, approve budgets, assume financial responsibility, establish revenue limits, or to appropriate surplus funds available in these entities. Therefore, these entities are fiscally independent of the County.
- The *Private Purpose Trust Fund* accounts for the San Bernardino Redevelopment Successor Agency (Successor Agency) which operates under the auspices of a legislatively formed San Bernardino Countywide Oversight Board comprised of representatives per Health and Safety Code 34179(j) that serve the redevelopment project area. The Oversight Board, in its fiduciary capacity, has authority over the operations and the timely dissolution of the former Redevelopment Agency (RDA). It is tasked with fulfilling the obligations of the former RDA, and is also responsible for revenue collection, maintaining necessary bond reserves and disposing of excess property. The Successor Agency is responsible for continuing to pay and meet the former Redevelopment Agency's enforceable obligations, overseeing completion of redevelopment projects, disposing of assets and properties of the former Redevelopment Agency, as directed and approved by the San Bernardino Countywide Oversight Board. The Successor Agency issues a stand-alone financial report, which may be obtained by contacting the Successor Agency, 385 North Arrowhead Ave, 3rd Floor, San Bernardino, CA 92415-0043.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- The *Agency Funds* are custodial in nature and do not involve measurement of results of operations. Such funds primarily account for assets held by the County in an agency capacity pending transfer or distribution to individuals, private organizations, other governmental agencies, or other funds.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide, proprietary, and fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes and sales taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable, earned, and available. In the fund financial statements, property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end. Property taxes are recorded as deferred inflows of resources when not received within sixty days after fiscal year-end. In the government-wide financial statements, property taxes are recorded as revenue when levied regardless of when the cash is collected. Sales taxes, interest, and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period, and recognized as revenue.

The County considers items available if received within 9 months of year end, for voluntary non-exchange transactions such as federal and state grants and government-mandated non-exchange transactions. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

The County reports items as deferred inflows of resources when all eligibility requirements are met except for timing requirements or resources recognized as assets that do not meet the availability criterion for recognition as revenue in governmental funds.

Proprietary funds are used to account for business-type activities, which are financed mainly by fees and charges to users of the services provided by the funds' operations. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary funds include all trust and agency funds, which account for assets held in a trustee or an agency capacity for individuals, private organizations, or other governments.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

(a) Cash and Cash Equivalents

For purposes of the statement of cash flows, the County considers all pooled investments and other highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(b) Investments

The County's pooled investments are governed by the California Government Code (CGC) and the County's Investment Policy. These approved investments include U.S. Government Treasury and Agency securities, commercial paper, certificates of deposit, medium term notes, mutual funds, repurchase agreements and reverse repurchase agreements as authorized by the CGC Sections 53601, 53635 and 53638 that limit the investments to certain maximum percentages by investment type in the pool.

The County's pooled investments and securities are reported at fair value. The County intends to either hold investments until maturity or until market values equal or exceed cost. The value of the various investments will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Certain money market investments and investment contracts are recorded at cost.

The County categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

(c) Land Held for Resale

Land held for resale are assets acquired and held with the intent of sale, and are recorded at the lower of cost or market, until such time as there is an event which would indicate an agreed-upon sales price. It is not the intent of the County to hold these assets for gain or profit.

(d) Inventories and Prepaid Items

Inventories, which consist principally of materials and supplies held for consumption, are valued at cost (first-in, first-out basis) for governmental fund types and at an amount which approximates the lower of cost or market for proprietary fund types. Inventories of the governmental and business-type activities are accounted for as expenses when the inventory items are consumed. In the governmental fund financial statements, reported inventories are offset with nonspendable fund balance because these amounts are not available for appropriation and expenditure.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and accounted for as expenses when consumed rather than purchased in both the government-wide and the fund financial statements.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources are a consumption of net position that is applicable to a future reporting period and deferred inflows of resources are an acquisition of net position that is applicable to a future reporting period. A deferred outflows of resources has a positive effect on net position, similar to assets, and a deferred inflows of resources has a negative effect on net position, similar to liabilities. The County has certain items, which qualify for reporting as deferred outflows of resources (Note 9, Note 19 and Note 20) and deferred inflows of resources (Note 16, Note 19 and Note 20).

(f) Capital Assets

Capital assets, which include land, structures and improvements, equipment, software, land use rights including easement/right-of-way, and infrastructure assets (roadways, bridges, roadway signage, guardrails, drainage systems, traffic lights, dams, and flood control), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. These capital assets have initial useful lives extending beyond a single reporting period.

Such assets are recorded at historical cost or estimated historical cost if purchased or developed. Donated capital assets are recorded at acquisition value (an entry price) at the date of donation.

The capitalization threshold for the County is \$5,000 (amount not rounded) except for the following assets:

- Structures and infrastructure: \$100,000 (amount not rounded)
- Internally generated software: \$100,000 (amount not rounded)
- Easements/right-of-way: \$10,000 (amount not rounded)

Structures and improvements, equipment, software and infrastructure of the primary government are depreciated or amortized using the straight-line method over the following estimated useful lives:

- Infrastructure 10 to 100 years
- Structures and improvements Up to 45 years
- Equipment and software 5 to 15 years

Certain intangible assets with contractual, legal, regulatory, or any other factors, which limit the useful lives of those assets, are amortized in accordance with such factors or provisions.

(g) Employee Compensated Absences

Compensated employee absences (vacation, compensatory time off, annual leave, perfect attendance leave, and sick leave) are accrued as an expense and liability in the proprietary funds when incurred. In the governmental funds, only those amounts that are due and payable at year-end are accrued. Compensated employee absences that exceed this amount represent a reconciling item between the fund and government-wide presentations.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Termination Benefits

The County offered monetary incentives to hasten employee voluntary termination of services. Termination benefits are different in nature than salaries and benefits, including post employment benefits. Accordingly, a liability for termination benefits is accrued and presented separately from the salaries and benefits (Note 11).

(i) Pollution Remediation Obligations

The County estimates pollution remediation outlays to remediate the effects of a pollution event in accordance with generally accepted accounting principles. Those outlays include remedial investigation, site assessment, corrective measures feasibility studies, remediation work, equipment and monitoring of the polluted site (Note 11).

(j) Long-term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, with the exception of prepaid bond insurance. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

In the fund financial statements, governmental bond premiums and discounts, as well as bond issuance costs, are recognized in the period issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(k) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's cost-sharing multiple-employer defined benefit retirement plan administered by the San Bernardino County Employees' Retirement Association (SBCERA) and the Housing Authority's agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), and additions to/deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by SBCERA and CalPERS. For this purpose, employer and employee contributions are recognized in the period the related salaries are earned and become measurable pursuant to formal commitments, statutory or contractual requirement, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, and investments are reported at fair value.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U.S. generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used for the pension plans:

	<u>County's Pension Plan</u>	<u>Housing Authority's Pension Plan</u>
Actuarial Valuation Date:	June 30, 2019	June 30, 2018
Measurement Date:	June 30, 2019	June 30, 2019
Measurement Period:	July 1, 2018 to June 30, 2019	July 1, 2018 to June 30, 2019
Reporting Date	June 30, 2020	September 30, 2019

(l) Other Post-Employment Benefits

For purposes of measuring the net other post-employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Housing Authority's OPEB plan, the assets of which are held by Public Agency Retirement Services (PARS), and additions to/deductions from the OPEB plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms, and investments are reported at fair value.

U.S. generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used for the Housing Authority's OPEB plan:

Reporting Date	September 30, 2019
Valuation Date:	September 30, 2018
Measurement Date:	September 30, 2018
Measurement Period:	October 1, 2017 to September 30, 2018

(m) Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "Due to/from other funds" (i.e., the current portion of interfund loans) or "Interfund receivables/payables" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Interfund receivables, as reported in the fund financial statements, are offset by the corresponding fund balance classification to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Net Position/Fund Balances

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, and capital-related deferred outflows of resources into one component of net position. Accumulated depreciation, capital-related deferred inflows of resources, and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets as well as any premium or discount paid on debt reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulation of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Examples of restricted net position include federal and state grants that are restricted by grant agreements for specific purposes and restricted cash set aside for debt service payments.
- *Unrestricted Net Position* – This category represents the net position of the County, not restricted for any project or other purpose.

At June 30, 2020, the County reported restricted net position of \$1,426,618 in the Governmental Activities restricted for the following purposes:

Restricted for:	Amount
Grants and Other County Programs:	
State Realignment Funds	\$ 450,873
Teeter Plan	16,855
Other Grants and Programs	957,052
Perpetual Care - Nonexpendable	1,838
	\$ 1,426,618

In the fund financial statements, governmental funds report fund balance as (1) Nonspendable Fund Balance, (2) Restricted Fund Balance, (3) Committed Fund Balance, (4) Assigned Fund Balance, and (5) Unassigned Fund Balance. These components of fund balance are reported primarily to indicate the extent to which the County is bound to honor constraint on the specific purposes for which amounts in the fund can be spent (Note 17).

- 1) *Nonspendable Fund Balance*: Amounts cannot be spent because they are: (a) not in spendable form or (b) legally or contractually required to be maintained intact. Due to the nature or form of the resources, they generally cannot be expected to be converted into cash or a spendable form.
- 2) *Restricted Fund Balance*: Amounts are restricted by external parties, i.e., creditors, grantors, contributors, or laws/regulations of other governments or restricted by law through constitutional provisions or enabling legislation.
- 3) *Committed Fund Balance*: Amounts can only be used for a specific purpose pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Board of Supervisors). The formal action must occur prior to the end of the reporting period, however, the amount may be determined in the subsequent period. These are self-imposed limitations on available resources. These committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same level of action it employed to previously commit those amounts. These committed amounts would be approved and adopted by formal action of the Board.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 4) *Assigned Fund Balance*: Amounts are constrained by the government's intent to be used for specific purposes that are neither restricted nor committed. The intent will be expressed by the body or official to which the governing body has delegated the authority, i.e. the County Administrative Office. The County Administrative Office will assign fund balance for specific departmental projects through the use of the respective department's general fund savings.
- 5) *Unassigned Fund Balance*: The general fund, as the principal operating fund, often has net resources in excess of what can properly be classified in one of the four categories already described. Therefore, in order to calculate unassigned fund balance, total fund balance less nonspendable, restricted, committed, or assigned equals unassigned fund balance. This amount is available for any purpose and will be placed in either the general purpose reserve, general fund – mandatory contingencies or the general fund - uncertainties contingencies until allocated for a specific purpose by the Board, by a four-fifths vote. Negative equity in all other governmental funds is reflected as unassigned.

The County Board of Supervisors establishes, modifies or rescinds fund balance commitments by passage of a resolution. The County also uses budget and finance policy to authorize the assignment of fund balance, which is done through adoption of the budget and subsequent budget amendments throughout the year.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then followed by unrestricted resources; committed, assigned and unassigned, as they are needed.

(o) Fund Balance and Reserve Policy

The objective of the County's fund balance and reserve policy is to ensure the County of San Bernardino maintains a minimum level of unassigned fund balance designated as general purpose reserve to meet seasonal cash flow shortfalls, revenue shortfalls, unanticipated expenditures, economic downturns or effects of local disasters. The policy also addresses the circumstances under which unassigned fund balance can be "spent down" and how the unassigned fund balance will be replenished if it falls below the established minimum.

General Purpose Reserve and Mandatory Contingencies Reserve

The County has established an unassigned fund balance designated as general purpose reserve for the general fund targeted at 20% of locally funded appropriations based on the adopted budget. Locally funded appropriations are those funded by countywide discretionary revenues such as unrestricted property tax, sales tax, interest income, and other revenues not linked to specific programs and those funded by ongoing operating transfers in.

The unassigned fund balance designated as general purpose reserve is built up with one-time sources until the established target is achieved. In the event the locally funded appropriations decline from the previous fiscal year, the general purpose reserve shall have no downward adjustments. Increases to the general purpose reserve generally are only made once at the beginning of the fiscal year.

The County also maintains a mandatory contingencies reserve set at a minimum of 1.5% of locally funded appropriations based on adopted budget. The amount needed to fund the mandatory contingencies reserve for the succeeding fiscal year will be categorized as unassigned fund balance. In the event the locally funded appropriation declines from the previous fiscal year, the mandatory contingencies shall have no downward adjustments. Increases to the mandatory contingencies generally are only made once at the beginning of the fiscal year.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The remaining unassigned fund balance amount not allocated to the general purpose reserve or mandatory contingencies reserve will be included in uncertainties contingencies reserve.

Fund Balance Spend Down and Replenishment Procedure

Use of unassigned fund balance will be limited to nonrecurring expenditures, debt reduction, one-time capital costs or emergency situations (such as economic conditions or natural disasters). The County generally will use the uncertainties contingencies reserve first, then the mandatory contingencies and finally the general purpose reserve allocation when using the unassigned fund balance.

The County recognizes that unforeseen events may cause the use of unassigned fund balance which will result in it falling below the established minimum. However, if this occurs, or is expected to occur within the five year planning cycle, the budget balancing strategies will be invoked to determine corrective actions. When necessary, the following budget balancing strategies will be used in order of priority:

- 1) Seek other revenue opportunities, including new service fees or increase to existing fees;
- 2) Reduce expenditures through improved productivity;
- 3) Reduce or eliminate services;
- 4) Reduce employee salaries and benefits.

A planned draw down of unassigned fund balance generally should not exceed 3% of locally funded appropriation in a given fiscal year. Generally before the unassigned fund balance can be withdrawn below the target, a replenishment plan must be adopted. For withdrawals, as soon as economic conditions have recovered, one-time sources will be used to replenish reserves before using for one-time, non-emergency expenses. The unassigned fund balance shall be built up with one-time sources until the established target is achieved/replenished.

As of June 30, 2020, the County's general purposes reserve is \$131,108 which is included in the unassigned fund balance as determined by the fund balance policy.

(p) Property Taxes

The County levies, collects, and apportions property taxes for all taxing jurisdictions within the County, including school and special districts. Property taxes are determined by applying approved rates to the assessed values of properties. The total 2019-20 taxable assessed valuation of the County of San Bernardino was \$235,298,320.

Article XIII A of the State of California Constitution limits the property tax levy to support general government services of the various taxing jurisdictions to \$1.00 per \$100.00 of assessed value. Taxes levied to service voter-approved debt prior to June 30, 1978 are excluded from this limitation. Secured property taxes are levied in two equal installments, November 1 and February 1. They become delinquent with penalties after December 10 and April 10, respectively. The lien date is January 1 of each year. Unsecured property taxes are due on the March 1 lien date and become delinquent with penalties after August 31. The term "unsecured" refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County apportions property tax according to the Teeter Plan, which is an alternate property tax distribution procedure authorized by the California Legislature in 1949. Generally, the Teeter Plan provides for a property tax distribution procedure by which secured roll taxes are distributed based on the tax levy, rather than on the basis of actual tax collections, for agencies that elect to participate in the Teeter Plan (including the County General Fund). Under the Teeter Plan, the County advances each participant an amount equal to the participant's Teeter Secured Levy (adjusted at year end for corrections to the assessment roll) that remains unpaid at the end of the fiscal year. In return, the County General Fund receives all future delinquent tax payments, penalties and interest. The County bears the risk of loss on the delinquent property taxes but benefits from the penalties and interest associated with these delinquent taxes when they are paid. Under the Teeter Plan, the County is also required to establish a tax loss reserve fund to cover losses that may occur as a result of sales of tax-defaulted properties.

(q) Use of Estimates

The presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

(r) Implemented Accounting Pronouncements

During fiscal year 2020, the County adopted the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 95 – Postponement of the Effective Dates of Certain Authoritative Guidance

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The requirements of this Statement are effective immediately. The County adopted this Statement during the current fiscal year. As a result of adopting this statement, all Statements that were originally scheduled to be effective during the year ending June 30, 2020 have been deferred to fiscal years after the year ending June 30, 2020.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Amounts reported for governmental activities in the statement of net position are different from those reported for governmental funds in the balance sheet.

The following provides a reconciliation of those differences:

	Total Governmental Funds (Page 40)	Long-term Assets Deferred Outflows Deferred Inflows and Liabilities (1)	Internal Service Funds (2) (Page 45)	Eliminations	Statement of Net Position Totals (Page 36)
Assets and Deferred Outflows of Resources					
Assets:					
Cash and Cash Equivalents	\$ 2,808,419	\$ -	\$ 439,856	\$ -	\$ 3,248,275
Investments	2,797	-	-	-	2,797
Accounts Receivable - Net	7,224	-	420	-	7,644
Taxes Receivable	49,762	-	-	-	49,762
Interest Receivable	42,675	-	-	-	42,675
Loans Receivable	32,882	-	-	-	32,882
Other Receivables	5,722	-	991	-	6,713
Due from Other Funds	89,093	-	2,392	(91,485)	-
Due from Other Governments	479,322	-	1,217	-	480,539
Internal Balances	-	-	-	17,217	17,217
Land Held for Resale	50,038	-	-	-	50,038
Inventories	5,575	-	4,782	-	10,357
Prepaid Items	8,795	-	6,982	(691)	15,086
Interfund Receivable	29,775	-	-	(29,775)	-
Restricted Cash and Investments	18,478	-	-	-	18,478
Land	-	141,859	1,504	-	143,363
Land Use Rights - Not Amortized	-	26,281	-	-	26,281
Development In Progress	-	353,969	12,689	-	366,658
Structures, Improvements, and Infrastructure	-	2,921,512	28,918	-	2,950,430
Equipment and Software	-	384,704	128,758	-	513,462
Accumulated Depreciation and Amortization	-	(1,761,054)	(106,814)	-	(1,867,868)
Total Assets	3,630,557	2,067,271	521,695	(104,734)	6,114,789
Deferred Outflows of Resources:					
Bond Refunding	-	873	-	-	873
Pensions	-	685,760	24,426	-	710,186
Total Deferred Outflows of Resources	-	686,633	24,426	-	711,059
Total Assets and Deferred Outflows of Resources	\$ 3,630,557	\$ 2,753,904	\$ 546,121	\$ (104,734)	\$ 6,825,848
Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position					
Liabilities:					
Accounts Payable and Other Current Liabilities	\$ 197,696	\$ -	\$ 6,342	\$ -	\$ 204,038
Salaries and Benefits Payable	126,440	-	3,871	-	130,311
Due to Other Funds	94,250	-	2,447	(96,697)	-
Due to Other Governments	415,972	-	305	-	416,277
Interest Payable	127	5,470	-	-	5,597
Advances from Others	19,935	-	893	(691)	20,137
Interfund Payable	7,346	-	-	(7,346)	-
Compensated Absences Payable	-	209,217	8,004	-	217,221
Termination Benefits Payable	-	14	-	-	14
Bonds and Notes Payable	-	423,722	-	-	423,722
Premium	-	98	-	-	98
Discount	-	(5,706)	-	-	(5,706)
Capital Lease Obligations	-	722	-	-	722
Estimated Liability for Litigation and Self-Insured Claims	-	-	316,979	-	316,979
Net Pension Liability	-	1,939,920	46,585	-	1,986,505
Total Liabilities	861,766	2,573,457	385,426	(104,734)	3,715,915
Deferred Inflows of Resources:					
Unavailable Revenues	92,461	(92,461)	-	-	-
Bond Refunding	-	108	-	-	108
Pensions	-	109,642	7,728	-	117,370
Total Deferred Inflows of Resources	92,461	17,289	7,728	-	117,478
Fund Balance/Net Position	2,676,330	163,158	152,967	-	2,992,455
Total Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position	\$ 3,630,557	\$ 2,753,904	\$ 546,121	\$ (104,734)	\$ 6,825,848

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

(1) Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the funds.		
Land	\$	141,859
Land Use Rights - not being amortized		26,281
Development in Progress		353,969
Structures, Improvements, and Infrastructure		2,921,512
Equipment and Software		384,704
Accumulated Depreciation and Amortization		<u>(1,761,054)</u>
		<u>\$ 2,067,271</u>
(1) Receivables are not available to pay for current-period expenditures and are therefore deferred in the governmental funds.	\$	<u>92,461</u>
		<u>\$ 92,461</u>
(1) Interest Payable		<u>\$ (5,470)</u>
(1) Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Deferred Outflows of Resources - Bond Refunding	\$	873
Deferred Outflows of Resources - Pensions		685,760
Deferred Inflows of Resources - Bond Refunding		(108)
Deferred Inflows of Resources - Pensions		<u>(109,642)</u>
		<u>\$ 576,883</u>
(1) Long-term liabilities, including bonds payable, that are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences Payable	\$	(209,217)
Termination Benefits Payable		(14)
Bonds and Notes Payable		(423,722)
Premium		(98)
Discount		5,706
Capital Lease Obligations		(722)
Net Pension Liability		<u>(1,939,920)</u>
		<u>\$ (2,567,987)</u>
(2) Internal service funds that are used by management to charge the costs of general services, telecommunication services, computer operations, fleet management, risk management, and flood control equipment to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		<u>\$ 152,967</u>
(1) GASB 34 Conversion Entries		
(2) Internal Service Funds reported as part of Governmental Activities		

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

(a) Budgetary Information

In accordance with the provisions of Section 29000 – 29144 and 30200 of the Government Code of the State of California, commonly known as the County Budget Act, the County prepares and adopts the final budget no later than October 2, for each fiscal year. Budgets are adopted for the General Fund, certain Special Revenue Funds, certain Debt Service Funds, and certain Capital Projects Funds. Budgets are prepared on the modified accrual basis of accounting, except that current year encumbrances are budgeted as expenditures.

Annual budgets are not adopted for the following funds: Pension Obligation Bonds Debt Service, Joint Powers Authorities Special Revenue and Debt Service Funds, and Permanent Funds.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Amounts in thousands)

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

The legal level of budgetary control is maintained at the object level for general expenditures and sub-object level for capital assets within departments. However, presentation of the basic financial statements at the legal level of control is not feasible due to excessive length. Because of the large volume of detail, the budget and the actual statements have been aggregated by function. The County does prepare a separate final budget document at the object and sub-object level that is available to the public by the office of the Auditor-Controller/Treasurer/Tax Collector.

Amendments or transfers of appropriations between funds or departments must be approved by the Board. Throughout the year, supplemental appropriations may be necessary and are normally financed by unanticipated revenues. These must also be approved by the Board. Amendments or transfers of appropriations between object code levels within the same department may be approved by the Board or the County Administrative Office. Transfers at the sub-object code level or cost center level may be done at the discretion of the department head. Any deficiency of the budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning available fund balances as provided in the County Budget Act.

(b) Excess of Expenditures Over Appropriations

For the year ended June 30, 2020, expenditures exceeded appropriations in public ways and facilities of the general fund by \$176, in general government of county service areas by \$23, and in public assistance of other special revenue funds by \$1,719. These over expenditures were funded by available fund balance.

(c) Reconciliation of Budgetary Basis to GAAP Basis

The annual County Budget is prepared, approved and adopted in accordance with provisions of the County Budget Act. In preparing the budget, the County utilizes a basis of accounting which is different from the basis prescribed by generally accepted accounting principles (GAAP). The accompanying General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual on a Budgetary Basis presents a comparison of the legally adopted budget and the actual data on a budgetary basis.

The following adjustments are necessary to provide a meaningful comparison of the actual results of operations with the budget:

	<u>General Fund</u>
Fund balance - budgetary basis	\$ 1,508,130
Outstanding encumbrances for budgeted funds	79,069
Unearned Revenue for Coronavirus Relief Fund	(371,256)
Fund balance - GAAP basis	\$ 1,215,943

NOTE 4 – CASH AND INVESTMENTS

Cash and investments include the cash balances of substantially all funds which are pooled (the “pool”) and invested by the County Treasurer for the purpose of increasing interest earnings through investment activities. The pool is not registered as an investment company with the Securities and Exchange Commission (SEC) and is not rated. Included also are cash and investments held by certain joint powers and certain public agencies authorities and cash held by various trustee financial institutions in accordance with the California Government Code.

State law requires that all operating monies of the County, school districts, and certain special districts be held by the County Treasurer. The net position value associated with legally mandated external participants in the investment pool was \$3,552,767 at June 30, 2020.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2020, the fair value of the County investment pool was \$8.2 billion. Approximately 18% of the County pool is attributable to the County General Fund, with the remainder of the balance comprised of other county funds, component units, school districts and special districts. Additionally, as of June 30, 2020, \$292,675 of the amounts deposited in the County pool was attributable to depositors who are not required to, but choose to, invest in the County pool. These include independent special districts, State Trial Court, and other governmental agencies. The deposits held for both involuntary and voluntary external participants are reported in the Investment Trust Fund.

The fair value of the pool is determined monthly, and depends on, among other factors, the maturities and types of investments and general market conditions. The fair value of each participant's position including both voluntary and involuntary participants is the same as the value of the pool share. The method used to determine participants' equity withdrawn is based on the daily average book value of the participants' percentage participation in the pool.

The County has not produced or provided any letters of credit or legal binding guarantees as supplemental support of the pool values during the year ended at June 30, 2020. The pool provides monthly reporting to both The Treasury Oversight Committee who reviews investment policy and the County Board of Supervisors who reviews and approves investment policy.

The County does not pool its external participants' investments separately from the County pool. The average rate of return on investments during fiscal year 2020 was 1.94%.

A summary of the total cash and investments as of June 30, 2020 is as follows:

Investment Type	Cost	Fair Value	Interest Rate Range	Maturity Range	Average Maturity (days)
U.S. Treasury Securities	\$ 1,745,250	\$ 1,816,902	1.49% - 2.66%	07/31/20 - 05/15/25	806
U.S. Government Agencies	2,728,660	2,787,790	0.31% - 3.21%	07/01/20 - 06/17/25	933
Negotiable Certificates of Deposit	1,400,000	1,401,145	0.21% - 2.04%	07/01/20 - 06/01/21	124
Commercial Paper	512,623	514,672	0.23% - 1.92%	07/02/20 - 02/01/21	85
Medium-Term Notes	289,607	294,899	0.56% - 3.50%	10/23/20 - 07/05/23	516
Insured Placement Service Accounts	50,000	50,000	0.20%	07/01/20	1
JPA Investment Pools	375,000	375,000	0.48%	07/01/20	1 ^A
Money Market Mutual Funds	433,000	433,000	0.06% - 0.31%	07/01/20	1 ^B
Supranational Securities	250,191	256,898	0.50% - 3.06%	09/04/20 - 06/17/24	667
Asset-Backed Securities	214,998	218,651	1.01% - 2.91%	09/20/21 - 01/15/25	973
Total County's Pooled Investments	7,999,329	8,148,957			
Investments Held Outside County Pool:					
State and Local Municipal Bonds	8,026	7,889	3.00% - 5.00%	08/01/20 - 06/01/21	214
Money Market Mutual Funds	122,013	122,001	N/A	N/A	N/A ^C
Local Agency Investment Fund	6,512	6,512	2.45%	N/A	N/A ^D
Total Investments Held Outside County Pool	136,551	136,402			
Total Investments	\$ 8,135,880	8,285,359			
Cash in Bank:					
Cash Equivalents and Demand Deposits (County)		351,556			
Cash Equivalents and Demand Deposits (Housing Authority)		38,929			
Total Cash in Bank		390,485			
Total Cash and Investments		\$ 8,675,844			

^A Weighted Average Maturity (WAM) of JPA Investment Pools held by the County Pool on 6/30/20 was 53 days.

Individual JPA Pool WAM was not used to calculate County Pool WAM as funds are available daily at \$1.00 NAV.

^B WAM of Money Market Mutual Funds held by the County Pool on 6/30/20 was 46 days.

Individual fund WAM was not used to calculate County Pool WAM as funds are available daily at \$1.00 NAV.

^C WAM of Money Market Mutual Funds held outside the County Pool on 6/30/20 was 20 days.

^D Weighted Average Life (WAL) of the Local Agency Investment Fund (LAIF) balances held outside the County Pool (Housing Authority) on 9/30/19 was 185 days (LAIF does not report WAM).

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Amounts in thousands)

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

The following table presents the authorized investment types per California Government Code (CGC), along with their respective requirements and restrictions per the CGC and the County Investment Pool Policy:

Investment Type	Maximum Maturity		Maximum % of Pool		Maximum % Per Issuer		Minimum Rating ^{A, B}	
	CGC	Investment Policy	CGC	Investment Policy	CGC	Investment Policy	CGC	Investment Policy ^C
U.S. Treasury Securities	5 years	5 years & 6 months ^D	None	None	None	None	None	None
U.S. Government Agencies	5 years	5 years & 6 months ^D	None	None	None	None	None	None
Negotiable Certificates of Deposit	5 years	38 months	30%	30%	None	5%	None	A-1/P-1/F1/A-/A3/A-
Collateralized Certificates of Deposit	5 years	1 year	None	10%	None	None	None	None
Commercial Paper	270 days	270 days	40%	40%	10%	5%	A-1/A	A-1/P-1/F1
Repurchase Agreements	1 year	180 days	None	40%	None	None	None	None
Reverse Repurchase Agreements	92 Days ^E	92 Days ^E	20%	10%	None	None	None ^F	None ^F
Municipal Debt	5 years	5 years	None	10%	None	None	None	AAA by 2 NRSROs
Medium-Term Corporate Notes	5 years	38 months	30%	10%/20% ^G	None	5%	A-	A-/A3 by 2 NRSROs
Insured Placement Service Accounts	5 years	Immediate liquidity	50%	5%	None	100MM, 100MM ^I	None	Not applicable
JPA Investment Pools	Not applicable	Immediate liquidity	None	5%	None	None	None	AAA
Money Market Mutual Funds	Not applicable	Immediate liquidity	20%	20%	None	10%	AAAm by 2 NRSROs	AAA by 2 NRSROs
Supranational Securities	5 years	5 years	30%	30%	None	None	AA-	AA
Asset-Backed Securities	5 years	5 years	20%	10%	None	5% ^H	AA-	AA

Footnote:

- ^A Minimum credit rating categories are without regard to ratings modifiers (+/-). Short-term rating appears before long-term rating.
^B Standard & Poor's Ratings (quoted) or its equivalent nationally recognized statistical rating organization (NRSRO) rating or better.
^C The County uses the credit ratings issued by the following nationally recognized statistical rating organizations: Standard & Poor's Ratings Services, Moody's Investors Service, and Fitch Ratings.
^D California Government Code Section 53601 allows for purchases of Treasury and Agency securities beyond 5 years with approval of the Board of Supervisors.
^E May exceed 92 days if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale and final maturity dates of the same security.
^F Must have held the securities used for the agreements for at least 30 days.
^G Maximum portfolio Medium-Term Corporate Note exposure is 20%, with a limit of 10% on maturities over 13 months.
^H Subject to 5% overall special purpose entity limit - a legally separated pass-through entity, trust or equivalent that makes its obligation secure and independent from the parent entity.
^I FICA accounts balances are fully covered by FDIC insurance. Term deposits are not permitted. Maximum \$100MM per selected depository institution. Maximum \$100MM per placement service.

Fair value measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the County's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the County's own data.

COUNTY OF SAN BERNARDINO
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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the County's management. County management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to County management's perceived risk of that investment.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals in governmental investment pools, such as LAIF and JPA Investment Pools, guaranteed investment agreements and insured placement service accounts are made on the basis of \$1 and not fair value. Accordingly, the fair value of the County's proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

The following is a description of the valuation methods and assumptions used by the County to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2020. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. County management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The County treasury pool's asset market prices are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy.

For investments classified within Level 2 of the fair value hierarchy, the County's custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.

Investments classified at Level 3 represent securities that are entirely owned by the County and have not traded publicly. The securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated.

The valuation of 2a7 Money Market Mutual funds held by the pool is at one-dollar net asset value (NAV) per share. The total fair value of these at June 30, 2020 was \$433,000, with \$0 unfunded commitments. The redemption frequency is daily and redemption notice period of intra-daily. This type of investment primarily invests in short term U.S Treasury and government securities (including repurchase agreements collateralized by U.S. Treasury and government agency securities).

COUNTY OF SAN BERNARDINO
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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

The valuation of 2a7 Money Market Mutual funds held outside the pool at one-dollar net asset value (NAV) per share was \$14,377 at June 30, 2020. The total fair value of 2a7 Money Market Mutual Funds held outside the pool subject to floating NAV was \$107,624 at June 30, 2020. The total fair value of these at June 30, 2020 was \$122,001, with \$0 unfunded commitments. The redemption frequency is daily and redemption notice period of intra-daily. This type of investment primarily invests in short term U.S Treasury, government securities (including repurchase agreements collateralized by U.S. Treasury and government agency securities), agency mortgage-backed securities, and short term high quality municipal obligations that provide income exempt from federal and California state income tax and federal alternative minimum tax.

As of June 30, 2020, the County has the following recurring fair value measurements:

	Balance at June 30, 2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
County's Pooled Investment:				
U.S. Treasury Securities	\$ 1,816,902	\$ -	\$ 1,816,902	\$ -
U.S. Government Agencies	2,787,790	-	2,787,790	-
Negotiable Certificates of Deposit	1,401,145	-	1,401,145	-
Commercial Paper	514,672	-	514,672	-
Medium-Term Notes	294,899	-	294,899	-
Supranational Securities	256,898	-	256,898	-
Asset-Backed Securities	218,651	-	218,651	-
Total County's Pooled Investments by Fair Value Level	7,290,957	\$ -	\$ 7,290,957	\$ -
Investments Held Outside County Pool by Fair Value Level:				
State and Local Municipal Bonds	7,889	\$ -	\$ 7,889	\$ -
Total Investments Held Outside County Pool by Fair Value Level	7,889	\$ -	\$ 7,889	\$ -
Uncategorized Investments				
Uncategorized Investments Held in County's Pool:				
Insured Placement Service Accounts	50,000			
JPA Investment Pools	375,000			
Total Uncategorized Investments Held in County's Pool	425,000			
Uncategorized Investments Held Outside County's Pool:				
Local Agency Investment Fund	6,512			
Total Uncategorized Investments Held Outside County's Pool	6,512			
Investments Measured at the Net Asset Value (NAV)				
County's Pooled Investments Measured at the Net Asset Value (NAV):				
Money Market Mutual Funds	433,000			
Investments Held Outside County Pool Measured at the Net Asset Value (NAV):				
Money Market Mutual Funds	122,001			
Total Investments	\$ 8,285,359			

Investments authorized by debt agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the trust agreements, created in connection with the issuance of debt (see Note 11) rather than the general provisions of the California Government Code. Certificates of Participation, Pension Obligation Bond and Revenue Bond indentures specify the types of securities in which proceeds may be invested as well as any related insurance, collateral, or minimum credit rating requirements. Although requirements may vary between debt issues, money market funds are all required to be investment grade. Guaranteed investment contracts are required to be acceptable to the municipal bond insurer. The fair value of investments is based on the valuation provided by trustee banks.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

Investment credit risk

Investment credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. Generally accepted accounting principles requires the disclosure of credit quality ratings for investments in debt securities as well as investments in external investment pools, money market funds, and other pooled investments of fixed income securities.

California Law and San Bernardino County Treasury Pool Investment Policy (where more restrictive) place limitations on the purchase of investments in the County Pool. Purchases of commercial paper, banker's acceptances, and negotiable certificates of deposit are restricted to issuers rated in the top three long-term letter ratings by a minimum of two of three nationally recognized statistical rating organizations (NRSRO's). For an issuer of short-term debt, the rating must be no less than A-1 (S&P), P-1 (Moody's), or F-1 (Fitch) while an issuer of medium-term corporate notes must have a minimum letter rating of "A". Asset-backed securities must have a minimum letter rating of "AA." Purchases of Supranational issuer securities must have a minimum long-term letter rating of "AA" from one NRSRO. Municipal notes and bonds and money market mutual funds must have a minimum letter rating of "AAA" from two of three NRSRO's (if rated). JPA Pools must have a minimum letter rating of "AAA" from one NRSRO. (Letter ratings are stated without regard to ratings modifiers +/-) Limits are also placed on the maximum percentage investment by sector and by individual issuer (see schedule).

As of June 30, 2020, all investments held by the County Pool were within policy limits.

Investment Type	S&P Rating *	Moody's Rating *	Fitch Rating *	Maximum Allowed % of Portfolio	Individual Issuer Limitations	Weighted % of Pool
U.S. Treasury Securities	AA+	Aaa	AAA	None	None	22.30%
U.S. Government Agencies	AA+	Aaa	AAA	None	None	23.62%
U.S. Government Agencies	AA+	Aaa	NR	None	None	7.10%
U.S. Government Agencies	A-1+	P-1	NR	None	None	3.50%
Negotiable Certificates of Deposit	A-1	P-1	F1+	30%	5%	6.76%
Negotiable Certificates of Deposit	A-1+	P-1	F1+	30%	5%	10.44%
Commercial Paper	A-1+	P-1	F1	40%	5%	0.31%
Commercial Paper	A-1	P-1	F1	40%	5%	1.84%
Commercial Paper	A-1	P-1	F1+	40%	5%	4.17%
Medium-Term Notes	A	A1	AA-	10%/20%	5%	0.06%
Medium-Term Notes	AA-	Aa3	NR	10%/20%	5%	0.06%
Medium-Term Notes	AAA	Aaa	AA+	10%/20%	5%	0.12%
Medium-Term Notes	AAA	Aaa	NR	10%/20%	5%	0.04%
Medium-Term Notes	A	A2	A	10%/20%	5%	0.35%
Medium-Term Notes	A+	A1	NR	10%/20%	5%	0.21%
Medium-Term Notes	AA	Aa1	NR	10%/20%	5%	0.21%
Medium-Term Notes	AA	Aa2	AA	10%/20%	5%	0.21%
Medium-Term Notes	AA-	A1	A+	10%/20%	5%	0.44%
Medium-Term Notes	AA-	A1	AA-	10%/20%	5%	1.40%
Medium-Term Notes	A+	Aa2	AA-	10%/20%	5%	0.51%
Insured Placement Service Accounts	NR	NR	NR	5%	\$100MM, \$100MM	0.61%
JPA Investment Pools	AAAm	NR	NR	5%	None	4.60%
Money Market Mutual Funds	AAAm	Aaa	NR	20%	10%	0.01%
Money Market Mutual Funds	AAAm	Aaa	AAA	20%	10%	5.30%
Supranational Securities	AAA	Aaa	NR	30%	None	0.31%
Supranational Securities	AAA	Aaa	AAA	30%	None	2.84%
Asset-Backed Securities	AAA	Aaa	NR	10%	5%	1.33%
Asset-Backed Securities	AAA	NR	AAA	10%	5%	0.66%
Asset-Backed Securities	NR	Aaa	AAA	10%	5%	0.69%

* NA = Not Applicable, NR = Not Rated

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

The County's investments held outside the County Pool were rated as of June 30, 2020 as follows:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Moody's Rating</u>	<u>Fitch Rating</u>	<u>Weighted % of Investments</u>
Local Agency Investment Fund (Housing Authority)	NR*	NR*	NR*	4.77%
Municipal Bonds	A	A1	A+	0.37%
Municipal Bonds	Aaa	AAA	AAA	2.94%
Municipal Bonds	SP-1+	MIG 1	NR*	2.47%
Mutual Funds	AAA	Aaa	AAA	6.24%
Mutual Funds	AAA	Aaa	NR*	4.30%
Mutual Funds	NR*	NR*	NR*	78.90%

* NR = Not Rated

Concentration of credit risk

An increased risk of loss occurs as more investments are acquired from one issuer (i.e. lack of diversification). This results in a *concentration of credit risk*.

Generally accepted accounting principles requires disclosure of investments by amount and issuer that represent five-percent or more of total investments held. This requirement excludes investments issued or explicitly guaranteed by the United States Government, investments in mutual funds, external investment pools, and other pooled investments.

As of June 30, 2020, the following issuers represented more than five-percent of the County's Pooled Investment balance:

<u>Issuer</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
Federal National Mortgage Assoc (FNMA)	\$ 909,756	10.90%
Federal Home Loan Bank (FHLB)	863,404	10.34%
Federal Home Loan Mortgage Corp (FHLMC)	527,020	6.31%
Federal Farm Credit Bank (FFCB)	487,611	5.84%

Interest rate risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. Generally, the longer the maturity of an investment, the greater the interest rate risk associated with that investment.

Generally accepted accounting principles requires that *interest rate risk* be disclosed using a minimum of one of five approved methods, which are: *segmented time distribution, specific identification, weighted average maturity, duration, and simulated model*.

The County manages its exposure to interest rate risk by carefully matching cash flows and maturing positions to meet expenditures, limiting 40% of the County Pool to maturities of one year or less, and by maintaining an overall Duration-to-Maturity of 2.0 or less. Modified Duration, which the County uses, is a measure of a fixed income's cash flow using present values, weighted for cash flows as a percentage of the investments full price. The modified duration of the total pooled investment at June 30, 2020 is 1.48 Effective Duration makes assumptions based on current market conditions regarding the most likely timing and amounts of variable cash flows arising from such investments as callable bonds. Duration-to-Maturity assumes that all securities in the portfolio, including callable and floating rate notes, are held to final maturity.

COUNTY OF SAN BERNARDINO
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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

California Law and where more restrictive, the San Bernardino County Pool Investment Policy, place limitations on the maximum maturity of investments to be purchased by sector (see schedule). As of June 30, 2020, all investments held by the County Pool were within policy limits.

A summary of County pooled investments for Maturity Range, Limits, and Modified Duration is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Range (days)</u>	<u>Maturity Limits</u>	<u>Modified Duration</u>
U.S. Treasury Securities	\$ 1,816,902	31 - 1,780	2,007 days	2.31
U.S. Government Agencies	2,787,790	1 - 1,813	2,007 days	2.21
Negotiable Certificates of Deposit	1,401,145	1 - 336	1,156 days	0.34
Commercial Paper	514,672	2 - 216	270 days	0.22
Medium-Term Corporate Notes	294,899	115 - 1,100	1,156 days	1.28
Insured Placement Service Accounts	50,000	1	Immediate liquidity	0.01
JPA Investment Pools	375,000	1	Immediate liquidity	0.01
Money Market Mutual Funds	433,000	1	Immediate liquidity	0.01
Supranational Securities	256,898	66 - 1,448	1,825 days	1.48
Asset-Backed Securities	218,651	447 - 1,660	1,825 days	2.80
Total County's Pooled Investments	\$ 8,148,957			

On June 23, 2020, the Board approved the Treasurer's Statement of Investment Policy, which included a revision to the maturity limit for Negotiable Certificates of Deposit from 1,095 days to 1,156 days.

Weighted average maturity of the investments held outside the County Pool, as of June 30, 2020 is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
State and Local Municipal Bonds	\$ 7,889	0.59
Money Market Mutual Funds	122,001	0.01
Local Agency Investment Fund	6,512	0.00
Total Investments Held Outside County Pool	\$ 136,402	

Custodial credit risk

Custodial Credit Risk for Deposits exists when, in the event of a depository financial institution failure, a government may be unable to recover deposits, or recover collateral securities that are in the possession of an outside party.

GASB Statement No. 40 requires the disclosure of deposits into a financial institution that are not covered by FDIC depository insurance and that are uncollateralized.

California Law requires that a financial institution secure deposits made by state or local government 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 County deposits by pledging a letter of credit from the Federal Home Loan Bank of San Francisco having a value of 105% of the secured public deposits, as per CGC Sections 53651(p), 53651.6 & 53652(c).

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Amounts in thousands)

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2020, the carrying amount of the County's deposits was \$390,485 and the corresponding bank balance was \$441,323, of which both balances include \$200,090 in a certain negotiable order of withdrawal account. The difference of \$50,846 was primarily due to outstanding warrants, wires, and deposits in transit. Of the bank balances, \$1,500 was insured by FDIC depository insurance and the remainder was collateralized, as required by California Government Code Section 53652.

Custodial Credit Risk for Investments exists when, in the event of a 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.

In order to limit *Custodial Credit Risk for Investments*, San Bernardino County Pool Investment Policy requires that all investments and investment collateral be transacted on a delivery-vs-payment basis with a third-party custodian and registered in the County's name. All counterparties to repurchase agreements must sign a SIFMA Global Master Repurchase Agreement and/or Tri-Party Repurchase Agreement before engaging in repurchase agreement transactions.

As of June 30, 2020, Cash and Investments are classified in the accompanying financial statements as follows:

	Total Governmental Activities	Total Business-type Activities	Total Fiduciary Funds	Discretely Presented Component Unit	Total
Cash and Investments	\$ 3,251,072	\$ 601,401	\$ 4,622,425	\$ 100,402	\$ 8,575,300
Restricted Cash and Investments	18,478	73,586	8,480	-	100,544
Total Cash and Investments	\$ 3,269,550	\$ 674,987	\$ 4,630,905	\$ 100,402	\$ 8,675,844

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool as of June 30, 2020:

Statement of Net Position	
Equity of internal pool participants	\$ 4,303,515
Equity of external pool participants:	
Voluntary	292,675
Involuntary	3,552,767
Total Net Position held for pool participants	\$ 8,148,957
Statement of Changes in Net Position	
Net Position at July 1, 2019	\$ 6,899,199
Net change in investments by pool participants	1,249,758
Net Position at June 30, 2020	\$ 8,148,957

COUNTY OF SAN BERNARDINO
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NOTE 5 – RECEIVABLES

Receivables at year-end of major individual funds, nonmajor funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

Governmental Activities:

	Accounts	Taxes	Interest	Loans	Other Receivables	Due From Other Governments	Total Governmental Activities
General Fund	\$ 3,405	\$ 41,802	\$ 39,151	\$ 32,118	\$ 4,345	\$ 408,604	\$ 529,425
Less Allowance for Doubtful Accounts	(37)	-	-	-	-	-	(37)
Capital Improvement Fund	-	-	1,419	-	-	-	1,419
Nonmajor Governmental Funds	3,970	7,960	2,105	764	1,377	70,718	86,894
Less Allowance for Doubtful Accounts	(114)	-	-	-	-	-	(114)
Internal Service Funds	420	-	-	-	991	1,217	2,628
Total Governmental Activities Receivables	\$ 7,644	\$ 49,762	\$ 42,675	\$ 32,882	\$ 6,713	\$ 480,539	\$ 620,215

Business-Type Activities:

	Accounts	Taxes	Interest	Loans	Other Receivables	Due From Other Governments	Total Business- Type Activities
Medical Center	\$ 203,766	\$ -	\$ -	\$ -	\$ 1,990	\$ 105,261	\$ 311,017
Less Allowance for Doubtful Accounts	(171,165)	-	-	-	-	-	(171,165)
Waste Systems Division	9,892	-	-	-	25,627	1,185	36,704
Less Allowance for Doubtful Accounts	(682)	-	-	-	(222)	-	(904)
Housing Authority	2,736	-	1,075	12,177	2,130	2,700	20,818
Less Allowance for Doubtful Accounts	(212)	-	-	-	-	-	(212)
Nonmajor Enterprise Funds	1,509	196	-	-	130	5,571	7,406
Total Business-Type Activities Receivables	\$ 45,844	\$ 196	\$ 1,075	\$ 12,177	\$ 29,655	\$ 114,717	\$ 203,664

Due From Other Governments

At June 30, 2020, the Governmental Funds accrued \$479,322 of receivables from other governments, of which, \$327,492 was due from the State of California. Of the amount owed by the State, \$89,788 was for health care services, \$50,093 was for public social services, \$77,853 was for motor vehicle license fees and sales tax monies, and the remaining \$109,758 was for other services. The remaining amount of \$151,830 was due from the federal government and other governmental agencies.

Loans Receivable

The loans receivable balance in the Governmental Activities is \$32,882, of this amount, \$17,019 represents the receivable under the Teeter Plan, \$764 is due from other various agencies, \$13,357 represents a County loan to the Adelanto Successor Agency, and \$1,742 represents a County loan to the County Redevelopment Successor Agency. The loans receivable balance in the Business-Type Activities is \$12,177, this amount represents various loans and note agreements with related parties of the Housing Authority and other Nonmajor Enterprise Funds.

Interest Receivable

Of the \$42,675 interest receivable reported in the Governmental Activities column of the statement of net position, \$27,468 is due from the Adelanto City Redevelopment Successor Agency.

Other Receivables

The \$6,713 other receivables in the Governmental Activities column of the statement of net position are accrued for amounts due to the County that do not specifically relate to one of the above receivable accounts. This amount is primarily due to delinquent penalties, redemption penalties, insurance recoveries and redemption interest related to receivables under the Teeter Plan. The other receivables in the Business-Type Activities total \$29,655. The majority of the \$25,405 reported in the Waste Systems Division represents insurance recoveries related to the Mid-Valley Landfill Perchlorate pollution remediation activities.

COUNTY OF SAN BERNARDINO
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NOTE 6 – INTERFUND TRANSACTIONS

Interfund receivables and payables have been eliminated in the government-wide financial statements to minimize the grossing-up effect on assets and liabilities within the governmental and business-type activities. Internal balances that are residual amounts due between the governmental and business-type activities are not subject to elimination.

Due To/From Other Funds at June 30, 2020 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 50,992
	Medical Center	779
	Waste Systems	49
	Nonmajor Enterprise Funds	77
	Internal Service Funds	953
		<u>52,850</u>
Capital Improvement Fund	General Fund	367
	Nonmajor Governmental Funds	1,044
	Internal Service Funds	447
		<u>1,858</u>
Nonmajor Governmental Funds	General Fund	30,150
	Capital Improvement Funds	519
	Nonmajor Governmental Funds	1,510
	Medical Center	2
	Internal Service Funds	62
	Nonmajor Enterprise Funds	2,142
		<u>34,385</u>
Medical Center	General Fund	7,102
	Nonmajor Governmental Funds	151
		<u>7,253</u>
Waste Systems	General Fund	14
	Nonmajor Governmental Funds	22
	Internal Service Funds	983
		<u>1,019</u>
Nonmajor Enterprise Funds	General Fund	43
		<u>43</u>
Internal Service Funds	General Fund	2,087
	Capital Improvement Funds	5
	Nonmajor Governmental Funds	244
	Medical Center	54
	Internal Service Funds	2
		<u>2,392</u>
	Total	<u>\$ 99,800</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
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NOTE 6 – INTERFUND TRANSACTIONS (CONTINUED)

The Due To/From Other Funds balances primarily result from a time lag between the dates that goods and services are provided or reimbursable expenditures occur and payments between funds are made or transfers post in the system.

Interfund Receivable/Payable at June 30, 2020 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 5,791
	Nonmajor Enterprise Funds	5,600
		<u>11,391</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	1,555
	Housing Authority	16,579
	Nonmajor Enterprise Funds	250
		<u>18,384</u>
	Total	<u>\$ 29,775</u>

These amounts represent noncurrent interfund loans (advances) between funds and blended component units of the County for the purpose of financing cash flow needs. Interfund loans are expected to be repaid within a reasonable period of time. The \$5,600 is an amount loaned from the general fund to County Service Area 70 Zone W-4 to provide cash flow for the water pipeline project. The \$16,579 is an amount loaned from the Economic and Community Development to the Housing Authority for a variety of housing related projects.

Transfers To/From Other Funds for the year ended June 30, 2020 reflect funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity:

Transfers In/Out

(a) Between Governmental and Business-type Activities:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Medical Center	\$ 8,178
		<u>8,178</u>
Medical Center	Nonmajor Governmental Funds	12,521
		<u>12,521</u>
Waste Systems	Nonmajor Governmental Funds	2,160
		<u>2,160</u>
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	27
	Capital Improvement Funds	6
		<u>33</u>
	Total	<u>\$ 22,892</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 6 – INTERFUND TRANSACTIONS (CONTINUED)

(b) Between Funds within the Governmental or Business-type Activities (1):

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Capital Improvement Funds	176,201
	Nonmajor Governmental Funds	\$ 137,605
	Internal Service Funds	46
		<u>313,852</u>
Capital Improvement Funds	General Fund	1,775
	Nonmajor Governmental Funds	961
		<u>2,736</u>
Nonmajor Governmental Funds	General Fund	30,139
	Capital Improvement Funds	14,052
	Nonmajor Governmental Funds	27,871
	Internal Service Funds	699
		<u>72,761</u>
Internal Service Funds	Nonmajor Governmental Funds	<u>2,571</u>
		<u>2,571</u>
	Total	<u>\$ 391,920</u>

(1) These transfers were eliminated in the consolidation, by column, for the Governmental and Business-type Activities.

Amounts transferred from the Nonmajor Governmental Funds to the General Fund are primarily the result of \$17,000 of the tobacco settlement agreement for debt service of the Medical Center.

Amounts transferred from the Nonmajor Governmental Funds to the Capital Improvement Fund are primarily the result of \$10,000 for a new Department of Public Works building of which portions were funded by Flood Control District and Transportation as well as the Waste System Division.

Amounts transferred from the General Fund to the Medical Center are the result of \$8,178 for year-end budgeted transfers for the Medical Center's debt service payments.

Amounts transferred from the General Fund to the Nonmajor Governmental Funds are the result of the joint power authorities' debt service payments, the pension obligation bond debt service payments, various capital improvement projects, and the Early and Periodic Screening, Diagnostic and Treatment Program.

Amounts transferred from the Medical Center and the Internal Service Funds to the Nonmajor Governmental Funds are the result of their share of the pension obligation bond debt service payments.

Amounts transferred from the General Fund to the Capital Improvement Fund are mainly for various capital improvement projects.

COUNTY OF SAN BERNARDINO
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NOTE 7 – RESTRICTED CASH AND INVESTMENTS

Cash and cash equivalents of \$92,064 are restricted by legal or contractual requirements at June 30, 2020 and are comprised of the following:

Governmental Activities

General Fund:

Restricted cash and cash equivalents of \$5,335 represent funds held by a trustee, which are restricted for electronic benefits payments.

Nonmajor Governmental Funds:

Flood Control District:

Restricted cash and cash equivalents of \$13,143 consists of \$6,402 being restricted for debt service payments and \$4,100 for construction of Cactus Basin 4 and 5, and \$2,641 for construction contract retainage in escrow.

Business-Type Activities

Medical Center:

Restricted cash and cash equivalents of \$1 represent funds held by a trustee, which are restricted for debt service payments.

Waste System Division:

Restricted cash and cash equivalents of \$61,329 consists of \$59,751 set aside for groundwater detection, treatment and remediation, and for State mandated site closure, maintenance costs, and corrective action as required by the Department of Resources Recycling and Recovery (CalRecycle) formerly California Integrated Waste Management Board (CIWMB), \$839 represents customer deposits, and the remaining \$739 represents site clean up.

Housing Authority:

Restricted cash and cash equivalents of \$12,256 represent deposits to lender required replacement reserve and impound accounts, insurance reserve, security deposit and residual receipt accounts.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 is as follows:

Primary Government

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets, non-depreciable/non-amortizable:				
Land	\$ 142,410	\$ 973	\$ 20	\$ 143,363
Land Use Rights	25,460	821	-	26,281
Development in progress	319,878	111,057	64,277	366,658
Total capital assets, non-depreciable/non-amortizable	<u>487,748</u>	<u>112,851</u>	<u>64,297</u>	<u>536,302</u>
Capital Assets, depreciable/amortizable:				
Improvements other than Buildings	292,416	24,677	-	317,093
Structures and Improvements	1,158,987	11,442	158	1,170,271
Infrastructure	1,434,608	28,458	-	1,463,066
Equipment and Software	472,234	63,794	22,566	513,462
Total capital assets, depreciable/amortizable	<u>3,358,245</u>	<u>128,371</u>	<u>22,724</u>	<u>3,463,892</u>
Less accumulated depreciation/amortization for :				
Improvements other than Buildings	177,352	10,381	-	187,733
Structures and Improvements	425,802	32,730	150	458,382
Infrastructure	858,639	31,127	-	889,766
Equipment and Software	311,352	41,959	21,324	331,987
Total accumulated depreciation/amortization	<u>1,773,145</u>	<u>116,197</u>	<u>21,474</u>	<u>1,867,868</u>
Total capital assets, depreciable/amortizable, net	<u>1,585,100</u>	<u>12,174</u>	<u>1,250</u>	<u>1,596,024</u>
Governmental activities capital assets, net	<u>\$ 2,072,848</u>	<u>\$ 125,025</u>	<u>\$ 65,547</u>	<u>\$ 2,132,326</u>
Business-type Activities				
Capital assets, non-depreciable/non-amortizable:				
Land	\$ 32,482	\$ -	\$ 20	\$ 32,462
Land Use Rights	351	-	-	351
Development in progress	46,476	45,545	1,221	90,800
Total capital assets, non-depreciable/non-amortizable	<u>79,309</u>	<u>45,545</u>	<u>1,241</u>	<u>123,613</u>
Capital Assets, depreciable/amortizable:				
Land Use Rights	1,109	-	-	1,109
Improvements other than Buildings	277,341	786	-	278,127
Structures and Improvements	772,051	1,140	951	772,240
Equipment and Software	200,538	7,364	207	207,695
Total capital assets, depreciable/amortizable	<u>1,251,039</u>	<u>9,290</u>	<u>1,158</u>	<u>1,259,171</u>
Less accumulated depreciation/amortization for :				
Land Use Rights	105	-	-	105
Improvements other than Buildings	162,502	4,799	-	167,301
Structures and Improvements	397,966	21,399	894	418,471
Equipment and Software	167,850	10,391	209	178,032
Total accumulated depreciation/amortization	<u>728,423</u>	<u>36,589</u>	<u>1,103</u>	<u>763,909</u>
Total capital assets, depreciable/amortizable, net	<u>522,616</u>	<u>(27,299)</u>	<u>55</u>	<u>495,262</u>
Business-type activities capital assets, net	<u>\$ 601,925</u>	<u>\$ 18,246</u>	<u>\$ 1,296</u>	<u>\$ 618,875</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 8 – CAPITAL ASSETS (CONTINUED)

Depreciation/amortization

Depreciation/amortization expense is charged to governmental functions as follows:

General Government	\$	23,193
Public Protection		55,065
Public Ways and Facilities		27,464
Health and Sanitation		2,654
Public Assistance		2,279
Education		909
Recreation and Cultural Services		4,633
		4,633
Total depreciation/amortization expense - governmental activities	\$	116,197

Depreciation/amortization expense is charged to business-type functions as follows:

Medical Center	\$	25,448
Waste Systems Division		2,493
Housing Authority		5,939
Special Districts		2,709
		2,709
Total depreciation/amortization expense - business type activities	\$	36,589

Development in Progress

Development in Progress consists of the following projects:

	Governmental Activities	Business-Type Activities
Medical Center Projects	\$ -	\$ 15,609
Waste Systems Division Projects	-	57,697
Housing Authority	-	5,408
Special Districts	-	12,086
800 MHz Replacement Project	72,651	-
Transportation Projects	48,860	-
Flood Control Projects	92,099	-
Space Programming	9,357	-
HVAC Control Systems	2,546	-
New Probation Bldg	4,517	-
Purchase of Court Street Bldg	4,655	-
Relocate Training Center	5,678	-
Remodel Hospitality Lane	11,071	-
Remodel 303 Bldg	2,160	-
Campus Improvements	8,411	-
Apple Valley Library	6,032	-
Construct New Zoo	12,971	-
Other County Projects	85,650	-
	85,650	-
Total	\$ 366,658	\$ 90,800

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 9 – DEFERRED OUTFLOWS OF RESOURCES

The County recognized deferred outflows of resources in the government-wide financial statements. These items are a consumption of net position by the County that is applicable to a future reporting period. The County has three items that are reportable on the Government-Wide Statement of Net Position: from changes in the net pension liability, from changes in the net OPEB liability, and charges on refunding that result from the difference in the carrying value of refunded debt and its reacquisition price.

The balances as of June 30, 2020 of deferred outflows of resources are as follows:

	Governmental Activities	Business-Type Activities	Primary Government Total	Discretely Presented Component Unit
Deferred Outflows Related to Pensions	\$ 710,186	\$ 97,356	\$ 807,542	\$ 725
Deferred Outflows Related to OPEB	-	921	921	-
Deferred Outflows Related to Bond Refunding:				
<u>Certificates of Participation</u>				
Medical Center Refunding Project (Series 2019 A)	-	15,656	15,656	-
Medical Center Refunding Project (Series 2019 B)	-	2,736	2,736	-
Total Certificates of Participation	-	18,392	18,392	-
<u>Other Bonds and Notes</u>				
Flood Control Refunding Bonds (Series 2008)	435	-	435	-
Pension Obligation Refunding Bonds (2008)	438	-	438	-
Total Other Bonds and Notes	873	-	873	-
Total Deferred Outflows Related to Bond Refunding	873	18,392	19,265	-
Total Deferred Outflows of Resources	<u>\$ 711,059</u>	<u>\$ 116,669</u>	<u>\$ 827,728</u>	<u>\$ 725</u>

Refer to Note 19 Retirement Plan and Note 20 Other Postemployment Benefits (OPEB), for additional details on Deferred Outflows of Resources information related to pensions and OPEB.

NOTE 10 – ADVANCES FROM OTHERS

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when earned. Therefore, both governmental funds and proprietary funds defer revenue recognition in connection with resources that have been received as of year-end, but not yet earned. A liability for advances from others such as grantors or third parties is offset by the corresponding assets recognized with a transaction before the earnings process is completed.

COUNTY OF SAN BERNARDINO
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NOTE 10 – ADVANCES FROM OTHERS (CONTINUED)

The balances as of June 30, 2020 of advances from others are as follows:

Governmental Activities:

	<u>Developer Deposits</u>	<u>Customer Deposits</u>	<u>Advances from Governmental Agencies</u>	<u>Advances from Other Agencies</u>	<u>Advances from Other County Departments</u>	<u>Government-Wide Eliminations</u>	<u>Total Governmental Activities</u>
General Fund	\$ 4,738	\$ -	\$ 5,247	\$ 3,065	\$ 568	\$ -	\$ 13,618
Capital Improvement Fund	-	6	-	-	-	-	6
Nonmajor Governmental Funds	-	93	562	5,270	386	-	6,311
Internal Service Funds	-	-	-	-	893	(691)	202
Total Governmental Activities	<u>\$ 4,738</u>	<u>\$ 99</u>	<u>\$ 5,809</u>	<u>\$ 8,335</u>	<u>\$ 1,847</u>	<u>\$ (691)</u>	<u>\$ 20,137</u>

Business-Type Activities:

	<u>Customer Deposits</u>	<u>Advances from Other Agencies</u>	<u>Total Business-Type Activities</u>
Waste Systems Division	\$ 843	\$ 78	\$ 921
Housing Authority	1,752	-	1,752
Nonmajor Enterprise Funds	37	10	47
Total Business-Type Activities	<u>\$ 2,632</u>	<u>\$ 88</u>	<u>\$ 2,720</u>

NOTE 11 – LONG TERM LIABILITIES

Primary Government

The following is a summary of long-term liability transactions for the year ended June 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Revenue Bonds, net	\$ 184,576	\$ -	\$ 54,637	\$ 129,939	\$ 67,735
Revenue Bonds from Direct Placements	12,770	-	435	12,335	455
Other Bonds and Notes	302,532	-	43,074	259,458	48,110
Other Bonds and Notes from Direct Borrowings and Direct Placements	20,030	-	3,648	16,382	3,674
Total COP, Bonds and Notes Payable	<u>519,908</u>	<u>-</u>	<u>101,794</u>	<u>418,114</u>	<u>119,974</u>
Compensated Absences	195,089	143,092	120,960	217,221	121,594
Termination Benefits Payable	32	-	18	14	11
Capital Lease Obligations from Direct Financing	903	-	181	722	180
Estimated Liability for Litigation and Self -Insured Claims	287,658	83,389	54,068	316,979	69,506
Net Pension Liability	1,854,817	131,688	-	1,986,505	-
Total Governmental Activities - Long-term Liabilities	<u>\$ 2,858,407</u>	<u>\$ 358,169</u>	<u>\$ 277,021</u>	<u>\$ 2,939,555</u>	<u>\$ 311,265</u>
<u>Business-Type Activities</u>					
Certificates of Participation, net	\$ 332,598	\$ 297,958	\$ 358,103	\$ 272,453	\$ 25,045
General Obligation Bonds	50	-	-	50	50
Notes	26,158	2,411	686	27,883	716
Notes from Direct Borrowings	1,313	-	70	1,243	72
Total COP, Bonds and Notes Payable	<u>360,119</u>	<u>300,369</u>	<u>358,859</u>	<u>301,629</u>	<u>25,883</u>
Compensated Absences	24,655	21,192	18,679	27,168	13,348
Termination Benefits Payable	15	-	15	-	-
Capital Lease Obligations from Direct Financing	2,593	452	1,121	1,924	860
Other Long-Term Liabilities	118,885	2,802	17,432	104,255	92,404
Pollution Remediation Obligations	70,294	-	94	70,200	3,364
Estimated Liability for Closure/Postclosure Care Costs	136,595	20,651	19,087	138,159	25,482
Net Other Postemployment Benefits Liability for Housing Authority	10,635	-	2,129	8,506	-
Net Pension Liability	226,133	23,880	-	250,013	-
Total Business-type Activities -Long-term Liabilities	<u>\$ 949,924</u>	<u>\$ 369,346</u>	<u>\$ 417,416</u>	<u>\$ 901,854</u>	<u>\$ 161,341</u>

COUNTY OF SAN BERNARDINO
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NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the above totals for governmental activities.

For the governmental activities, liabilities for compensated absences, termination benefits, and net pension liability are typically liquidated by the General Fund and other funds in which financial resources are received to account for such outflows of resources, respectively. The liability for litigation and self-insured claims is liquidated by the Risk Management Internal Service Fund.

Termination Benefits Payable

In March 2009, the County offered a Retirement Incentive Program to employees as a salary savings measure for the upcoming years. Under this program, employees retiring between March 3, 2009 and June 30, 2009 were eligible to receive \$250 (not expressed in thousands) for each completed quarter of continuous regular County service or \$1,000 per year of service (not expressed in thousands), payable annually over a five-year period. The position would have to remain vacant.

Approximately 304 employees accepted the incentive and retired during the eligible period. The county-wide termination benefit payable at June 30, 2020 is \$14, attributable entirely to governmental activities. Over the span of the program, 16 employees returned to work and are not eligible to receive payments during a year in which they are employed by the County. Of the 16 employees who returned to work, 2 remain employed by the County as of June 30, 2020. The remaining installment payments for these 2 employees will be deferred until their employment with the County ends.

Pollution Remediation Obligations

GASB 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, addresses pollution remediation obligations. Once an obligating event occurs, governments are required to estimate expected cash outlays for the various components of expected remediation activities related to current or potential detrimental effects of existing pollution.

Waste Systems Division

Mid-Valley Sanitary Landfill

The County, through its Waste Systems Division (Waste Systems) has been named as a discharger in orders issued by the Santa Ana Regional Water Quality Control Board (RWQCB) for perchlorate and volatile organic compounds (VOCs) in the groundwater in the Rialto-Colton Basin. The County operates its Mid-Valley Sanitary Landfill (MVSL), including historic, unlined landfill cells, and operating landfill cell and an undeveloped area planned for expansion, on land overlying the Rialto-Colton basin. The County was previously named in lawsuits to compel it to participate in pollution remediation in the Rialto-Colton Basin alleged to be related to activities at the Mid-Valley Sanitary Landfill, including the expansion property.

Waste Systems is currently managing a groundwater remediation project down gradient from the Mid-Valley Landfill and the expansion property. The expansion property is immediately adjacent to land formerly used in various manufacturing operations. Perchlorate and VOCs have been detected in groundwater.

COUNTY OF SAN BERNARDINO
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NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

Waste Systems investigated impacts to groundwater from VOCs on the west side of the MVSL that resulted in the construction of a pump and treat system. This was converted to include a soil vapor extraction optional system on County-owned land to capture as much VOC contamination as possible. The on-site system continues to be operated by Waste Systems as of June 30, 2020. The remediation plan also included the settlement with San Gabriel Valley Water Company DBA Fontana Water Company whereby the water company would pump and treat VOCs that escaped the County-run system and the County pays the water company for the treatment of VOCs at the company's groundwater production wells. It is not currently possible to determine when the County's obligation to San Gabriel Valley Water Company will end.

Waste Systems, following RWQCB protocol, later conducted a variety of additional tests and analysis for perchlorate and VOCs in the portion of the Rialto-Colton Basin down gradient of the MVSL, including the expansion property on the east side. The result was the preparation and implementation of a remediation plan approved by the RWQCB. That remediation system has continued to be operated as of June 30, 2020.

Yucaipa Disposal Site

Waste Systems disclosed the occurrence of a pollution event at the inactive Yucaipa Disposal Site. A VOC plume had been detected in the groundwater, which had migrated beyond the landfill boundary. Waste Systems continues to work closely with the RWQCB to ensure its pollution remediation measures adequately address the contamination.

On August 1, 2018, RWQCB approved the County's Work Plan to expand the in-situ remedial design to full scale. The Yucaipa Corrective Action Program (CAP) was expanded to 26 injection wells by October 2019 and electron-donor media to stimulate in-situ bioactivity that consumes pollution was completed by the end of the month. In January 2019, additional bacteria colonies that perform the in-situ consumption of pollution were added to the system. Groundwater monitoring to assess CAP performance is conducted quarterly at bioremediation monitoring wells Y-9A, Y-9B, Y-15, Y-16, Y-19R and Y-20 as required by RWQCB Order No. R8-2013-0029-037. As described in the In-Situ Bioremediation Corrective Action Report prepared by Geo-Logic Associates in July 2019, the County has proposed to re-dose polluted groundwater using the injection wells when concentrations of PCE or TCE exceed the MCL of 5 ug/L for three consecutive quarters at either well Y-15 (western pollution plume) or well Y-16 (southern pollution plume).

Heaps Peak Disposal Site

Waste Systems disclosed, to the State of California, the occurrence of a pollution event at the inactive Heaps Peak Disposal Site (HPDS). A landfill leachate discharge occurred that threatened the groundwater. Waste Systems prepared and submitted a Report of Waste Discharge (ROWD) to the RWQCB and received approval to contain and treat the leachate. The leachate treatment system was installed within the HPDS maintenance building. The leachate treatment system has been periodically improved and upgraded and now functions well. Waste Systems continues to work very closely with the RWQCB to ensure its pollution control and remediation measures are successful.

Lenwood Hinkley Sanitary Landfill

The RWQCB notified Waste Systems regarding the violation of the Waste Discharge Requirements based upon a 2013 Groundwater Monitoring Reports submitted by Waste Systems, which showed VOCs and other contaminants above set regulatory standards at the Lenwood Hinkley Sanitary Landfill (LHSL).

COUNTY OF SAN BERNARDINO
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NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

Waste Systems initiated a bioenhanced in-situ remedial Pilot Study consisting of an initial injection of carbon donor media near compliance well LHSL and monthly sampling and analyses to track the chemical response in groundwater. The velocity of groundwater north of the landfill is relatively slow, however, and quarterly monitoring activities were later resumed and soon set regulatory standards were met. Analytical results for the Pilot Study obtained since 2016 have been positive and suggest conditions in the aquifer are capable of promoting and sustaining anaerobic biogenic reductive dechlorination.

With approval from the RWQCB, the County injected a second dose of electron-donor media. Board staff also approved injecting additional colonies of bacteria capable of consuming polluted groundwater and this inoculation occurred in February 2019.

Milliken Landfill (Pilot Study)

In 2015, the RWQCB sent a letter to Waste Systems concerning the inactive Milliken Landfill. The RWQCB letter requested Waste Systems perform gas samples from existing landfill gas probes and evaluate the potential for impacts to off-site structures; to update reports for the landfill due to lack of groundwater to run the pump and treat program and to evaluate the need for additional downgradient monitoring. Waste Systems engaged a consultant to complete a workplan pursuant to the RWQCB letter and to implement the workplan. Waste Systems later received a draft evaluation report prepared as part of the workplan. The workplan concluded that sufficient landfill gas may be present along the downgradient border of the landfill to support soil vapor extraction (SVE) as an additional mitigation measure.

In September 2018, a two-day pilot study at two extraction wells along the south perimeter of the Milliken site was conducted, followed by a longer SVE pilot study beginning on October 18, 2019 and concluding on December 18, 2019. The second pilot study included: engineering, design, permitting, Southern California Edison (SCE) temporary power, and construction of a block wall enclosure to house the rental SCE equipment (blower, granular activated carbon vessel, piping and instrumentation). SVE blower and GAC data collected from this month-long study will assess the viability for a full-scale SVE system at Milliken. A Summary Report of pilot study findings was submitted to the RWQCB on February 12, 2020, which recommended installation and operation of a full-scale SVE system at the site. RWQCB approval for installation and operation of the full-scale system was obtained in February 2020, and the County began design and construction shortly thereafter. The full-scale SVE system has been installed and as of June 30, 2020, awaits operational approval from the South Coast Air Quality Management District before operations begin. Subsequent operation and maintenance on the system is anticipated to begin in the 2020-2021 fiscal year.

In fiscal year 2020, the estimated total pollution remediation liability decreased from \$70,294 at June 30, 2019 to \$70,200 at June 30, 2020. The effect of any changes in the estimated total current cost of pollution remediation is reported primarily in the period of change. The major contributing factors that caused the pollution remediation liability to decrease by a net amount of \$94 are listed below:

- The Mid-Valley net liability decreased by a net of \$888 primarily due to lower than anticipated estimates for new well install and the removal of major equipment needs for groundwater treatment. The outstanding liability as of June 30, 2020 is \$56,636.
- The Yucaipa net liability increased by a net of \$420 primarily due to increased media injection dosing to the Full Scale In-Situs Bio-Enhancement Treatment System. The outstanding liability as of June 30, 2020 is \$2,334.

COUNTY OF SAN BERNARDINO
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NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

- The Heaps Peak net liability decreased by a net of \$100 primarily due to higher than anticipated maintenance costs paid for the Leachate Treatment System. The outstanding liability as of June 30, 2020 is \$8,847.
- The Lenwood-Hinkley net liability increased by a net of \$474 primarily due to the increase in media injection dosing and operational maintenance costs to the Groundwater VOC Treatment System. The outstanding liability as of June 30, 2020 is \$2,382.

Current and future estimated remediation costs are based on actual component costs adjusted for inflation in future fiscal years. Future estimates may be revised to reflect changes to equipment and service costs as well as any changes in technology and regulations. In fiscal year 2020, Waste Systems expended \$1,582 in performing pollution remediation activities at Mid-Valley Landfill, Yucaipa Disposal Site, Heaps Peak Disposal Site and Lenwood-Hinkley Disposal Site. Outlays are expected to be incurred in fiscal year 2021 totaling \$3,364. The presence of perchlorate, VOC and leachate will continue to be remediated and monitored with an expected estimated outlay of \$66,836 from fiscal year 2022 through fiscal year 2043.

Bonds and Notes Payable

San Bernardino County Financing Authority – Pension Obligation Bonds (1995)

In November 1995, San Bernardino County Financing Authority (SBCFA) issued Revenue Bonds for the purpose of enabling the County to finance its share of unfunded pension indebtedness. SBCFA has discounts associated with the pension obligation bonds, which is being amortized based on the accreted value of the bonds at year-end. SBCFA records the amortization of the discount as accretion of interest expense. As of June 30, 2020, the amount of accretion of interest expense remaining is \$5,706. The bonds contain a provision that, in the event of default, the outstanding principal balance and accrued interest are due and payable immediately.

San Bernardino County Financing Authority – Courthouse Project Bonds (2007)

In June 2007, SBCFA entered into a direct placement agreement with Wells Fargo Bank, National Association to issue revenue bonds in order to provide funds for the County to finance the costs of refurbishing and renovating a county courthouse facility. The Revenue Bonds are special, limited obligations of SBCFA payable solely from and secured by a first pledge of and exclusive lien on surcharge revenues consisting of a fee not to exceed thirty-five dollars charged on certain civil court filings made in superior courts located in the County. Only surcharge revenue received after June 29, 2007 has been pledged. The collection of the surcharge shall terminate upon repayment of the amortized costs incurred, or 30 years from the sale of the revenue bonds, whichever occurs first. Surcharge revenues are projected to produce 150 percent of the debt service requirements over the remaining life of the bonds. Excess surcharge revenue shall be used to pay for costs of improvements.

The debt service schedule for the current fiscal year required principal and interest payments totaling \$1,137. The total surcharge revenues received during the fiscal year totaled \$1,903. The bonds are subject to a special mandatory redemption prior to maturity, if the debt service coverage ratio for the immediately prior bond year is less than 150 percent. The current coverage ratio was 1.840. Total principal and interest remaining on the bonds is \$19,292. Interest is payable semi-annually at interest rates from 5.10 percent to 5.50 percent starting December 1, 2007. \$15,270 is expected to mature on June 1, 2037. The bonds are not subject to optional redemption prior to maturity. The bonds contain a provision that, in the event of default, the outstanding principal balance and accrued interest are due and payable immediately.

COUNTY OF SAN BERNARDINO
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NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

San Bernardino County Flood Control District – Refunding Bonds (Series 2007, 2008 and 2016)

In May 2007, San Bernardino County Flood Control District (Flood Control) issued Refunding Bonds, Series 2007 in the amount of \$23,845 to refund the obligation of Flood Control under a contract with the County relating to a loan made by and between the United States of America and the County, finance a reserve fund surety bond and pay certain expenses in connection with the issuance of the Bonds. The contract referred to above was entered into under the Small Reclamation Projects ACT of 1956.

In April 2008, Flood Control issued Refunding Bonds, Series 2008, in the amount of \$37,295 to refund all of Flood Control's outstanding \$45,000 San Bernardino County Flood Control Judgment Obligation Bonds, Series B, which were issued to refund a portion of certain obligations of Flood Control under a settlement agreement relating to an inverse condemnation action against Flood Control.

In February 2016, Flood Control entered into a direct placement agreement with Wells Fargo, National Association to issue Refunding Judgment Obligation Bonds, series A, in the amount of \$27,870 to pay in full the outstanding principal balance of the 2007 Judgment Obligation Bonds, series A.

The Flood Control bonds contain a provision that in the event principal and interest are not paid when due, Flood Control is in default and all outstanding principal and interest accrued thereon are immediately due. All amounts held in the bonds' debt service reserve account are for collateral for the bond holders.

Additional information on Flood Control's long-term debt can be found in the separately issued financial statements of Flood Control.

Pension Obligation Bonds (Series 2004 and 2008)

The County Board of Supervisors adopted a resolution to authorize the issuance of the County of San Bernardino pension obligation debenture in order to finance the County's share of the unfunded accrued actuarial liability of the San Bernardino County Employee Retirement Association (SBCERA). In June 2004, the County issued County of San Bernardino Pension Obligation Bonds, Series 2004 A (Fixed Rate Bonds), County of San Bernardino Pension Obligation Bonds, Series 2004 B (Auction Rate Bonds), and County of San Bernardino Pension Obligation Bonds, Series 2004 C (Index Bonds – based on LIBOR) in respective aggregate principal amounts of \$189,070, \$149,825, and \$125,000.

The Bonds have various maturity dates ranging from: 2004 to 2023 for Auction Rate Bonds; and 2004 to 2023 for Index Bonds. Series 2004 A Fixed Rate Bonds have fixed interest rates that range from 2.43% to 5.86%. The Series 2004 B Pension Obligation Bonds were fully refunded in April 2008 by the issued Pension Obligation Refunding Bonds, Series 2008, which have a fixed interest rate of 6.02%.

The 2004 and 2008 Series bonds contain a provision that, in the event of default, the outstanding principal balance and accrued interest are due and payable immediately.

COUNTY OF SAN BERNARDINO
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NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

San Bernardino County Fire Protection District (SBCFPD) – 2010 Installment Loan

In August 2010, Crest Forest Fire Protection District (dissolved and annexed into SBCFPD effective July 2015) entered into a direct borrowing lease/leaseback agreement with Municipal Finance Corporation (MFC) in the amount of \$2,286. The agreement contains (1) a provision that, in the event of default, SBCFPD shall remain liable until the amount in default has been fully paid with interest at a rate of 8% per annum (2) a provision that, in the event of default, MFC may terminate the lease and re-lease all or any portion of the leased property. SBCFPD agrees to pay to MFC all costs, loss or damages occurring payable at the same time and in the same manner of the lease payments. There shall be no right, under any circumstances, to accelerate the lease payments to be immediately due and payable.

A summary of bonds and notes payable recorded in the governmental activities and payable from Debt Service Funds is as follows:

<u>Revenue Bonds</u>	<u>Interest Rates (%)</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Issue Amount</u>	<u>Outstanding as of 6/30/2020</u>
Pension Obligation Bonds (1995)	5.68 to 7.72	11/22/1995	8/1/2021	\$ 386,266	\$ 135,645
Courthouse Project Bonds (2007) (Direct Placement)	5.10 to 5.50	6/29/2007	6/30/2037	18,370	12,335
Subtotal					<u>147,980</u>
<u>Premium/(Discounts):</u>					
* Pension Obligation Bonds (1995)					(5,706)
Total Revenue Bonds					<u>142,274</u>
<u>Other Bonds and Notes</u>					
Flood Control District:					
Refunding Bonds (Series 2007)	4.25 to 5.00	5/29/2007	8/1/2021	23,845	5,150
Refunding Bonds (Series 2008)	0.66 to 4.86	4/16/2008	8/1/2037	37,295	37,295
Refunding Bonds (Series 2016) (Direct Placement)	1.54	2/25/2016	8/1/2023	27,870	14,710
Pension Obligation Bonds (2004)	0.54 to 5.86	6/24/2004	8/1/2023	463,895	100,000
Pension Obligation Refunding Bonds (2008)	6.02	4/16/2008	6/30/2024	160,900	116,915
Fire Protection District 2010 Installment Loan (Direct Borrowing)	5.4	8/2/2010	8/1/2030	2,286	1,672
Subtotal					<u>275,742</u>
<u>Premium/(Discounts):</u>					
Flood Control District:					
Refunding Bonds (Series 2007)					98
Total Other Bonds and Notes					<u>275,840</u>
Total Governmental Activities					<u>\$ 418,114</u>

* Updated per accretion table.

Arrowhead Regional Medical Center (Certificates of Participation Series 2019A and 2019B)

Certificates of Participation (COP) are secured by annual lease payments payable by the County for use of the facilities constructed or acquired from the COP proceeds. The County has created a nonprofit organization and a joint powers authority to issue the Certificates in accordance with California Government Code. The County leases various projects from the corporation. The lease payments are used by the corporation to pay interest on, and principal of, the COPs.

The Arrowhead Refunding Project Series 2019 A Certificates of Participation were issued by IEPFC, dated July 1, 2019, in the amount of \$224,045,000, with interest rates from 4.75 percent to 5.50 percent. The Arrowhead Refunding Project Series 2019 B Certificates of Participation were issued by the Corporation, dated July 1, 2019, in the amount of \$35,653,000, with interest rates from 5.50 percent to 7 percent.

COUNTY OF SAN BERNARDINO
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NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

Proceeds from the 2019 Arrowhead Refunding Project Certificates Series A and B, along with other Corporation and County funds, were used to pay or prepay in full the outstanding principal balance of the 1994, 1996, 2009 A&B Certificates of Participation. The refunding reduced debt service payments by \$101,981,234 over the next 7 years resulting in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$46,332,269. The refunding resulted in a loss in the amount of \$18,392,394 and is reported as a deferred outflow of resources. The deferred loss will be amortized through 2028 at \$3,643,751 per year.

The COPs contain certain bond covenants, which are deemed by the County to be duties imposed by law. The County must include the applicable lease-purchase payments due each year in its annual budget and make the necessary appropriations. The County is also covenanted to maintain certain levels of liability, property damage, casualty, rental interruption and earthquake insurance in connection with each lease-purchase agreement. The County is in compliance with all significant financial restrictions and requirements as set forth in its various debt covenants. In addition, the County is in compliance with arbitrage regulations on all applicable bonds. Arbitrage computations are computed on an annual basis to determine if a rebate or liability exists as described in Section 103 of the Internal Revenue Code of 1954, Section 148(f) of the Internal Revenue Code of 1986, as amended and all applicable regulations issued there under.

In prior years, the County has defeased certain COPs by placing the proceeds of new certificates in an irrevocable trust to provide for all future debt service payments on the old certificates. Accordingly, the trust account assets and the liability for the defeased certificates are not included in the County's basic financial statements. At June 30, 2020 approximately \$38,040 of outstanding debt was considered defeased.

The COPs contain a provision that, should the County default under the lease agreement, the Trustee may terminate the lease agreement and hold the County liable for all lease payments on an annual basis. According to the lease agreement, lease payments may not be accelerated upon default. The COPs are secured with collateral of the Arrowhead Regional Medical Center.

County Service Area (General Obligation Bonds and Notes Payable)

General Obligation Bonds are issued to provide funds for the acquisition and construction of major capital facilities. These bonds are backed by the full faith and credit of the County and revenue for the retirement of such bonds is provided by ad valorem taxes on property within the jurisdiction of the governmental unit issuing the bonds. The bonds are matured but not redeemed and thus debt provisions are not presented.

CSA issued \$2,150 in direct borrowing notes with California Infrastructure and Economic Development Bank. The notes contain a provision that, in the event of default, the outstanding principal balance and accrued interest are due and payable immediately.

Housing Authority of the County of San Bernardino (Housing Authority)

Loans and notes are issued to provide funds for housing rehabilitation, home buyer assistance, and creation of new affordable housing units. Additional information in regards to these loans can be found in the separately issued financial statements of the Housing Authority.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

A summary of bonds and notes payable recorded in the business-type activities is as follows:

Certificates of Participation:	Interest Rates (%)	Issue Date	Maturity Date	Original Issue Amount	Outstanding as of 6/30/2020
Medical Center Refunding Project Series 2019A	5.00	7/2/2019	10/1/2027	\$ 224,045	\$ 203,505
Medical Center Refunding Project Series 2019B	2.00 to 2.05	7/2/2019	10/1/2022	35,635	35,635
					<u>239,140</u>
Premium / (Discounts):					
Medical Center Refunding Project Series 2019A					33,314
Total Certificates of Participation					<u>272,454</u>
General Obligation Bonds					
Spring Valley Lake Sewer Facilities:					
Series A	6.50 to 6.75	2/15/1972	2/15/2002	1,300	15
Series B	6.10 to 6.15	4/1/1974	4/1/2004	1,000	15
Helendale Sewer Facilities:					
Series A	5.00	6/1/1978	6/1/1998	1,550	5
Helendale Water Facilities:					
Series B	7.00	9/1/1982	6/1/1997	1,450	5
Series C	9.00 to 11.00	11/1/1984	3/1/2005	1,518	5
Oak Hills Water Distribution Facilities	7.00	9/1/1974	9/1/1994	750	5
Total General Obligation Bonds					<u>50</u>
Notes Payable					
Oak Hills Water (Loan) (Direct Borrowing)	3.09	11/25/2003	8/25/2033	2,150	1,242
Notes Payable - Housing Authority	0 to 11.50	Various	Various	82,963	27,883
Total Notes Payable					<u>29,125</u>
Total Business-Type Activities					<u>\$ 301,629</u>

Additional information on the County's long-term debt can be found in the separately issued financial statements of the Inland Empire Public Facilities Corporation and the San Bernardino County Financing Authority.

The following is a schedule of principal debt service requirements to maturity as of June 30, 2020 for bonds and notes payable in the governmental activities:

Years Ending	Revenue Bonds	Revenue Bonds from Direct Placements	Other Bonds and Notes	Other Bonds & Notes from Direct Borrowings and Direct Placements	Total
2021	\$ 67,735	\$ 455	\$ 48,110	\$ 3,674	\$ 119,974
2022	67,910	480	54,120	3,779	126,289
2023	-	505	56,875	3,845	61,225
2024	-	540	62,960	3,905	67,405
2025	-	565	-	145	710
2026 - 2030	-	3,365	1,915	923	6,203
2031 - 2035	-	4,345	20,730	111	25,186
2036 - 2038	-	2,080	14,650	-	16,730
Total Principal	135,645	12,335	259,360	16,382	423,722
Plus: Premium	-	-	98	-	98
Less: Discount	(5,706)	-	-	-	(5,706)
Total Bonds and Notes Payable	<u>\$ 129,939</u>	<u>\$ 12,335</u>	<u>\$ 259,458</u>	<u>\$ 16,382</u>	<u>\$ 418,114</u>

COUNTY OF SAN BERNARDINO
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June 30, 2020
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NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

The following is a schedule of interest expense requirements to maturity as of June 30, 2020 for bonds and notes payable in the governmental activities:

Years Ending	Revenue Bonds from Direct Placements	Other Bonds and Notes	Other Bonds & Notes from Direct Borrowings and Direct Placements	Total
2021	\$ 678	\$ 8,749	\$ 313	\$ 9,740
2022	653	7,097	252	8,002
2023	627	5,174	189	5,990
2024	599	2,969	124	3,692
2025	570	1,811	58	2,439
2026 - 2030	2,342	9,042	153	11,537
2031 - 2035	1,315	6,728	1	8,044
2036 - 2038	173	1,519	-	1,692
Total Interest	<u>\$ 6,957</u>	<u>\$ 43,089</u>	<u>\$ 1,090</u>	<u>\$ 51,136</u>

The following is a schedule of principal debt service requirements to maturity as of June 30, 2020 for COPs, bonds and notes payable in the business-type activities:

Years Ending June 30	Certificates of Participation	General Obligation Bonds	Notes Payable	Notes From Direct Borrowings	Total
2021	\$ 25,045	\$ 50	\$ 716	\$ 72	\$ 25,883
2022	26,060	-	9,256	75	35,391
2023	27,175	-	493	77	27,745
2024	29,295	-	377	79	29,751
2025	30,800	-	395	82	31,277
2026 - 2030	100,765	-	12,176	448	113,389
2031 - 2035	-	-	1,338	410	1,748
2036 - 2040	-	-	423	-	423
2041 - 2045	-	-	-	-	-
2046 - 2050	-	-	2,709	-	2,709
Total Principal	239,140	50	27,883	1,243	268,316
Plus: Premium	33,313	-	-	-	33,313
Total Bonds and Notes Payable	<u>\$ 272,453</u>	<u>\$ 50</u>	<u>\$ 27,883</u>	<u>\$ 1,243</u>	<u>\$ 301,629</u>

The following is a schedule of interest expense requirements to maturity as of June 30, 2020 for COPs, bonds and notes payable in the business-type activities:

Years Ending June 30	Certificates of Participation	Notes Payable	Notes From Direct Borrowings	Total
2021	\$ 10,449	\$ 1,184	\$ 37	\$ 11,670
2022	9,523	766	35	10,324
2023	8,544	705	33	9,282
2024	7,311	674	30	8,015
2025	5,808	656	28	6,492
2026 - 2030	4,224	677	99	5,000
2031 - 2035	2,556	660	26	3,242
2036 - 2040	850	373	-	1,223
2041 - 2045	-	640	-	640
Total Interest	<u>\$ 49,265</u>	<u>\$ 6,335</u>	<u>\$ 288</u>	<u>\$ 55,888</u>

COUNTY OF SAN BERNARDINO
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NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

Agreement with Liquidity Facilities

Flood Control Refunding Bonds (Series 2008): In April 2008, Flood Control issued Refunding Bonds, Series 2008, in the amount of \$37,295. Interest on the Refunding Bonds, Series 2008 is paid at a Weekly Rate Mode interest rate payable on the first Business Day of each calendar month commencing on May 1, 2008. Principal payments are due annually in various amounts commencing August 1, 2029 through 2037. The outstanding balance at June 30, 2020 was \$37,295.

The Bonds were issued to refund all of Flood Control's outstanding \$45,000 San Bernardino County Flood Control Judgment Obligation Bonds, Series B, which were issued to refund a portion of certain obligations of Flood Control under a settlement agreement relating to an inverse condemnation action against Flood Control, fund interest on the Series 2008 Bonds at an assumed rate of 4.86% through August 1, 2008 and costs of issuance incurred in connection with the issuance of the Series 2008 Bonds. The interest rate is variable and is shown at the assumed rate of 4.86% in the repayment schedule.

The Bonds have an optional tender provision that gives the bondholder the option of selling their Bonds back to Flood Control, at par, upon seven days' notice. Flood Control has obtained a direct pay, irrevocable letter of credit (LC) from Bank of America ("Bank") to provide credit support, and cash for such tenders, in the event tendered Bonds cannot be immediately remarketed to another investor. Flood Control entered into a Reimbursement Agreement and Fee Letter with the Bank in July of 2011 to document the terms related to the issuance of the LC. Flood Control did not pay any upfront commitment fee to the Bank for this LC; however it pays a facility fee at agreed upon rates on the Available Amount of the LC (as defined in the LC agreement). This LC is an irrevocable direct pay letter of credit with a current stated expiration date of July 5, 2022.

The LC is directly drawn on monthly to make the interest payment on the Bonds. The Bank is reimbursed for the monthly draw on the LC with the debt service payments made by Flood Control. An LC draw would also occur if an investor exercises the optional tender provision and the Bonds cannot be immediately remarketed to another investor. In the event of a draw on the LC to purchase bonds that have been tendered but not remarketed (Liquidity Advance) that is not repaid by Flood Control within 90 days, the Liquidity Advance will convert to a Term Loan on the ninety first day, if conditions precedent to a Term Loan are satisfied by Flood Control.

As of June 30, 2020, there were no outstanding 2008 Judgment Obligation Bonds (Bonds) that have been tendered but failed to be remarketed. In accordance with the agreement, in the event any Bonds are optionally tendered and cannot be remarketed, interest on tendered Bonds for the first ninety days is paid to the Bank at the highest of a) Prime Rate in effect for such day plus 1.5%, b) overnight effective federal funds rate for such day as quoted in the "Composition Closing Quotations for U.S. Government Securities" published by the Federal Reserve Bank of New York plus 3%, c) 7.5% or d) the maximum rate of interest borne by Bonds that are still held by investors. If a Liquidity Advance remains outstanding after ninety days, and if conditions precedent to a Term Loan is satisfied by Flood Control, the rate paid to the Bank on the Term Loan is the highest of a) through d) above, plus 1%.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Amounts in thousands)

NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

The following schedule represents a debt service scenario in which all the bonds are tendered by investors on July 1, 2020 and fail to be remarketed during the Liquidity Advance and Term Loan periods. The scenario assumes that interest on the Liquidity Advance is paid at a rate of 7.5%, and that interest on the Term Loan is paid at a rate of 8.5%. Principal is amortized as required in the Reimbursement Agreement over the Term Loan period.

Years Ending June 30	Principal	Interest	Total
2021	\$ 10,600	\$ 2,817	\$ 13,417
2022	10,600	1,743	12,343
2023	10,700	835	11,535
2024	5,395	77	5,472
Total	<u>\$ 37,295</u>	<u>\$ 5,472</u>	<u>\$ 42,767</u>

If Flood Control does not make punctual payment and performance, conform to the extension of payment of the bonds provisions of the indenture, conform to the additional obligations provision of the indenture, debt service coverage ratio of the indenture, other replacement proceeds provision of the indenture, budgets provision of the indenture, tax covenant provisions of the indenture, or further assurances provisions of the indenture, Flood Control will be considered in default. In the event of default, upon written direction of the owners or not less than a majority in aggregate principal amount of the outstanding bonds, may declare immediately due and payable the unpaid principal and accrued interest thereon of all the outstanding bonds. In addition, an acceleration fee shall become immediately due and payable provided however that the Trustee shall not declare an acceleration until least seven days after the occurrence of an event default.

Conduit Debt (Limited Obligation)

Single and Multi-Family Mortgage Revenue Bonds

The County issues Single Family Mortgage Revenue Bonds to provide funds to purchase mortgage loans secured by first trust deeds on newly constructed and existing single-family residences. Additionally, the County issues Multi-Family Mortgage Revenue Bonds to finance the construction of multi-family apartment projects in the County. These programs assist persons and families of low and moderate income within the County to afford the costs of safe and sanitary housing. The bonds will be payable solely from and secured by a pledge of payment received on the acquired mortgage loans, certain insurance with respect thereto, and other monies pledged under the bond resolution. Single Family Mortgage Revenue Bonds of \$275 and Multi-Family Mortgage Revenue Bonds of \$50,265 at June 30, 2020 do not represent a liability of the County and, as such, do not appear in the accompanying basic financial statements.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

Housing Authority has issued multifamily housing revenue bonds to provide funds to developers of multifamily housing projects. The bonds are payable solely from the revenues collected by the developers of these projects. Housing Authority is not obligated in any manner for repayment of the indebtedness. Accordingly, the liabilities are not reported in Housing Authority’s basic financial statements. Housing Authority participated as a conduit debt issuer for a number of housing development projects. These issues are typically used in multi-family housing acquisition and construction. Housing Authority usually assigns the financing agreement (including all rights of issuer, except for reserved rights) together with other property to the Trustees. As of September 30, 2019, the outstanding balances of these Revenue Bonds are \$65,099.

School District General Obligation Bonds

The County of San Bernardino issued General Obligation Bonds (GOB) on behalf of certain Schools within the San Bernardino School District. The GOBs are payable solely by ad valorem taxes to be levied within the District. The General Obligation Bonds of \$11,900 at June 30, 2020 do not represent a liability of the County and, as such, do not appear in the accompanying basic financial statements.

Special Assessment Bonds

The County acts as an agent for the property owners benefited by the projects financed from special assessment bond proceeds, in collecting the assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, if appropriate. Special assessment bonds of \$85,334 at June 30, 2020 do not represent a liability of the County and, as such, do not appear in the accompanying basic financial statements.

Discretely Presented Component Units

Long-term liability transactions for FIRST 5 San Bernardino for the year ended June 30, 2020, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	\$ 176	\$ 224	\$ 155	\$ 245	\$ 69
Net Pension Liability	1,741	146	-	1,887	-
Total Long-Term Liabilities	<u>\$ 1,917</u>	<u>\$ 370</u>	<u>\$ 155</u>	<u>\$ 2,132</u>	<u>\$ 69</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 – LEASES

Capital Leases

The County has entered into certain capital lease agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met. Equipment and related accumulated depreciation as of June 30, 2020 for capital leases are as follows:

	<u>Governmental-type Activities</u>	<u>Business-type Activities</u>
Asset:		
Equipment	\$ 1,043	\$ 30,079
Less: Accumulated depreciation	(137)	(27,954)
Total	<u>\$ 906</u>	<u>\$ 2,125</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, are as follows:

<u>Year Ending June 30</u>	<u>Governmental-type Activities</u>	<u>Business-type Activities</u>
2021	\$ 180	\$ 887
2022	181	488
2023	180	478
2024	181	143
Total Minimum Lease Payments	<u>722</u>	<u>1,996</u>
Less: Amount Representing Interest	-	(72)
Present Value of Minimum Lease Payments	<u>\$ 722</u>	<u>\$ 1,924</u>
Less: Current Portion, Net of Interest	(180)	(860)
Capital Lease Obligation, excluding current portion	<u>\$ 542</u>	<u>\$ 1,064</u>

Operating Leases

The County leases building and office facilities and other equipment under non-cancelable operating leases. Total costs for such leases for governmental-type activities were \$58,638, and business-type activities were \$7,146, respectively for the year ended June 30, 2020. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30</u>	<u>Governmental-type Activities</u>	<u>Business-type Activities</u>
2021	\$ 57,132	\$ 769
2022	49,429	781
2023	46,738	793
2024	39,940	805
2025	25,368	817
2026-2030	65,392	2,593
Total Minimum Payments	<u>\$ 283,999</u>	<u>\$ 6,558</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 – CLOSURE AND POSTCLOSURE CARE COSTS

State Financial Assurance Mechanism regulations require landfill operators to set aside funds, or provide alternative funding mechanisms to fund the closure and post-closure maintenance of landfills. The funding must be completed prior to the final date of closure. These regulations apply to solid waste landfills that have been or will be operated on or after January 1, 1988. The closure and post-closure care costs of other landfills not subject to these State regulations is funded separately in the Waste Systems Division.

Closure and post-closure care costs include, but are not limited to, such items as final cover, groundwater monitoring, well installations and landfill gas monitoring systems.

The twenty (20) landfills listed below (with their capacity used and estimated remaining lives) are those currently subject to State and federal regulations:

<u>Landfill</u>	<u>Capacity Used</u>	<u>Years Remaining</u>	<u>Landfill</u>	<u>Capacity Used</u>	<u>Years Remaining</u>
Apple Valley	100%	Inactive	Milliken	100%	Inactive
Baker	100%	Inactive	Morongo Valley	100%	Inactive
Barstow	6%	585	Needles	100%	Inactive
Big Bear	100%	Inactive	Newberry Springs	100%	Inactive
Colton	100%	Inactive	Phelan	100%	Inactive
Hesperia	100%	Inactive	San Timoteo	43%	27
Landers	23%	95	Trona-Argus	100%	Inactive
Lenwood-Hinkley	100%	Inactive	Twentynine Palms	100%	Inactive
Lucerne Valley	100%	Inactive	Victorville	19%	138
Mid-Valley	41%	35	Yermo	100%	Inactive

The estimated closure and post-closure activity for the year ended June 30, 2020 includes the following:

	<u>Beginning Balance</u>	<u>Increase (Decrease)</u>	<u>Ending Balance</u>
Estimated Liability for Closure Care Costs	\$ 33,021	\$ (59)	\$ 32,962
Estimated Liability for Postclosure Care Costs	103,574	1,623	105,197
Total	<u>\$ 136,595</u>	<u>\$ 1,564</u>	<u>\$ 138,159</u>

The annually inflated landfill closure and post-closure care cost estimates of \$212,874 and \$215,534 respectively for a total of \$428,408, are based upon the most recently submitted Closure/Post-Closure Maintenance Plan documents filed with the State and Federal permitting agencies. If, at some future date, these closure cost estimates are adjusted (due to changes in inflation, technology, regulations, etc.), the County is required to make corresponding changes in the amount of funds deposited for closure.

As of June 30, 2020, the aggregate expense recorded by the County based upon individual landfill capacity usage was \$253,115 (\$121,145 closure costs and \$131,970 post-closure costs). The remaining \$175,293 of estimated closure and post-closure costs will be recorded and funded as landfill capacities are used.

Cumulative closure and post-closure related outlays of \$88,183 and \$26,773 have been incurred through June 30, 2020. Landfill closure liabilities decreased to \$32,962 and post-closure liabilities also increased to \$105,197. In accordance with GASB 18, "Accounting for Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure Care Costs", the effect of any changes in the estimated total current cost of closure and postclosure care is

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 13 – CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)

reported primarily in the period of change. The total Estimated Liability for Closure and Postclosure Care Costs at June 30, 2021 is \$138,159 and is recorded in the Waste Systems Division proprietary fund and the Business Type Activities.

In accordance with a pledge of revenue funding mechanism adopted by the County of San Bernardino Board of Supervisors on July 28, 2009, the County has pledged tipping fees and interest revenue to fund the post-closure maintenance costs, as needed. Total tipping fees received in the current fiscal year were \$78,434 and post-closure expenses were \$3,482. Each landfill site's maintenance costs are budgeted annually following the Closure and Post-Closure Maintenance Plan as approved by the Department of Resources Recycling and Recovery (CalRecycle). The County has restricted cash of \$61,329 in the Waste System Division enterprise fund, of this amount, \$59,751 is to provide financial assurance for landfill closure costs as required by CalRecycle. The term for each landfill site funding requirements is thirty (30) years starting with the date of closure as certified by the State.

NOTE 14 – SELF-INSURANCE

The County has self-insurance programs for public liability, property damage, unemployment insurance, employee dental insurance, hospital and medical malpractice liability, environmental liability, and workers' compensation claims. Public liability claims are self-insured for up to \$3.0 million per occurrence with a one-time corridor retention of \$2.0 million. Excess insurance coverage over the Self-Insured Retention (SIR) up to \$50 million is provided through a combination of insurance policies as recommended by Alliant Insurance Services Inc., Insurance Broker through CSAC-EIA (California State Association of Counties – Excess Insurance Authority), as follows: Primary Liability coverage \$10 million excess of \$3 million self-insured retention with CSAC-EIA, QBE Insurance, Chubb and ACE American Insurance Company. Excess Liability coverage for \$5 million, excess of \$10 million with Great American Ins. Company and Lloyd's Syndicate, and \$10 million excess of \$15 million provided by Safety National Casualty Corporation. Brit Global Specialty, Great American Excess & Surplus Company and ATL (a Lloyd's Syndicate) provide excess liability coverage of \$10 million, excess of \$25 million and Allied World National Assurance Company (AWAC) provides \$15 million excess of \$35 million. In addition, the actuary has recommended that the County maintains a \$24 million reserve to cover SIR exposure for auto and general liability programs. No settlements related to these programs have exceeded insurance coverage in the last three years.

The Workers' Compensation program continued under CSAC-EIA Excess Workers' Compensation Program with a policy of \$2 million SIR and statutory limits with Great American Insurance Co., and ACE American Insurance Co. Property damage claims are insured on an occurrence basis over a \$25 thousand deductible through CSAC-EIA and reinsured with Lexington Insurance Co. and with several insurers/reinsurers like Westchester Fire, Aspen Insurance UK Limited, Homeland Insurance Co. of New York, Ironshore Indemnity Inc., and Lloyd's of London, among others.

The County supplements its self-insurance for medical malpractice claims with a \$25 million policy (\$35 million aggregate) with BETA Risk Management Authority, which provides annual coverage on a claim made basis with a SIR of \$1 million for each claim.

Environmental claims are expected to occur infrequently, but have the potential to be expensive when they do occur. The County has experienced only two significant environmental liability claims since it began self-insuring this exposure in 1983. Given that environmental liability is an extremely volatile coverage, which is characterized by low frequency and high severity, the County has taken a conservative stance, as recommended by the actuary, by setting aside a minimum of \$10 million to cover future environmental liability claims.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Amounts in thousands)

NOTE 14 – SELF-INSURANCE (CONTINUED)

All public officials and County employees are insured under a blanket Comprehensive Disappearance, Destruction, and Dishonesty policy covering County monies and securities, with Berkley Regional Insurance Co. with a \$100 thousand deductible, and excess limits up to \$10 million per occurrence.

The activities related to such programs are accounted for in the Risk Management Department's internal service funds ("Funds"), except for unemployment insurance, and employee dental insurance, which are accounted for in the General Fund. The liabilities recorded in these Funds are based on the results of actuarial studies and include amounts for allocated and unallocated loss adjustment expenses. The liabilities for these claims are reported using a discounted rate of 1.94% and an actuarially-determined 80% confidence level. It is the County's practice to obtain actuarial studies on an annual basis.

The total claims liability of \$316.98 million reported at June 30, 2020 is based on the requirements of GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated.

Changes in the claims liability amounts in fiscal years 2019 and 2020 were:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Year End</u>
2018-19	\$275,636	\$90,353	(\$78,331)	\$287,658
2019-20	\$287,658	\$83,389	(\$54,068)	\$316,979

NOTE 15 – COLLATERALIZED FACILITIES

The following County Facilities have been pledged as collateral in certain County financing transactions:

<u>Facilities</u>	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
West Valley Juvenile Detention Center	\$ 5,077	\$ -	\$ -	\$ 5,077
Arrowhead Regional Medical Center	490,481	-	-	490,481
Hall of Records (New)	12,666	-	-	12,666
Glen Helen Pavilion Amphitheater	26,174	-	-	26,174
Sheriff's Admin Bldg	13,416	-	-	13,416
County Government Center	25,711	-	-	25,711
	<u>\$ 573,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 573,525</u>

These facilities remain pledged as collateral until the associated County financing transactions become paid in full.

In addition to these facilities, the County entered into a ground lease agreement with the State of California for the property located on 9438 Commerce Way in Adelanto, California, known as the Adelanto Detention Center Expansion, to assist the County in obtaining eligibility for AB900 funding. The State, in turn, has pledged the facility as collateral for lease-revenue bonds it issued to fund the project.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
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NOTE 16 – DEFERRED INFLOWS OF RESOURCES

The County recognized deferred inflows of resources in the government-wide and fund financial statements. These items are an acquisition of net position by the County that is applicable to a future reporting period.

The balances as of June 30, 2020 of deferred inflows of resources in the government-wide financial statements are as follows:

Government-Wide and Component Unit Activities				
	Governmental Activities	Business-Type Activities	Primary Government Total	Discretely Presented Component Unit
Deferred Inflows Related to Pensions	\$ 117,370	\$ 13,022	\$ 130,392	\$ 299
Deferred Inflows Related to OPEB	-	2,464	2,464	-
Deferred Inflows Related to Bond Refunding: Flood Control Refunding Bonds (Series 2008)	108	-	108	-
Total Government-Wide and Component Unit Activities	<u>\$ 117,478</u>	<u>\$ 15,486</u>	<u>\$ 132,964</u>	<u>\$ 299</u>

Refer to Note 19 Retirement Plans and Note 20 Other Postemployment Benefits (OPEB), for additional Deferred Inflows of Resources information related to pensions and OPEB.

The balances as of June 30, 2020 of deferred inflows of resources in the fund financial statements are as follows:

Governmental Funds:

Unavailable Revenues

	Property Tax Receivable	Interest Receivable	Other Receivable	Due from Governmental Agencies	Due from Other Agencies	Total Governmental Funds
General Fund	\$ 12,040	\$ 31,905	\$ 864	\$ 33,691	\$ -	\$ 78,500
Capital Improvement Fund	-	1,419	-	-	-	1,419
Nonmajor Governmental Funds	6,559	2,030	-	334	3,619	12,542
Total Unavailable Revenues	<u>\$ 18,599</u>	<u>\$ 35,354</u>	<u>\$ 864</u>	<u>\$ 34,025</u>	<u>\$ 3,619</u>	<u>\$ 92,461</u>

Proprietary Funds:

Pensions

OPEB

	San Bernardino County Employees' Retirement Association (SBCERA)	California Public Employees Retirement System (CalPERS-HACSB)	Public Agency Retirement Services (PARS-HACSB)	Total Proprietary Funds
Medical Center	\$ 11,443	\$ -	\$ -	\$ 11,443
Waste Systems Division	836	-	-	836
Housing Authority	-	743	2,464	3,207
Total Proprietary Funds	<u>\$ 12,279</u>	<u>\$ 743</u>	<u>\$ 2,464</u>	<u>\$ 15,486</u>
Internal Service Fund	\$ 7,728	\$ -	\$ -	\$ 7,728
Total Internal Service Funds	<u>\$ 7,728</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,728</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 17 – FUND BALANCES DETAIL

Details of Fund Balance Classifications reported in Governmental Funds are as follows:

	General Fund	Capital Improvement Fund	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Project Funds	Nonmajor Permanent Funds	Total
Nonspendable:							
Loan Receivable	\$ 32,118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,118
Noncurrent Interfund Receivable	3	-	-	-	-	-	3
Prepaid Items and Inventories	7,513	-	6,857	-	-	-	14,370
Land Held for Resale	549	-	-	-	-	-	549
Endowments	-	-	-	-	-	1,838	1,838
Total Nonspendable Fund Balance	40,183	-	6,857	-	-	1,838	48,878
Restricted for:							
Social Services Realignment	105,611	-	-	-	-	-	105,611
Health Services Realignment	128,008	-	-	-	-	-	128,008
Behavioral Health Realignment	96,820	-	-	-	-	-	96,820
Law and Justice Realignment	93,696	-	-	-	-	-	93,696
Family Support Realignment	10,661	-	-	-	-	-	10,661
CalWORKs Maintenance of Effort Realignment	16,077	-	-	-	-	-	16,077
Teeter Plan	16,855	-	-	-	-	-	16,855
Aging Programs	1,402	-	-	-	-	-	1,402
Debt Service	-	-	-	18,323	-	-	18,323
Central Courthouse Project	-	-	1,743	-	-	-	1,743
Redemption Restitution Maintenance	-	-	2,416	-	-	-	2,416
Redevelopment Housing	-	-	2,285	-	20,164	-	22,449
Capital Improvement Projects	-	93,962	-	-	-	-	93,962
Flood Control	-	-	149,860	-	-	-	149,860
Domestic Violence Programs	-	-	1,317	-	-	-	1,317
Crime Prosecution	-	-	7,150	-	-	-	7,150
Probation Programs	-	-	35,405	-	-	-	35,405
Recorder's Micrographics	-	-	21,458	-	-	-	21,458
Local Law Enforcement Block Grant	-	-	2,001	-	-	-	2,001
Sheriff Special Projects	-	-	14,925	-	-	-	14,925
Fire Protection	-	-	124,133	-	8,500	-	132,633
Chino Agriculture Preserve	-	-	31,788	-	-	-	31,788
Road Operations	-	-	61,418	-	-	-	61,418
Measure I	-	-	28,356	-	-	-	28,356
Regional Development Mitigation Plan	-	-	31,160	-	-	-	31,160
Facilities Development Plans	-	-	3,709	-	-	-	3,709
Airport Operations	-	-	7,517	-	-	-	7,517
Mental Health Services Act	-	-	184,666	-	-	-	184,666
Block Grant Carryover Program	-	-	9,260	-	-	-	9,260
Vector Control Assessments	-	-	3,681	-	-	-	3,681
Public Health - Other	-	-	1,057	-	-	-	1,057
Inland Counties Emergency Medical Agencies	-	-	2,221	-	-	-	2,221
Aging and Adult Services - Other	-	-	1,434	-	-	-	1,434
Job and Employment Services	-	-	95	-	-	-	95
Economic and Community Development	-	-	32,140	-	-	-	32,140
Wraparound Reinvestment	-	-	26,412	-	-	-	26,412
Regional Parks	-	-	1,892	-	-	-	1,892
Park and Recreation Districts	-	-	-	-	1,945	-	1,945
County Free Library	-	-	14,702	-	-	-	14,702
County Assessors Program	-	-	1,238	-	-	-	1,238
County Service Area	-	-	31,609	-	1,976	-	33,585
Other Restricted Programs	-	-	3,096	-	-	-	3,096
Total Restricted Fund Balance	469,130	93,962	840,144	18,323	32,585	-	1,454,144

COUNTY OF SAN BERNARDINO
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NOTE 17 – FUND BALANCES DETAIL (CONTINUED)

	General Fund	Capital Improvement Fund	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Project Funds	Nonmajor Permanent Funds	Total
Committed to:							
Medical Center Debt Service	\$ 32,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,075
Vision to Succeed	249	-	-	-	-	-	249
New PIMS Replacement System	5,000	-	-	-	-	-	5,000
825 East 3rd Street	15,364	-	-	-	-	-	15,364
New Voting System	5,308	-	-	-	-	-	5,308
Glen Helen Rehabilitation Center Jail Upgrade	75	-	-	-	-	-	75
New Property Tax System	13,928	-	-	-	-	-	13,928
Earned Leave	11,403	-	-	-	-	-	11,403
Animal Shelter Capital Project	9,900	-	-	-	-	-	9,900
Adelanto Detention Center Jail Upgrade	4,781	-	-	-	-	-	4,781
Retirement	15,125	-	-	-	-	-	15,125
West Valley Detention Center Jail Upgrade	6,597	-	-	-	-	-	6,597
Rim Forest Drainage Project	2,676	-	-	-	-	-	2,676
Land Use Services Plan and Amendments	1,017	-	-	-	-	-	1,017
Glen Helen Parkway Bridge	1,666	-	-	-	-	-	1,666
National Trails Highway	3,920	-	-	-	-	-	3,920
Labor	5,159	-	-	-	-	-	5,159
Rock Springs Bridge Project	2,037	-	-	-	-	-	2,037
Asset Replacement	34,128	-	-	-	-	-	34,128
Strategic Initiatives Reserve	308	-	-	-	-	-	308
Big Bear Apline Zoo	1,700	-	-	-	-	-	1,700
Valley Dispatch Reserve	36,843	-	-	-	-	-	36,843
Cedar Avenue Interchange	6,723	-	-	-	-	-	6,723
Litigation Expenses	16,260	-	-	-	-	-	16,260
County Fire - Fire Training Center	820	-	-	-	-	-	820
Stanfield Cutoff Road Repair and Bridge Replacement	405	-	-	-	-	-	405
Chino Airport Development Plan Reserve	250	-	-	-	-	-	250
ISD Building Acquisition	1,300	-	-	-	-	-	1,300
MOU - California University of Science and Medicine	3,000	-	-	-	-	-	3,000
Archives Acquisition	4,300	-	-	-	-	-	4,300
Assessor SSCA	375	-	-	-	-	-	375
Enterprise Financial System Post Implementation Costs	7,500	-	-	-	-	-	7,500
Agenda Management Systems	1,307	-	-	-	-	-	1,307
Juvenile Dependency Court Building	1,650	-	-	-	-	-	1,650
CGC Board Chambers	1,250	-	-	-	-	-	1,250
December 2nd Memorial	651	-	-	-	-	-	651
Indigent Defence Costs	500	-	-	-	-	-	500
Public Guardian Lease Space Reserve	148	-	-	-	-	-	148
Countywide Crime Suppression and Pilot Program	528	-	-	-	-	-	528
Revolving Loan Program	2,000	-	-	-	-	-	2,000
Total Committed Fund Balance	258,226	-	-	-	-	-	258,226
Assigned to:							
Automated Systems Development	2,342	-	-	-	-	-	2,342
800 MHZ Upgrade Project	-	38,383	-	-	-	-	38,383
Rancho Court Remodel	-	386	-	-	-	-	386
County Buildings Retrofit and Improvements	-	127,590	-	-	-	-	127,590
Maintenance, Upgrades and Other Capital Outlay	-	221,604	-	-	-	-	221,604
High Desert Animal Shelter	-	1,128	-	-	-	-	1,128
Disaster Recovery	-	-	4,654	-	-	-	4,654
Flood Control	-	-	6,023	-	-	-	6,023
Sheriff Special Projects	-	5,879	-	-	-	-	5,879
Road Operations	-	-	29,770	-	-	-	29,770
Master Settlement Agreement	-	-	21,724	-	-	-	21,724
Mental Health	-	-	3,618	-	-	-	3,618
Human Resources	-	-	2,440	-	-	-	2,440
Economic and Community Development	-	-	1,273	-	-	-	1,273
Regional Parks	-	-	3,883	-	-	-	3,883
San Manuel Amphitheater	-	-	468	-	-	-	468
Other Assigned Programs	302	9	539	-	3	-	853
Total Assigned Fund Balance	2,644	394,979	74,392	-	3	-	472,018
Unassigned Fund Balance	445,760	-	(2,696)	-	-	-	443,064
Total Fund Balances	\$ 1,215,943	\$ 488,941	\$ 918,697	\$ 18,323	\$ 32,588	\$ 1,838	\$ 2,676,330

COUNTY OF SAN BERNARDINO
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NOTE 18 – MEDICARE AND MEDI-CAL PROGRAMS

The Medical Center provides services to eligible patients under Medi-Cal and Medicare programs. For the years ended June 30, 2020 and 2019, the Medi-Cal program represented approximately 52% and 56%, and the Medicare program represented approximately 27% and 27%, respectively, of the Medical Center's net patient service revenues. Medi-Cal inpatient services are reimbursed at contractually agreed upon per diem rates and outpatient services are reimbursed under a schedule of maximum allowances. Medicare inpatient services are reimbursed based upon pre-established rates for diagnostic-related groups. Outpatient services are reimbursed based on prospectively determined payments per procedure under a system called Ambulatory Payment Classifications. Certain defined capital and the medical education costs related to Medicare beneficiaries are paid based on a cost-reimbursement methodology. Final reimbursement is determined as a result of audits by the fiscal intermediary of annual cost reports submitted by the Medical Center. Final reports on the results of such audits have been received through June 30, 2015 for Medi-Cal. Notice of Amount of Program Reimbursement (NPR) has been received for Medicare cost reports through June 30, 2017. Adjustments as a result of such audits are recorded in the year the amounts can be determined.

Additional detailed financial information, including separately issued financial statements, can be obtained from the Auditor-Controller/Treasurer/Tax Collector's Office at 268 W. Hospitality Lane, San Bernardino, CA 92415-0018.

NOTE 19 – RETIREMENT PLANS

The County recognized net pension liabilities, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expenses from the following retirement plans in the government-wide financial statements. The balances as of June 30, 2020 of net pension liabilities are as follows:

	Governmental Activities	Business-Type Activities	Primary Government Total	Discretely Presented Component Unit
<u>Net Pension Liabilities</u>				
San Bernardino County Employees' Retirement Association	\$ 1,986,505	\$ 227,944	\$ 2,214,449	\$ 1,887
California Public Employees Retirement System - HACSB	-	22,069	22,069	-
Total	<u>\$ 1,986,505</u>	<u>\$ 250,013</u>	<u>\$ 2,236,518</u>	<u>\$ 1,887</u>
<u>Deferred Outflows of Resources Related to Pensions</u>				
San Bernardino County Employees' Retirement Association	\$ 710,185	\$ 94,803	\$ 804,988	\$ 725
California Public Employees Retirement System - HACSB	-	2,553	2,553	-
Total	<u>\$ 710,185</u>	<u>\$ 97,356</u>	<u>\$ 807,541</u>	<u>\$ 725</u>
<u>Deferred Inflows of Resources Related to Pensions</u>				
San Bernardino County Employees' Retirement Association	\$ 117,370	\$ 12,279	\$ 129,649	\$ 299
California Public Employees Retirement System - HACSB	-	743	743	-
Total	<u>\$ 117,370</u>	<u>\$ 13,022</u>	<u>\$ 130,392</u>	<u>\$ 299</u>
<u>Pension Expenses</u>				
San Bernardino County Employees' Retirement Association	\$ 416,592	\$ 49,101	\$ 465,693	\$ 346
California Public Employees Retirement System - HACSB	-	3,366	3,366	-
Total	<u>\$ 416,592</u>	<u>\$ 52,467</u>	<u>\$ 469,059</u>	<u>\$ 346</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 19 – RETIREMENT PLANS (CONTINUED)

A. San Bernardino County Employees' Retirement Association

General Information about the Pension Plan

Plan Description

The County provides pension benefits to eligible employees through a cost sharing multiple-employer defined benefit pension plan (the Plan) administered by the San Bernardino County Employees' Retirement Association (SBCERA).

The Plan is governed by the SBCERA Board of Retirement (Board) under the provisions of the California County Employees' Retirement Law of 1937 (CERL), and the California Public Employees' Pension Reform Act of 2013 (PEPRA). The Plan's authority to establish and amend the benefit terms are set by the CERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the County of San Bernardino Board of Supervisors and/or the SBCERA Board. SBCERA is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

SBCERA publishes its own comprehensive annual financial report that includes its financial statements and required supplementary information, which can be obtained by contacting SBCERA, attention Fiscal Services Department, 348 W. Hospitality Lane, San Bernardino, California 92408 or visiting the website at www.SBCERA.org.

Benefits Provided

SBCERA provides retirement, disability, death and survivor benefits. SBCERA administers the Plan which provides benefits for two membership classifications, General and Safety, and those benefits are tiered based upon date of SBCERA membership. Safety membership is extended to those involved in active law enforcement and fire suppression. All other members are classified as General members. Generally, those who become members prior to January 1, 2013 are Tier 1 members. All other members are Tier 2. An employee who is appointed to a regular or contract position, whose service is at least fifty percent of the full standard of hours required is a member of SBCERA, and is provided with pension benefits pursuant to Plan requirements.

COUNTY OF SAN BERNARDINO
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NOTE 19 – RETIREMENT PLANS (CONTINUED)

The CERL and PEPRA establish benefit terms. Retirement benefits are calculated on the basis of age, average final compensation and service credit as follows:

	<u>General - Tier 1</u>	<u>General - Tier 2</u>	<u>Safety - Tier 1</u>	<u>Safety - Tier 2</u>
Final Average Compensation	Highest 12 consecutive months	Highest 36 consecutive months	Highest 12 consecutive months	Highest 36 consecutive months
Normal Retirement Age	The later of age 55 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70	The later of age 55 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70	The later of age 50 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70	The later of age 50 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70
Early Retirement: Years of service required and /or age eligible for	Age 70 any years 10 years age 50 30 years any age	Age 70 any years 5 years age 52 N/A	Age 70 any years 10 years age 50 20 years any age	Age 70 any years 5 years age 50 N/A
Benefit	At normal retirement age, 2.00% per year of final average compensation for every year of service credit	At age 67, 2.50% per year of final average compensation for every year of service credit	At normal retirement age, 3.00% per year of final average compensation for every year of service credit	At age 57, 2.70% per year of final average compensation for every year of service credit
Benefit Adjustments	Reduced before age 55, increased after 55 up to age 65	Reduced before age 67	Reduced before age 50	Reduced before age 57
Final Average Compensation Limitation	Internal Revenue Code section 401(a)(17)	Government Code section 7522.10	Internal Revenue Code section 401(a)(17)	Government Code section 7522.10

An automatic cost of living adjustment is provided to benefit recipients based on changes in the local region Consumer Price Index (CPI) up to a maximum of 2% per year. Any increase greater than 2% is banked and may be used in years where the CPI is less than 2%. There is a one-time 7% increase at retirement for members hired before August 19, 1975. The Plan also provides disability and death benefits to eligible members and their beneficiaries, respectively. For retired members, the death benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to benefits based on the members years of service or if the death was caused by employment. General members are also eligible for survivor benefits which are payable upon a member's death.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 19 – RETIREMENT PLANS (CONTINUED)

Contributions

Participating employers and active members are required by statute to contribute a percentage of covered payroll to the Plan. This requirement is pursuant to Government Code sections 31453.5 and 31454 for participating employers, and Government Code sections 31621.6, 31639.25, and 7522.30 for active members. The contribution requirements are established and may be amended by the SBCERA Board pursuant to Article 1 of the CERL, which is consistent with the Plan's actuarial funding policy. The contribution rates are adopted yearly based on an annual actuarial valuation, which is conducted by an independent actuary, that requires actuarial assumptions with regard to mortality, expected future service (including age at entry into the Plan, if applicable and tier), and compensation increases of the members and beneficiaries. The combined active member and employer contribution rates are expected to finance the costs of benefits for employees that are allocated during the year, with an additional amount to finance any unfunded accrued liability. Participating employers may pay a portion of the active members' contributions through negotiations and bargaining agreements.

Employee and employer contribution rates for the fiscal year ended June 30, 2020 are as follows:

	<u>General - Tier 1</u>	<u>General - Tier 2</u>	<u>Safety - Tier 1</u>	<u>Safety - Tier 2</u>
Employee contribution rates	8.62% to 15.53%	9.10%	11.57% to 17.99%	16.19%
Employer contribution rates	25.39%	22.86%	55.08%	49.61%

For the year ended June 30, 2020, the County's employer contributions to the Plan were equal to the actuarially determined required employer contributions as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Primary Government Total</u>	<u>Discretely Presented Component Unit</u>
Employer Contributions				
General Members	\$ 206,621	\$ 43,795	\$ 250,416	\$ 343
Safety Members	137,095	-	137,095	-
Total	<u>\$ 343,716</u>	<u>\$ 43,795</u>	<u>\$ 387,511</u>	<u>\$ 343</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Amounts in thousands)

NOTE 19 – RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2020, the County reported net pension liabilities for its proportionate share of the Plan's net pension liability as follows:

	Governmental Activities	Business-Type Activities	Primary Government Total	Discretely Presented Component Unit
General Members	\$ 1,093,442	\$ 227,944	\$ 1,321,386	\$ 1,887
Safety Members	893,063	-	893,063	-
Total	<u>\$ 1,986,505</u>	<u>\$ 227,944</u>	<u>\$ 2,214,449</u>	<u>\$ 1,887</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's fiscal year 2019 actual contributions to the Plan relative to the total employer contributions of all SBCERA's participating employers. The County's proportion in the Plan was 81.73%, including 81.66% for the primary government and 0.07% for the discretely presented component unit. This proportion excludes the Consolidated Fire Agencies of the East Valley as it is not part of the County's reporting entity. There was an increase of 0.37%, including 0.37% for primary government and a slight decrease (0.001%) for discretely presented component unit, from its proportion measured as of June 30, 2018.

The allocation of the County's proportion of the net pension liability to governmental activities, business-type activities, and a discretely presented component unit was based on each fund group's fiscal year 2019 actual contributions to the County's pension plan relative to the total contributions of the County. The allocation of the County's proportion and its change from its proportion measured as of June 30, 2018 are as follows:

	Governmental Activities	Business-Type Activities	Primary Government Total	Discretely Presented Component Unit
Proportion - June 30, 2019				
General Members	49.34%	10.28%	59.62%	0.09%
Safety Members	40.29%	-	40.29%	-
Total	<u>89.63%</u>	<u>10.28%</u>	<u>99.91%</u>	<u>0.09%</u>
Change - Increase (Decrease)				
General Members	0.33%	0.35%	0.68%	0.01%
Safety Members	-0.69%	-	-0.69%	-
Total	<u>-0.36%</u>	<u>0.35%</u>	<u>-0.01%</u>	<u>0.01%</u>

For the year ended June 30, 2020, the County recognized pension expense of \$466,039 as follows:

	Governmental Activities	Business-Type Activities	Primary Government Total	Discretely Presented Component Unit
Pension Expense	\$ 416,592	\$ 49,101	\$ 465,693	\$ 346

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 19 – RETIREMENT PLANS (CONTINUED)

At June 30, 2020, the County reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

	Deferred Outflows of Resources			
	Governmental Activities	Business-Type Activities	Primary Government Total	Discretely Presented Component Unit
Changes of assumptions	\$ 259,444	\$ 29,771	\$ 289,215	\$ 246
Differences between actual and expected experience	26,502	3,040	29,542	25
Net differences between projected and actual earnings on pension plan investments	39,552	4,538	44,090	38
Changes in proportion and differences between County contributions and proportionate share of contributions	40,971	13,659	54,630	73
Pension contributions subsequent to the measurement date	<u>343,716</u>	<u>43,795</u>	<u>387,511</u>	<u>343</u>
Total	<u>\$ 710,185</u>	<u>\$ 94,803</u>	<u>\$ 804,988</u>	<u>\$ 725</u>

	Deferred Inflows of Resources			
	Governmental Activities	Business-Type Activities	Primary Government Total	Discretely Presented Component Unit
Differences between actual and expected experience	\$ 63,872	\$ 7,329	\$ 71,201	\$ 61
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>53,498</u>	<u>4,950</u>	<u>58,448</u>	<u>238</u>
Total	<u>\$ 117,370</u>	<u>\$ 12,279</u>	<u>\$ 129,649</u>	<u>\$ 299</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 19 – RETIREMENT PLANS (CONTINUED)

The total amount of \$387,854 reported as deferred outflows of resources related to contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Governmental Activities	Business-Type Activities	Primary Government Total	Discretely Presented Component Unit
2021	\$ 98,920	\$ 13,463	\$ 112,383	\$ 44
2022	1,769	2,848	4,617	(39)
2023	91,570	12,194	103,764	40
2024	52,601	7,919	60,520	28
2025	4,076	2,217	6,293	9
Thereafter	163	88	251	1
Total	<u>\$ 249,099</u>	<u>\$ 38,729</u>	<u>\$ 287,828</u>	<u>\$ 83</u>

Actuarial Assumptions

The County's proportion of the Plan's total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Investment Rate of Return	7.25%
Inflation	3.00%
Projected Salary Increases	General: 4.50% to 14.50%; Safety: 4.70% to 14.50%
Cost of Living Adjustments	Consumer price index with a 2.00% maximum
Administrative Expenses	0.70% of payroll

The actuarial assumptions used to determine the total pension liability as of June 30, 2019 were based on the results of the June 30, 2017 Actuarial Experience Study, which covered the period from July 1, 2013 through June 30, 2016. They are the same assumptions used in the June 30, 2019 actuarial valuation.

Mortality rates used in the June 30, 2019 actuarial valuation are based on the Headcount-Weighted RP 2014 Healthy Annuitant Mortality Table projected generationally using the two-dimensional mortality improvement scale MP-2016. For healthy General male members, the ages are set forward one year. No adjustment is made for healthy General female members. For all healthy and disabled Safety members, the ages are set back one year. For all General members that are disabled, the ages are set forward seven years. Beneficiaries are assumed to have the same mortality as a General member of the opposite sex who is receiving a service (non-disability) retirement.

COUNTY OF SAN BERNARDINO
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NOTE 19 – RETIREMENT PLANS (CONTINUED)

The long-term expected rate of return on the Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation, and subtracting expected investment expenses and a risk margin. The June 30, 2019 target allocation (approved by the SBCERA Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the table as follows:

Asset Class	Investment Classification	Target Allocation ⁽¹⁾	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	Domestic Common and Preferred Stock	8.00%	5.61%
Small Cap U.S. Equity	Domestic Common and Preferred Stock	2.00%	6.37%
Developed International Equity	Foreign Common and Preferred Stock	6.00%	6.96%
Emerging Market Equity	Foreign Common and Preferred Stock	6.00%	9.28%
U.S. Core Fixed Income	U.S. Government and Municipals/Corporate Bonds	2.00%	1.06%
High Yield/Credit Strategies	Corporate Bonds/Foreign Bonds	13.00%	3.65%
Global Core Fixed Income	Foreign Bonds	1.00%	0.07%
Emerging Market Debt	Emergng Market Debt	6.00%	3.85%
Real Estate	Real Estate	9.00%	4.37%
International Credit	Foreign Alternatives	11.00%	6.75%
Absolute Return	Domestic Alternatives/Foreign Alternatives	13.00%	3.56%
Real Assets	Domestic Alternatives/Foreign Alternatives	5.00%	6.35%
Private Equity	Domestic Alternatives/Foreign Alternatives	16.00%	8.47%
Cash and Equivalents	Short-Term Cash Investment Funds	2.00%	-0.17%
Total		100.00%	

(1) For actuarial purposes, target allocations only change once every three years based on the triennial actuarial experience study.

Discount Rate

The discount rate used to measure the Plan's total pension liability was 7.25% for the year ended June 30, 2019. The projection of cash flows used to determine the discount rate assumed employer and member contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plan investments of 7.25% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2019.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 19 – RETIREMENT PLANS (CONTINUED)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the County’s proportionate share of the net pension liability, calculated using the discount rate of 7.25%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	Governmental Activities	Business-Type Activities	Primary Government Total	Discretely Presented Component Unit
County's proportionate share of the net pension liability				
1.00% Decrease (6.25%)	\$ 3,339,555	\$ 415,567	\$ 3,755,122	\$ 3,441
Current Discount Rate (7.25%)	1,986,505	227,944	2,214,449	1,887
1.00% Increase (8.25%)	877,218	74,124	951,342	614

Pension Plan Fiduciary Net Position

Detailed information about the pension fund’s fiduciary net position is available in the separately issued SBCERA comprehensive annual financial report.

B. Housing Authority of the County of San Bernardino (Housing Authority) – California Public Employees Retirement System

General Information about the Pension Plan

Plan Description

The Housing Authority provides pension benefits to all qualified permanent and probationary employees through the San Bernardino County Housing Authority Miscellaneous Plan (SBCHAMP), an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). CalPERS acts as a common investment and administrative agent for its participating member employers. SBCHAMP is part of the Public Agency portion of CalPERS. The benefits for the public agencies are established by contract with CalPERS in accordance with the provisions of the Public Employees’ Retirement Law. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions, and membership information are listed in the SBCHAMP’s annual actuarial valuation report.

CalPERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. Copies of CalPERS’ annual financial report and actuarial valuation report may be obtained from its executive office at 400 Q Street, Sacramento, California 95811 or on its website at www.CalPERS.ca.gov.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 19 – RETIREMENT PLANS (CONTINUED)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The provisions and benefits in effect as of September 30, 2019 are summarized as follows:

Benefit Formula	2.00% at age 55
Benefit Vesting Schedule	5 years of service
Benefit Payments	Monthly for life
Retirement Age	Age 50 to 55
Monthly Benefits, as percentage of eligible compensation	2.00% to 2.50%
Required Employee Contribution Rate	8.00%
Required Employer Contribution Rate	26.19%

Employees Covered

At September 30, 2019, SBCHAMP had 357 employees covered, including 223 active employees and 134 inactive employees or beneficiaries currently receiving benefits.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2019, the employee contribution rate is 8.00% of annual pay. The Housing Authority makes the contributions required of Housing Authority employees on their behalf and for their account via payroll deductions. The employer's contribution rate is 26.19% of annual payroll. The Housing Authority's contribution to the SBCHAMP was \$1,933 for the year ended September 30, 2019.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 19 – RETIREMENT PLANS (CONTINUED)

Net Pension Liability

The Housing Authority’s net pension liability was measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. At September 30, 2019, the Housing Authority reported a net pension liability of \$22,069 as business-type activities in the government-wide financial statements.

Actuarial Assumptions

The June 30, 2018 valuation was rolled forward to determine the June 30, 2019 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS’ Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of Contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of projected mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 Experience Study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 19 – RETIREMENT PLANS (CONTINUED)

The table below reflects the expected real rates of return by asset class:

Asset Class ⁽¹⁾	Assumed Asset Allocation	Real Return Years 1-10 ⁽²⁾	Real Return Years 11+ ⁽³⁾
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

⁽¹⁾ In the System's CAFR, Fixed Income is included in Global Debt Securities;
Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

⁽²⁾ An expected inflation of 2.00% used for this period

⁽³⁾ An expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the total pension liability was 7.15%, which is the same as fiscal year 2018. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the SBCHAMP's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balances at June 30, 2018	\$ 62,438	\$ 41,042	\$ 21,396
Changes recognized for the measurement period:			
Service cost	1,224	-	1,224
Interest on total pension liability	4,392	-	4,392
Differences between expected and actual experience	183	-	183
Contributions from employer	-	1,933	(1,933)
Contributions from employees	-	538	(538)
Net investment income	-	2,684	(2,684)
Benefit payments, including refunds of employee contributions	(3,606)	(3,606)	-
Administrative expense	-	(29)	29
Net Changes	<u>2,193</u>	<u>1,520</u>	<u>673</u>
Balances at June 30, 2019	<u>\$ 64,631</u>	<u>\$ 42,562</u>	<u>\$ 22,069</u>

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 19 – RETIREMENT PLANS (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in Discount Rate

The following presents the net pension liability of the Housing Authority in business-type activities as of the June 30, 2019 measurement date, calculated using the discount rate of 7.15%, as well as what the Housing Authority's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

Changes in Discount Rate	Net Pension Liability
1.00% Decrease (6.15%)	\$ 30,386
Current Discount Rate (7.15%)	22,069
1.00% Increase (8.15%)	15,199

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the Housing Authority recognized a pension expense of \$3,366 in business-type activities. At September 30, 2019, the Housing Authority reported deferred outflows of resources and deferred inflows of resources related to pensions in business-type activities from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 631	\$ 245
Difference between expected and actual experiences	136	242
Net differences between projected and actual earnings on pension plan investments	-	256
Pension contributions subsequent to the measurement date	1,786	-
Total	\$ 2,553	\$ 743

The \$1,786 reported as deferred outflows of resources related to contributions to the SBCHAMP subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions in business-type activities will be recognized as pension expense as follows:

Year Ended September 30	Pension Expense
2020	\$ 515
2021	(498)
2022	(34)
2023	41
Total	\$ 24

COUNTY OF SAN BERNARDINO
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NOTE 20 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) - HOUSING AUTHORITY

Plan Description

In addition to providing pension benefits, the Housing Authority provides lifetime retiree medical benefits and participates in the CalPERS medical program, an agent multiple employer defined benefit healthcare plan administered by CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). Medical coverage requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (age 52, if a miscellaneous employee new to PERS on or after January 1, 2013) with 5 years of State or public agency service or (b) an approved disability retirement. The employee may retire prior to his or her normal retirement age and still be eligible for retiree medical coverage and benefits.

Generally, an employee must begin his or her retirement warrant (pension benefit) within 120 days of terminating employment with the Housing Authority to be eligible to continue medical coverage through the Housing Authority and be entitled to the employer subsidy. If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement or during any future open enrollment period. Coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage.

In order to fund retiree health benefits, the Housing Authority established an irrevocable trust with Public Agency Retirement Services (PARS), an agent multiple-employer defined benefit OPEB plan. PARS issues a separate annual financial report, and copies of the report may be obtained by writing to its headquarters at 4350 Von Karman Ave., Suite 100, Newport Beach, CA 92660.

Benefits Provided

As a condition of participation in the CalPERS medical program, the Housing Authority is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. A surviving spouse and other eligible dependents may also be entitled to a Housing Authority contribution.

The Housing Authority currently maintains two different types of resolutions with CalPERS defining the level of the Housing Authority's contribution. The resolutions apply to those eligible for coverage based on an employee's hire date as follows:

Retirees hired before May 14, 2008 (Tier 1 retirees): For any Tier 1 retiree who meets the medical coverage requirements, the Housing Authority contributes 85% of the medical premiums for the retiree and any eligible dependents and/or survivors for the plan selected.

Retirees hired on or after May 14, 2008 (Tier 2 retirees): Tier 2 retirees are covered by a PEMHCA Vesting resolution. This resolution provides that the Housing Authority will pay 85% of the monthly medical premium for the retiree and any dependents, but not less than the vested percent of maximum benefits (caps) which vary by coverage level (single, two-party or family).

- The maximum benefits are set annually and often referred to as the "100/90 formula" caps. The monthly caps for 2019 are \$707 (single), \$1,349 (two-party) and \$1,727 (family).
- Each retiree's vested percent is based on his or her total years of CalPERS service, though a minimum of 5 years of Housing Authority service is required to be eligible for any premium subsidy from the Housing Authority. The vesting percentage is 50% after 10 years of CalPERS membership, increasing by 5% for each additional year, reaching 100% after 20 years of CalPERS service.

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NOTE 20 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – HOUSING AUTHORITY (CONTINUED)

Employees Covered

As of the September 30, 2018 actuarial valuation, there were 225 employees covered by the benefit terms, including 126 active employees and 99 inactive employees or beneficiaries currently receiving benefits.

Contributions

The contribution requirements of plan members and the Housing Authority are established and may be amended by the Housing Authority’s Board of Governors. Housing Authority contributions occur as benefits are paid to retirees and/or to the OPEB trust. Benefit payments may occur in the form of direct payments for premiums and taxes (explicit subsidies) and/or indirect payments to retirees in the form of higher premiums for active employees (implicit subsidies). The annual contribution is based on the actuarially determined contribution. For the fiscal year ended September 30, 2019, the Housing Authority made contributions of \$921. Of this amount, \$764 was paid for healthcare benefits for retired employees and \$157 was an implicit rate subsidy.

Net OPEB Liability

The Housing Authority’s net OPEB liability was measured as of September 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated September 30, 2018 based on the following actuarial methods and assumptions:

Valuation Date	September 30, 2018
Measurement Date	September 30, 2018
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets
Long Term Return on Assets	6.00%, net of plan investment expenses and including inflation
Discount Rate	6.00%
Participants Valued	Current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.25% per year; since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years
General Inflation Rate	2.75% per year
Mortality	CalPERS 2017 experience study using data from 1997 to 2015, except for a different basis used to project future mortality improvements. Mortality rates used were those published by CalPERS, adjusted to back out 15 years of Scale MP 2016 to central year 2015 and then projected.
Mortality Improvement	MacLeod Watts Scale 2018 applied generationally from 2015
Healthcare Trend	7.00% for 2020, decreasing 0.50% per year to an ultimate rate of 5.00% for 2025 and later years

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NOTE 20 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – HOUSING AUTHORITY (CONTINUED)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that the Housing Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or geometric real rates of return for each major asset class are summarized in the following table:

<u>Portfolio (Investment Strategy)</u>	<u>Moderate</u>	
<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Target Allocation</u>
Equity		
Large Cap Core	6.70%	26.50%
Mid Cap Core	7.00%	5.00%
Small Cap Core	7.90%	7.50%
Real Estate	5.70%	1.75%
International	7.30%	6.00%
Emerging Markets	9.70%	3.25%
		<u>50.00%</u>
Fixed Income		
Short Term Bond	3.80%	10.00%
Intermediate Term Bond	4.60%	33.50%
High Yield	6.00%	1.50%
		<u>45.00%</u>
Cash	2.10%	<u>5.00%</u>
Total		<u><u>100.00%</u></u>

Non-imbedded fees were estimated to reduce the expected yield by 40 basis points (0.40%), reducing the net expected return on the OPEB plan investments from 6.51% to 6.11%. The Housing Authority approved 6.0% as the discount rate to determine the OPEB liability in the plan.

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NOTE 20 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – HOUSING AUTHORITY (CONTINUED)

Changes in the OPEB Liability

The changes in the net OPEB liability of the Housing Authority for the OPEB Plan measured as of September 30, 2018 are as follows:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at September 30, 2018	\$ 21,674	\$ 11,039	\$ 10,635
Changes recognized for the measurement period:			
Service cost	760	-	760
Interest	1,318	-	1,318
Changes in assumptions	(169)	-	(169)
Differences between expected and actual experience	(2,475)	-	(2,475)
Net investment income	-	662	(662)
Contributions from employer	-	933	(933)
Benefit payments	(933)	(933)	-
Administrative expense	-	(32)	32
Net Changes during the year	(1,499)	630	(2,129)
Balance at September 30, 2019	\$ 20,175	\$ 11,669	\$ 8,506

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Housing Authority if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate, for measurement period ended September 30, 2018:

<u>Changes in Discount Rate</u>	<u>Net OPEB Liability</u>
1% Decrease (5.00%)	\$ 11,380
Current Discount Rate (6.00%)	8,506
1% Increase (7.00%)	6,171

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Housing Authority if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates, for measurement period ended September 30, 2018:

<u>Changes in Healthcare Cost Trend Rates</u>	<u>Net OPEB Liability</u>
1% Decrease (6.50% decreasing to 4.00%)	\$ 5,904
Current Healthcare Cost Trend Rates (7.50% decreasing to 5.00%)	8,506
1% Increase (8.50% decreasing to 6.00%)	12,019

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 20 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – HOUSING AUTHORITY (CONTINUED)

OPEB Plan Fiduciary Net Position

PARS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the Public Agency Retirement Services, 4350 Von Karman Ave., Suite 100, Newport Beach, California 92660.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position of the Housing Authority are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

- Net difference between projected and actual earnings on OPEB plan investments are recognized over a 5-year period using the straight-line method.
- All other amounts are recognized over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the measurement period. The EARSL period is 6.63 years for the measurement period ended September 30, 2018.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2019, the Housing Authority recognized OPEB expense of \$942. As of September 30, 2019, the Housing Authority reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions made subsequent to the measurement date	\$ 921	\$ -
Changes in assumptions	-	144
Differences between expected and actual experience	-	2,101
Net difference between projected and actual earnings on OPEB plan investments	-	219
Total	\$ 921	\$ 2,464

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NOTE 20 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – HOUSING AUTHORITY (CONTINUED)

The \$921 reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the Housing Authority's next fiscal year ending September 30, 2020. Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended September 30		
2020	\$	(474)
2021		(474)
2022		(474)
2023		(392)
2024		(399)
Thereafter		(251)
Total	\$	<u>(2,464)</u>

NOTE 21 – LEASE/LEASEBACK

In May 1997, the County entered into a lease agreement whereby seven separate County parcels (each a Parcel and together, the Parcels), including related buildings, valued at a total of approximately \$146 million, were leased to a Delaware business trust (Trust) formed for a certain lease-leaseback transaction to act in various capacities for the benefit of the investor (the Investor) as described in the transaction. The County simultaneously entered into a sublease agreement with the Trust to lease the buildings back. With respect to the lease agreement, the County received a prepayment of \$25.6 million from the Trust, which was created by the Investor and the trustee for the Trust. The County transferred \$17.0 million to a sublease guaranty entity (Sublease Guaranty Trust) in order to induce the Sublease Guaranty Trust to provide a guaranty for the County's obligations under the sublease agreement. In order to secure its obligations, the Sublease Guaranty Trust used the monies to cause AIG-FP Special Finance and AIG-Matched Funding Corp to deliver a Letter of Credit (Loan) and a Letter of Credit (Equity), respectively, under the terms of a certain Debt Payment Agreement and a certain Equity Payment Agreement. After transaction expenses were paid, the County retained \$8.8 million.

The Letter of Credit (Loan) and the Letter of Credit (Equity) provide for the payment of the County's obligation under the sublease and exercise of its purchase option. As a result, obligations under the lease-leaseback arrangement are considered to be economically, although not legally defeased. Therefore, the trust assets and the related debt have been excluded from the County's financial statements. The term of the full lease with the financing institution ends in 2034. However, the sublease provides a procedure whereby the sublease with respect to one Parcel was terminated as of January 2010 and, with respect to another Parcel, terminated on July 1, 2014, and with respect to the remaining five Parcels, terminates in 2021. It is the County's intent to terminate the sublease as to the five remaining parcels.

The County's plan at this time is to continue to exercise its purchase options rights as available. On September 12, 2008, American International Group, Inc. (AIG), which provided a guarantee with respect to each of the above-mentioned letters of credit, was downgraded by both Moody's and S&P. The downgrade triggered provisions of the lease-leaseback transaction that allows certain parties to demand AIG to collateralize the Letter of Credit (Equity) and allows the replacement of an AIG related entity, AIG-FP Special Finance (Cayman) Limited, as the provider of the Letter of Credit (Loan).

COUNTY OF SAN BERNARDINO
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NOTE 21 – LEASE/LEASEBACK (CONTINUED)

As requested by the Investor, in October 2008, AIG posted collateral to secure its obligations under the Letter of Credit (Equity). The County continues to analyze all options relating to this transaction, including the replacement of the provider of the Letter of Credit (Loan). As of June 30, 2020, assuming that the Investor would agree to a termination in whole of the lease-leaseback transaction, the County estimated that the cost of termination would be approximately \$3.6 million. If AIG were unable to fulfill its guarantee under the Letter of Credit (Loan), the County estimates that the cost to the County to make the remaining sublease payments and purchase option payments would be approximately \$117.5 million over the next year.

AIG is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (SEC). Such reports, proxy statements and other information can be inspected and copied at public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549, United States, at prescribed rates. In addition, the SEC maintains a website at <http://www.sec.gov>, which contains reports, proxy statements and other information regarding registrants that file such information electronically with the SEC. The County takes no responsibility for the accuracy, completeness or timeliness of such reports, proxy statements or other information, and such reports, proxy statements and other information is not incorporated herein by reference.

The Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA), enacted on May 17, 2006, included excise taxes and disclosure rules that target certain tax shelter transactions to which a tax exempt entity is a party. In August 2006, the County received notice from the lease/leaseback Investor that the transaction is a prohibited tax shelter transaction as defined in the new TIPRA legislation. The U.S. Treasury issued proposed, temporary and final regulations related to TIPRA and they provide that disclosure by a tax-exempt entity is not required for any transaction entered into by the entity on or before May 17, 2006. The County is unable to determine at this time whether and/or to what extent excise taxes would be applicable to this transaction.

NOTE 22 – COMMITMENTS, CONTINGENCIES, AND CERTAIN SUBSEQUENT EVENTS

Lawsuits and Other Claims

The County has been named as a defendant in numerous lawsuits and claims arising in the normal course of operations. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable loss to the County, such loss has been recorded in the accompanying basic financial statements. In the opinion of County management and County Counsel, the ultimate outcome of the remaining claims cannot be determined at this time.

Grants

The County recognizes as revenue, grant monies received as reimbursement for costs incurred in certain Federal and State programs it administers. Although the County's grant programs are being audited through June 30, 2020 in accordance with the provisions of the Single Audit Act of 1996, these programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 22 – COMMITMENTS, CONTINGENCIES, AND CERTAIN SUBSEQUENT EVENTS (CONTINUED)

Commitments

The County has entered into contractual agreements for various projects. The following encumbered amounts are included within restricted, committed or assigned fund balance for their specific purposes, respectively.

	Outstanding Encumbrances
Major Governmental Funds:	
General Fund	\$ 79,069
Capital Improvement Fund	46,658
Total Major Governmental Funds	125,727
Nonmajor Governmental Funds	133,942
Total Governmental Funds	\$ 259,669

Agreements/Certain Claims

(a) El Mirage Off-Highway Vehicle Park

The County entered into an Interagency Agreement (Agreement) with the California Off-Highway Motor Vehicle Recreation Commission, the California Department of Parks and Recreation (Parks), the County of Los Angeles, and the Bureau of Land Management (BLM) to create an off-road vehicle park and camping area on November 14, 1988. The County, BLM, and Parks entered into a MOU to further define the roles of each agency in the development of the El Mirage Off-Highway Vehicle Park (Park) in 1990. In accordance with the Agreement and the MOU, Parks provided the funding, the County is to appraise and acquire land in the Park as an acquisition agent initially taking title in trust for the BLM, and then, convey the land to the BLM to operate and manage the Park. Approximately 1,306 parcels have been acquired and approximately 399 have been transferred to the BLM. There are 135 parcels remaining to be acquired. The El Mirage Trust Fund balance is \$1,900,000.

(b) Economic and Community Development

The Economic Development Agency has multiple programs for business and housing loans funded by the Department of Housing and Urban Development (HUD) and administered by either the Economic Development Department or the Department of Community Development and Housing. The grant funds are used to develop viable communities by providing decent, safe and sanitary housing, suitable living environments and expanded economic opportunities for low and moderate income persons.

Business loans were issued for low and moderate income job creation and retention. Housing loans were provided for housing rehabilitation, home buyer assistance, and creation of new affordable housing units. Most of these loans contain forgiveness clauses that allow for the forgiveness of the debt and the amounts become grants once certain conditions have been met. Certain loans for multiple-family and housing rehabilitation contain residual receipts clauses in which the County only collects on the loan balance if income generated by the property exceeds certain levels. At the end of the agreement a remaining balance exists because the residual receipts generated were insufficient to defease the loan; the remaining balance may be forgiven as long as all affordability conditions have been met.

COUNTY OF SAN BERNARDINO
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NOTE 22 – COMMITMENTS, CONTINGENCIES, AND CERTAIN SUBSEQUENT EVENTS (CONTINUED)

Under HUD regulations any monies received from the repayments of a business loan or a housing loan are considered to be program income and can only be used for programs or projects that primarily benefit low to moderate income persons. The total amount of these various loans at June 30, 2020 is \$61,194 . The estimated amount that will probably be collected in future years is substantially lower due to the nature of the funding source of these loans. Due to this contingent nature of the loans, they are not currently recognized in the financial statements.

Pollution Remediation

(a) Sanitary Landfills

Volatile Organic Compound Contamination of Ground Water: On November 10, 1998, the County approved a settlement agreement with the San Gabriel Valley Water Company (SGVWC). This agreement settles the claim that a volatile organic compound (perchloroethylene (PCE)) released from the Mid-Valley Sanitary Landfill has negatively impacted some of SGVWC's wells which it operates through its subsidiary, Fontana Water Company (FWC). This agreement requires the County to pay for the annual operation and maintenance cost of FWC's (PCE) treatment system for as long as the specified contaminants continue to be detected at FWC's wells in this area.

As security for each annual payment, the County must annually post a letter of credit for 125% of the year's operations and maintenance costs, based upon an estimated budget submitted by the SGVWC. When the agreement was approved, the then-current estimate for the annual operations and maintenance costs was \$500 per year. The operations and maintenance costs over the life of the agreement have averaged about \$298 per year. In addition to these costs, the County pays \$224 per year for water rights used to run the PCE remediation systems. The agreement does not state a specified number of years over which these annual operations and maintenance costs may be incurred; therefore, a reasonable estimate of the contingent liability cannot be determined.

On September 16, 2013, SGVWC orally advised the County that it had been sued by several water purveyors in the Rialto-Colton Basin on September 12, 2013, and that it considered this new lawsuit to be within the defense and indemnity obligations of the 1998 settlement agreement. By letter dated September 20, 2013, SGVWC formally tendered the defense and indemnity of the lawsuit. By letter dated October 4, 2013, the County timely rejected SGVWC's tender. On September 24, 2013, the County received from Fontana Union Water Company (FUWC) its tender of the same lawsuit, and on October 8, 2013, the County timely rejected that tender. Lastly, on October 11, 2013, the County received from Cucamonga Valley Water District (CVWD) its tender of the same lawsuit. The County timely rejected that tender on October 25, 2013. In general, the County's rejection of all tenders was based on the apparent purpose of the new lawsuit to challenge the use of water and water rights by SGVWC and FUWC, not on the existence of leachate contamination in groundwater. On April 17, 2014, San Gabriel Valley Water Company DBA Fontana Water Company and Fontana Union Water Company each filed with the County individual claims asserting that each has been damaged by the County's denial of the tenders and Fontana Water Company also claims property damage from contamination from the landfill. No further communications have been received by the County concerning these claims as of the date of this report. As of September 12, 2018, the lawsuit filed by water purveyors against SGVWC has settled.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Amounts in thousands)

NOTE 22 – COMMITMENTS, CONTINGENCIES, AND CERTAIN SUBSEQUENT EVENTS (CONTINUED)

Perchlorate Contamination of Ground Water: Commencing in about 2004, numerous lawsuits were filed naming the County concerning perchlorate groundwater contamination in the Rialto-Colton Basin alleged to be emanating from or near the Mid-Valley Sanitary Landfill (“MVSL”) operated by the Solid Waste Management Division. As of June 30, 2020, these lawsuits were substantially resolved as to the County, and the other litigants, through various settlements. The County remains obligated to continue remediation of groundwater contamination in compliance with the settlements, court orders and agency orders.

San Gabriel Valley Water Company lawsuit involving perchlorate at the MVSL: On July 1, 2008, San Gabriel Valley Water Company filed a claim alleging that perchlorate from the County’s MVSL, including the expansion portion of the property where aggregate mining is taking place, has impacted its wells in the Rialto-Colton Basin. It is too early to determine the potential liability of the County. While San Gabriel never pursued that claim in court, as noted above, on April 17, 2014, San Gabriel Valley Water Company DBA Fontana Water Company and Fontana Union Water Company each filed with the County individual claims asserting that each has been damaged by the County’s denial of the tenders and Fontana Water Company also claims property damage from contamination from the landfill. No further communications have been received by the County concerning these claims as of the date of this report. It is uncertain how San Gabriel Valley Water Company will proceed on its claim.

Settlement with Insurance Company of the State of Pennsylvania (“ICSOP”) for Investigation Costs Associated with the Inactive Yucaipa Disposal Site (“YDS”): In early 2012, the County filed a lawsuit against ICSOP to obtain recoupment of the costs of investigating and remediating the Chino Airport Plume. During negotiations between the County and ICSOP it was determined that under the same policies and the same legal theory of recovery of investigation costs, that ICSOP would also be responsible to pay the County for its costs of investigation incurred at the YDS. Waste Systems coordinates with Risk Management to submit invoices for investigation costs to ICSOP for reimbursement in accordance with the settlement agreement.

(b) Chino Airport

On June 27, 2008, the California Regional Water Quality Control Board (Regional Board) issued a Clean-up and Abatement Order (Order No. R8-2008-0064) to the San Bernardino County Department of Airports concerning contaminated groundwater near the Chino Airport. The Order required the County to conduct an investigation of Volatile Organic Compounds (VOCs) located in groundwater off-site, south, of the Chino Airport and to develop a remedial action plan. Trichloroethylene (TCE), which is a VOC, was originally found in wells down gradient of Chino Airport in the 1980s. The County complied with the Regional Board’s Order through various investigatory plans and processes. The County installed monitoring wells during fiscal year 2012-13 to allow better characterization of the width and depth of the groundwater contamination plume located south of Chino Airport. The characterization of the groundwater plume was completed in mid-2013 and accepted by the Regional Board. The recent (2013-2016) characterization work done by the County indicates that the plume is made up of several VOCs (primarily consisting of TCE and 1, 2, 3-trichloropropane (1, 2, 3-TCP) which was used as an industrial solvent and soil fumigant).

In June 2013, the County submitted to the Regional Board a Work Plan for Additional Site Characterization on the Chino Airport property and that work commenced in late 2013, continuing through calendar year 2014. This site work was completed in early 2015. Reports concerning this Additional Site Characterization work were submitted to the Regional Board. Starting in 2015, the County commenced work on an Engineering Feasibility Study (EFS) to analyze various remediation plans to address the groundwater contamination. The draft EFS was submitted to the Regional Board in August 2016 and approved in 2017.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 22 – COMMITMENTS, CONTINGENCIES, AND CERTAIN SUBSEQUENT EVENTS (CONTINUED)

On January 11, 2017, the Regional Board issued Order No. R8-2017-0011 to supersede Order No. R8-2008-0064. The County is now complying with the new Order and is preparing a final remediation plan for review and approval by the Regional Board. In December 2017, the County submitted to the Regional Board a Draft Interim Remedial Action Plan (IRAP) which identifies the proposed remedial plan to contain and treat the contaminated groundwater. The proposed remedial action set forth in the IRAP contemplates a long term settlement and operations agreement with the Chino Desalter Authority (CDA). The settlement agreement between the County and CDA was approved by their respective boards in September-October 2019. The final IRAP was submitted to the Regional Board on May 18, 2020 and was approved on November 4, 2020.

The County expects to receive from one of its insurers reimbursements for investigatory costs incurred as of June 30, 2020. The scope and cost of a final remediation plan is dependent on approval by the Regional Board and will require cooperation with the CDA and possibly the Water Master. Further, the workplan to implement the remediation has not yet been approved by the oversight agency – the Regional Board. However, the County has estimated costs for the Remediation Plan including operations and maintenance over 30-50 years to possibly range between \$32-52 million.

Contingencies

COVID-19 Pandemic

The COVID-19 virus originated in late 2019 and began spreading, initially, within China and then to other countries. On January 30, 2020, the World Health Organization declared the outbreak to be a “public health emergency of international concern”. This was followed on January 31, 2020 by the United States Human Services Secretary declaring a public health emergency. The number of cases internationally, within the US and within California continue to rise.

On March 4, 2020, Governor Newsom issued a Proclamation of a State of Emergency as a result of the COVID-19 outbreak due to the rising number of confirmed cases and anticipated complications for those infected. On March 10, 2020, the County Public Health Officer declared a local health emergency to help ensure county government and the public were prepared for the possibility that COVID-19 will appear within the county. On March 10, 2020, the Board of Supervisors proclaimed the existence of a local emergency within San Bernardino County resulting from COVID-19, which causes infectious disease resulting in symptoms of fever, coughing and shortness of breath with outcomes ranging from mild to severe illness and in some cases, death.

The County is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and future full impact to the County is not known.

Subsequent Events

Colonies Settlement

On October 20, 2020 San Bernardino County entered into a settlement agreement and mutual release (“Agreement”) with Colonies Partner, L.P. (“Colonies”) and Jeffrey Burum (“Burum” collectively with Colonies, “Plaintiffs”). The Agreement pertains to two actions brought against San Bernardino County in 2018 by Plaintiffs alleging retaliatory investigation and prosecution. The agreement requires the County to pay Plaintiffs the aggregate monetary sum of \$65,000 no later than January 18, 2021, but no earlier than January 1, 2021. The payment represents additional consideration to Colonies for its distressed sales and all other damages, and to

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 22 – COMMITMENTS, CONTINGENCIES, AND CERTAIN SUBSEQUENT EVENTS (CONTINUED)

Burum on account of his incarceration, loss of personal and professional goodwill, lost sales proceeds, and all other damages. The County entered into the Agreement due to the costs and uncertainties of litigation, and to fully and finally resolve all differences, rights, and obligations between the County and Plaintiffs arising out of or related to any and all known or unknown disputes and differences arising out of or relating to the pending litigation. The payment has been made in accordance with the settlement agreement.

NOTE 23 – NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 84 – Fiduciary Activities

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for periods beginning after December 15, 2019. The County has not determined the effect of this Statement.

GASB Statement No. 87 – Leases

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for periods beginning after June 15, 2021. The County has not determined the effect of this Statement.

GASB Statement No. 89 – Accounting for Interest Cost Incurred before the End of a Construction Period

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for periods beginning after June 15, 2021. The County has not determined the effect of this Statement.

GASB Statement No. 90 – Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61)

In August, 2018, GASB issued Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The County has not determined the effect of this Statement.

GASB Statement No. 91 – Conduit Debt Obligations

In May, 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The County has not determined the effect of this Statement.

GASB Statement No. 92 – Omnibus 2020

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and finance reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The County has not determined the effect of this Statement.

COUNTY OF SAN BERNARDINO
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020
(Amounts in thousands)

NOTE 23 – NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

GASB Statement No. 93 – Replacement of Interbank Offered Rates

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*. The primary objectives of this Statement are to address the accounting and financial reporting implications that result from the replacement of an IBOR. This Statement is effective for periods beginning after June 15, 2021. The County has not determined its effect on the financial statements.

GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment*. The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). This Statement is effective for periods beginning after June 15, 2022.

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objectives of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement is effective for reporting periods beginning after June 15, 2022. The County has not determined the effect of this Statement.

GASB Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No.14 and No. 84 and A Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Statement is effective for reporting periods beginning after June 15, 2021. The County has not determined the effect of this Statement.



**REQUIRED
SUPPLEMENTARY
INFORMATION**



**COUNTY OF SAN BERNARDINO
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Costing Sharing Retirement Plan - San Bernardino County Employees' Retirement Association
Last 10 Fiscal Years ⁽¹⁾
(Amounts in thousands)**

County Total	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability ⁽²⁾	81.73%	81.36%	82.57%	82.92%	83.37%	84.40%
County's proportionate share of the net pension liability	\$ 2,216,336	\$ 2,061,295	\$ 2,176,107	\$ 2,046,702	\$ 1,619,806	\$ 1,434,500
County's covered payroll	\$ 1,222,101	\$ 1,163,251	\$ 1,116,557	\$ 1,061,307	\$ 1,048,550	\$ 1,028,958
County's proportionate share of the net pension liability as a percentage of its covered payroll	181.35%	177.20%	194.89%	192.85%	154.48%	139.41%
Plan fiduciary net position as a percentage of the total pension liability	79.61%	79.89%	77.90%	76.86%	80.98%	82.47%
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Primary Government						
Primary Government's portion of the net pension liability	81.66%	81.29%	82.48%	82.81%	83.27%	84.29%
Primary Government's proportionate share of the net pension liability	\$ 2,214,449	\$ 2,059,554	\$ 2,174,075	\$ 2,044,518	\$ 1,618,134	\$ 1,432,929
Primary Government's covered payroll	\$ 1,220,711	\$ 1,161,950	\$ 1,115,185	\$ 1,059,874	\$ 1,047,144	\$ 1,027,569
Primary Government's proportionate share of the net pension liability as a percentage of its covered payroll	181.41%	177.25%	194.95%	192.90%	154.53%	139.45%
Plan fiduciary net position as a percentage of the total pension liability	79.61%	79.89%	77.90%	76.86%	80.98%	82.47%
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Discretely Presented Component Unit						
Component Unit's proportion of the net pension liability	0.07%	0.07%	0.09%	0.11%	0.10%	0.11%
Component Unit's proportionate share of the net pension liability	\$ 1,887	\$ 1,741	\$ 2,032	\$ 2,184	\$ 1,672	\$ 1,571
Component Unit's covered payroll	\$ 1,390	\$ 1,301	\$ 1,372	\$ 1,433	\$ 1,406	\$ 1,389
Component Unit's proportionate share of the net pension liability as a percentage of its covered payroll	135.77%	133.89%	148.15%	152.40%	118.99%	113.13%
Plan fiduciary net position as a percentage of the total pension liability	79.61%	79.89%	77.90%	76.86%	80.98%	82.47%
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Note to Schedule:

In 2019 and 2020, there were no changes of assumptions. In 2018, the actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the three year period of July 1, 2013 through June 30, 2016. Amounts reported in 2018 primarily reflect a decrease of 0.25% for both the investment rate of return and inflation rate, an increase of 0.1% of payroll for administrative expenses, and adjustments of projected salary increases and mortality rates to more closely reflect actual experience. Mortality rates used in the June 30, 2017 actuarial valuation are based on the Headcount-Weighted RP 2014 Healthy Annuitant Mortality Table rather than on the RP-2000 Combined Healthy Mortality Table, which was used to determine amounts reported prior to 2018.

⁽¹⁾ Fiscal year 2015 was the first year of implementation, therefore, only six years are shown.

⁽²⁾ Percentage excludes the Consolidated Fire Agencies of the East Valley which is not part of the County of San Bernardino's reporting entity.

**COUNTY OF SAN BERNARDINO
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
Costing Sharing Retirement Plan - San Bernardino County Employees' Retirement Association
Last 10 Fiscal Years ⁽¹⁾
(Amounts in thousands)**

<u>County Total</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 387,854	\$ 371,241	\$ 315,907	\$ 303,138	\$ 286,271	\$ 255,377
Contributions in relation to the actuarially determined contribution	387,854	371,241	315,907	303,138	286,271	255,377
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 1,286,478	\$ 1,222,101	\$ 1,163,251	\$ 1,116,557	\$ 1,033,349	\$ 1,048,550
Contributions as a percentage of covered payroll	30.15%	30.38%	27.16%	27.15%	27.70%	24.36%
<u>Primary Government</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 387,511	\$ 370,902	\$ 315,618	\$ 302,836	\$ 285,943	\$ 255,080
Contributions in relation to the actuarially determined contribution	387,511	370,902	315,618	302,836	285,943	255,080
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 1,285,098	\$ 1,220,711	\$ 1,161,950	\$ 1,115,185	\$ 1,059,864	\$ 1,047,144
Contributions as a percentage of covered payroll	30.15%	30.38%	27.16%	27.16%	26.98%	24.36%
<u>Discretely Presented Component Unit</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 343	\$ 339	\$ 289	\$ 302	\$ 328	\$ 297
Contributions in relation to the actuarially determined contribution	343	339	289	302	328	297
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 1,380	\$ 1,390	\$ 1,301	\$ 1,372	\$ 1,443	\$ 1,406
Contributions as a percentage of covered payroll	24.89%	24.42%	22.19%	21.98%	22.91%	21.18%

Note to Schedule:

⁽¹⁾ Fiscal year 2015 was the first year of implementation, therefore, only six years are shown.

**COUNTY OF SAN BERNARDINO
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**SCHEDULE OF CHANGES IN THE HOUSING AUTHORITY'S NET PENSION LIABILITY AND RELATED RATIOS
Agent Multiple-Employer Defined Benefit Plan - California Public Employees Retirement System
Miscellaneous Plan of the San Bernardino County Housing Authority
Last 10 Fiscal Years ⁽¹⁾
(Amounts in thousands)**

	September 30, 2019 ⁽²⁾	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
Total pension liability					
Service cost	\$ 1,224	\$ 1,188	\$ 1,229	\$ 1,141	\$ 1,087
Interest on total pension liability	4,392	4,243	4,160	4,091	3,956
Changes of assumptions	-	(518)	3,333	-	(927)
Differences between expected and actual experience	183	(293)	(547)	17	111
Benefit payments, including refunds of employee contributions	(3,606)	(3,480)	(3,318)	(3,396)	(3,235)
Net change in total pension liability	2,193	1,140	4,857	1,853	992
Total pension liability - beginning	62,438	61,298	56,441	54,588	53,596
Total pension liability - ending (a)	<u>\$ 64,631</u>	<u>\$ 62,438</u>	<u>\$ 61,298</u>	<u>\$ 56,441</u>	<u>\$ 54,588</u>
Plan fiduciary net position					
Contributions from employer	\$ 1,933	\$ 1,709	\$ 1,534	\$ 1,358	\$ 1,201
Contributions from employees	538	526	522	542	518
Net investment income	2,684	3,328	4,035	181	853
Benefit payments, including refunds of employee contributions	(3,606)	(3,480)	(3,318)	(3,396)	(3,235)
Administrative expense	(29)	(61)	(54)	(23)	(43)
Other miscellaneous income/(expense)	-	(116)	-	-	-
Net change in fiduciary net position	1,520	1,906	2,719	(1,338)	(706)
Plan fiduciary net position - beginning	41,042	39,136	36,417	37,755	38,461
Plan fiduciary net position - ending (b)	<u>\$ 42,562</u>	<u>\$ 41,042</u>	<u>\$ 39,136</u>	<u>\$ 36,417</u>	<u>\$ 37,755</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 22,069</u>	<u>\$ 21,396</u>	<u>\$ 22,162</u>	<u>\$ 20,024</u>	<u>\$ 16,833</u>
Plan fiduciary net position as a percentage of total pension liability	65.85%	65.73%	63.85%	64.52%	69.16%
Housing Authority's covered payroll	\$ 7,381	\$ 6,983	\$ 6,997	\$ 7,110	\$ 6,759
Plan net pension liability as a percentage of covered payroll	299.01%	306.39%	316.71%	281.62%	249.03%
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

Note to Schedule:

⁽¹⁾ Fiscal year 2015 is the first year of implementation for the Housing Authority due to its fiscal year beginning October 1, 2014, therefore, only five years are shown.

⁽²⁾ The Housing Authority has a September 30 year-end. As such, the most recent fiscal year for the Housing Authority was September 30, 2019.

⁽³⁾ Changes of Assumptions: In 2019, there were no changes of assumptions. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate reduced from 7.65% to 7.15%.

**COUNTY OF SAN BERNARDINO
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**SCHEDULE OF THE HOUSING AUTHORITY'S RETIREMENT CONTRIBUTIONS
Agent Multiple-Employer Defined Benefit Plan - California Public Employees Retirement System
Miscellaneous Plan of the San Bernardino County Housing Authority**

Last 10 Fiscal Years ⁽¹⁾
(Amounts in thousands)

	September 30, 2019 ⁽²⁾	September 30, 2018	September 30, 2017	September 30, 2016	September 30, 2015
Actuarially determined contribution	\$ 1,933	\$ 1,709	\$ 1,534	\$ 1,358	\$ 1,449
Contributions in relation to the actuarially determined contribution	1,933	1,904	1,891	1,358	1,449
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ (195)</u>	<u>\$ (357)</u>	<u>\$ -</u>	<u>\$ -</u>
Housing Authority's covered payroll ⁽³⁾	\$ 7,381	\$ 6,983	\$ 6,997	\$ 7,110	\$ 6,759
Contributions as a percentage of covered payroll ⁽³⁾	26.19%	27.27%	27.03%	19.10%	21.43%

Note to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal years 2019 contribution rates are as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method/Period	For details see CalPERS June 30, 2016 Funding Valuation Report
Asset Valuation Method	Market value of assets. For details see CalPERS June 30, 2016 Funding Valuation Report
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.375% net of administration expenses; includes inflation
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of Mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvements using Scale BB published by the Society of Actuaries.

⁽¹⁾ Fiscal year 2015 is the first year of implementation for the Housing Authority due to its fiscal year beginning October 1, 2014, therefore, only five years are shown.

⁽²⁾ The Housing Authority has a September 30 year-end. As such, the most recent fiscal year for the Housing Authority was September 30, 2019.

⁽³⁾ The Housing Authority has a September 30 year-end. Therefore, the covered payroll in this schedule of employer contributions during the fiscal year is considered the same amount in the schedule of funding progress based on the annual covered payroll during the year that ends on the measurement date of the pension liability at June 30 since the variance is trivial.

⁽⁴⁾ Changes of Assumptions: In 2019, the investment rate of return reduced from 7.50% to 7.375%. Amount reported in 2018 primarily reflect a decrease of 0.25% for both inflation rate and payroll growth.

**COUNTY OF SAN BERNARDINO
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**SCHEDULE OF CHANGES IN THE HOUSING AUTHORITY'S NET OPEB LIABILITY AND RELATED RATIOS
Agent Multiple-Employer Defined Benefit OPEB Plan - Public Agency Retirement Services**

Last 10 Fiscal Years ⁽¹⁾
(Amounts in thousands)

	September 30, 2019 ⁽²⁾	September 30, 2018
Total OPEB liability		
Service cost	\$ 760	\$ 736
Interest on total OPEB liability	1,318	1,279
Changes in assumptions	(169)	
Differences between expected and actual experiences	(2,475)	
Benefit payments	(933)	(916)
Net change in total OPEB liability	(1,499)	1,099
Total OPEB liability - beginning	21,674	20,575
Total OPEB liability - ending (a)	<u>\$ 20,175</u>	<u>\$ 21,674</u>
Plan fiduciary net position		
Contributions from employer	\$ 933	\$ 916
Net difference between projected and actual earnings on OPEB plan investments	-	327
Net investment income	662	713
Benefit payments	(933)	(916)
Investment expense	(32)	(30)
Net change in fiduciary net position	630	1,010
Plan fiduciary net position - beginning	11,039	10,029
Plan fiduciary net position - ending (b)	<u>\$ 11,669</u>	<u>\$ 11,039</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 8,506</u>	<u>\$ 10,635</u>
Plan fiduciary net position as a percentage of total OPEB liability	57.84%	50.93%
Housing Authority's covered-employee payroll ⁽³⁾	\$ 7,579	\$ 7,386
Net OPEB liability as a percentage of covered-employee payroll	112.23%	143.99%
Measurement date	September 30, 2018	September 30, 2017

Note to Schedule:

- ⁽¹⁾ Fiscal year 2018 is the first year of implementation of GASB 75 for the Housing Authority due to its fiscal year beginning October 1, 2017, therefore, only two years are shown.
- ⁽²⁾ The Housing Authority has a September 30 year-end. As such, the most recent fiscal year for the Housing Authority was September 30, 2019.
- ⁽³⁾ The Housing Authority's covered-employee payroll is used as the measure of payroll since the contributions to the OPEB plan are not based on a measure of pay. Contributions are based on an employee's hire date and the medical premiums.
- ⁽⁴⁾ Changes in Assumptions: In 2019, demographic assumptions were updated to those provided in the CalPERS 2017 Experience Study. Mortality rates were updated to the rates in the midpoint year of the 2017 Experience Study (2015), then projected on a generational basis by MacLeod Watts Scale 2018. Also, the excise tax effective date was delayed from 2020 to 2022 based on the change in the Affordable Care Act.

**COUNTY OF SAN BERNARDINO
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**SCHEDULE OF THE HOUSING AUTHORITY'S OPEB CONTRIBUTIONS
Agent Multiple-Employer Defined Benefit OPEB Plan - Public Agency Retirement Services
Last 10 Fiscal Years ⁽¹⁾
(Amounts in thousands)**

	<u>September 30, 2019 ⁽²⁾</u>	<u>September 30, 2018</u>
Actuarially determined contribution	\$ 1,563	\$ 1,744
Contributions in relation to the actuarially determined contribution	921	1,749
Contributions deficiency (excess)	<u>\$ 642</u>	<u>\$ (5)</u>
Housing Authority's covered-employee payroll ⁽³⁾	\$ 7,776	\$ 7,579
Contributions as a percentage of covered-employee payroll	11.85%	23.08%

Note to Schedule:

- ⁽¹⁾ Fiscal year 2018 is the first year of implementation of GASB 75 for the Housing Authority due to its fiscal year beginning October 1, 2017, therefore, only two years are shown.
- ⁽²⁾ The Housing Authority has a September 30 year-end. As such, the most recent fiscal year for the Housing Authority was September 30, 2019.
- ⁽³⁾ The Housing Authority's covered-employee payroll is used as the measure of payroll since the contributions to the OPEB plan are not based on a measure of pay. Contributions are based on an employee's hire date and the medical premiums.
- ⁽⁴⁾ Changes in Assumptions: In 2019, demographic assumptions were updated to those provided in the CalPERS 2017 Experience Study. Mortality rates were updated to the rates in the midpoint year of the 2017 Experience Study (2015), then projected on a generational basis by MacLeod Watts Scale 2018. Also, the excise tax effective date was delayed from 2020 to 2022 based on the change in the Affordable Care Act.



SUPPLEMENTAL INFORMATION





**COMBINED FINANCIAL
STATEMENTS NONMAJOR
GOVERNMENTAL FUNDS**





**COUNTY OF SAN BERNARDINO
 COMBINED BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020 (IN THOUSANDS)**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR FUNDS
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 910,336	\$ 13,858	\$ 32,413	\$ 1,838	\$ 958,445
INVESTMENTS	-	2,797	-	-	2,797
ACCOUNTS RECEIVABLE - NET	3,856	-	-	-	3,856
TAXES RECEIVABLE	7,960	-	-	-	7,960
INTEREST RECEIVABLE	1,960	45	100	-	2,105
LOAN RECEIVABLE	764	-	-	-	764
OTHER RECEIVABLES	1,377	-	-	-	1,377
DUE FROM OTHER FUNDS	32,717	1,668	-	-	34,385
DUE FROM OTHER GOVERNMENTS	70,339	-	379	-	70,718
LAND HELD FOR RESALE	361	-	1,301	-	1,662
INVENTORIES	153	-	-	-	153
PREPAID ITEMS	6,704	-	-	-	6,704
INTERFUND RECEIVABLE	18,384	-	-	-	18,384
RESTRICTED CASH AND INVESTMENTS	13,143	-	-	-	13,143
TOTAL ASSETS	<u>\$ 1,068,054</u>	<u>\$ 18,368</u>	<u>\$ 34,193</u>	<u>\$ 1,838</u>	<u>\$ 1,122,453</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE	\$ 43,726	\$ -	\$ 998	\$ -	\$ 44,724
SALARIES AND BENEFITS PAYABLE	22,410	-	-	-	22,410
DUE TO OTHER FUNDS	53,638	-	325	-	53,963
DUE TO OTHER GOVERNMENTS	3,584	-	-	-	3,584
INTEREST PAYABLE	127	-	-	-	127
ADVANCES FROM OTHERS	6,311	-	-	-	6,311
INTERFUND PAYABLE	7,343	-	3	-	7,346
TOTAL LIABILITIES	<u>137,139</u>	<u>-</u>	<u>1,326</u>	<u>-</u>	<u>138,465</u>
DEFERRED INFLOWS OF RESOURCES	<u>12,218</u>	<u>45</u>	<u>279</u>	<u>-</u>	<u>12,542</u>
FUND BALANCES:					
NONSPENDABLE	6,857	-	-	1,838	8,695
RESTRICTED	840,144	18,323	32,585	-	891,052
ASSIGNED	74,392	-	3	-	74,395
UNASSIGNED	(2,696)	-	-	-	(2,696)
TOTAL FUND BALANCES	<u>918,697</u>	<u>18,323</u>	<u>32,588</u>	<u>1,838</u>	<u>971,446</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,068,054</u>	<u>\$ 18,368</u>	<u>\$ 34,193</u>	<u>\$ 1,838</u>	<u>\$ 1,122,453</u>

**COUNTY OF SAN BERNARDINO
 COMBINED - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR FUNDS
REVENUES					
TAXES	\$ 194,907	\$ -	\$ -	\$ -	\$ 194,907
LICENSES, PERMITS, AND FRANCHISES	1,524	-	-	-	1,524
FINES, FORFEITURES, AND PENALTIES	5,595	-	-	-	5,595
REVENUES FROM USE OF MONEY AND PROPERTY	31,527	82	771	62	32,442
AID FROM OTHER GOVERNMENTAL AGENCIES	412,716	-	157	-	412,873
CHARGES FOR CURRENT SERVICES	134,884	-	7	-	134,891
OTHER REVENUES	51,258	2,123	474	2	53,857
TOTAL REVENUES	832,411	2,205	1,409	64	836,089
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT	8,824	3	863	-	9,690
PUBLIC PROTECTION	252,503	-	-	-	252,503
PUBLIC WAYS AND FACILITIES	86,214	-	-	-	86,214
HEALTH AND SANITATION	209,953	-	-	-	209,953
PUBLIC ASSISTANCE	106,422	-	-	-	106,422
EDUCATION	18,749	-	-	-	18,749
RECREATION AND CULTURAL SERVICES	9,539	-	-	-	9,539
DEBT SERVICE:					
PRINCIPAL	6,379	105,259	-	-	111,638
INTEREST AND FISCAL CHARGES	2,487	9,628	-	-	12,115
CAPITAL OUTLAY	72,102	-	3,819	-	75,921
TOTAL EXPENDITURES	773,172	114,890	4,682	-	892,744
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	59,239	(112,685)	(3,273)	64	(56,655)
OTHER FINANCING SOURCES (USES):					
TRANSFERS OUT	(72,736)	-	(25)	-	(72,761)
TRANSFERS IN	67,694	110,686	5,336	-	183,716
SALE OF CAPITAL ASSETS	9,819	-	-	-	9,819
TOTAL OTHER FINANCING SOURCES AND (USES)	4,777	110,686	5,311	-	120,774
NET CHANGE IN FUND BALANCES	64,016	(1,999)	2,038	64	64,119
FUND BALANCES, BEGINNING	854,681	20,322	30,550	1,774	907,327
FUND BALANCES, ENDING	<u>\$ 918,697</u>	<u>\$ 18,323</u>	<u>\$ 32,588</u>	<u>\$ 1,838</u>	<u>\$ 971,446</u>





**COMBINING FINANCIAL
STATEMENTS NONMAJOR
GOVERNMENTAL FUNDS**



NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

SPECIAL REVENUE FUNDS DESCRIPTIONS

TRANSPORTATION

The Transportation fund accounts for the administration, planning, design, construction, traffic operations, maintenance, and improvements of approximately 2,552 miles of County roadways. The fund is financed principally from state and federal fuel taxes (Highway User Tax or Gas Tax), voter-approved state transportation infrastructure bond proceeds (Proposition 1B), sales tax revenues, and developer fees.

SPECIAL TRANSPORTATION

The Special Transportation fund accounts for roadway resurfacing, rehabilitation, and widening projects, as well as elderly and handicap transit services. The source of funding is a countywide one-half cent sales tax that was passed by the voters of the County in November, 1989 (Measure I). The Measure I funds received must be spent within the sub-area in which they were collected.

SPECIAL AVIATION

The Special Aviation fund accounts for County airport construction projects financed principally by state and federal grants.

MENTAL HEALTH SERVICES ACT

Mental Health Services Act accounts for funds used for reducing the long-term adverse impact on individuals, families, and state and local budgets resulting from untreated serious mental illness. Revenues are derived from a state income tax surcharge of one percent on the portion of taxpayers' annual income that exceeds \$1 million.

PRESCHOOL SERVICES DEPARTMENT

The Preschool Services Department fund administers the Federal Head Start and Early Head Start programs, California Department of Education State Preschool program, as well as the Child and Adult Care Food Program throughout the County. These programs are funded from federal and state sources with no net County cost.

AGING AND ADULT SERVICES

The Aging and Adult Services fund accounts for services provided to the County's elderly through senior citizen programs financed primarily by state aid.

JOBS AND EMPLOYMENT SERVICES

The Jobs and Employment Services fund was established to provide services to job seekers, incumbent workers, entrepreneurs, and employers through Workforce Investment Act (WIA) funding from the Department of Labor.

COURTHOUSE TEMPORARY CONSTRUCTION

The Courthouse Temporary Construction fund accounts for revenues derived from a surcharge on parking fines, non-parking offenses, and criminal fines used for the acquisition, rehabilitation, construction, and financing of courtrooms and courtroom facilities.

NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS – Continued

CRIMINAL JUSTICE TEMPORARY CONSTRUCTION

The Criminal Justice Temporary Construction fund accounts for the monies to be used for improvements to criminal justice facilities. Revenues are derived from a surcharge on parking fines and criminal fines.

CENTRAL COURTHOUSE SURCHARGE

The Central Courthouse Surcharge fund accounts for the monies to be used for the Central Courthouse seismic retrofit/remodel project. Revenue comes from a surcharge on civil filings as authorized by Government Code Section 70624.

MICROGRAPHICS FEES

The Micrographics Fees fund was established to support, maintain, and improve the modernized creation, retention, and retrieval of information in the County's systems of recorded documents, recorder records, electronic recording, social security number (SSN) truncation, and vital records. Revenue includes fees collected pursuant to Government Code Sections 27361 on legal documents, 27397 on electronic recording and 27301 on SSN truncation, and Health and Safety Code Section 10605.3 for certified copies of vital statistics records.

LOCAL LAW ENFORCEMENT BLOCK GRANT

Local Law Enforcement Block Grant fund accounts for the law enforcement activities to improve the overall criminal justice system and prevent or reduce crime and violence. These activities are funded through federal grants and the Southwest Border Prosecution Initiative reimbursement project.

SHERIFF SPECIAL PROJECTS

The Sheriff Special Projects fund accounts for the following functions: Inland Regional Narcotics Enforcement Team, local detention facility projects, federal and state asset forfeitures, and services provided for public gatherings, contract training, vehicle registration assessments, law enforcement, search and rescue, fire suppression, transportation, and Cal- ID regional crime laboratory for the County and other fire and law enforcement agencies. Revenues are primarily derived from federal and state grants, joint trust contributions by all local contracting municipal agencies, and service fees.

FIRE PROTECTION DISTRICTS

The Fire Protection Districts fund accounts for emergency mitigation and management of fire suppression, emergency medical services, ambulance services, HAZMAT response, arson investigation, technical rescue including water borne, flooding, mudslide and winter rescue operations, terrorism and weapons of mass destruction. Revenues are primarily derived from property taxes, federal and state grants, and HAZMAT generator and handler fees.

ECONOMIC AND COMMUNITY DEVELOPMENT

The Economic and Community Development fund accounts for administration of federal, state, and local grant funds allocated to the County for housing and community development programs. Federal grants comprise a large percentage of the funding.

NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS – Continued

FLOOD CONTROL DISTRICT

The Flood Control District fund was established to intercept and convey flood flows through and away from developed areas of the County, as well as to promote water conservation and improved water quality with a very extensive system of flood control and water conservation facilities. District revenue is primarily derived from property taxes, federal and state aid on specific projects, subdivision and permit fees, rents and royalties, and revenue from local water agencies for water spreading services.

COUNTY SERVICE AREAS

The County Service Areas fund accounts for essential programs and municipal services provided to remote geographical areas as well as rapidly growing communities. These funds are primarily financed from property taxes, federal and state grants, rental income, interest income, and service fees.

PARK AND RECREATION DISTRICTS

The Park and Recreation Districts fund accounts for the operation and maintenance of developed parks, undeveloped parks, community buildings, an equestrian arena, and sports fields. Revenues are primarily derived from property taxes, grant funds, park and swim program revenues, concessions, and rent.

COUNTY FREE LIBRARY

The County Free Library fund provides public library services through a network of thirty-two branches to all county unincorporated areas and seventeen cities within the County. The Library is funded primarily through property tax revenues, federal and state funds, service fees, and contributions from local Friends of the Library organizations.

REDEVELOPMENT SUCCESSOR HOUSING

The Redevelopment Successor Housing fund was established to retain the housing functions of the former Redevelopment Agency (RDA) and has all rights, power, duties, and obligations related to building, preserving, and rehabilitating affordable housing for low to moderate income households.

JOINT POWERS AUTHORITIES

The Joint Powers Authorities funds account for cash accumulated to all administrative costs and obligations of the authorities.

OTHER SPECIAL REVENUE

Other Special Revenue funds account for revenues received for various activities and programs including Master Settlement Agreement, Block Grant Carryover Program, Workers' Compensation Insurance Fraud Prosecution, Specialized Prosecutions, San Manuel Amphitheater, Bio-terrorism Preparedness, H1N1 Preparedness, Vital Statistics State Fees, Vector Control Assessments, Chino Agricultural Preserve, Off-Highway Vehicle License Fees, County Trails System, Park Maintenance and Development, Proposition 40 Projects, and Inland Counties Emergency Medical Agency. Revenues are primarily derived from the tobacco lawsuit Master Settlement Agreement, federal and state funds, park admission fees, rents, and service fees.

NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS – Continued

DEBT SERVICE FUNDS DESCRIPTIONS

PENSION OBLIGATION BONDS

The Pension Obligation Bond fund administers the debt service payments related to the County's pension obligation bonds.

CAPITAL PROJECTS FUNDS DESCRIPTIONS

REDEVELOPMENT SUCCESSOR HOUSING

The Redevelopment Successor Housing Capital Projects fund was established to account for projects related to building, preserving, and rehabilitating affordable housing for low to moderate income households.

FIRE PROTECTION DISTRICTS

The Fire Protection Districts Capital Projects funds account for the financial resources used to acquire and construct fire protection facilities within certain geographical areas of the County. These funds are primarily financed by transfers from the Fire Protection Districts' special revenue funds, and interest income.

PARK AND RECREATION DISTRICTS

The Park and Recreation Districts Capital Projects fund accounts for the financial resources used to acquire and construct recreational facilities within certain geographical areas of the County. These funds are primarily financed by Proposition 40 project funds, transfers from the Park and Recreation Districts' special revenue funds, and interest income.

COUNTY SERVICE AREAS

The County Service Areas Capital Projects fund accounts for the financial resources and acquisition and construction of facilities within certain geographical areas of the County. These funds are primarily financed by state capital grants, transfers from the County Service Areas special revenue funds, and interest income.

NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS – Continued

PERMANENT FUNDS DESCRIPTIONS

LUCERNE VALLEY CEMETERY ENDOWMENT CARE FUND

The Lucerne Valley Cemetery Endowment Care fund accounts for cash deposits collected for grave lots sold, and are used to defray the costs of care and maintenance of the cemetery.

ETIWANDA CSA 120 ENDOWMENT CARE FUND

The Etiwanda CSA 120 Endowment Care fund, previously known as the Etiwanda CSA 70 OS-1, uses all interest earned for operating activities for the North Etiwanda Preserve.

**COUNTY OF SAN BERNARDINO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2020 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>TRANSPORTATION</u>	<u>SPECIAL TRANSPORTATION</u>	<u>SPECIAL AVIATION</u>
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 910,336	\$ 84,826	\$ 63,129	\$ 6,319
ACCOUNTS RECEIVABLE - NET	3,856	570	-	-
TAXES RECEIVABLE	7,960	-	-	-
INTEREST RECEIVABLE	1,960	262	198	20
LOANS RECEIVABLE	764	-	-	-
OTHER RECEIVABLES	1,377	-	-	-
DUE FROM OTHER FUNDS	32,717	697	-	1,198
DUE FROM OTHER GOVERNMENTS	70,339	12,277	782	-
LAND HELD FOR RESALE	361	-	-	-
INVENTORIES	153	101	-	-
PREPAID ITEMS	6,704	83	-	-
INTERFUND RECEIVABLE	18,384	55	-	-
RESTRICTED CASH AND CASH EQUIVALENTS	13,143	-	-	-
TOTAL ASSETS	<u>\$ 1,068,054</u>	<u>\$ 98,871</u>	<u>\$ 64,109</u>	<u>\$ 7,537</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 43,726	\$ 4,162	\$ 631	\$ -
SALARIES AND BENEFITS PAYABLE	22,410	1,977	-	-
DUE TO OTHER FUNDS	53,638	79	-	-
DUE TO OTHER GOVERNMENTS	3,584	81	-	-
INTEREST PAYABLE	127	-	-	-
ADVANCES FROM OTHERS	6,311	937	-	-
INTERFUND PAYABLE	7,343	-	55	-
TOTAL LIABILITIES	<u>137,139</u>	<u>7,236</u>	<u>686</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>12,218</u>	<u>263</u>	<u>198</u>	<u>20</u>
FUND BALANCES:				
NONSPENDABLE	6,857	184	-	-
RESTRICTED	840,144	61,418	63,225	7,517
ASSIGNED	74,392	29,770	-	-
UNASSIGNED	(2,696)	-	-	-
TOTAL FUND BALANCES	<u>918,697</u>	<u>91,372</u>	<u>63,225</u>	<u>7,517</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,068,054</u>	<u>\$ 98,871</u>	<u>\$ 64,109</u>	<u>\$ 7,537</u>

**COUNTY OF SAN BERNARDINO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2020 (IN THOUSANDS)**

	MENTAL HEALTH SERVICES ACT	PRESCHOOL SERVICES	AGING AND ADULT SERVICES	JOBS AND EMPLOYMENT SERVICES
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 178,823	\$ 2,089	\$ 1,334	\$ 898
INTEREST RECEIVABLE	561	7	4	3
DUE FROM OTHER FUNDS	9,515	210	62	95
DUE FROM OTHER GOVERNMENTS	24,005	2,940	1,335	643
TOTAL ASSETS	<u>\$ 212,904</u>	<u>\$ 5,246</u>	<u>\$ 2,735</u>	<u>\$ 1,639</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 20,548	\$ 1,647	\$ 41	\$ 617
SALARIES AND BENEFITS PAYABLE	3,376	1,974	171	444
DUE TO OTHER FUNDS	1,857	318	1,085	27
DUE TO OTHER GOVERNMENTS	1,896	243	-	406
ADVANCES FROM OTHERS	-	32	-	-
TOTAL LIABILITIES	<u>27,677</u>	<u>4,214</u>	<u>1,297</u>	<u>1,494</u>
DEFERRED INFLOWS OF RESOURCES	<u>561</u>	<u>7</u>	<u>4</u>	<u>50</u>
FUND BALANCES:				
RESTRICTED	<u>184,666</u>	<u>1,025</u>	<u>1,434</u>	<u>95</u>
TOTAL FUND BALANCES	<u>184,666</u>	<u>1,025</u>	<u>1,434</u>	<u>95</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 212,904</u>	<u>\$ 5,246</u>	<u>\$ 2,735</u>	<u>\$ 1,639</u>

COUNTY OF SAN BERNARDINO
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS (CONTINUED)
 JUNE 30, 2020 (IN THOUSANDS)

	<u>COURTHOUSE TEMPORARY CONSTRUCTION</u>	<u>CRIMINAL JUSTICE TEMPORARY CONSTRUCTION</u>	<u>CENTRAL COURTHOUSE SURCHARGE</u>	<u>MICROGRAPHICS FEES</u>
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 367	\$ 1,533	\$ 2	\$ 20,868
ACCOUNTS RECEIVABLE - NET	-	-	-	16
INTEREST RECEIVABLE	-	-	-	66
LOANS RECEIVABLE	-	-	-	764
DUE FROM OTHER GOVERNMENTS	2	2	-	-
TOTAL ASSETS	<u>\$ 369</u>	<u>\$ 1,535</u>	<u>\$ 2</u>	<u>\$ 21,714</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ -	\$ -	\$ -	\$ 170
SALARIES AND BENEFITS PAYABLE	-	-	-	20
DUE TO OTHER FUNDS	-	1,533	-	-
DUE TO OTHER GOVERNMENTS	369	-	-	-
TOTAL LIABILITIES	<u>369</u>	<u>1,533</u>	<u>-</u>	<u>190</u>
DEFERRED INFLOWS OF RESOURCES	-	-	-	66
FUND BALANCES:				
RESTRICTED	-	2	2	21,458
TOTAL FUND BALANCES	<u>-</u>	<u>2</u>	<u>2</u>	<u>21,458</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 369</u>	<u>\$ 1,535</u>	<u>\$ 2</u>	<u>\$ 21,714</u>

COUNTY OF SAN BERNARDINO
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS (CONTINUED)
 JUNE 30, 2020 (IN THOUSANDS)

	LOCAL LAW ENFORCEMENT BLOCK GRANT	SHERIFF SPECIAL PROJECTS	FIRE PROTECTION DISTRICTS	ECONOMIC AND COMMUNITY DEVELOPMENT
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 1,953	\$ 15,689	\$ 123,886	\$ 20,536
ACCOUNTS RECEIVABLE - NET	-	-	987	-
TAXES RECEIVABLE	-	-	3,639	-
INTEREST RECEIVABLE	6	49	-	64
OTHER RECEIVABLES	-	-	1,262	-
DUE FROM OTHER FUNDS	-	-	9,168	687
DUE FROM OTHER GOVERNMENTS	49	930	3,044	671
PREPAID ITEMS	-	-	6,434	-
INTERFUND RECEIVABLE	-	-	-	16,579
TOTAL ASSETS	<u>\$ 2,008</u>	<u>\$ 16,668</u>	<u>\$ 148,420</u>	<u>\$ 38,537</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 1	\$ 36	\$ 1,641	\$ 3,326
SALARIES AND BENEFITS PAYABLE	-	-	11,528	215
DUE TO OTHER FUNDS	-	1,253	1,028	785
DUE TO OTHER GOVERNMENTS	-	221	160	107
ADVANCES FROM OTHERS	-	184	13	625
TOTAL LIABILITIES	<u>1</u>	<u>1,694</u>	<u>14,370</u>	<u>5,058</u>
DEFERRED INFLOWS OF RESOURCES	<u>6</u>	<u>49</u>	<u>3,483</u>	<u>66</u>
FUND BALANCES:				
NONSPENDABLE	-	-	6,434	-
RESTRICTED	2,001	14,925	124,133	32,140
ASSIGNED	-	-	-	1,273
TOTAL FUND BALANCES	<u>2,001</u>	<u>14,925</u>	<u>130,567</u>	<u>33,413</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,008</u>	<u>\$ 16,668</u>	<u>\$ 148,420</u>	<u>\$ 38,537</u>

**COUNTY OF SAN BERNARDINO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2020 (IN THOUSANDS)**

	FLOOD CONTROL DISTRICT	COUNTY SERVICE AREAS	PARK AND RECREATION DISTRICTS	COUNTY FREE LIBRARY
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 156,226	\$ 28,286	\$ 4,614	\$ 14,314
ACCOUNTS RECEIVABLE - NET	616	35	107	152
TAXES RECEIVABLE	3,107	107	136	971
INTEREST RECEIVABLE	81	20	-	46
OTHER RECEIVABLE	-	115	-	-
DUE FROM OTHER FUNDS	701	2,503	49	722
DUE FROM OTHER GOVERNMENTS	3,917	712	-	3
INVENTORIES	-	-	52	-
PREPAID ITEMS	187	-	-	-
INTERFUND RECEIVABLE	-	1,750	-	-
RESTRICTED CASH AND INVESTMENTS	13,143	-	-	-
TOTAL ASSETS	<u>\$ 177,978</u>	<u>\$ 33,528</u>	<u>\$ 4,958</u>	<u>\$ 16,208</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 9,975	\$ 346	\$ 53	\$ 159
SALARIES AND BENEFITS PAYABLE	1,149	580	111	566
DUE TO OTHER FUNDS	477	421	205	19
DUE TO OTHER GOVERNMENTS	21	10	9	34
INTEREST PAYABLE	-	5	122	-
ADVANCES FROM OTHERS	4,493	20	-	-
INTERFUND PAYABLE	-	288	7,000	-
TOTAL LIABILITIES	<u>16,115</u>	<u>1,670</u>	<u>7,500</u>	<u>778</u>
DEFERRED INFLOWS OF RESOURCES	<u>5,793</u>	<u>249</u>	<u>102</u>	<u>728</u>
FUND BALANCES:				
NONSPENDABLE	187	-	52	-
RESTRICTED	149,860	31,609	-	14,702
ASSIGNED	6,023	-	-	-
UNASSIGNED	-	-	(2,696)	-
TOTAL FUND BALANCES	<u>156,070</u>	<u>31,609</u>	<u>(2,644)</u>	<u>14,702</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 177,978</u>	<u>\$ 33,528</u>	<u>\$ 4,958</u>	<u>\$ 16,208</u>

COUNTY OF SAN BERNARDINO
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS (CONTINUED)
 JUNE 30, 2020 (IN THOUSANDS)

	REDEVELOPMENT SUCCESSOR HOUSING	JOINT POWERS AUTHORITIES	OTHER SPECIAL REVENUE
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 1,924	\$ 3,353	\$ 179,367
ACCOUNTS RECEIVABLE - NET	-	-	1,373
INTEREST RECEIVABLE	6	1	566
DUE FROM OTHER FUNDS	-	-	7,110
DUE FROM OTHER GOVERNMENTS	-	-	19,027
LAND HELD FOR RESALE	361	-	-
TOTAL ASSETS	<u>\$ 2,291</u>	<u>\$ 3,354</u>	<u>\$ 207,443</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
ACCOUNTS PAYABLE	\$ -	\$ -	\$ 373
SALARIES AND BENEFITS PAYABLE	-	-	299
DUE TO OTHER FUNDS	-	1,610	42,941
DUE TO OTHER GOVERNMENTS	-	-	27
ADVANCES FROM OTHERS	-	-	7
TOTAL LIABILITIES	<u>-</u>	<u>1,610</u>	<u>43,647</u>
DEFERRED INFLOWS OF RESOURCES	<u>6</u>	<u>1</u>	<u>566</u>
FUND BALANCES:			
RESTRICTED	2,285	1,743	125,904
ASSIGNED	-	-	37,326
TOTAL FUND BALANCES	<u>2,285</u>	<u>1,743</u>	<u>163,230</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,291</u>	<u>\$ 3,354</u>	<u>\$ 207,443</u>

COUNTY OF SAN BERNARDINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	TOTAL	TRANSPORTATION	SPECIAL TRANSPORTATION	SPECIAL AVIATION
REVENUES:				
TAXES	\$ 194,907	\$ -	\$ 5,653	\$ -
LICENSES, PERMITS AND FRANCHISES	1,524	424	-	-
FINES, FORFEITURES AND PENALTIES	5,595	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	31,527	3,061	2,043	256
AID FROM OTHER GOVERNMENTAL AGENCIES	412,716	77,781	2,415	-
CHARGES FOR CURRENT SERVICES	134,884	2,002	4,666	-
OTHER REVENUES	51,258	663	-	11
TOTAL REVENUES	832,411	83,931	14,777	267
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	8,824	-	-	81
PUBLIC PROTECTION	252,503	-	-	-
PUBLIC WAYS AND FACILITIES	86,214	76,640	6,962	-
HEALTH AND SANITATION	209,953	-	-	-
PUBLIC ASSISTANCE	106,422	-	-	-
EDUCATION	18,749	-	-	-
RECREATION AND CULTURAL SERVICES	9,539	-	-	-
DEBT SERVICE:				
PRINCIPAL	6,379	-	-	-
INTEREST AND FISCAL CHARGES	2,487	-	-	-
CAPITAL OUTLAY	72,102	5,961	-	-
TOTAL EXPENDITURES	773,172	82,601	6,962	81
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	59,239	1,330	7,815	186
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT	(72,736)	(11,358)	(420)	(1,004)
TRANSFERS IN	67,694	8,423	-	1,197
SALE OF CAPITAL ASSETS	9,819	641	-	-
TOTAL OTHER FINANCING SOURCES (USES)	4,777	(2,294)	(420)	193
NET CHANGE IN FUND BALANCES	64,016	(964)	7,395	379
FUND BALANCES, BEGINNING	854,681	92,336	55,830	7,138
FUND BALANCES, ENDING	<u>\$ 918,697</u>	<u>\$ 91,372</u>	<u>\$ 63,225</u>	<u>\$ 7,517</u>

**COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS (CONTINUED)
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

	MENTAL HEALTH SERVICES ACT	PRESCHOOL SERVICES	AGING AND ADULT SERVICES	JOBS AND EMPLOYMENT SERVICES
REVENUES:				
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 8,158	\$ 57	\$ 50	\$ 564
AID FROM OTHER GOVERNMENTAL AGENCIES	127,218	60,688	5,536	14,373
CHARGES FOR CURRENT SERVICES	57	1	314	-
OTHER REVENUES	6,787	5	735	285
TOTAL REVENUES	142,220	60,751	6,635	15,222
EXPENDITURES:				
CURRENT:				
HEALTH AND SANITATION	184,550	-	-	-
PUBLIC ASSISTANCE	-	56,653	6,668	16,218
DEBT SERVICE:				
INTEREST AND FISCAL CHARGES	-	10	-	-
CAPITAL OUTLAY	1,158	743	-	-
TOTAL EXPENDITURES	185,708	57,406	6,668	16,218
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(43,488)	3,345	(33)	(996)
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT	(2,328)	(2,964)	(779)	(370)
TRANSFERS IN	22,414	26	395	244
SALE OF CAPITAL ASSETS	2	12	-	-
TOTAL OTHER FINANCING SOURCES (USES)	20,088	(2,926)	(384)	(126)
NET CHANGE IN FUND BALANCES	(23,400)	419	(417)	(1,122)
FUND BALANCES, BEGINNING	208,066	606	1,851	1,217
FUND BALANCES, ENDING	\$ 184,666	\$ 1,025	\$ 1,434	\$ 95

**COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS (CONTINUED)
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

	COURTHOUSE TEMPORARY CONSTRUCTION	CRIMINAL JUSTICE TEMPORARY CONSTRUCTION	CENTRAL COURTHOUSE SURCHARGE	MICROGRAPHICS FEES
REVENUES:				
FINES, FORFEITURES AND PENALTIES	\$ 1,204	\$ 1,451	\$ -	\$ -
REVENUES FROM USE OF MONEY AND PROPERTY	92	262	3	269
CHARGES FOR CURRENT SERVICES	-	-	1,901	3,378
TOTAL REVENUES	1,296	1,713	1,904	3,647
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	1,298	-	-	-
PUBLIC PROTECTION	-	-	-	3,699
CAPITAL OUTLAY	-	-	-	690
TOTAL EXPENDITURES	1,298	-	-	4,389
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2)	1,713	1,904	(742)
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT	-	(1,714)	(1,903)	(14)
TOTAL OTHER FINANCING SOURCES (USES)	-	(1,714)	(1,903)	(14)
NET CHANGE IN FUND BALANCES	(2)	(1)	1	(756)
FUND BALANCES, BEGINNING	2	3	1	22,214
FUND BALANCES, ENDING	\$ -	\$ 2	\$ 2	\$ 21,458

**COUNTY OF SAN BERNARDINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

	LOCAL LAW ENFORCEMENT BLOCK GRANT	SHERIFF SPECIAL PROJECTS	FIRE PROTECTION DISTRICTS	ECONOMIC AND COMMUNITY DEVELOPMENT
REVENUES:				
TAXES	\$ -	\$ -	\$ 99,231	\$ -
FINES, FORFEITURES AND PENALTIES	-	27	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	80	435	4,344	1,097
AID FROM OTHER GOVERNMENTAL AGENCIES	49	13,697	19,168	13,217
CHARGES FOR CURRENT SERVICES	-	822	102,262	1
OTHER REVENUES	-	17	6,646	341
TOTAL REVENUES	129	14,998	231,651	14,656
EXPENDITURES:				
CURRENT:				
PUBLIC PROTECTION	67	10,381	188,425	-
PUBLIC ASSISTANCE	-	-	-	25,827
DEBT SERVICE:				
PRINCIPAL	-	-	279	-
INTEREST AND FISCAL CHARGES	-	-	656	-
CAPITAL OUTLAY	-	1,354	9,250	-
TOTAL EXPENDITURES	67	11,735	198,610	25,827
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	62	3,263	33,041	(11,171)
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT	-	-	(9,261)	(1,533)
TRANSFERS IN	-	-	23,417	312
SALE OF CAPITAL ASSETS	-	-	556	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	14,712	(1,221)
NET CHANGE IN FUND BALANCES	62	3,263	47,753	(12,392)
FUND BALANCES, BEGINNING	1,939	11,662	82,814	45,805
FUND BALANCES, ENDING	\$ 2,001	\$ 14,925	\$ 130,567	\$ 33,413

**COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS (CONTINUED)
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

	FLOOD CONTROL DISTRICT	COUNTY SERVICE AREAS	PARK AND RECREATION DISTRICTS	COUNTY FREE LIBRARY
REVENUES:				
TAXES	\$ 62,636	\$ 4,534	\$ 2,951	\$ 19,878
LICENSES, PERMITS AND FRANCHISES	516	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	2,842	1,017	161	12
AID FROM OTHER GOVERNMENTAL AGENCIES	16,914	776	102	632
CHARGES FOR CURRENT SERVICES	1,322	5,107	1,075	1,042
OTHER REVENUES	123	69	581	118
TOTAL REVENUES	84,353	11,503	4,870	21,682
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	-	5,572	-	-
PUBLIC PROTECTION	26,555	-	-	-
PUBLIC WAYS AND FACILITIES	-	2,612	-	-
EDUCATION	-	-	-	18,749
RECREATION AND CULTURAL SERVICES	-	1,792	4,205	-
DEBT SERVICE:				
PRINCIPAL	5,665	-	-	-
INTEREST AND FISCAL CHARGES	1,011	6	101	-
CAPITAL OUTLAY	52,245	347	17	83
TOTAL EXPENDITURES	85,476	10,329	4,323	18,832
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,123)	1,174	547	2,850
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT	(4,963)	(948)	(4,782)	(254)
TRANSFERS IN	1,400	2,194	-	-
SALE OF CAPITAL ASSETS	8,583	25	-	-
TOTAL OTHER FINANCING SOURCES (USES)	5,020	1,271	(4,782)	(254)
NET CHANGE IN FUND BALANCES	3,897	2,445	(4,235)	2,596
FUND BALANCES, BEGINNING	152,173	29,164	1,591	12,106
FUND BALANCES, ENDING	\$ 156,070	\$ 31,609	\$ (2,644)	\$ 14,702

**COUNTY OF SAN BERNARDINO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

	REDEVELOPMENT SUCCESSOR HOUSING	JOINT POWERS AUTHORITIES	OTHER SPECIAL REVENUE
REVENUES:			
TAXES	\$ -	\$ -	\$ 24
LICENSES, PERMITS AND FRANCHISES	-	-	584
FINES, FORFEITURES AND PENALTIES	-	-	2,913
REVENUES FROM USE OF MONEY AND PROPERTY	52	45	6,627
AID FROM OTHER GOVERNMENTAL AGENCIES	-	-	60,150
CHARGES FOR CURRENT SERVICES	-	-	10,934
OTHER REVENUES	467	-	34,410
TOTAL REVENUES	519	45	115,642
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	2	1,871
PUBLIC PROTECTION	-	-	23,376
HEALTH AND SANITATION	-	-	25,403
PUBLIC ASSISTANCE	7	-	1,049
RECREATION AND CULTURAL SERVICES	-	-	3,542
DEBT SERVICE:			
PRINCIPAL	-	435	-
INTEREST AND FISCAL CHARGES	-	703	-
CAPITAL OUTLAY	-	-	254
TOTAL EXPENDITURES	7	1,140	55,495
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	512	(1,095)	60,147
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	-	(1,133)	(27,008)
TRANSFERS IN	-	1,903	5,769
TOTAL OTHER FINANCING SOURCES (USES)	-	770	(21,239)
NET CHANGE IN FUND BALANCES	512	(325)	38,908
FUND BALANCES, BEGINNING	1,773	2,068	124,322
FUND BALANCES, ENDING	\$ 2,285	\$ 1,743	\$ 163,230

**COUNTY OF SAN BERNARDINO
 COMBINING BALANCE SHEET
 DEBT SERVICE FUNDS
 JUNE 30, 2020 (IN THOUSANDS)**

	PENSION OBLIGATION BONDS
ASSETS	
CASH AND CASH EQUIVALENTS	\$ 13,858
INVESTMENTS	2,797
INTEREST RECEIVABLE	45
DUE FROM OTHER FUNDS	1,668
TOTAL ASSETS	<u>\$ 18,368</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
DEFERRED INFLOWS OF RESOURCES	<u>\$ 45</u>
FUND BALANCES:	
RESTRICTED	18,323
TOTAL FUND BALANCES	<u>18,323</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 18,368</u>

**COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

	PENSION OBLIGATION BONDS
REVENUES	
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 82
OTHER REVENUES	2,123
TOTAL REVENUES	<u>2,205</u>
EXPENDITURES	
CURRENT:	
GENERAL GOVERNMENT	3
DEBT SERVICE:	
PRINCIPAL	105,259
INTEREST AND FISCAL CHARGES	9,628
TOTAL EXPENDITURES	<u>114,890</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(112,685)</u>
OTHER FINANCING SOURCES (USES):	
TRANSFERS IN	110,686
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>110,686</u>
NET CHANGE IN FUND BALANCES	(1,999)
FUND BALANCES, BEGINNING	20,322
FUND BALANCES, ENDING	<u>\$ 18,323</u>

**COUNTY OF SAN BERNARDINO
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUNDS
 JUNE 30, 2020 (IN THOUSANDS)**

	TOTAL	REDEVELOPMENT SUCCESSOR HOUSING	FIRE PROTECTION DISTRICTS	PARK AND RECREATION DISTRICTS	COUNTY SERVICE AREAS
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 32,413	\$ 18,863	\$ 8,500	\$ 2,998	\$ 2,052
INTEREST RECEIVABLE	100	59	27	8	6
DUE FROM OTHER GOVERNMENTS	379	-	-	-	379
LAND HELD FOR RESALE	1,301	1,301	-	-	-
TOTAL ASSETS	\$ 34,193	\$ 20,223	\$ 8,527	\$ 3,006	\$ 2,437
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE	\$ 998	\$ -	\$ -	\$ 790	\$ 208
DUE TO OTHER FUNDS	325	-	-	263	62
INTERFUND PAYABLE	3	-	-	-	3
TOTAL LIABILITIES	1,326	-	-	1,053	273
DEFERRED INFLOWS OF RESOURCES	279	59	27	8	185
FUND BALANCES:					
RESTRICTED	32,585	20,164	8,500	1,945	1,976
ASSIGNED	3	-	-	-	3
TOTAL FUND BALANCES	32,588	20,164	8,500	1,945	1,979
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 34,193	\$ 20,223	\$ 8,527	\$ 3,006	\$ 2,437

**COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>REDEVELOPMENT SUCCESSOR HOUSING</u>	<u>FIRE PROTECTION DISTRICTS</u>	<u>PARK AND RECREATION DISTRICTS</u>	<u>COUNTY SERVICE AREAS</u>
REVENUES					
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 771	\$ 657	\$ -	\$ 56	\$ 58
AID FROM OTHER GOVERNMENTAL AGENCIES	157	-	-	-	157
CHARGES FOR CURRENT SERVICES	7	-	-	2	5
OTHER REVENUES	474	-	-	267	207
TOTAL REVENUES	<u>1,409</u>	<u>657</u>	<u>-</u>	<u>325</u>	<u>427</u>
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT	863	800	-	13	50
CAPITAL OUTLAY	3,819	-	-	3,067	752
TOTAL EXPENDITURES	<u>4,682</u>	<u>800</u>	<u>-</u>	<u>3,080</u>	<u>802</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,273)</u>	<u>(143)</u>	<u>-</u>	<u>(2,755)</u>	<u>(375)</u>
OTHER FINANCING SOURCES (USES):					
TRANSFERS OUT	(25)	-	-	-	(25)
TRANSFERS IN	5,336	-	-	4,536	800
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>5,311</u>	<u>-</u>	<u>-</u>	<u>4,536</u>	<u>775</u>
NET CHANGE IN FUND BALANCES	2,038	(143)	-	1,781	400
FUND BALANCES, BEGINNING	<u>30,550</u>	<u>20,307</u>	<u>8,500</u>	<u>164</u>	<u>1,579</u>
FUND BALANCES, ENDING	<u>\$ 32,588</u>	<u>\$ 20,164</u>	<u>\$ 8,500</u>	<u>\$ 1,945</u>	<u>\$ 1,979</u>

COUNTY OF SAN BERNARDINO
 COMBINING BALANCE SHEET
 PERMANENT FUNDS
 JUNE 30, 2020 (IN THOUSANDS)

	TOTAL	LUCERNE VALLEY CEMETERY ENDOWMENT CARE FUND	ETIWANDA CSA 120 ENDOWMENT CARE FUND
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 1,838	\$ 108	\$ 1,730
TOTAL ASSETS	<u>\$ 1,838</u>	<u>\$ 108</u>	<u>\$ 1,730</u>
FUND BALANCES			
NONSPENDABLE	\$ 1,838	\$ 108	\$ 1,730
TOTAL FUND BALANCES	<u>\$ 1,838</u>	<u>\$ 108</u>	<u>\$ 1,730</u>

COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 PERMANENT FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	TOTAL	LUCERNE VALLEY CEMETERY ENDOWMENT CARE FUND	ETIWANDA CSA 120 ENDOWMENT CARE FUND
REVENUES			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 62	\$ 3	\$ 59
OTHER REVENUES	2	2	-
TOTAL REVENUES	<u>64</u>	<u>5</u>	<u>59</u>
NET CHANGE IN FUND BALANCES	64	5	59
FUND BALANCES, BEGINNING	1,774	103	1,671
FUND BALANCES, ENDING	<u>\$ 1,838</u>	<u>\$ 108</u>	<u>\$ 1,730</u>





**COMBINING FINANCIAL
STATEMENTS NONMAJOR
ENTERPRISE FUNDS**



NONMAJOR ENTERPRISE FUNDS DESCRIPTIONS

COUNTY SERVICE AREAS

The County Service Areas Enterprise Funds account for water, sewer, and sanitation facilities within certain geographical areas of the County. User fees are the principal source of revenue.

OTHER ENTERPRISE

The Other Enterprise Funds account for the Museum Gift Shop and Regional Parks Snack Bar operations. Sales are the principal source of revenue.

**COUNTY OF SAN BERNARDINO
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2020 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>COUNTY SERVICE AREAS</u>	<u>OTHER ENTERPRISE</u>
ASSETS			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	\$ 57,700	\$ 57,532	\$ 168
ACCOUNTS RECEIVABLE, NET	1,509	1,509	-
TAXES RECEIVABLE	196	196	-
OTHER RECEIVABLES	130	130	-
DUE FROM OTHER FUNDS	43	41	2
DUE FROM OTHER GOVERNMENTS	5,571	5,571	-
INVENTORIES	150	-	150
TOTAL CURRENT ASSETS	<u>65,299</u>	<u>64,979</u>	<u>320</u>
NONCURRENT ASSETS:			
CAPITAL ASSETS NOT BEING DEPRECIATED OR AMORTIZED:			
LAND	3,861	3,861	-
LAND USE RIGHTS	258	258	-
DEVELOPMENT IN PROGRESS	12,086	12,086	-
CAPITAL ASSETS BEING DEPRECIATED AND AMORTIZED:			
LAND USE RIGHTS	1,004	1,004	-
STRUCTURES, IMPROVEMENTS, AND INFRASTRUCTURE	90,789	90,789	-
EQUIPMENT AND SOFTWARE	1,476	1,476	-
ACCUMULATED DEPRECIATION AND AMORTIZATION	(54,737)	(54,737)	-
TOTAL NONCURRENT ASSETS	<u>54,737</u>	<u>54,737</u>	<u>-</u>
TOTAL ASSETS	<u>120,036</u>	<u>119,716</u>	<u>320</u>
LIABILITIES			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	828	828	-
SALARIES AND BENEFITS PAYABLE	4	-	4
DUE TO OTHER FUNDS	2,219	2,219	-
DUE TO OTHER GOVERNMENTS	19	19	-
INTEREST PAYABLE	186	186	-
ADVANCES FROM OTHERS	47	47	-
BONDS AND NOTES PAYABLE	122	122	-
TOTAL CURRENT LIABILITIES	<u>3,425</u>	<u>3,421</u>	<u>4</u>
NONCURRENT LIABILITIES:			
INTERFUND PAYABLE	5,850	5,850	-
BONDS AND NOTES PAYABLE	1,170	1,170	-
TOTAL NONCURRENT LIABILITIES	<u>7,020</u>	<u>7,020</u>	<u>-</u>
TOTAL LIABILITIES	<u>10,445</u>	<u>10,441</u>	<u>4</u>
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	54,737	54,737	-
UNRESTRICTED	54,854	54,538	316
TOTAL NET POSITION	<u>\$ 109,591</u>	<u>\$ 109,275</u>	<u>\$ 316</u>

COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	TOTAL	COUNTY SERVICE AREAS	OTHER ENTERPRISE
OPERATING REVENUES:			
CHARGES FOR CURRENT SERVICES	\$ 13,960	\$ 13,902	\$ 58
OTHER OPERATING REVENUES	546	429	117
TOTAL OPERATING REVENUES	<u>14,506</u>	<u>14,331</u>	<u>175</u>
OPERATING EXPENSES:			
PROFESSIONAL SERVICES	1,662	1,662	-
SALARIES AND EMPLOYEES BENEFITS	5,266	5,203	63
SELF-INSURANCE CLAIMS	49	49	-
SERVICES AND SUPPLIES	6,121	6,082	39
DEPRECIATION AND AMORTIZATION	2,709	2,709	-
OTHER	450	450	-
TOTAL OPERATING EXPENSES	<u>16,257</u>	<u>16,155</u>	<u>102</u>
OPERATING INCOME (LOSS)	<u>(1,751)</u>	<u>(1,824)</u>	<u>73</u>
NONOPERATING REVENUES (EXPENSES):			
INTEREST REVENUES	2,374	2,374	-
INTEREST EXPENSE	(167)	(167)	-
TAX REVENUE	4,397	4,397	-
GRANT REVENUE	2,087	2,085	2
OTHER NONOPERATING REVENUES	727	713	14
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>9,418</u>	<u>9,402</u>	<u>16</u>
CHANGE IN NET POSITION BEFORE TRANSFERS	7,667	7,578	89
TRANSFERS OUT	<u>(33)</u>	<u>(33)</u>	<u>-</u>
CHANGE IN NET POSITION	7,634	7,545	89
TOTAL NET POSITION, BEGINNING	<u>101,957</u>	<u>101,730</u>	<u>227</u>
TOTAL NET POSITION, ENDING	<u>\$ 109,591</u>	<u>\$ 109,275</u>	<u>\$ 316</u>

**COUNTY OF SAN BERNARDINO
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>COUNTY SERVICE AREAS</u>	<u>OTHER ENTERPRISE</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
CASH RECEIVED FROM SERVICES	\$ 13,936	\$ 13,720	\$ 216
CASH PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES	(7,325)	(7,169)	(156)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(5,266)	(5,203)	(63)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,345</u>	<u>1,348</u>	<u>(3)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
TAXES RECEIVED	4,368	4,368	-
GRANTS RECEIVED	2,087	2,085	2
TRANSFERS PAID	(87)	(33)	(54)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>6,368</u>	<u>6,420</u>	<u>(52)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(3,027)	(3,027)	-
PRINCIPAL PAID ON BONDS AND NOTES	(71)	(71)	-
INTEREST PAID ON BONDS AND NOTES	(39)	(39)	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(3,137)</u>	<u>(3,137)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
INTEREST ON INVESTMENTS	2,374	2,374	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>2,374</u>	<u>2,374</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,950	7,005	(55)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	50,750	50,527	223
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 57,700</u>	<u>\$ 57,532</u>	<u>\$ 168</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	\$ (1,751)	\$ (1,824)	\$ 73
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
DEPRECIATION AND AMORTIZATION	2,709	2,709	-
NONOPERATING REVENUE (EXPENSE) RELATED TO OPERATING ACTIVITIES	727	713	14
CHANGES IN ASSETS, DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS:			
ACCOUNTS RECEIVABLE	671	644	27
DUE FROM OTHER GOVERNMENTS	(1,911)	(1,911)	-
INVENTORIES	(117)	-	(117)
ACCOUNTS PAYABLE AND OTHER LIABILITIES	1,274	1,274	-
DUE TO OTHER GOVERNMENTS	(200)	(200)	-
ADVANCES FROM OTHERS	(57)	(57)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,345</u>	<u>\$ 1,348</u>	<u>\$ (3)</u>
BREAKDOWN OF CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS	<u>\$ 57,700</u>	<u>\$ 57,532</u>	<u>\$ 168</u>



**COMBINING FINANCIAL
STATEMENTS INTERNAL
SERVICE FUNDS**



INTERNAL SERVICE FUNDS DESCRIPTIONS

GENERAL SERVICES GROUP

The General Services Fund accounts for the County Purchasing Department's Printing Services, Central Mail Services, and Surplus Property and Storage divisions. Services which are available to all County departments and special districts are financed by user fees for services provided.

TELECOMMUNICATION SERVICES

The Telecommunication Services Fund accounts for County-wide telephone operations including related hardware, software, communication facilities, and a network of microwave sites.

COMPUTER OPERATIONS

The Computer Operations Fund accounts for 24-hour-per-day, County-wide data processing services including data entry, report distribution, distributed data processing with technical support and application development. Business Solutions Development is part of the Computer Operations.

FLEET MANAGEMENT

The Fleet Management Fund includes both the County Garage and Motor Pool. The Fund accounts for vehicle rental services to all County departments, and maintenance and repair services to the County's vehicle and heavy equipment fleet.

RISK MANAGEMENT

The Risk Management Fund accounts for the County's self-insured worker's compensation, and public liabilities, including property conservation, safety programs, medical malpractice, environmental liability other than pollution remediation in relation to landfill and other general obligations which are provided to all County departments and special districts.

FLOOD CONTROL EQUIPMENT

The Flood Control Equipment Fund accounts for heavy equipment rental and maintenance services provided to each of the six flood control zones within various geographical regions of the County.

**COUNTY OF SAN BERNARDINO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>GENERAL SERVICES GROUP</u>	<u>TELECOMMUNICATION SERVICES</u>	<u>COMPUTER OPERATIONS</u>
ASSETS				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 439,856	\$ 2,163	\$ 23,396	\$ 34,529
ACCOUNTS RECEIVABLE - NET	420	-	166	-
OTHER RECEIVABLES	991	-	-	-
DUE FROM OTHER FUNDS	2,392	447	166	1,086
DUE FROM OTHER GOVERNMENTS	1,217	36	934	22
INVENTORIES	4,782	13	2,603	-
PREPAID ITEMS	6,982	205	6,574	-
TOTAL CURRENT ASSETS	<u>456,640</u>	<u>2,864</u>	<u>33,839</u>	<u>35,637</u>
NONCURRENT ASSETS:				
CAPITAL ASSETS NOT BEING DEPRECIATED AND AMORTIZED:				
LAND	1,504	610	-	-
DEVELOPMENT IN PROGRESS	12,689	87	6,144	5,381
CAPITAL ASSETS BEING DEPRECIATED AND AMORTIZED:				
STRUCTURES AND IMPROVEMENTS	28,918	1,714	7,349	1,683
EQUIPMENT AND SOFTWARE	128,758	1,826	42,155	24,031
ACCUMULATED DEPRECIATION AND AMORTIZATION	(106,814)	(816)	(39,524)	(19,519)
TOTAL NONCURRENT ASSETS	<u>65,055</u>	<u>3,421</u>	<u>16,124</u>	<u>11,576</u>
TOTAL ASSETS	<u>521,695</u>	<u>6,285</u>	<u>49,963</u>	<u>47,213</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>24,426</u>	<u>762</u>	<u>3,406</u>	<u>15,605</u>
LIABILITIES				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE	6,342	107	399	816
SALARIES AND BENEFITS PAYABLE	3,871	183	783	1,841
DUE TO OTHER FUNDS	2,447	4	280	285
DUE TO OTHER GOVERNMENTS	305	2	10	247
ADVANCES FROM OTHERS	893	-	-	-
COMPENSATED ABSENCES PAYABLE	4,099	143	887	2,118
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	69,506	-	-	-
TOTAL CURRENT LIABILITIES	<u>87,463</u>	<u>439</u>	<u>2,359</u>	<u>5,307</u>
NONCURRENT LIABILITIES:				
COMPENSATED ABSENCES PAYABLE	3,905	175	809	2,017
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	247,473	-	-	-
NET PENSION LIABILITY	46,585	1,967	8,750	24,089
TOTAL NONCURRENT LIABILITIES	<u>297,963</u>	<u>2,142</u>	<u>9,559</u>	<u>26,106</u>
TOTAL LIABILITIES	<u>385,426</u>	<u>2,581</u>	<u>11,918</u>	<u>31,413</u>
DEFERRED INFLOWS OF RESOURCES	<u>7,728</u>	<u>308</u>	<u>934</u>	<u>5,647</u>
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	65,055	3,421	16,124	11,576
UNRESTRICTED	87,912	737	24,393	14,182
TOTAL NET POSITION	<u>\$ 152,967</u>	<u>\$ 4,158</u>	<u>\$ 40,517</u>	<u>\$ 25,758</u>

**COUNTY OF SAN BERNARDINO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)
JUNE 30, 2020 (IN THOUSANDS)**

	FLEET MANAGEMENT SERVICES	RISK MANAGEMENT	FLOOD CONTROL EQUIPMENT
ASSETS			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	\$ 16,114	\$ 359,771	\$ 3,883
ACCOUNTS RECEIVABLE - NET	254	-	-
OTHER RECEIVABLES	-	991	-
DUE FROM OTHER FUNDS	188	505	-
DUE FROM OTHER GOVERNMENTS	162	48	15
INVENTORIES	2,166	-	-
PREPAID ITEMS	-	203	-
TOTAL CURRENT ASSETS	<u>18,884</u>	<u>361,518</u>	<u>3,898</u>
NONCURRENT ASSETS:			
CAPITAL ASSETS NOT BEING DEPRECIATED AND AMORTIZED:			
LAND	894	-	-
DEVELOPMENT IN PROGRESS	1,077	-	-
CAPITAL ASSETS BEING DEPRECIATED AND AMORTIZED:			
STRUCTURES AND IMPROVEMENTS	18,172	-	-
EQUIPMENT AND SOFTWARE	41,223	663	18,860
ACCUMULATED DEPRECIATION AND AMORTIZATION	(35,124)	(658)	(11,173)
TOTAL NONCURRENT ASSETS	<u>26,242</u>	<u>5</u>	<u>7,687</u>
TOTAL ASSETS	<u>45,126</u>	<u>361,523</u>	<u>11,585</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>2,712</u>	<u>1,941</u>	<u>-</u>
LIABILITIES			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	1,452	3,568	-
SALARIES AND BENEFITS PAYABLE	664	400	-
DUE TO OTHER FUNDS	277	1,601	-
DUE TO OTHER GOVERNMENTS	46	-	-
ADVANCES FROM OTHERS	-	893	-
COMPENSATED ABSENCES PAYABLE	529	422	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	-	69,506	-
TOTAL CURRENT LIABILITIES	<u>2,968</u>	<u>76,390</u>	<u>-</u>
NONCURRENT LIABILITIES:			
COMPENSATED ABSENCES PAYABLE	587	317	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	-	247,473	-
NET PENSION LIABILITY	6,723	5,056	-
TOTAL NONCURRENT LIABILITIES	<u>7,310</u>	<u>252,846</u>	<u>-</u>
TOTAL LIABILITIES	<u>10,278</u>	<u>329,236</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>474</u>	<u>365</u>	<u>-</u>
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	26,242	5	7,687
UNRESTRICTED	10,844	33,858	3,898
TOTAL NET POSITION	<u>\$ 37,086</u>	<u>\$ 33,863</u>	<u>\$ 11,585</u>

**COUNTY OF SAN BERNARDINO
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>GENERAL SERVICES GROUP</u>	<u>TELECOMMUNICATION SERVICES</u>	<u>COMPUTER OPERATIONS</u>
OPERATING REVENUES:				
CHARGES FOR CURRENT SERVICES	\$ 269,609	\$ 9,523	\$ 36,349	\$ 54,988
TOTAL OPERATING REVENUES	<u>269,609</u>	<u>9,523</u>	<u>36,349</u>	<u>54,988</u>
OPERATING EXPENSES:				
PROFESSIONAL SERVICES	33,224	938	2,087	9,579
SALARIES AND EMPLOYEES BENEFITS	57,274	2,849	11,364	27,991
SELF-INSURED CLAIMS	83,389	-	-	-
SERVICES AND SUPPLIES	72,658	5,487	17,313	8,590
DEPRECIATION AND AMORTIZATION	12,504	164	2,875	3,717
OTHER	1,869	-	-	-
TOTAL OPERATING EXPENSES	<u>260,918</u>	<u>9,438</u>	<u>33,639</u>	<u>49,877</u>
OPERATING INCOME (LOSS)	<u>8,691</u>	<u>85</u>	<u>2,710</u>	<u>5,111</u>
NONOPERATING REVENUES (EXPENSES):				
INTEREST REVENUES	15,023	132	895	1,042
INTEREST EXPENSE	(3)	(3)	-	-
GRANT REVENUE	1,111	58	32	604
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	842	-	2	-
OTHER NONOPERATING REVENUES	464	-	8	8
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>17,437</u>	<u>187</u>	<u>937</u>	<u>1,654</u>
CHANGE IN NET POSITION BEFORE TRANSFERS	26,128	272	3,647	6,765
TRANSFERS OUT	(2,571)	(112)	(507)	(1,287)
TRANSFERS IN	745	-	-	-
CHANGE IN NET POSITION	24,302	160	3,140	5,478
TOTAL NET POSITION, BEGINNING	<u>128,665</u>	<u>3,998</u>	<u>37,377</u>	<u>20,280</u>
TOTAL NET POSITION, ENDING	<u>\$ 152,967</u>	<u>\$ 4,158</u>	<u>\$ 40,517</u>	<u>\$ 25,758</u>

**COUNTY OF SAN BERNARDINO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

	FLEET MANAGEMENT	RISK MANAGEMENT	FLOOD CONTROL EQUIPMENT
OPERATING REVENUES:			
CHARGES FOR CURRENT SERVICES	\$ 35,812	\$ 130,970	\$ 1,967
TOTAL OPERATING REVENUES	<u>35,812</u>	<u>130,970</u>	<u>1,967</u>
OPERATING EXPENSES:			
PROFESSIONAL SERVICES	3,108	17,500	12
SALARIES AND EMPLOYEES BENEFITS	9,108	5,962	-
SELF-INSURED CLAIMS	-	83,389	-
SERVICES AND SUPPLIES	17,656	21,977	1,635
DEPRECIATION AND AMORTIZATION	4,920	2	826
OTHER	-	1,869	-
TOTAL OPERATING EXPENSES	<u>34,792</u>	<u>130,699</u>	<u>2,473</u>
OPERATING INCOME (LOSS)	<u>1,020</u>	<u>271</u>	<u>(506)</u>
NONOPERATING REVENUES (EXPENSES):			
INTEREST REVENUES	452	12,369	133
GRANT REVENUE	42	375	-
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	718	-	122
OTHER NONOPERATING REVENUES	3	416	29
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>1,215</u>	<u>13,160</u>	<u>284</u>
CHANGE IN NET POSITION BEFORE TRANSFERS	2,235	13,431	(222)
TRANSFERS OUT	(376)	(289)	-
TRANSFERS IN	46	-	699
CHANGE IN NET POSITION	1,905	13,142	477
TOTAL NET POSITION, BEGINNING	<u>35,181</u>	<u>20,721</u>	<u>11,108</u>
TOTAL NET POSITION, ENDING	<u>\$ 37,086</u>	<u>\$ 33,863</u>	<u>\$ 11,585</u>

**COUNTY OF SAN BERNARDINO
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

	TOTAL	GENERAL SERVICES GROUP	TELE-COMMUNICATION SERVICES	COMPUTER OPERATIONS	FLEET MANAGEMENT	RISK MANAGEMENT	FLOOD CONTROL EQUIPMENT
CASH FLOWS FROM OPERATING ACTIVITIES:							
CASH RECEIVED FROM INTERFUND SERVICES	\$ 286,428	\$ 9,171	\$ 36,302	\$ 54,119	\$ 35,455	\$ 149,384	\$ 1,997
CASH PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES	(186,709)	(6,364)	(26,916)	(18,190)	(20,636)	(112,955)	(1,648)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(54,911)	(2,843)	(11,224)	(26,021)	(8,903)	(5,920)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	44,808	(36)	(1,838)	9,908	5,916	30,509	349
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
GRANTS RECEIVED	1,111	58	32	604	42	375	-
INTEREST PAID ON INTERFUND LOAN	(3)	(3)	-	-	-	-	-
TRANSFERS RECEIVED	745	-	-	-	46	-	699
TRANSFERS PAID	(2,571)	(112)	(507)	(1,287)	(376)	(289)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(718)	(57)	(475)	(683)	(288)	86	699
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(13,920)	(2,335)	(2,021)	(3,491)	(4,022)	(1)	(2,050)
PROCEEDS FROM SALE OF CAPITAL ASSETS	897	-	7	50	718	-	122
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(13,023)	(2,335)	(2,014)	(3,441)	(3,304)	(1)	(1,928)
CASH FLOWS FROM INVESTING ACTIVITIES:							
INTEREST ON INVESTMENTS	15,023	132	895	1,042	452	12,369	133
NET CASH PROVIDED BY INVESTING ACTIVITIES	15,023	132	895	1,042	452	12,369	133
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	46,090	(2,296)	(3,432)	6,826	2,776	42,963	(747)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	393,766	4,459	26,828	27,703	13,338	316,808	4,630
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 439,856	\$ 2,163	\$ 23,396	\$ 34,529	\$ 16,114	\$ 359,771	\$ 3,883
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
OPERATING INCOME (LOSS)	\$ 8,691	\$ 85	\$ 2,710	\$ 5,111	\$ 1,020	\$ 271	\$ (506)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
DEPRECIATION AND AMORTIZATION	12,504	164	2,875	3,717	4,920	2	826
NONOPERATING REVENUE (EXPENSE) RELATED TO OPERATING ACTIVITIES	464	-	8	8	3	416	29
CHANGES IN ASSETS, DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS:							
ACCOUNTS RECEIVABLE	1,032	-	(26)	-	(254)	1,312	-
DUE FROM OTHER FUNDS	(1,570)	(324)	(93)	(915)	(132)	(106)	-
DUE FROM OTHER GOVERNMENTS	101	(28)	64	38	26	-	1
OTHER RECEIVABLES	16,659	-	-	-	-	16,659	-
INVENTORIES	(370)	1	(221)	-	(150)	-	-
PREPAID ITEMS	(5,363)	209	(5,832)	11	-	249	-
ACCOUNTS PAYABLE AND OTHER LIABILITIES	(19,231)	(149)	(1,407)	(147)	263	(17,790)	(1)
SALARIES AND BENEFITS PAYABLE	460	34	120	164	93	49	-
DUE TO OTHER GOVERNMENTS	74	-	(56)	115	15	-	-
ADVANCES FROM OTHERS	133	-	-	-	-	133	-
COMPENSATED ABSENCES PAYABLE	73	31	137	(182)	57	30	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	29,321	-	-	-	-	29,321	-
OTHER NON-CASH ITEMS	1,830	(59)	(117)	1,988	55	(37)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 44,808	\$ (36)	\$ (1,838)	\$ 9,908	\$ 5,916	\$ 30,509	\$ 349
BREAKDOWN OF CASH AND CASH EQUIVALENTS							
CASH AND CASH EQUIVALENTS	\$ 439,856	\$ 2,163	\$ 23,396	\$ 34,529	\$ 16,114	\$ 359,771	\$ 3,883



**COMBINING FINANCIAL
STATEMENTS TRUST
AND AGENCY FUNDS**



TRUST AND AGENCY FUNDS DESCRIPTIONS

AGENCY FUNDS

Special Assessment Agency Funds

The special assessment funds are administered by the County Treasurer and account for amounts collected from property owners for the payment of special assessment bond principal and interest. The special assessment bonds include both 1911 and 1915 Act Bonds and Mello-Roos Bonds.

Other Agency Funds

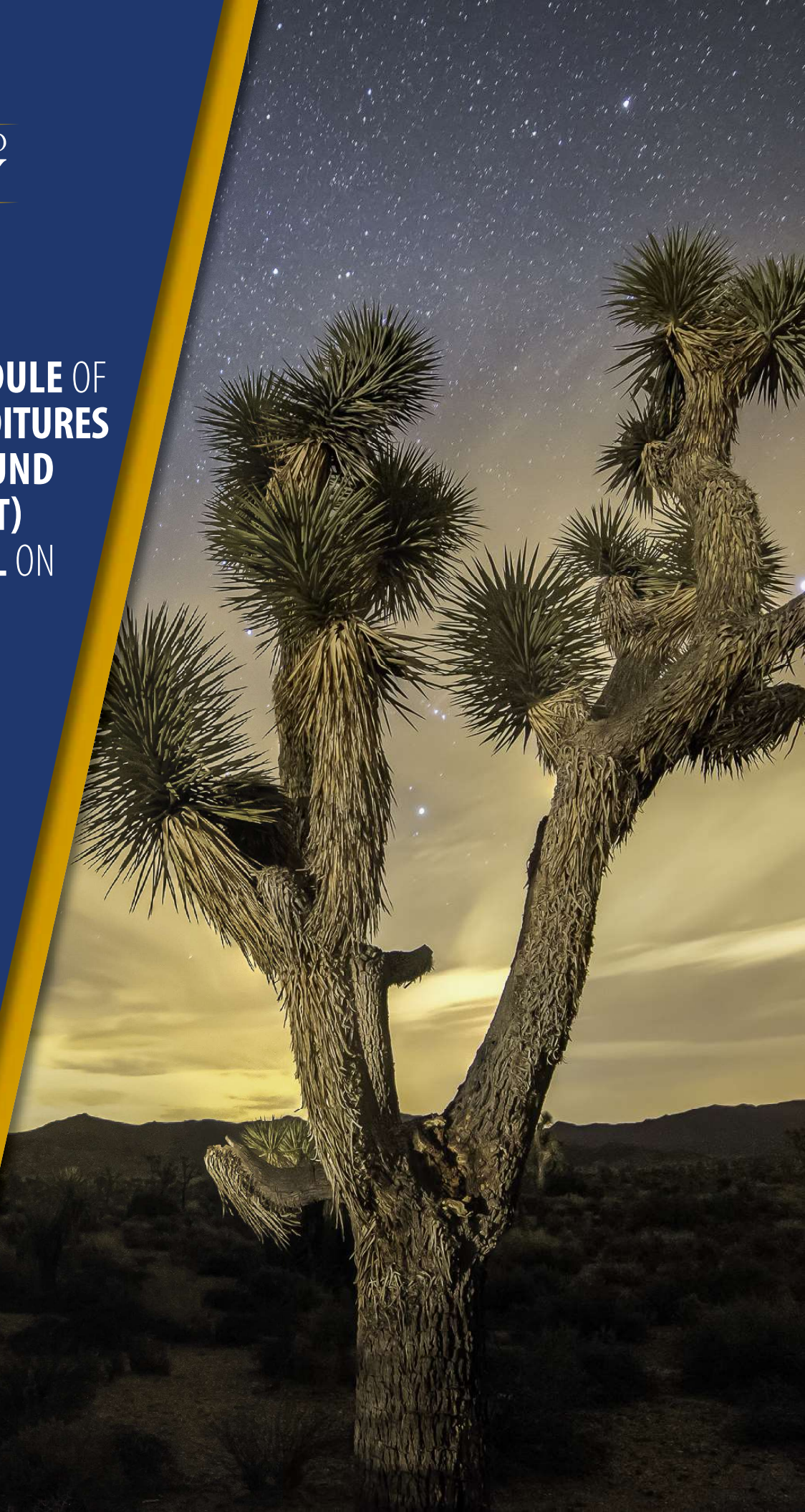
Accounts for other agency funds where the County holds money either in a custodial capacity for other entities, or as a clearing account to accumulate and hold certain monies until disbursement to the ultimate recipient.

**COUNTY OF SAN BERNARDINO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)**

<u>TOTAL AGENCY FUNDS</u>	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>ENDING BALANCE</u>
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 682,424	\$ 287,537,363	\$ 287,448,800	\$ 770,987
ACCOUNTS RECEIVABLE	18,667	22,683	18,667	22,683
TAXES RECEIVABLE	159,896	243,097	235,753	167,240
INTEREST RECEIVABLE	6,825	10,136	16,665	296
DUE FROM OTHER GOVERNMENTS	19,216	69,583	35,831	52,968
TOTAL ASSETS	<u>\$ 887,028</u>	<u>\$ 287,882,862</u>	<u>\$ 287,755,716</u>	<u>\$ 1,014,174</u>
LIABILITIES:				
DUE TO OTHER GOVERNMENTS	\$ 887,028	\$ 1,970,117	\$ 1,842,971	\$ 1,014,174
TOTAL LIABILITIES	<u>\$ 887,028</u>	<u>\$ 1,970,117</u>	<u>\$ 1,842,971</u>	<u>\$ 1,014,174</u>
 SPECIAL ASSESSMENT FUNDS				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 2,003	\$ 214	\$ 124	\$ 2,093
DUE FROM OTHER GOVERNMENTS	9	9	11	7
TOTAL ASSETS	<u>\$ 2,012</u>	<u>\$ 223</u>	<u>\$ 135</u>	<u>\$ 2,100</u>
LIABILITIES:				
DUE TO OTHER GOVERNMENTS	\$ 2,012	\$ 88	\$ -	\$ 2,100
TOTAL LIABILITIES	<u>\$ 2,012</u>	<u>\$ 88</u>	<u>\$ -</u>	<u>\$ 2,100</u>
 OTHER AGENCY FUNDS				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 680,421	\$ 287,537,149	\$ 287,448,676	\$ 768,894
ACCOUNTS RECEIVABLE	18,667	22,683	18,667	22,683
TAXES RECEIVABLE	159,896	243,097	235,753	167,240
INTEREST RECEIVABLE	6,825	10,136	16,665	296
DUE FROM OTHER GOVERNMENTS	19,207	69,574	35,820	52,961
TOTAL ASSETS	<u>\$ 885,016</u>	<u>\$ 287,882,639</u>	<u>\$ 287,755,581</u>	<u>\$ 1,012,074</u>
LIABILITIES:				
DUE TO OTHER GOVERNMENTS	\$ 885,016	\$ 1,970,029	\$ 1,842,971	\$ 1,012,074
TOTAL LIABILITIES	<u>\$ 885,016</u>	<u>\$ 1,970,029</u>	<u>\$ 1,842,971</u>	<u>\$ 1,012,074</u>



**COMBINING SCHEDULE OF
REVENUES, EXPENDITURES
AND CHANGES IN FUND
BALANCES (DEFICIT)
BUDGET TO ACTUAL ON
BUDGETARY BASIS**



COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>TOTAL</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
TAXES	\$ 178,118	\$ 194,907	\$ 16,789
LICENSES, PERMITS AND FRANCHISES	658	1,524	866
FINES, FORFEITURES AND PENALTIES	5,782	5,595	(187)
REVENUES FROM USE OF MONEY AND PROPERTY	12,168	31,482	19,314
AID FROM OTHER GOVERNMENTAL AGENCIES	491,840	412,777	(79,063)
CHARGES FOR CURRENT SERVICES	134,535	134,884	349
OTHER REVENUES	45,492	51,258	5,766
TOTAL REVENUES	<u>868,593</u>	<u>832,427</u>	<u>(36,166)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	18,216	9,872	8,344
PUBLIC PROTECTION	383,261	286,939	96,322
PUBLIC WAYS AND FACILITIES	137,769	89,668	48,101
HEALTH AND SANITATION	269,899	221,327	48,572
PUBLIC ASSISTANCE	140,581	100,685	39,896
EDUCATION	20,927	18,504	2,423
RECREATION AND CULTURAL SERVICES	10,910	9,512	1,398
DEBT SERVICE:			
PRINCIPAL	7,965	5,944	2,021
INTEREST AND FISCAL CHARGES	3,162	1,784	1,378
CAPITAL OUTLAY	67,585	25,930	41,655
TOTAL EXPENDITURES	<u>1,060,275</u>	<u>770,165</u>	<u>290,110</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(191,682)</u>	<u>62,262</u>	<u>253,944</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(149,696)	(71,603)	78,093
TRANSFERS IN	125,927	65,791	(60,136)
LONG-TERM DEBT ISSUED	5,750	-	(5,750)
SALE OF CAPITAL ASSETS	278	9,819	9,541
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(17,741)</u>	<u>4,007</u>	<u>21,748</u>
NET CHANGE IN FUND BALANCES	(209,423)	66,269	275,692
FUND BALANCES, BEGINNING	717,148	717,148	-
FUND BALANCES, ENDING	<u>\$ 507,725</u>	<u>\$ 783,417</u>	<u>\$ 275,692</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>TRANSPORTATION</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
LICENSES, PERMITS AND FRANCHISES	\$ -	\$ 424	\$ 424
REVENUES FROM USE OF MONEY AND PROPERTY	1,276	3,061	1,785
AID FROM OTHER GOVERNMENTAL AGENCIES	99,984	77,841	(22,143)
CHARGES FOR CURRENT SERVICES	1,458	2,002	544
OTHER REVENUES	<u>228</u>	<u>663</u>	<u>435</u>
TOTAL REVENUES	<u>102,946</u>	<u>83,991</u>	<u>(18,955)</u>
EXPENDITURES:			
CURRENT:			
PUBLIC WAYS AND FACILITIES	118,397	80,392	38,005
CAPITAL OUTLAY	<u>16,925</u>	<u>6,310</u>	<u>10,615</u>
TOTAL EXPENDITURES	<u>135,322</u>	<u>86,702</u>	<u>48,620</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(32,376)</u>	<u>(2,711)</u>	<u>29,665</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(15,848)	(11,358)	4,490
TRANSFERS IN	18,138	8,423	(9,715)
SALE OF CAPITAL ASSETS	<u>188</u>	<u>641</u>	<u>453</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>2,478</u>	<u>(2,294)</u>	<u>(4,772)</u>
NET CHANGE IN FUND BALANCES	(29,898)	(5,005)	24,893
FUND BALANCES, BEGINNING	<u>84,867</u>	<u>84,867</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 54,969</u>	<u>\$ 79,862</u>	<u>\$ 24,893</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>SPECIAL TRANSPORTATION</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
TAXES	\$ 6,785	\$ 5,653	\$ (1,132)
REVENUES FROM USE OF MONEY AND PROPERTY	669	2,043	1,374
AID FROM OTHER GOVERNMENTAL AGENCIES	5,200	2,415	(2,785)
CHARGES FOR CURRENT SERVICES	<u>2,060</u>	<u>4,666</u>	<u>2,606</u>
TOTAL REVENUES	<u>14,714</u>	<u>14,777</u>	<u>63</u>
EXPENDITURES:			
CURRENT:			
PUBLIC WAYS AND FACILITIES	<u>15,881</u>	<u>6,649</u>	<u>9,232</u>
TOTAL EXPENDITURES	<u>15,881</u>	<u>6,649</u>	<u>9,232</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,167)</u>	<u>8,128</u>	<u>9,295</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(1,837)	(420)	1,417
TRANSFERS IN	<u>7</u>	<u>-</u>	<u>(7)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(1,830)</u>	<u>(420)</u>	<u>1,410</u>
NET CHANGE IN FUND BALANCES	(2,997)	7,708	10,705
FUND BALANCES, BEGINNING	<u>55,018</u>	<u>55,018</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 52,021</u>	<u>\$ 62,726</u>	<u>\$ 10,705</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>SPECIAL AVIATION</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 30	\$ 256	\$ 226
AID FROM OTHER GOVERNMENTAL AGENCIES	4,203	-	(4,203)
OTHER REVENUES	<u>1,390</u>	<u>11</u>	<u>(1,379)</u>
TOTAL REVENUES	<u>5,623</u>	<u>267</u>	<u>(5,356)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	545	184	361
CAPITAL OUTLAY	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>545</u>	<u>184</u>	<u>361</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>5,078</u>	<u>83</u>	<u>(4,995)</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(10,983)	(1,004)	9,979
TRANSFERS IN	<u>4,105</u>	<u>1,197</u>	<u>(2,908)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(6,878)</u>	<u>193</u>	<u>7,071</u>
NET CHANGE IN FUND BALANCES	(1,800)	276	2,076
FUND BALANCES, BEGINNING	<u>6,771</u>	<u>6,771</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 4,971</u>	<u>\$ 7,047</u>	<u>\$ 2,076</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>MENTAL HEALTH SERVICES ACT</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 3,506	\$ 8,158	\$ 4,652
AID FROM OTHER GOVERNMENTAL AGENCIES	165,427	127,218	(38,209)
CHARGES FOR CURRENT SERVICES	-	57	57
OTHER REVENUES	<u>5,702</u>	<u>6,787</u>	<u>1,085</u>
TOTAL REVENUES	<u>174,635</u>	<u>142,220</u>	<u>(32,415)</u>
EXPENDITURES:			
CURRENT:			
HEALTH AND SANITATION	242,730	195,926	46,804
CAPITAL OUTLAY	<u>6,423</u>	<u>881</u>	<u>5,542</u>
TOTAL EXPENDITURES	<u>249,153</u>	<u>196,807</u>	<u>52,346</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(74,518)</u>	<u>(54,587)</u>	<u>19,931</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(4,289)	(2,328)	1,961
TRANSFERS IN	22,160	22,414	254
SALE OF CAPITAL ASSETS	<u>-</u>	<u>2</u>	<u>2</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>17,871</u>	<u>20,088</u>	<u>2,217</u>
NET CHANGE IN FUND BALANCES	(56,647)	(34,499)	22,148
FUND BALANCES, BEGINNING	<u>132,332</u>	<u>132,332</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 75,685</u>	<u>\$ 97,833</u>	<u>\$ 22,148</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>PRESCHOOL SERVICES</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ -	\$ 57	\$ 57
AID FROM OTHER GOVERNMENTAL AGENCIES	68,176	60,688	(7,488)
CHARGES FOR CURRENT SERVICES	-	1	1
OTHER REVENUES	-	5	5
TOTAL REVENUES	<u>68,176</u>	<u>60,751</u>	<u>(7,425)</u>
EXPENDITURES:			
CURRENT:			
PUBLIC ASSISTANCE	59,803	56,602	3,201
DEBT SERVICE:			
INTEREST AND FISCAL CHARGES	10	10	-
CAPITAL OUTLAY	824	488	336
TOTAL EXPENDITURES	<u>60,637</u>	<u>57,100</u>	<u>3,537</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>7,539</u>	<u>3,651</u>	<u>(3,888)</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(6,809)	(2,964)	3,845
TRANSFERS IN	-	26	26
SALE OF CAPITAL ASSETS	6	12	6
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(6,803)</u>	<u>(2,926)</u>	<u>3,877</u>
NET CHANGE IN FUND BALANCES	736	725	(11)
FUND BALANCES (DEFICIT), BEGINNING	<u>(721)</u>	<u>(721)</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 15</u>	<u>\$ 4</u>	<u>\$ (11)</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>AGING AND ADULT SERVICES</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 8	\$ 50	\$ 42
AID FROM OTHER GOVERNMENTAL AGENCIES	6,239	5,536	(703)
CHARGES FOR CURRENT SERVICES	414	314	(100)
OTHER REVENUES	-	735	735
TOTAL REVENUES	<u>6,661</u>	<u>6,635</u>	<u>(26)</u>
EXPENDITURES:			
CURRENT:			
PUBLIC ASSISTANCE	<u>6,741</u>	<u>6,670</u>	<u>71</u>
TOTAL EXPENDITURES	<u>6,741</u>	<u>6,670</u>	<u>71</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(80)</u>	<u>(35)</u>	<u>45</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(779)	(779)	-
TRANSFERS IN	<u>859</u>	<u>395</u>	<u>(464)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>80</u>	<u>(384)</u>	<u>(464)</u>
NET CHANGE IN FUND BALANCES	-	(419)	(419)
FUND BALANCES, BEGINNING	<u>1,847</u>	<u>1,847</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 1,847</u>	<u>\$ 1,428</u>	<u>\$ (419)</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>JOBS AND EMPLOYMENT SERVICES</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 556	\$ 564	\$ 8
AID FROM OTHER GOVERNMENTAL AGENCIES	24,642	14,373	(10,269)
OTHER REVENUES	<u>282</u>	<u>285</u>	<u>3</u>
TOTAL REVENUES	<u>25,480</u>	<u>15,222</u>	<u>(10,258)</u>
EXPENDITURES:			
CURRENT:			
PUBLIC ASSISTANCE	24,108	15,347	8,761
CAPITAL OUTLAY	<u>50</u>	<u>-</u>	<u>50</u>
TOTAL EXPENDITURES	<u>24,158</u>	<u>15,347</u>	<u>8,811</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,322</u>	<u>(125)</u>	<u>(1,447)</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(370)	(370)	-
TRANSFERS IN	<u>279</u>	<u>244</u>	<u>(35)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(91)</u>	<u>(126)</u>	<u>(35)</u>
NET CHANGE IN FUND BALANCES	1,231	(251)	(1,482)
FUND BALANCES (DEFICIT), BEGINNING	<u>(911)</u>	<u>(911)</u>	<u>-</u>
FUND BALANCES (DEFICIT), ENDING	<u>\$ 320</u>	<u>\$ (1,162)</u>	<u>\$ (1,482)</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>COURTHOUSE TEMPORARY CONSTRUCTION</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
FINES, FORFEITURES AND PENALTIES	\$ 1,894	\$ 1,204	\$ (690)
REVENUES FROM USE OF MONEY AND PROPERTY	-	92	92
TOTAL REVENUES	<u>1,894</u>	<u>1,296</u>	<u>(598)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	<u>8,000</u>	<u>1,298</u>	<u>6,702</u>
TOTAL EXPENDITURES	<u>8,000</u>	<u>1,298</u>	<u>6,702</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,106)</u>	<u>(2)</u>	<u>6,104</u>
NET CHANGE IN FUND BALANCES	(6,106)	(2)	6,104
FUND BALANCES, BEGINNING	<u>2</u>	<u>2</u>	<u>-</u>
FUND BALANCES (DEFICIT), ENDING	<u>\$ (6,104)</u>	<u>\$ -</u>	<u>\$ 6,104</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>CRIMINAL JUSTICE TEMPORARY CONSTRUCTION</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
FINES, FORFEITURES AND PENALTIES	\$ 754	\$ 1,451	\$ 697
REVENUES FROM USE OF MONEY AND PROPERTY	-	262	262
TOTAL REVENUES	<u>754</u>	<u>1,713</u>	<u>959</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	<u>(7,750)</u>	<u>(1,714)</u>	<u>6,036</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(7,750)</u>	<u>(1,714)</u>	<u>6,036</u>
NET CHANGE IN FUND BALANCES	(6,996)	(1)	6,995
FUND BALANCES, BEGINNING	<u>3</u>	<u>3</u>	<u>-</u>
FUND BALANCES (DEFICIT), ENDING	<u>\$ (6,993)</u>	<u>\$ 2</u>	<u>\$ 6,995</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>CENTRAL COURTHOUSE SURCHARGE</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY CHARGES FOR CURRENT SERVICES	\$ 1 <u>2,232</u>	\$ 3 <u>1,901</u>	\$ 2 <u>(331)</u>
TOTAL REVENUES	<u>2,233</u>	<u>1,904</u>	<u>(329)</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	<u>(2,233)</u>	<u>(1,903)</u>	<u>330</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(2,233)</u>	<u>(1,903)</u>	<u>330</u>
NET CHANGE IN FUND BALANCES	-	1	1
FUND BALANCES, BEGINNING	<u>1</u>	<u>1</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 1</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>MICROGRAPHICS FEES</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 150	\$ 269	\$ 119
CHARGES FOR CURRENT SERVICES	2,675	3,378	703
OTHER REVENUES	<u>75</u>	<u>-</u>	<u>(75)</u>
TOTAL REVENUES	<u>2,900</u>	<u>3,647</u>	<u>747</u>
EXPENDITURES:			
CURRENT:			
PUBLIC PROTECTION	5,179	2,933	2,246
CAPITAL OUTLAY	<u>189</u>	<u>170</u>	<u>19</u>
TOTAL EXPENDITURES	<u>5,368</u>	<u>3,103</u>	<u>2,265</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,468)</u>	<u>544</u>	<u>3,012</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	<u>(14)</u>	<u>(14)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(14)</u>	<u>(14)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(2,482)	530	3,012
FUND BALANCES, BEGINNING	<u>19,090</u>	<u>19,090</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 16,608</u>	<u>\$ 19,620</u>	<u>\$ 3,012</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>LOCAL LAW ENFORCEMENT BLOCK GRANT</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ -	\$ 80	\$ 80
AID FROM OTHER GOVERNMENTAL AGENCIES	<u>297</u>	<u>49</u>	<u>(248)</u>
TOTAL REVENUES	<u>297</u>	<u>129</u>	<u>(168)</u>
EXPENDITURES:			
CURRENT:			
PUBLIC PROTECTION	<u>752</u>	<u>67</u>	<u>685</u>
TOTAL EXPENDITURES	<u>752</u>	<u>67</u>	<u>685</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(455)</u>	<u>62</u>	<u>517</u>
NET CHANGE IN FUND BALANCES	(455)	62	517
FUND BALANCES, BEGINNING	<u>1,939</u>	<u>1,939</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 1,484</u>	<u>\$ 2,001</u>	<u>\$ 517</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>SHERIFF SPECIAL PROJECTS</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
FINES, FORFEITURES AND PENALTIES	\$ 75	\$ 27	\$ (48)
REVENUES FROM USE OF MONEY AND PROPERTY	82	435	353
AID FROM OTHER GOVERNMENTAL AGENCIES	12,195	13,697	1,502
CHARGES FOR CURRENT SERVICES	900	822	(78)
OTHER REVENUES	<u>4</u>	<u>17</u>	<u>13</u>
TOTAL REVENUES	<u>13,256</u>	<u>14,998</u>	<u>1,742</u>
EXPENDITURES:			
CURRENT:			
PUBLIC PROTECTION	18,124	10,343	7,781
CAPITAL OUTLAY	<u>3,121</u>	<u>794</u>	<u>2,327</u>
TOTAL EXPENDITURES	<u>21,245</u>	<u>11,137</u>	<u>10,108</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(7,989)</u>	<u>3,861</u>	<u>11,850</u>
NET CHANGE IN FUND BALANCES	(7,989)	3,861	11,850
FUND BALANCES, BEGINNING	<u>10,202</u>	<u>10,202</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 2,213</u>	<u>\$ 14,063</u>	<u>\$ 11,850</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>FIRE PROTECTION DISTRICTS</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
TAXES	\$ 92,205	\$ 99,231	\$ 7,026
REVENUES FROM USE OF MONEY AND PROPERTY	1,225	4,344	3,119
AID FROM OTHER GOVERNMENTAL AGENCIES	17,018	19,168	2,150
CHARGES FOR CURRENT SERVICES	104,137	102,262	(1,875)
OTHER REVENUES	<u>10,228</u>	<u>6,646</u>	<u>(3,582)</u>
TOTAL REVENUES	<u>224,813</u>	<u>231,651</u>	<u>6,838</u>
EXPENDITURES:			
CURRENT:			
PUBLIC PROTECTION	226,488	184,755	41,733
DEBT SERVICE:			
PRINCIPAL	279	279	-
INTEREST AND FISCAL CHARGES	738	656	82
CAPITAL OUTLAY	<u>26,623</u>	<u>16,067</u>	<u>10,556</u>
TOTAL EXPENDITURES	<u>254,128</u>	<u>201,757</u>	<u>52,371</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(29,315)</u>	<u>29,894</u>	<u>59,209</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(29,522)	(9,261)	20,261
TRANSFERS IN	51,275	23,417	(27,858)
SALE OF CAPITAL ASSETS	<u>-</u>	<u>556</u>	<u>556</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>21,753</u>	<u>14,712</u>	<u>(7,041)</u>
NET CHANGE IN FUND BALANCES	(7,562)	44,606	52,168
FUND BALANCES, BEGINNING	<u>78,871</u>	<u>78,871</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 71,309</u>	<u>\$ 123,477</u>	<u>\$ 52,168</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>ECONOMIC AND COMMUNITY DEVELOPMENT</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 302	\$ 1,097	\$ 795
AID FROM OTHER GOVERNMENTAL AGENCIES	31,115	13,217	(17,898)
CHARGES FOR CURRENT SERVICES	4	1	(3)
OTHER REVENUES	<u>995</u>	<u>341</u>	<u>(654)</u>
TOTAL REVENUES	<u>32,416</u>	<u>14,656</u>	<u>(17,760)</u>
EXPENDITURES:			
CURRENT:			
PUBLIC ASSISTANCE	<u>48,798</u>	<u>21,008</u>	<u>27,790</u>
TOTAL EXPENDITURES	<u>48,798</u>	<u>21,008</u>	<u>27,790</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(16,382)</u>	<u>(6,352)</u>	<u>10,030</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(1,533)	(1,533)	-
TRANSFERS IN	<u>432</u>	<u>312</u>	<u>(120)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(1,101)</u>	<u>(1,221)</u>	<u>(120)</u>
NET CHANGE IN FUND BALANCES	(17,483)	(7,573)	9,910
FUND BALANCES, BEGINNING	<u>35,312</u>	<u>35,312</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 17,829</u>	<u>\$ 27,739</u>	<u>\$ 9,910</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>FLOOD CONTROL DISTRICT</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
TAXES	\$ 54,688	\$ 62,636	\$ 7,948
LICENSES, PERMITS AND FRANCHISES	-	516	516
REVENUES FROM USE OF MONEY AND PROPERTY	87	2,842	2,755
AID FROM OTHER GOVERNMENTAL AGENCIES	19,084	16,914	(2,170)
CHARGES FOR CURRENT SERVICES	1,339	1,322	(17)
OTHER REVENUES	-	123	123
TOTAL REVENUES	<u>75,198</u>	<u>84,353</u>	<u>9,155</u>
EXPENDITURES:			
CURRENT:			
PUBLIC PROTECTION	106,511	65,479	41,032
DEBT SERVICE:			
PRINCIPAL	5,795	5,665	130
INTEREST AND FISCAL CHARGES	2,295	1,011	1,284
CAPITAL OUTLAY	5,539	557	4,982
TOTAL EXPENDITURES	<u>120,140</u>	<u>72,712</u>	<u>47,428</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(44,942)</u>	<u>11,641</u>	<u>56,583</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(29,497)	(4,963)	24,534
TRANSFERS IN	24,859	1,400	(23,459)
SALE OF CAPITAL ASSETS	84	8,583	8,499
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(4,554)</u>	<u>5,020</u>	<u>9,574</u>
NET CHANGE IN FUND BALANCES	(49,496)	16,661	66,157
FUND BALANCES, BEGINNING	<u>124,752</u>	<u>124,752</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 75,256</u>	<u>\$ 141,413</u>	<u>\$ 66,157</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>COUNTY SERVICE AREAS</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
TAXES	\$ 3,833	\$ 4,534	\$ 701
REVENUES FROM USE OF MONEY AND PROPERTY	614	1,017	403
AID FROM OTHER GOVERNMENTAL AGENCIES	662	776	114
CHARGES FOR CURRENT SERVICES	6,176	5,107	(1,069)
OTHER REVENUES	211	69	(142)
TOTAL REVENUES	<u>11,496</u>	<u>11,503</u>	<u>7</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	5,588	5,611	(23)
PUBLIC WAYS AND FACILITIES	3,491	2,627	864
RECREATION AND CULTURAL SERVICES	1,991	1,790	201
DEBT SERVICE:			
PRINCIPAL	112	-	112
INTEREST AND FISCAL CHARGES	18	6	12
CAPITAL OUTLAY	2,115	309	1,806
TOTAL EXPENDITURES	<u>13,315</u>	<u>10,343</u>	<u>2,972</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,819)</u>	<u>1,160</u>	<u>2,979</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(1,706)	(948)	758
TRANSFERS IN	2,460	2,194	(266)
LONG-TERM DEBT ISSUED	250	-	(250)
SALE OF CAPITAL ASSETS	-	25	25
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>1,004</u>	<u>1,271</u>	<u>267</u>
NET CHANGE IN FUND BALANCES	(815)	2,431	3,246
FUND BALANCES, BEGINNING	<u>28,903</u>	<u>28,903</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 28,088</u>	<u>\$ 31,334</u>	<u>\$ 3,246</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>PARK AND RECREATION DISTRICTS</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
TAXES	\$ 2,797	\$ 2,951	\$ 154
REVENUES FROM USE OF MONEY AND PROPERTY	51	161	110
AID FROM OTHER GOVERNMENTAL AGENCIES	98	102	4
CHARGES FOR CURRENT SERVICES	1,852	1,075	(777)
OTHER REVENUES	<u>202</u>	<u>581</u>	<u>379</u>
TOTAL REVENUES	<u>5,000</u>	<u>4,870</u>	<u>(130)</u>
EXPENDITURES:			
CURRENT:			
RECREATION AND CULTURAL SERVICES	4,762	4,169	593
DEBT SERVICE:			
PRINCIPAL	1,779	-	1,779
INTEREST AND FISCAL CHARGES	101	101	-
CAPITAL OUTLAY	<u>175</u>	<u>17</u>	<u>158</u>
TOTAL EXPENDITURES	<u>6,817</u>	<u>4,287</u>	<u>2,530</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,817)</u>	<u>583</u>	<u>2,400</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(4,781)	(4,782)	(1)
LONG-TERM DEBT ISSUED	<u>5,500</u>	<u>-</u>	<u>(5,500)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>719</u>	<u>(4,782)</u>	<u>(5,501)</u>
NET CHANGE IN FUND BALANCES	(1,098)	(4,199)	(3,101)
FUND BALANCES, BEGINNING	<u>1,553</u>	<u>1,553</u>	<u>-</u>
FUND BALANCES (DEFICIT), ENDING	<u>\$ 455</u>	<u>\$ (2,646)</u>	<u>\$ (3,101)</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>COUNTY FREE LIBRARY</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
TAXES	\$ 17,777	\$ 19,878	\$ 2,101
REVENUES FROM USE OF MONEY AND PROPERTY	4	12	8
AID FROM OTHER GOVERNMENTAL AGENCIES	742	632	(110)
CHARGES FOR CURRENT SERVICES	1,152	1,042	(110)
OTHER REVENUES	184	118	(66)
TOTAL REVENUES	<u>19,859</u>	<u>21,682</u>	<u>1,823</u>
EXPENDITURES:			
CURRENT:			
EDUCATION	20,927	18,504	2,423
CAPITAL OUTLAY	186	83	103
TOTAL EXPENDITURES	<u>21,113</u>	<u>18,587</u>	<u>2,526</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,254)</u>	<u>3,095</u>	<u>4,349</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(379)	(254)	125
TRANSFERS IN	100	-	(100)
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(279)</u>	<u>(254)</u>	<u>25</u>
NET CHANGE IN FUND BALANCES	(1,533)	2,841	4,374
FUND BALANCES, BEGINNING	<u>11,663</u>	<u>11,663</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 10,130</u>	<u>\$ 14,504</u>	<u>\$ 4,374</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>REDEVELOPMENT SUCCESSOR HOUSING</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 10	\$ 52	\$ 42
OTHER REVENUES	<u>382</u>	<u>467</u>	<u>85</u>
TOTAL REVENUES	<u>392</u>	<u>519</u>	<u>127</u>
EXPENDITURES:			
CURRENT:			
PUBLIC ASSISTANCE	<u>1,799</u>	<u>7</u>	<u>1,792</u>
TOTAL EXPENDITURES	<u>1,799</u>	<u>7</u>	<u>1,792</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,407)</u>	<u>512</u>	<u>1,919</u>
NET CHANGE IN FUND BALANCES	(1,407)	512	1,919
FUND BALANCES, BEGINNING	<u>1,773</u>	<u>1,773</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 366</u>	<u>\$ 2,285</u>	<u>\$ 1,919</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>OTHER SPECIAL REVENUE</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
TAXES	\$ 33	\$ 24	\$ (9)
LICENSES, PERMITS AND FRANCHISES	658	584	(74)
FINES, FORFEITURES AND PENALTIES	3,059	2,913	(146)
REVENUES FROM USE OF MONEY AND PROPERTY	3,597	6,627	3,030
AID FROM OTHER GOVERNMENTAL AGENCIES	36,758	60,151	23,393
CHARGES FOR CURRENT SERVICES	10,136	10,934	798
OTHER REVENUES	25,609	34,410	8,801
TOTAL REVENUES	<u>79,850</u>	<u>115,643</u>	<u>35,793</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	4,083	2,779	1,304
PUBLIC PROTECTION	26,207	23,362	2,845
HEALTH AND SANITATION	27,169	25,401	1,768
PUBLIC ASSISTANCE	(668)	1,051	(1,719)
RECREATION AND CULTURAL SERVICES	4,157	3,553	604
CAPITAL OUTLAY	5,415	254	5,161
TOTAL EXPENDITURES	<u>66,363</u>	<u>56,400</u>	<u>9,963</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>13,487</u>	<u>59,243</u>	<u>45,756</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(31,366)	(27,008)	4,358
TRANSFERS IN	1,253	5,769	4,516
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(30,113)</u>	<u>(21,239)</u>	<u>8,874</u>
NET CHANGE IN FUND BALANCES	(16,626)	38,004	54,630
FUND BALANCES, BEGINNING	<u>123,881</u>	<u>123,881</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 107,255</u>	<u>\$ 161,885</u>	<u>\$ 54,630</u>

COUNTY OF SAN BERNARDINO
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 CAPITAL IMPROVEMENT FUND
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES:				
REVENUES FROM USE OF MONEY AND PROPERTY	\$ -	\$ -	\$ 646	\$ 646
AID FROM OTHER GOVERNMENTAL AGENCIES	2,506	2,981	414	(2,567)
OTHER REVENUES	-	1	6,338	6,337
TOTAL REVENUES	<u>2,506</u>	<u>2,982</u>	<u>7,398</u>	<u>4,416</u>
EXPENDITURES:				
CAPITAL OUTLAY	<u>471,668</u>	<u>481,864</u>	<u>83,278</u>	<u>398,586</u>
TOTAL EXPENDITURES	<u>471,668</u>	<u>481,864</u>	<u>83,278</u>	<u>398,586</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(469,162)</u>	<u>(478,882)</u>	<u>(75,880)</u>	<u>403,002</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT	(23,869)	(59,841)	(2,736)	57,105
TRANSFERS IN	<u>210,237</u>	<u>255,929</u>	<u>190,259</u>	<u>(65,670)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>186,368</u>	<u>196,088</u>	<u>187,523</u>	<u>(8,565)</u>
NET CHANGE IN FUND BALANCES	(282,794)	(282,794)	111,643	394,437
FUND BALANCES, BEGINNING	330,640	330,640	330,640	-
FUND BALANCES, ENDING	<u>\$ 47,846</u>	<u>\$ 47,846</u>	<u>\$ 442,283</u>	<u>\$ 394,437</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 CERTAIN CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>TOTAL</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 146	\$ 771	\$ 625
AID FROM OTHER GOVERNMENTAL AGENCIES	400	157	(243)
CHARGES FOR CURRENT SERVICES	-	5	5
OTHER REVENUES	<u>1,139</u>	<u>474</u>	<u>(665)</u>
TOTAL REVENUES	<u>1,685</u>	<u>1,407</u>	<u>(278)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	7,457	903	6,554
DEBT SERVICE:			
CAPITAL OUTLAY	<u>32,554</u>	<u>3,890</u>	<u>28,664</u>
TOTAL EXPENDITURES	<u>40,011</u>	<u>4,793</u>	<u>35,218</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(38,326)</u>	<u>(3,386)</u>	<u>34,940</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(9,197)	(25)	9,172
TRANSFERS IN	5,347	5,336	(11)
LONG-TERM DEBT ISSUED	<u>6,673</u>	<u>-</u>	<u>(6,673)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>2,823</u>	<u>5,311</u>	<u>2,488</u>
NET CHANGE IN FUND BALANCES	(35,503)	1,925	37,428
FUND BALANCES, BEGINNING	<u>30,319</u>	<u>30,319</u>	<u>-</u>
FUND BALANCES (DEFICIT), ENDING	<u>\$ (5,184)</u>	<u>\$ 32,244</u>	<u>\$ 37,428</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

REDEVELOPMENT SUCCESSOR HOUSING

	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 141	\$ 657	\$ 516
TOTAL REVENUES	<u>141</u>	<u>657</u>	<u>516</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	5,478	800	4,678
CAPITAL OUTLAY	13,550	-	13,550
TOTAL EXPENDITURES	<u>19,028</u>	<u>800</u>	<u>18,228</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(18,887)</u>	<u>(143)</u>	<u>18,744</u>
NET CHANGE IN FUND BALANCES	(18,887)	(143)	18,744
FUND BALANCES, BEGINNING	<u>20,307</u>	<u>20,307</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 1,420</u>	<u>\$ 20,164</u>	<u>\$ 18,744</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>FIRE PROTECTION DISTRICTS</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	\$ (8,500)	\$ -	\$ 8,500
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(8,500)</u>	<u>-</u>	<u>8,500</u>
NET CHANGE IN FUND BALANCES	(8,500)	-	8,500
FUND BALANCES, BEGINNING	<u>8,500</u>	<u>8,500</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ 8,500</u>	<u>\$ 8,500</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>PARK AND RECREATION DISTRICTS</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 5	\$ 56	\$ 51
OTHER REVENUES	<u>1,139</u>	<u>267</u>	<u>(872)</u>
TOTAL REVENUES	<u>1,144</u>	<u>323</u>	<u>(821)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	225	61	164
CAPITAL OUTLAY	<u>5,770</u>	<u>3,246</u>	<u>2,524</u>
TOTAL EXPENDITURES	<u>5,995</u>	<u>3,307</u>	<u>2,688</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,851)</u>	<u>(2,984)</u>	<u>1,867</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS IN	<u>4,716</u>	<u>4,536</u>	<u>(180)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>4,716</u>	<u>4,536</u>	<u>(180)</u>
NET CHANGE IN FUND BALANCES	(135)	1,552	1,687
FUND BALANCES, BEGINNING	<u>136</u>	<u>136</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 1</u>	<u>\$ 1,688</u>	<u>\$ 1,687</u>

COUNTY OF SAN BERNARDINO
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
 BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
 CERTAIN CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2020 (IN THOUSANDS)

	<u>COUNTY SERVICE AREAS</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ -	\$ 58	\$ 58
AID FROM OTHER GOVERNMENTAL AGENCIES	400	157	(243)
CHARGES FOR CURRENT SERVICES	-	5	5
OTHER REVENUES	-	207	207
TOTAL REVENUES	<u>400</u>	<u>427</u>	<u>27</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	1,754	42	1,712
CAPITAL OUTLAY	<u>13,234</u>	<u>644</u>	<u>12,590</u>
TOTAL EXPENDITURES	<u>14,988</u>	<u>686</u>	<u>14,302</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(14,588)</u>	<u>(259)</u>	<u>14,329</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(697)	(25)	672
TRANSFERS IN	631	800	169
LONG-TERM DEBT ISSUED	<u>6,673</u>	<u>-</u>	<u>(6,673)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>6,607</u>	<u>775</u>	<u>(5,832)</u>
NET CHANGE IN FUND BALANCES	(7,981)	516	8,497
FUND BALANCES, BEGINNING	<u>1,376</u>	<u>1,376</u>	<u>-</u>
FUND BALANCES (DEFICIT), ENDING	<u>\$ (6,605)</u>	<u>\$ 1,892</u>	<u>\$ 8,497</u>



SAN BERNARDINO
COUNTY

**STATISTICAL
SECTION**



STATISTICAL SECTION

The information in this section is not covered by the Independent Auditors' Report, but is presented as supplemental data for the benefit of the readers of the comprehensive annual financial report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a government's condition.

CONTENTS

FINANCIAL TRENDS

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

REVENUE CAPACITY

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

DEBT CAPACITY

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

ECONOMIC AND DEMOGRAPHIC INFORMATION

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

OPERATION INFORMATION

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



COUNTY OF SAN BERNARDINO
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (IN THOUSANDS)
(accrual basis of accounting)

	2010-11	2011-12	2012-13 as restated	2013-14	2014-15	2015-16	2016-17	2017-18 as restated	2018-19	2019-20
GOVERNMENTAL ACTIVITIES										
NET INVESTMENT IN CAPITAL ASSETS	\$ 1,436,162	\$ 1,598,182	\$ 1,670,509	\$ 1,749,238	\$ 1,809,961	\$ 1,843,897	\$ 1,919,224	\$ 1,969,174	\$ 2,050,846	\$ 2,113,071
RESTRICTED	783,306	714,879	740,232	776,259	947,882	942,150	1,046,820	1,153,493	1,322,967	1,426,618
UNRESTRICTED	230,522	265,813	344,912	519,085	(1,508,357)	(1,147,159)	(1,004,921)	(887,566)	(715,197)	(547,234)
SUBTOTAL GOVERNMENTAL ACTIVITIES NET POSITION	2,449,990	2,578,874	2,755,653	3,044,582	1,249,486	1,638,888	1,961,123	2,235,101	2,658,616	2,992,455
BUSINESS-TYPE ACTIVITIES										
NET INVESTMENT IN CAPITAL ASSETS	44,737	57,487	102,982	110,155	180,714	202,941	205,158	209,059	255,966	335,006
RESTRICTED	108,461	67,968	63,781	62,286	73,040	74,990	80,983	72,006	70,922	31,218
UNRESTRICTED	780	31,697	9,209	51,458	(12,512)	39,906	124,939	173,311	239,605	249,819
SUBTOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	153,978	157,152	175,972	223,899	241,242	317,837	411,080	454,376	566,493	616,043
PRIMARY GOVERNMENT										
NET INVESTMENT IN CAPITAL ASSETS	1,480,899	1,655,669	1,773,491	1,859,393	1,990,675	2,046,838	2,124,382	2,178,233	2,306,812	2,448,077
RESTRICTED	891,767	782,847	804,013	838,545	1,020,922	1,017,140	1,127,803	1,225,499	1,393,889	1,457,836
UNRESTRICTED	231,302	297,510	354,121	570,543	(1,520,869)	(1,107,253)	(879,982)	(714,255)	(475,592)	(297,415)
TOTAL PRIMARY GOVERNMENT NET POSITION	\$ 2,603,968	\$ 2,736,026	\$ 2,931,625	\$ 3,268,481	\$ 1,490,728	\$ 1,956,725	\$ 2,372,203	\$ 2,689,477	\$ 3,225,109	\$ 3,608,498

Notes:
Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted when
1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

In fiscal year 2010-11 the County implemented GASB 54 to report governmental fund balance as nonspendable, restricted, committed, assigned and unassigned.

COUNTY OF SAN BERNARDINO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (IN THOUSANDS)
(accrual basis of accounting)

	2010-11	2011-12	2012-13 as restated	2013-14	2014-15	2015-16	2016-17	2017-18 as restated	2018-19	2019-20
Expenses										
<u>Governmental Activities:</u>										
General Government	\$ 165,754	\$ 156,960	\$ 195,447	\$ 178,980	\$ 162,261	\$ 158,981	\$ 169,368	\$ 176,594	\$ 193,206	\$ 297,199
Public Protection	913,522	957,600	985,004	1,007,434	979,458	1,054,075	1,164,533	1,225,387	1,301,638	1,399,634
Public Ways and Facilities	72,482	80,200	80,002	91,744	71,614	81,902	86,017	87,993	89,908	107,443
Health and Sanitation	282,684	291,415	311,856	331,551	325,261	338,910	390,442	433,482	491,059	531,405
Public Assistance	1,007,153	991,174	1,014,443	1,046,447	1,008,353	1,079,575	1,138,660	1,196,683	1,232,193	1,368,711
Education	18,692	16,905	16,469	20,923	16,718	19,424	20,010	21,182	22,375	23,170
Recreation and Cultural Services	23,788	26,701	26,672	25,290	24,103	24,505	24,984	24,563	26,583	27,889
Interest on Long Term Debt	64,994	58,449	53,484	50,189	45,233	42,744	39,447	30,563	28,131	20,021
Total Governmental Activities	2,549,069	2,579,404	2,683,377	2,752,558	2,633,001	2,800,116	3,033,461	3,196,447	3,385,093	3,775,472
<u>Business-type Activities:</u>										
Medical Center	445,874	475,957	487,578	513,609	488,239	507,668	535,515	542,185	572,061	622,695
Waste Systems	95,408	66,571	53,748	61,883	76,160	60,717	62,075	92,211	82,267	72,411
Housing Authority (2)	-	-	-	-	104,759	105,876	114,722	130,533	129,967	141,340
Water, Sewer, and Sanitation (1)	14,316	14,679	15,448	15,204	18,154	20,804	16,745	16,454	19,263	16,322
Paramedic and Emergency (1)	546	527	-	-	-	-	-	-	-	-
Others (1)	186	71	87	69	131	67	47	24	69	102
Total Business-type Activities	556,330	557,805	556,861	590,765	687,443	695,132	729,104	781,407	803,627	852,870
Total Primary Government Expenses	\$ 3,105,399	\$ 3,137,209	\$ 3,240,238	\$ 3,343,323	\$ 3,320,444	\$ 3,495,248	\$ 3,762,565	\$ 3,977,854	\$ 4,188,720	\$ 4,628,342
Program Revenues										
<u>Governmental Activities:</u>										
Charges for Services:										
General Government	\$ 122,048	\$ 152,268	\$ 143,236	\$ 143,368	\$ 138,561	\$ 150,204	\$ 155,023	\$ 167,377	\$ 167,121	\$ 171,032
Public Protection	243,283	220,028	228,319	235,102	246,438	251,153	278,441	304,073	299,488	323,211
Public Ways and Facilities	6,610	7,206	10,751	12,856	9,258	9,047	6,209	8,433	8,308	9,303
Health and Sanitation	20,911	23,298	24,075	23,261	23,999	22,304	23,516	24,201	24,101	34,999
Public Assistance	2,993	1,000	984	2,833	3,441	3,034	2,891	3,778	3,315	3,574
Education	1,075	979	1,027	1,046	1,053	1,011	1,114	1,312	1,328	1,042
Recreation and Cultural Services	8,729	9,070	8,446	8,632	8,715	8,773	8,805	9,100	9,494	7,454
Operating Grants/Contributions:										
General Government	19,262	29,249	7,705	20,832	42,644	7,822	10,117	31,099	40,837	81,325
Public Protection	169,002	190,394	244,678	240,781	227,133	279,206	267,910	271,012	304,698	334,240
Public Ways and Facilities	60,518	61,721	53,063	75,682	62,369	46,838	42,414	50,998	85,258	87,642
Health and Sanitation	303,449	268,409	343,019	372,615	383,128	376,831	442,958	405,087	493,278	471,039
Public Assistance	958,859	951,801	935,079	1,026,267	997,915	1,080,108	1,102,910	1,115,919	1,199,953	1,271,794
Education	1,290	457	253	249	247	254	234	269	332	644
Recreation and Cultural Services	3,726	1,117	772	430	481	686	415	2,110	2,517	2,483
Capital Grants/Contributions:										
General Government	-	-	-	-	23,766	182	996	20	-	201
Public Protection	-	14	-	-	-	2	-	-	167	-
Public Ways and Facilities	9,221	59,054	17,755	25,971	1,237	250	7,051	3,725	95	3,895
Health and Sanitation	1,699	-	-	-	-	-	-	-	-	-
Recreation and Cultural Services	75	-	-	-	-	50	-	-	-	268
Subtotal Governmental Activities	1,932,750	1,976,065	2,019,162	2,189,925	2,170,385	2,237,755	2,351,004	2,398,513	2,640,290	2,804,146
<u>Business-type Activities:</u>										
Charges for Services:										
Medical Center	380,357	376,004	365,169	398,628	431,606	448,135	473,065	342,236	376,232	353,683
Waste System	57,281	56,014	58,044	59,784	76,303	76,869	77,671	83,612	87,274	92,408
Housing Authority (2)	-	-	-	-	18,396	16,300	17,354	20,553	22,813	24,794
Water, Sewer, and Sanitation	10,696	11,590	11,711	14,696	14,222	13,459	12,778	14,163	14,073	14,331
Paramedic and Emergency	3,516	-	-	-	-	-	-	-	-	-
Others (1)	206	118	58	95	89	74	84	69	61	175
Operating Grants & Contributions:										
Medical Center	68,148	46,904	50,132	46,070	120,742	95,250	105,475	221,142	218,366	276,129
Waste System	33	928	1,751	2,661	79	79	78	77	77	90
Housing Authority (2)	-	-	-	-	87,965	91,044	96,883	109,603	115,878	106,066
Water, Sewer, and Sanitation (1)	53	147	70	101	584	72	34	167	3,759	2,085
Others (3)	-	-	-	-	-	-	-	-	-	2
Capital Grants & Contributions:										
Medical Center	19,500	18,820	18,901	21,247	16,501	18,855	18,826	24,637	21,351	20,654
Housing Authority (2)	-	-	-	-	541	161	462	102	1,723	-
Water, Sewer, and Sanitation (1)	-	167	-	-	60	170	28	-	-	-
Subtotal Business-type Activities	539,790	510,692	505,836	543,282	767,088	760,468	802,738	816,361	861,607	890,417
Total Primary Government Program Revenues	\$ 2,472,540	\$ 2,486,757	\$ 2,524,998	\$ 2,733,207	\$ 2,937,473	\$ 2,998,223	\$ 3,153,742	\$ 3,214,874	\$ 3,501,897	\$ 3,694,563
Net (Expense) / Revenue										
Governmental Activities	\$ (616,319)	\$ (603,339)	\$ (664,215)	\$ (562,633)	\$ (462,616)	\$ (562,361)	\$ (682,457)	\$ (797,934)	\$ (744,803)	\$ (971,326)
Business-type Activities	(16,540)	(47,113)	(51,025)	(47,483)	79,645	65,336	73,634	34,954	57,980	37,547
Total Primary Government Net Expenses	\$ (632,859)	\$ (650,452)	\$ (715,240)	\$ (610,116)	\$ (382,971)	\$ (497,025)	\$ (608,823)	\$ (762,980)	\$ (686,823)	\$ (933,779)

(Continued)

Notes:

- (1) Starting fiscal year 2009-10 business activities previously reported under Other are reported separately for different identifiable activities, based on the types of goods or services provided.
- (2) Housing Authority (HACSB) became a blended component unit effective July 1, 2014.
- (3) Starting in fiscal year 2019-20 business activities had Other reported for Operating Grants and Contributions

COUNTY OF SAN BERNARDINO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS (IN THOUSANDS)
(accrual basis of accounting)

	2010-11	2011-12	2012-13 as restated	2013-14	2014-15	2015-16	2016-17	2017-18 as restated	2018-19	2019-20
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes, Levied for General Purposes	\$ 491,396	\$ 499,002	\$ 523,190	\$ 553,303	\$ 573,482	\$ 617,923	\$ 664,059	\$ 704,316	\$ 785,169	\$ 836,582
Property Taxes, Levied for Debt Service	14,724	6,324	-	-	-	-	-	-	-	-
Public Safety Tax	121,623	133,581	145,097	156,352	160,337	164,993	174,648	188,194	197,665	195,009
Sales Taxes	19,184	24,555	30,158	29,103	28,437	43,595	28,019	29,886	-	-
Other Taxes	12,086	10,070	11,791	16,099	18,767	20,743	20,125	25,257	27,465	28,221
Unrestricted Revenues from Use of Money and Property	49,081	39,797	46,383	43,603	44,616	42,739	48,663	36,935	88,199	92,872
Miscellaneous	57,878	61,989	71,998	74,416	74,480	69,822	70,077	78,121	82,549	73,902
Gains on Sale of Capital Assets	3,739	1,708	4,998	5,565	3,335	11,676	3,781	4,750	4,073	72,043
Extraordinary Item - RDA Dissolution	-	(3,841)	63,969	10,415	-	-	-	-	-	-
Transfers	(6,329)	(40,962)	(50,720)	(37,294)	(12,428)	(19,728)	(4,680)	4,453	(16,802)	6,536
Subtotal Governmental Activities	<u>763,382</u>	<u>732,223</u>	<u>846,864</u>	<u>851,562</u>	<u>891,026</u>	<u>951,763</u>	<u>1,004,692</u>	<u>1,071,912</u>	<u>1,168,318</u>	<u>1,305,165</u>
Business-type Activities:										
Property Taxes, Levied for General Purposes	2,360	2,674	2,627	2,786	2,850	2,981	3,105	3,198	3,424	4,397
Unrestricted Revenues from Use of Money and Property	3,381	4,753	1,674	2,210	2,569	3,155	1,263	2,835	11,336	11,402
Miscellaneous	4,155	1,898	19,264	53,070	13,361	4,536	10,132	6,561	18,076	2,685
Gains on Sale of Capital Assets	2	-	-	50	774	671	329	201	4,499	55
Extraordinary Item - RDA Dissolution	-	-	221	-	-	-	-	-	-	-
Transfers	6,329	40,962	50,720	37,294	12,428	19,628	4,780	(4,453)	16,802	(6,536)
Subtotal Business-type Activities	<u>16,227</u>	<u>50,287</u>	<u>74,506</u>	<u>95,410</u>	<u>31,982</u>	<u>30,971</u>	<u>19,609</u>	<u>8,342</u>	<u>54,137</u>	<u>12,003</u>
Total Primary Government	<u>\$ 779,609</u>	<u>\$ 782,510</u>	<u>\$ 921,370</u>	<u>\$ 946,972</u>	<u>\$ 923,008</u>	<u>\$ 982,734</u>	<u>\$ 1,024,301</u>	<u>\$ 1,080,254</u>	<u>\$ 1,222,455</u>	<u>\$ 1,317,168</u>
Changes in Net Position										
Governmental Activities	\$ 147,063	\$ 128,884	\$ 182,649	\$ 288,929	\$ 428,410	\$ 389,402	\$ 322,235	\$ 273,978	\$ 423,515	\$ 333,839
Business-type Activities	(313)	3,174	23,481	47,927	111,627	96,307	93,243	43,296	112,117	49,550
Total Primary Government	<u>\$ 146,750</u>	<u>\$ 132,058</u>	<u>\$ 206,130</u>	<u>\$ 336,856</u>	<u>\$ 540,037</u>	<u>\$ 485,709</u>	<u>\$ 415,478</u>	<u>\$ 317,274</u>	<u>\$ 535,632</u>	<u>\$ 383,389</u>

COUNTY OF SAN BERNARDINO
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (IN THOUSANDS)
(modified accrual basis accounting)

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
General Fund										
Nonspendable	\$ 75,191	\$ 72,307	\$ 56,256	\$ 64,204	\$ 55,918	\$ 49,048	\$ 43,943	\$ 44,349	\$ 36,506	\$ 40,183
Restricted	196,178	240,833	238,552	309,067	352,444	397,574	435,337	436,740	457,807	469,130
Committed	76,999	99,991	106,635	175,620	187,123	306,216	295,051	283,268	224,504	258,226
Assigned	-	14,200	11,975	28,680	11,809	8,862	4,391	4,086	3,466	2,644
Unassigned	149,981	122,523	302,616	239,221	322,130	294,958	271,914	333,915	477,914	445,760
Subtotal General Fund	<u>498,349</u>	<u>549,854</u>	<u>716,034</u>	<u>816,792</u>	<u>929,424</u>	<u>1,056,658</u>	<u>1,050,636</u>	<u>1,102,358</u>	<u>1,200,197</u>	<u>1,215,943</u>
Capital Improvement Fund										
Restricted	-	-	1,495	6,774	29,875	35,760	42,891	101,627	86,459	93,962
Committed	27,820	22,879	22,879	-	-	-	-	-	-	-
Assigned	77,922	109,701	69,685	132,193	82,415	99,575	198,281	212,320	258,818	394,979
Subtotal Capital Improvement Fund	<u>105,742</u>	<u>132,580</u>	<u>94,059</u>	<u>138,967</u>	<u>112,290</u>	<u>135,335</u>	<u>241,172</u>	<u>313,947</u>	<u>345,277</u>	<u>488,941</u>
All Other Governmental Funds										
Nonspendable (1)	3,302	1,833	2,383	2,938	1,958	1,902	2,122	3,450	7,763	8,695
Restricted (1)	585,435	472,342	525,080	513,859	629,918	649,637	704,127	738,023	826,518	891,052
Assigned (1)	16,553	30,582	50,146	52,623	48,255	43,386	46,658	66,072	73,046	74,395
Unassigned (2)	-	-	-	-	-	-	-	-	-	(2,696)
Subtotal All Other Governmental Funds	<u>605,290</u>	<u>504,757</u>	<u>577,609</u>	<u>569,420</u>	<u>680,131</u>	<u>694,925</u>	<u>752,907</u>	<u>807,545</u>	<u>907,327</u>	<u>971,446</u>
Total Governmental Fund Balance	<u>\$ 1,209,381</u>	<u>\$ 1,187,191</u>	<u>\$ 1,387,702</u>	<u>\$ 1,525,179</u>	<u>\$ 1,721,845</u>	<u>\$ 1,886,918</u>	<u>\$ 2,044,715</u>	<u>\$ 2,223,850</u>	<u>\$ 2,452,801</u>	<u>\$ 2,676,330</u>

Notes:

(1) In fiscal year 2010-11 the County implemented GASB 54 to report governmental fund balance as nonspendable, restricted, committed, assigned and unassigned.

COUNTY OF SAN BERNARDINO
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (IN THOUSANDS)
(modified accrual basis accounting)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues (by Source)										
Taxes	\$ 664,377	\$ 676,218	\$ 713,528	\$ 749,232	\$ 788,712	\$ 849,399	\$ 891,168	\$ 952,455	\$ 1,042,036	\$ 1,099,185
Licenses, Permits, and Franchises	19,208	22,282	22,635	24,919	25,587	25,159	26,731	25,849	27,421	27,613
Fines, Forfeitures, and Penalties	17,810	17,970	16,743	14,865	15,704	11,996	14,326	11,785	12,683	10,787
Rev from Use of Money and Property	45,762	33,644	47,841	41,658	42,129	47,632	44,417	50,644	111,750	122,370
Aid from Other Governments	1,525,476	1,560,692	1,600,825	1,705,488	1,755,929	1,787,474	1,871,165	1,880,144	2,071,634	2,169,418
Charges for Current Services	365,721	369,715	373,821	382,716	388,092	403,193	434,218	477,874	468,459	510,203
Other Revenues	57,023	61,862	70,078	67,629	61,155	61,320	62,571	67,351	72,639	68,572
Total Revenues	2,695,377	2,742,383	2,845,471	2,986,507	3,077,308	3,186,173	3,344,596	3,466,102	3,806,622	4,008,148
Expenditures (by Function)										
General Government	153,991	145,634	172,922	160,755	145,589	149,160	151,379	161,434	178,915	275,911
Public Protection	883,637	905,548	927,819	957,832	990,078	1,052,371	1,121,754	1,166,446	1,256,078	1,310,238
Public Ways and Facilities	83,923	75,144	77,609	103,267	75,559	62,292	72,848	65,421	70,253	90,159
Health and Sanitation	278,157	284,652	303,006	331,830	343,769	352,781	392,447	428,487	493,272	519,330
Public Assistance	994,193	966,485	985,940	1,037,741	1,068,461	1,130,864	1,148,941	1,190,633	1,243,632	1,346,279
Education	17,827	15,824	15,304	17,295	16,967	18,240	19,388	20,248	21,567	21,792
Recreation and Cultural Services	19,091	21,082	20,941	20,466	20,753	19,720	20,475	20,273	22,010	22,293
Debt Service										
Principal	105,309	124,338	76,938	83,495	91,977	111,752	102,499	104,460	111,562	111,638
Interest	38,614	33,504	25,861	24,156	22,034	20,443	17,247	15,978	14,984	12,115
Bond Issuance Costs	525	135	-	-	-	187	-	-	-	-
Capital Outlay	113,428	116,050	120,294	94,354	132,041	120,909	140,905	124,914	154,843	159,189
Total Expenditures	2,688,695	2,688,396	2,726,634	2,831,191	2,907,228	3,038,719	3,187,883	3,298,294	3,567,116	3,868,944
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,682	53,987	118,837	155,316	170,080	147,454	156,713	167,808	239,506	139,204
Other Financing Sources (Uses)										
Transfer to Other Funds	(276,144)	(319,341)	(274,470)	(263,941)	(249,063)	(302,893)	(395,117)	(352,170)	(332,559)	(397,527)
Transfer from Other Funds	269,759	279,257	287,177	227,341	238,802	301,385	391,807	358,747	316,888	405,889
Refunding Bonds Issued	-	51,585	-	-	-	27,870	-	-	-	-
Payment To Refunded Bond Escrow Agent	-	-	-	-	-	(27,870)	-	-	-	-
Long-Term Debt Issued	36,300	-	-	-	-	-	-	-	-	-
Discount on Debt	(1,141)	-	-	-	-	-	-	-	-	-
Inception Of Capital Leases Obligations	1,290	-	-	-	-	-	-	-	1,043	-
Insurance Recoveries	-	-	-	-	14,000	3,916	-	-	-	-
Sale of Capital Assets	3,739	1,708	4,998	8,346	3,148	15,211	4,394	4,750	4,073	75,963
Total Other Financing Sources and (Uses)	33,803	13,209	17,705	(28,254)	6,887	17,619	1,084	11,327	(10,555)	84,325
Extraordinary Item	-	(89,386)	63,969	10,415	-	-	-	-	-	-
Net Change in Fund Balance	\$ 40,485	\$ (22,190)	\$ 200,511	\$ 137,477	\$ 176,967	\$ 165,073	\$ 157,797	\$ 179,135	\$ 228,951	\$ 223,529
Debt Service as a Percentage of Noncapital Expenditures:	5.69%	6.17%	3.94%	3.99%	4.11%	4.53%	3.93%	3.65%	3.71%	3.20%

Notes:

- Starting as of fiscal year 2010-11, noncapital expenditures used in calculating the debt service ratio equal total governmental fund expenditures less:
- a- The amount reported separately in the changes in fund balances schedule as capital expenditures (to extent capitalized for the government-wide statement of net position), and
 - b- Any expenditures for capitalized assets contained within the functional expenditure categories.

**COUNTY OF SAN BERNARDINO
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS (IN THOUSANDS)**

FISCAL YEAR	(1) SECURED	(2) UNSECURED	(3) UNITARY	(4) EXEMPT	TOTAL ASSESSED	TOTAL TAX RATE
2010-2011	153,693,818	10,073,682	4,346,267	(1,859,053)	166,254,714	1.00%
2011-2012	152,756,444	9,533,571	5,034,449	(1,842,311)	165,482,153	1.00%
2012-2013	153,740,135	9,765,041	5,062,258	(1,806,750)	166,760,684	1.00%
2013-2014	158,228,018	10,042,150	5,426,075	(1,770,329)	171,925,914	1.00%
2014-2015	168,228,346	10,389,487	5,625,640	(1,734,191)	182,509,282	1.00%
2015-2016	176,866,857	10,805,367	6,132,273	(1,704,541)	192,099,956	1.00%
2016-2017	185,232,143	10,295,276	6,615,389	(1,782,634)	200,360,174	1.00%
2017-2018	190,354,962	10,496,638	6,441,374	(1,760,914)	205,532,060	1.00%
2018-2019	204,399,952	11,065,053	6,979,903	(1,730,443)	220,714,465	1.00%
2019-2020	217,914,643	11,666,728	7,432,683	(1,715,734)	235,298,320	1.00%

Notes:

Due to the 1978 passage of the property tax initiative Proposition 13 (Prop 13) the County does not track the estimated actual value of all County properties. Under Prop 13 property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the CPI on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

- (1) Secured property is generally real property, defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines.
- (2) Unsecured property is generally personal property including machinery, equipment, office tools and supplies.
- (3) Unitary properties are railroads and utilities crossing the county and are assessed by the State Board of Equalization.
- (4) Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.

Source:

Auditor-Controller/Treasurer/Tax Collector, County of San Bernardino

COUNTY OF SAN BERNARDINO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS - TAX RATE AREA 7000 (1)
(\$1 PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>SAN BERNARDINO COUNTY GENERAL</u>	<u>SCHOOLS</u>	<u>SAN BERNARDINO MUNICIPAL WATER</u>	<u>TOTAL</u>
2010-11	1.0000	0.1351	0.1650	1.3001
2011-12 (2)	1.0000	0.1351	0.1650	1.3001
2012-13	1.0000	0.1457	0.1625	1.3082
2013-14	1.0000	0.1769	0.1625	1.3394
2014-15	1.0000	0.1474	0.1625	1.3099
2015-16	1.0000	0.1585	0.1625	1.3210
2016-17	1.0000	0.1145	0.1625	1.2770
2017-18	1.0000	0.1383	0.1525	1.2908
2018-19	1.0000	0.1533	0.1525	1.3058
2019-20	1.0000	0.1531	0.1425	1.2956

Notes:

- (1) The tax rate for Tax Rate Area 7000, which applies to most of the property within the City of San Bernardino, is used to illustrate the breakdown of a tax rate within the County.
- (2) Fiscal year 2011-12 rates for Schools and San Bernardino Municipal Water were restated due to a recording error.

Source:

Auditor-Controller/Treasurer/Tax Collector, County of San Bernardino.

COUNTY OF SAN BERNARDINO
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

TAXPAYERS	TYPE OF BUSINESS	FISCAL YEAR 2020		FISCAL YEAR 2011	
		TAXABLE ASSESSED VALUE	PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE
SOUTHERN CALIFORNIA EDISON CO	UTILITY	\$ 4,754,807,158	2.02%	\$ 2,607,065,032	1.57%
PROLOGIS L P	LOGISTICS/REAL ESTATE	1,767,029,440	0.75%	723,237,592	0.44%
MAJESTIC REALTY CO	REAL ESTATE	761,359,286	0.32%	267,019,550	0.16%
SOUTHERN CALIFORNIA GAS COMPANY	UTILITY	726,797,898	0.31%	323,717,347	0.19%
WATSON LAND COMPANY	REAL ESTATE	718,145,326	0.31%	233,318,084	0.14%
TEACHERS INSURANCE & ANNUITY ASSN	FINANCIAL SERVICES	655,847,174	0.28%	178,462,965	0.11%
TARGET-DAYTON HUDSON	RETAIL	595,813,247	0.25%	309,223,782	0.19%
WAL-MART STORES INC	RETAIL	506,479,660	0.22%	380,231,520	0.23%
HOMECOMING I AT TERRA VISTA LLC	REAL ESTATE	452,161,174	0.19%	108,509,071	0.07%
CATELLUS DEVELOPMENT CORPORATION	REAL ESTATE	429,006,671	0.18%	439,084,004	0.26%
TOTAL		<u>\$ 11,367,447,034</u>	<u>4.83%</u>	<u>\$ 5,569,868,947</u>	<u>3.36%</u>

Note:
 Net Assessed Secured amounts include Secured & Unitary less exemptions.

Source:
 Auditor-Controller/Treasurer/Tax Collector, County of San Bernardino

**COUNTY OF SAN BERNARDINO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (IN THOUSANDS)**

FISCAL YEAR	(2) COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY			TOTAL COLLECTIONS TO DATE		
	(1) TAXES LEVIED	AMOUNT	PERCENTAGE OF LEVY	COLLECTIONS IN SUBSEQUENT YEARS	AMOUNT	PERCENTAGE OF LEVY
2020	\$ 3,178,868	\$ 3,103,176	97.62%		\$ 3,103,176	97.62%
2019	2,974,194	2,916,381	98.06%	63,170	2,979,551	100.18%
2018 (3)	2,758,323	2,727,028	98.87%	75,579	2,802,607	101.61%
2017 (3)	2,598,465	2,555,888	98.36%	64,987	2,620,875	100.86%
2016 (3)	2,473,896	2,413,149	97.54%	63,660	2,476,809	100.12%
2015 (3)	2,337,923	2,277,885	97.43%	60,440	2,338,325	100.02%
2014	2,222,023	2,151,777	96.84%	63,180	2,214,957	99.68%
2013	2,146,261	2,038,622	94.98%	65,476	2,104,098	98.04%
2012	2,132,085	1,954,521	91.67%	73,210	2,027,731	95.11%
2011	2,134,012	2,029,684	95.11%	76,553	2,106,237	98.70%

Notes:

- (1) Secured and Unitary tax levy for the County itself, school districts, cities and special districts under the supervision of their own governing boards.
- (2) Included are amounts collected by the County on behalf of itself, school districts, cities and special districts under the supervision of their own governing boards. Includes Assessor corrections and supplemental collections.
- (3) Total collections to date exceed taxes levied due to subsequent levied amounts that apply to the previous fiscal year.

Source:

Auditor-Controller/Treasurer/Tax Collector, County of San Bernardino

COUNTY OF SAN BERNARDINO
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (IN THOUSANDS, EXCEPT PER CAPITA)
JUNE 30, 2020

FISCAL YEAR	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF PERSONAL INCOME (1)	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY (2)	PER CAPITA (1)
	GENERAL BONDED DEBT	LESS: AMOUNTS AVAILABLE FOR DEBT SERVICE	TOTAL			
2010-11	\$ 1,079,393	\$ (52,063)	\$ 1,027,330	1.69%	0.62%	500.65
2011-12	1,009,684	(41,443)	968,241	1.58%	0.59%	469.11
2012-13 (3)	967,552	(34,179)	933,373	1.50%	0.56%	449.60
2013-14	917,961	(32,624)	885,337	1.32%	0.51%	424.42
2014-15	860,067	(32,286)	827,781	1.20%	0.45%	393.25
2015-16 (4)	781,907	(27,847)	754,060	1.07%	0.39%	352.36
2016-17	708,004	(28,382)	679,622	0.89%	0.34%	314.64
2017-18	617,859	(39,687)	578,172	0.72%	0.28%	265.83
2018-19	519,958	(29,173)	490,785	0.58%	0.22%	223.90
2019-20	418,164	(33,209)	384,955	0.44%	0.16%	176.50

Notes:

- (1) See the "Demographic and Economic Statistics" table for the personal income and the population figures.
- (2) See the "Assessed Value and Actual Value of Taxable Property" table for total taxable assessed value. Assessed value does not include tax exempt property.
- (3) Fiscal year 2012-13 Amounts Available for Debt Service was restated due to a calculation error.
- (4) As of fiscal year 2015-16 Deferred Inflows of Resources and Deferred Outflows of Resources are excluded from the General Bonded Debt.

Source:

Auditor-Controller/Treasurer/Tax Collector, County of San Bernardino

COUNTY OF SAN BERNARDINO
 ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT
 AS OF JUNE 30, 2020

2019-20 ASSESSED VALUATION: \$ 235,298,320,000 (includes unitary utility valuation)

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>PERCENT APPLICABLE</u>	<u>DEBT 06/30/20</u>
METROPOLITAN WATER DISTRICT	3.891 %	\$ 1,451,343
CHAFFEY COMMUNITY COLLEGE DISTRICT	100.000	318,275,000
SAN BERNARDINO COMMUNITY COLLEGE DISTRICT	98.820	729,654,744
OTHER COMMUNITY COLLEGE DISTRICTS	VARIOUS	183,314,471
APPLE VALLEY UNIFIED SCHOOL DISTRICT	100.000	22,128,758
CHINO VALLEY UNIFIED SCHOOL DISTRICT	100.000	568,980,000
COLTON JOINT UNIFIED SCHOOL DISTRICT	98.823	180,256,873
FONTANA UNIFIED SCHOOL DISTRICT	100.000	170,125,349
REDLANDS UNIFIED SCHOOL DISTRICT	100.000	67,818,512
RIALTO UNIFIED SCHOOL DISTRICT	100.000	107,443,793
SAN BERNARDINO CITY UNIFIED SCHOOL DISTRICT	100.000	230,457,341
UPLAND UNIFIED SCHOOL DISTRICT	100.000	95,424,688
OTHER UNIFIED SCHOOL DISTRICTS	VARIOUS	117,969,652
UNION HIGH SCHOOL DISTRICTS	100.000	604,348,986
ELEMENTARY SCHOOL DISTRICTS	100.000	379,653,835
MOJAVE WATER AGENCY	100.000	4,835,000
MOJAVE WATER AGENCY, I.D. M	100.000	7,395,000
COUNTY WATER DISTRICTS	100.000	59,000
ETIWANDA SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICTS	100.000	69,385,000
CITY OF CHINO COMMUNITY FACILITIES DISTRICTS	100.000	175,525,000
CITY OF CHINO HILLS COMMUNITY FACILITIES DISTRICTS	100.000	26,385,000
CITY OF FONTANA COMMUNITY FACILITIES DISTRICTS	100.000	104,130,000
CITY OF RANCHO CUCAMONGA COMMUNITY FACILITIES DISTRICTS	100.000	63,489,000
CITY OF UPLAND COMMUNITY FACILITIES DISTRICTS	100.000	52,200,000
OTHER COMMUNITY FACILITIES DISTRICTS	100.000	355,212,178
CITY, COUNTY AND SPECIAL DISTRICT 1915 ACT BONDS (Estimate)	100.000	6,604,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$ 4,642,522,523</u>

RATIO TO 2019-20 ASSESSED VALUATION:

TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT.....1.97%

COUNTY OF SAN BERNARDINO
 ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT (CONTINUED)
 AS OF JUNE 30, 2020

DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:	PERCENT APPLICABLE	DEBT 6/30/20
SAN BERNARDINO COUNTY GENERAL OBLIGATIONS	100.000 %	\$ 14,729,000 (2)
SAN BERNARDINO COUNTY PENSION OBLIGATIONS	100.000	346,854,000
SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT GENERAL FUND OBLIGATIONS	100.000	57,253,000
COMMUNITY COLLEGE DISTRICT CERTIFICATES OF PARTICIPATION	VARIOUS	33,651,690
CHINO VALLEY UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	100.000	1,315,000
FONTANA UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	100.000	28,615,000
HESPERIA UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	100.000	118,665,000
SAN BERNARDINO CITY UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	100.000	96,515,000
SNOWLINE JOINT UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	98.159	62,209,537
OTHER UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	VARIOUS	38,750,105
UNION HIGH SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	100.000	21,700,000
CUCAMONGA SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	100.000	4,960,000
ORO GRANDE SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	100.000	34,950,000
OTHER ELEMENTARY SCHOOL DISTRICT GENERAL FUND OBLIGATIONS	100.000	10,365,000
CITY OF COLTON GENERAL FUND OBLIGATIONS AND PENSION OBLIGATION BONDS	100.000	27,599,400
CITY OF FONTANA CERTIFICATES OF PARTICIPATION	100.000	37,415,000
CITY OF HESPERIA CERTIFICATES OF PARTICIPATION	100.000	33,520,000
CITY OF MONTCLAIR GENERAL FUND OBLIGATIONS	100.000	41,040,000
CITY OF ONTARIO GENERAL FUND OBLIGATIONS	100.000	295,570,000
CITY OF SAN BERNARDINO GENERAL FUND OBLIGATIONS AND PENSION OBLIGATION BONDS	100.000	22,809,945
CITY OF VICTORVILLE GENERAL FUND OBLIGATIONS	100.000	46,047,760
OTHER CITY GENERAL FUND AND PENSION OBLIGATION BONDS	100.000	2,913,500
SAN BERNARDINO MOUNTAINS COMMUNITY HOSPITAL DISTRICT CERTIFICATES OF PARTICIPATION	100.000	2,920,000
WATER DISTRICT CERTIFICATES OF PARTICIPATION	100.000	798,240
WEST VALLEY VECTOR CONTROL DISTRICT CERTIFICATES OF PARTICIPATION	100.000	2,221,501
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		<u>\$ 1,383,387,678</u>
TOTAL DIRECT DEBT		\$ 418,836,000
TOTAL OVERLAPPING DEBT (1)		\$ 5,607,074,201
COMBINED DEBT		\$ 6,025,910,201 (3)

RATIOS TO 2019-20 ASSESSED VALUATION

TOTAL DIRECT DEBT (\$418,836,000)	0.18%
COMBINED TOTAL DEBT	2.56%

Notes:

- (1) The method used to calculate the overlapping debt is based on the percentage of the overlapping agency's assessed valuation located within boundaries of the County.
- (2) Includes Revenue bonds (Courthouse Project Bonds), and certain notes and loans related to the County's governmental activities (Fire Protection District Installment Loan). (Note 11, Page 91).
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Source:

California Municipal Statistics

COUNTY OF SAN BERNARDINO
 COMPUTATION OF LEGAL DEBT MARGIN
 LAST TEN FISCAL YEARS (IN THOUSANDS)

<u>FISCAL YEAR</u>	<u>(1) ASSESSED VALUE</u>	<u>(2) LEGAL DEBT LIMIT</u>	<u>(3) BONDED DEBT</u>	<u>(4) LEGAL DEBT MARGIN</u>	<u>RATIO OF BONDED DEBT TO DEBT LIMIT</u>
2010-11	166,254,714	2,078,184	1,300	2,076,884	0.06%
2011-12	165,482,153	2,068,527	1,155	2,067,372	0.06%
2012-13	166,760,684	2,084,509	1,005	2,083,504	0.05%
2013-14	171,925,914	2,149,074	845	2,148,229	0.04%
2014-15	182,509,282	2,281,366	685	2,280,681	0.03%
2015-16	192,099,956	2,401,249	515	2,400,734	0.02%
2016-17	200,360,174	2,504,502	335	2,504,167	0.01%
2017-18	205,532,060	2,569,151	145	2,569,006	0.01%
2018-19	220,714,465	2,758,931	50	2,758,881	0.00%
2019-20	235,298,320	2,941,229	50	2,941,179	0.00%

Notes:

- (1) Assessed Value does not include tax exempt property. Property value data can be found in the "Assessed Value and Actual Value of Property" schedule.
- (2) The legal debt limit is 1.25% of assessed value.
- (3) Bonded debt subject to limitation; amount includes only general obligation bonds.
- (4) The legal debt margin is the County's available borrowing authority under state finance statutes and is calculated by subtracting the debt applicable to the legal debt limit.

Source:

Auditor-Controller/Treasurer/Tax Collector, County of San Bernardino

COUNTY OF SAN BERNARDINO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (IN THOUSANDS, EXCEPT PER CAPITA)
JUNE 30, 2020

FISCAL YEAR	GOVERNMENTAL ACTIVITIES					BUSINESS-TYPE ACTIVITIES					TOTAL OUTSTANDING DEBT	PERCENTAGE OF ASSESSED VALUE (1)	PERCENTAGE OF PERSONAL INCOME (2)	PER CAPITA (2)
	CERTIFICATES OF PARTICIPATION	REVENUE BONDS	BONDS AND NOTES	CAPITAL LEASE OBLIGATION	OTHER LONG-TERM LIABILITIES	CERTIFICATES OF PARTICIPATION	GENERAL OBLIGATION BONDS	NOTES	CAPITAL LEASE OBLIGATION					
2010-11	91,343	431,526	646,567	2,696	4,000	516,672	1,300	1,811	1,449	1,697,364	1.02%	2.79%	827	
2011-12	28,120	418,810	589,719	1,615	4,000	494,830	1,155	1,748	4,709	1,544,706	0.93%	2.53%	748	
2012-13	23,047	401,404	565,143	743	4,000	433,822	1,005	1,691	6,091	1,436,946	0.86%	2.31%	692	
2013-14	18,006	380,119	541,030	314	3,000	443,979	845	1,633	8,434	1,397,360	0.81%	2.09%	670	
2014-15	12,299	353,978	508,815	-	-	423,980	685	38,605	5,292	1,343,654	0.74%	1.95%	638	
2015-16	6,205	323,169	458,223	-	-	402,936	515	35,131	4,192	1,230,371	0.64%	1.75%	575	
2016-17	-	289,805	417,864	-	-	380,782	335	32,338	3,962	1,125,086	0.56%	1.47%	521	
2017-18	-	245,291	372,423	-	-	357,336	145	31,508	2,256	1,008,959	0.49%	1.26%	464	
2018-19	-	197,346	322,562	903	-	332,598	50	27,471	2,593	883,523	0.40%	1.04%	403	
2019-20	-	142,274	275,840	722	-	272,453	50	29,126	1,924	722,389	0.31%	0.82%	331	

Notes:

- (1) See the "Assessed Value and Actual Value of Taxable Property" table for total taxable assessed value. Assessed value does not include tax exempt property.
- (2) See the "Demographic and Economic Statistics" table for the personal income and the population figures.

Source:

Auditor-Controller/Treasurer/Tax Collector, County of San Bernardino

COUNTY OF SAN BERNARDINO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS (IN THOUSANDS)
 JUNE 30, 2020

GEOGRAPHICAL LOCATION: The County of San Bernardino is located in the southern portion of California and is bordered on the east by the State of Arizona and the State of Nevada, on the north by Inyo County, on the west by Kern and Los Angeles Counties, and on the south by Orange and Riverside Counties.

ELEVATION: Highest elevation, Mt. San Gorgonio 11,502 feet.

AREA OF COUNTY: Approximately 20,160 square miles (largest area in the contiguous United States).

COUNTY SEAT: San Bernardino, California

FORM OF GOVERNMENT: Chartered County, governed by five-member Board of Supervisors

DATE CHARTER ADOPTED: April 7, 1913

REGISTERED VOTERS: 1,040,669 (Not Rounded) as of June 30, 2020

CALENDAR YEAR	(1), (2) POPULATION	(2) PERSONAL INCOME	(2) PER CAPITA PERSONAL INCOME	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT RATE
2011	2,052	\$ 60,739,000	29.60	417	12.90%
2012	2,064	61,094,000	29.60	414	12.60%
2013	2,076	62,259,000	29.99	412	10.30%
2014	2,086	66,902,000	32.07	412	8.40%
2015	2,105	68,939,000	32.75	411	6.90%
2016	2,140	70,385,000	32.89	409	6.70%
2017	2,160	76,529,000	35.43	407	5.90%
2018	2,175	80,127,000	36.84	403	4.40%
2019	2,192 (5)	85,093,000	38.82	406	4.50%
2020	2,181	87,937,000	40.32	407	10.30%

ESTIMATED POPULATION OF THE COUNTY OF SAN BERNARDINO AS OF JANUARY 1, 2020 (whole numbers):

INCORPORATED CITIES

Adelanto	35,663	Montclair	39,490
Apple Valley	74,394	Needles	5,248
Barstow	24,268	Ontario	182,871
Big Bear Lake	5,206	Rancho Cucamonga	175,522
Chino	89,109	Redlands	70,952
Chino Hills	82,409	Rialto	104,553
Colton	54,118	San Bernardino	217,946
Fontana	213,000	Twentynine Palms	29,258
Grand Terrace	12,426	Upland	78,814
Hesperia	96,393	Victorville	126,432
Highland	55,323	Yucaipa	55,712
Loma Linda	24,535	Yucca Valley	22,236
		Total	1,875,878
		Unincorporated Areas:	304,659
		Total Population	2,180,537

Sources:

- (1) California Department of Finance
- (2) Bureau of Economic Analysis U.S. Department of Commerce
- (3) Superintendent of Schools
- (4) California Employment Development Department
- (5) County of San Bernardino 2019-20 Adopted Budget

**COUNTY OF SAN BERNARDINO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2018-2019 (2)			Employer	2009-2010		
	Employees (1)	Rank	Percentage of Total Employment		Employees (1)	Rank	Percentage of Total Employment
County of San Bernardino	>10,000	1	1.31%	County of San Bernardino	18,000	1	2.10%
Amazon	>10,000	2	1.31%	U.S. Marine Corps Air Ground Combat Center	12,486	2	1.46%
Loma Linda University Medical Center	>10,000	3	1.31%	U.S. Army, Fort Irwin & National Training Center	10,000	3	1.17%
Kaiser Permanente	>10,000	4	1.31%	San Bernardino City Unified School District	7,722	4	0.90%
State of California	>10,000	5	1.31%	Stater Brothers	6,900	5	0.81%
Wal-Mart	5,000 - 9,999	6	0.66% - 1.31%	Wal-Mart	6,125	6	0.71%
United Parcel Service	5,000 - 9,999	7	0.66% - 1.31%	Kaiser Permanente	5,808	7	0.68%
Stater Brothers	5,000 - 9,999	8	0.66% - 1.31%	UPS	4,990	8	0.58%
Federal Express	2,500 - 4,999	9	0.33% - 0.66%	Fontana Unified School District	4,808	9	0.56%
San Manuel Tribe & Casino	2,500 - 4,999	10	0.33% - 0.66%	Target Corporation	4,800	10	0.56%
				Total	81,639		9.53%

Notes:

- (1) Data represents estimated number of employees.
- (2) Due to the confidentiality of reporting number of employees, ranges have been provided.

Sources:

County of San Bernardino, Economic Development Agency
The U.S. Bureau of Labor Statistics
State of California Employment Development Department
D&B Hoovers

COUNTY OF SAN BERNARDINO
COUNTY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General	1,550	1,432	1,332	1,417	1,456	1,491	1,496	1,560	1,628	1,624
Public Protection	6,175	6,147	6,186	6,355	6,362	6,526	6,825	7,024	6,961	7,079
Public Ways & Facilities	450	433	429	412	411	407	418	365	354	370
Health and Sanitation	3,919	4,163	4,302	4,407	4,431	4,594	4,686	4,813	4,869	5,184
Public Assistance	4,920	4,898	4,946	5,051	5,132	5,249	5,190	4,946	5,098	5,036
Education	191	149	155	144	130	150	152	169	171	160
Recreation & Cultural	317	317	292	270	261	216	211	136	127	114
Total	17,522	17,539	17,642	18,056	18,183	18,633	18,978	19,013	19,208	19,567

Notes:

A full-time employee is scheduled to work 260 days per year. At eight hours per day, 2080 hours are scheduled per year (including vacation and sick leave), and full-time equivalent employment (FTE) is calculated by dividing all paid hours by 2080.
Starting fiscal year 2009, Court total FTE, reported previously under Public Protection function, is no longer included as part of the County FTE.

Source:

San Bernardino County payroll records as of June 30.

COUNTY OF SAN BERNARDINO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
General Government										
Legal documents recorded (W)	556,196	547,996	563,461	503,126	540,267	554,691	581,372	525,566	458,496	324,701
Percentage of payments processed within 10 days (P) (2)	60%	66%	62%	73%	*	*	*	*	*	*
Public Protection										
Criminal felonies filed - District Attorney (W)	21,090	20,551	19,687	20,556	16,476	12,246	14,193	13,084	11,360	12,578
Criminal misdemeanors filed - District Attorney (W)	43,680	40,250	37,222	35,926	37,835	35,467	42,727	40,610	37,795	35,200
Average cases supervised - Probation (W)	24,130	23,961	24,155	27,722	25,574	25,295	24,149	22,995	22,179	21,126
Percentage of new adults cases assessed with a valid risk instrument - Probation (P)	90%	87%	95%	95%	96%	99%	99%	99%	99%	99%
Sheriff's calls for service (W)	1,023,360	1,009,040	1,076,383	1,066,770	1,103,136	1,117,717	1,109,862	1,132,708	1,089,603	1,089,718
Number of inmate-on-inmate assaults per 1,000 per month (P)	4%	8%	0%	0%	0%	0%	0%	0%	0%	0%
Percent of autopsies performed per reportable deaths - Coroner (P)	19%	15%	17%	19%	17%	17%	21%	21%	22%	21%
Fire Protection - Number of fire calls (W)	93,540	154,953	153,975	156,864	180,125	186,021	126,150	138,547	149,332	126,087
Public Ways & Facilities										
Solid Waste										
Total tonnage landfilled (W)	1,156,231	1,130,770	1,094,433	1,257,365	1,655,332	1,689,413	1,758,574	1,768,447	1,870,778	1,951,720
Pounds of trash per cubic yard of capacity - High Volume Sites (P)	1,287	1,250	1,259	1,348	1,522	1,328	1,390	1,342	1,398	1,400
Maintained road miles (W)	2,769	2,770	2,769	2,554	2,550	2,550	2,550	2,552	2,551	2,551
Average Pavement Condition Index (PCI) of county maintained roads (P) (1)	76	76	Good	Good	Good	Good	Good	Good	Good	Good
Health and Sanitation										
Direct billable hours: Clinic - Behavioral Health (W)	242,862	230,201	233,673	237,996	243,731	264,769	284,747	275,375	262,852	253,792
Patient visits - Public Health (W)	75,572	75,664	72,920	61,831	50,832	67,393	62,012	58,161	56,899	60,184
Arrowhead Regional Medical Center - Emergency room visits (W)	125,710	117,616	113,307	106,335	97,108	92,028	92,021	86,256	83,280	76,917
Public Assistance										
Annual paid cases - CalWORKS-All Other Families (W)	460,817	464,196	465,804	471,285	469,097	441,741	405,256	383,094	350,802	342,288
Percentage of successful placements of people in Work Participation Rate (P)	40%	47%	49%	45%	60%	45%	53%	55%	41%	48%
Annual paid cases - CalWORKS-2 Parent Families (W)	56,435	58,296	57,402	60,122	65,022	61,519	53,484	47,873	42,130	40,885
Average child support collections per month (W)	13,538,777	14,386,490	13,939,034	14,158,216	14,516,145	14,969,848	15,541,421	15,821,837	16,076,175	17,737,720
Percentage of current support collected - Child Support (W)	55%	59%	61%	64%	65%	66%	64%	64%	64%	65%
Education										
County Library										
Circulation (W)	2,906,315	2,515,202	2,425,711	3,026,943	3,825,935	4,490,819	5,389,994	5,567,102	6,024,761	4,718,617
Total patron visits (W)	4,246,432	3,579,262	4,091,200	3,375,816	3,366,474	3,008,349	2,850,066	2,890,624	2,547,954	1,730,210
Total feet of space available at branch libraries (P)	379,511	379,511	383,511	383,511	383,511	388,511	388,511	388,511	388,511	387,459
Recreation and Cultural Services										
County Museum										
Total paid attendance (W)	49,955	69,348	34,110	28,299	30,682	34,398	34,423	40,217	58,205	27,025
Collected lots, objects, and specimens (W)	2,300,410	2,400,125	2,400,125	2,409,050	2,410,000	2,410,200	2,410,046	2,409,813	1,784,599	1,783,899
Regional Parks										
Total attendance (W)	2,121,921	1,915,278	1,867,264	1,594,916	1,364,500	1,364,500	969,702	1,030,103	999,257	508,054
Number of miles of open and usable trails maintained by Regional Parks (P)	46	28	28	28	28	28	28	52	52	52

Notes:
(1) As of fiscal year 12-13, PCI numbers are no longer used for measurement, instead the pavement condition is rated as failed, poor, fair, good or excellent.
(2) As of fiscal year 14-15, this performance measure is no longer available.

Key:
(W) Work Indicator
(P) Performance Measures
(*) Information not available

Sources:
San Bernardino County Budget
San Bernardino County Departments
Auditor/Controller/Treasurer/Tax Collector, County of San Bernardino

COUNTY OF SAN BERNARDINO
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
General Government										
Recorder's Data Processing Equipment	63	42	47	52	46	51	59	54	71	82
Public Protection										
Major Correction & Detention Facilities	7	7	7	7	7	8	8	8	8	8
Sheriff Stations	9	9	9	9	9	10	10	10	10	10
Sheriff Vehicles	1,788	1,698	1,687	1,787	1,747	1,769	1,743	1,877	2,020	1,902
Fire Department Equipment	497	457	495	503	558	598	566	554	657	759
Public Ways & Facilities										
Solid Waste Heavy Equipment	10	10	10	3	3	3	4	4	4	5
Transportation: Trucks, Trailers, and Other Vehicles	283	281	277	277	281	291	296	299	331	346
Airports	6	6	6	6	6	6	6	6	6	6
Bridges	318	318	318	318	318	318	318	318	318	318
Traffic Signal (1)	358	365	381	83	83	90	90	90	90	90
Health and Sanitation										
Major Health Administration Buildings	2	2	2	2	2	2	2	2	2	2
Animal Shelter and Insecticide Buildings	2	2	2	2	2	2	2	2	2	2
Public Health Laboratory/Science/Engineering Equipment	157	158	162	163	163	182	181	184	185	194
Medical Center: Number of Hospitals	1	1	1	1	1	1	1	1	1	1
Public Assistance										
Administrative & Office Equipment	571	631	640	657	668	678	642	651	606	617
Education										
Library Branches	31	31	32	32	32	32	32	32	32	32
Bookmobiles	2	2	1	0	0	0	0	0	1	1
Recreation and Cultural Services										
County Museum: Main Facility	1	1	1	1	1	1	1	1	1	1
County Regional Parks	9	9	9	9	9	9	9	9	9	9

Notes:

(1) In fiscal year 2013-14 the unit count for traffic signals was changed from 1 per controller to 1 per maintained intersection.

Source:

San Bernardino County Budget
 San Bernardino County Departments
 Auditor-Controller/Treasurer/Tax Collector, County of San Bernardino



SAN BERNARDINO
COUNTY



SAN BERNARDINO
COUNTY



CURT HAGMAN
CHAIRMAN

Fourth District Supervisor



DAWN ROWE
VICE CHAIR

Third District Supervisor



COL. PAUL COOK (RET.)
First District Supervisor



JANICE RUTHERFORD
Second District Supervisor



JOE BACA, JR.
Fifth District Supervisor



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Ensen Mason CPA, CFA

AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR

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