

SAN BERNARDINO
COUNTY

San Bernardino County
State of California

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2023
ENSEN MASON CPA, CFA
Auditor-Controller/Treasurer/Tax Collector

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023**

**SAN BERNARDINO COUNTY
CALIFORNIA
1853**



Supervisor Col. Paul Cook (Ret.), Vice Chairman.....First District
Supervisor Jesse Armendarez.....Second District
Supervisor Dawn Rowe, Chair.....Third District
Supervisor Curt HagmanFourth District
Supervisor Joe Baca, Jr.....Fifth District

Luther Snoke – Chief Executive Officer

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

**SAN BERNARDINO COUNTY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2023**

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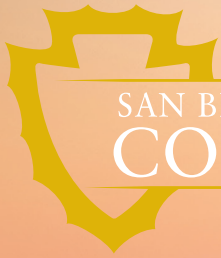
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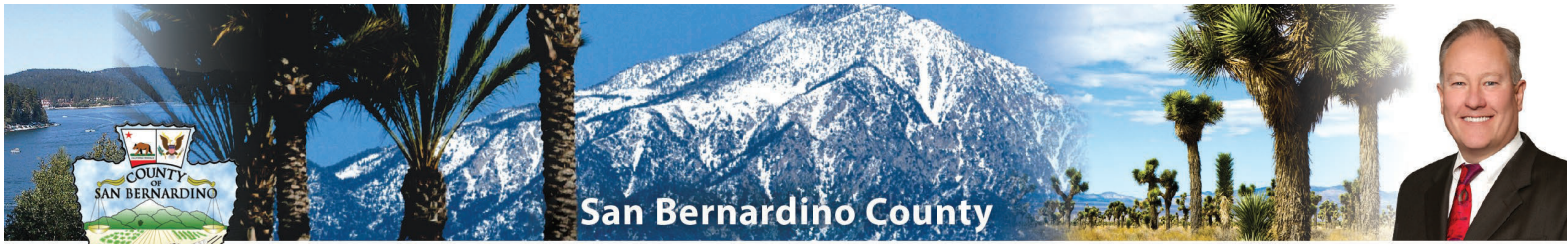
SAN BERNARDINO
COUNTY



SAN BERNARDINO
COUNTY

INTRODUCTORY SECTION





San Bernardino County



Auditor–Controller/Treasurer/Tax Collector

Ensen Mason CPA, CFA

Auditor–Controller/Treasurer/Tax Collector

John Johnson

Assistant Auditor–Controller/Treasurer/Tax Collector

Diana Atkeson

Assistant Auditor–Controller/Treasurer/Tax Collector

February 29, 2024

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 Annual Comprehensive Financial Report of San Bernardino County, California for the fiscal year ended June 30, 2023, is submitted herewith in compliance with Section 25253 of the California Government Code and Article V, Section 8, of San Bernardino County’s 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.

Responsibility for the accuracy of the presented data and the completeness and fairness of its presentation, including all disclosures, rests with the management of San Bernardino County (County). The County has established a system of internal control 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. 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.

INDEPENDENT AUDIT

The County’s financial statements have been audited by independent auditors The Pun Group 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, 2023. The Independent Auditor’s Report is included in the Financial Section, which is an integral part of this Annual Comprehensive Financial Report located on page 14 of 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 based on 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 the fifth most populous of the 58 counties in California. According to the State of California Department of Finance as of May 2023, the County's population estimate at January 1, 2023 was 2.18 million, which remained consistent with the January 1, 2022 estimate of 2.18 million

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. Also included is data for legally separate entities for which the County's Board of Supervisors is financially accountable, also known as component units. Blended component units are, in substance, part of the County's operations. Therefore, data from these units are combined with data of the County. The following entities are presented as blended component units in the basic financial statements for the year ended June 30, 2023: the San Bernardino County Fire Protection District, San Bernardino County Flood Control District, San Bernardino County Park and Recreation Districts, County Service Areas, In-Home Support Services (IHSS), Inland Counties Emergency Medical Agency (ICEMA), San Bernardino County Industrial Development Authority (COIDA), Inland Empire Public Facilities Corporation (IEPFC), and San Bernardino County Financial Authority (SBCFA). The Annual Comprehensive Financial Report also includes one Fiduciary component unit, San Bernardino County Employees' Retirement Association (SBCERA) and one discretely presented component unit, First 5 San Bernardino.

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 Internal Auditors 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. Annual 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. Encumbrances outstanding at that time are included within restricted, committed, or assigned fund balance, as appropriate.

MAJOR INITIATIVES

The County has emerged from the COVID-19 Pandemic ready to make measurable progress on initiatives that had been stalled. The County continues to proactively engage in measures to protect the health and safety of the community and is committed to the safe continuity of operations of essential governmental services. These, along with other programs and projects that will be undertaken in the upcoming year; include the following:

- San Bernardino County is making progress on needed capital improvements. Primarily investing in the replacement of aging, costly, and inadequate County Government facilities. The County has set aside \$123 million in one-time General Fund resources and \$10 million in ongoing General Fund as follows:
 - \$68 million to support the County's Master Plan,
 - \$30 million one-time and \$10 million ongoing to bolster the Building Acquisitions Reserve,
 - \$20 million to construct a headquarters for a replacement fire station, and
 - A \$5 million investment towards the construction of a new animal shelter.
- The County invests \$20 million from the General Fund to support the County's various initiatives aimed at reducing homelessness, including efforts to partner with cities and builders to increase bed capacity needed to move County residents from the streets toward eventual permanent housing solutions.
- The Department of Regional Parks receives \$30 million in one-time General Fund revenue to invest in large-scale improvements that will encourage patronage, and \$1 million in ongoing General Fund resources in additional staff increase parkgoers experience.
- The County has set aside an additional \$15 million from the General Fund to meet community needs in responding to disasters.
- San Bernardino County received federal funding through the American Rescue Plan Act (ARPA). On June 8, 2021, the Board of Supervisor's adopted a 3 and a half year plan for the use of the \$423.4 million in federal funds. This funding will allow the County to make strategic investments in our community to support pandemic response, economic recovery, and government operations. Through its second year, the County has allocated or is in the evaluation process for allocating, over \$343 million in planned projects. Notable projects include the development of a new \$125 million Valley Emergency Operations Center; the Pacific Village Phase II Expansion homeless housing project in San Bernardino; over \$20 million in County Regional Park's open space projects; and continued exploration of sewer infrastructure improvements or septic conversion projects in underserved community pockets.

ECONOMIC CONDITION AND OUTLOOK

Overview

San Bernardino County's local economy has continued to experience steady growth, largely due to the strength of its logistics sector and continued population growth driven by its affordable housing, which has supported increased labor growth. These factors have helped contribute to substantial increases in both taxable sales and assessed valuations for the County.

The Inland Empire as a region continues to be primary area of Southern California where industrial construction continues to occur, accounting for 79.2% of Southern California's activity. San Bernardino County alone makes up 40% of new industrial construction, or 20.5 million square feet of space, as of September 2023. This growth is a critical component of the strong ongoing increases in assessed valuation which leads to increased property tax generation.

The September 2023 unemployment rate in the County was 4.8%, just under the state's 4.9%. The September 2023 release of data for the 2022 American Community Survey showed that while employment was expanding, the county's poverty rate fell significantly from 19.1% in 2013 to 13.4% in 2022. With housing prices and industrial property asking rates have soared, the assessed valuation in the County grew at a rapid 9.7% from July 1, 2022 to June 30, 2023, bringing the total valuation to \$316 billion.

Population, Labor Growth, and Development

From 2017 through 2022, San Bernardino County saw an increase of 48,145 residents compared with a statewide decline of 166,793 residents. The County continues to see population growth largely due to its affordable housing compared to its neighboring counties.

As the population has grown so have major developments that support the expansion of amenities for both businesses and residents. Major projects include:

- Planned Brightline high-speed rail line from Rancho Cucamonga to Las Vegas is planned. The \$10 billion investment is set to create 35,000 jobs, with more than \$10 billion economic impact. The line will lighten traffic on the key interstate route and allow commuters from the County's fast-growing High Desert area an alternative to driving to the large job centers along the County's western edge.
- The expansion of lanes along the I-10 freeway are well underway and will eventually allow the flow of commuter and truck traffic between the County and Los Angeles County to expand.
- The development by Howard Industrial Partners of the Bloomington Business Park, with three warehouses to contain a total of 2.1 million sq. feet. The project should result in \$20 million worth of new infrastructure, with an estimated 2,117 employees onsite, seven days per week during development.
- Fontana Auto Club Speedway is being replaced by a multi-million-dollar logistic hub. It will include a 6.6 million square feet logistic facility called the Speedway Commerce Center. The Auto Club Speedway will retain 90 acres for a new short track.

Assessed Valuation

In the second quarter calendar year of 2023, the average median price in San Bernardino County was \$458,333. The median home price for Riverside County is \$624,000, Los Angeles County is \$771,833, and the County of Orange is \$1,247,167. Home buyers still find San Bernardino County affordable compared to other Southern California areas. Current 2023 data from California Association of Realtors show that 24% of the County's households can afford to purchase a median-priced, single family home.

Retail Sales

Also important to the funding of local governments, San Bernardino County's retail sales increased 8.3% in 2022 with total taxable sales reaching a record \$60.0 billion. This is a 47.9% rise in taxable sales from 2018-2022. That was 91.6% above the Pre-Great Recession high in 2006 (\$31.3 billion). In the first and second quarter of calendar year 2023, the County's taxable sales were down 3.3% and 5.3%.

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 and construction is currently in process detailed below:

- County Buildings Acquisition and Retrofit Project.
- County Government Parking Garage.
- 800 MHz Upgrade Project.
- Information Services Department building and improvements.
- 412 Hospitality Lane acquisition (complete).

Construction of the projects listed above are currently in progress except as noted above.

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.

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 2023-24 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.

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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the thirty-fifth 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 Annual Comprehensive 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, 2022. This was the seventeenth 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.

ACKNOWLEDGEMENTS

The preparation of the Annual Comprehensive 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, the Pun Group 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', with a large, sweeping flourish at the end.

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

**SAN BERNARDINO COUNTY
DIRECTORY OF COUNTY OFFICIALS**

ELECTED OFFICES

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

COUNTY SUPERVISOR, SECOND DISTRICTJESSE ARMENDAREZ

COUNTY SUPERVISOR, THIRD DISTRICT (CHAIR).....DAWN ROWE

COUNTY SUPERVISOR, FOURTH DISTRICTCURT HAGMAN

COUNTY SUPERVISOR, FIFTH DISTRICTJOE BACA, JR.

ASSESSOR/RECORDER/COUNTY CLERK.....CHRIS WILHITE

AUDITOR-CONTROLLER/TREASURER/TAX COLLECTORENSEN MASON

DISTRICT ATTORNEYJASON ANDERSON

SHERIFF/CORONER/PUBLIC ADMINISTRATORSHANNON D. DICUS

**SAN BERNARDINO COUNTY
DIRECTORY OF COUNTY OFFICIALS**

APPOINTED

AGING AND ADULT SERVICES.....	SHARON NEVINS
AGRICULTURAL COMMISSIONER/SEALER.....	BRADY GERGOVICH
AIRPORTS.....	JAMES JENKINS
ARROWHEAD REGIONAL MEDICAL CENTER.....	WILLIAM GILBERT
BEHAVIORAL HEALTH	GEORGINA YOSHIOKA
CHIEF EXECUTIVE OFFICER	LUTHER SNOKE
CHIEF FINANCIAL OFFICER.....	MATTHEW ERICKSON
CHILD SUPPORT SERVICES (<i>INTERIM</i>).....	AMY COUGHLIN
CHILDREN AND FAMILY SERVICES.....	JEANY ZEPEDA
CLERK OF THE BOARD OF SUPERVISORS	LYNNA MONELL
COMMUNITY DEVELOPMENT AND HOUSING	CARRIE HARMON
COUNTY COUNSEL	TOM BUNTON
COUNTY LIBRARIAN	MELANIE OROSCO
COUNTY MUSEUM	DAVID MYERS
ECONOMIC DEVELOPMENT AGENCY	DEREK ARMSTRONG
FIRE DEPARTMENT/FIRE CHIEF	DAN MUNSEY
FLEET MANAGEMENT	MARK MCCULLOUGH
HUMAN RESOURCES	MICHAEL BOWERS
HUMAN SERVICES	DIANA ALEXANDER
INNOVATION AND TECHNOLOGY	LYNN FYHRLUND
INLAND COUNTIES EMERGENCY MEDICAL AGENCY (<i>INTERIM</i>).....	DANIEL MUNOZ
LABOR RELATIONS	LEO GONZALEZ
LAND USE SERVICES	MARK WARDLAW
OFFICE OF HOMELESS SERVICES	MARCUS DILLARD
PRESCHOOL SERVICES	JACQUELYN GREENE
PROBATION.....	TRACY REECE
PUBLIC DEFENDER	THOMAS SONE
PUBLIC HEALTH	JOSH DUGAS
PUBLIC WORKS	NOEL CASTILLO
PURCHASING	PETE MENDOZA
REAL ESTATE SERVICES.....	TERRY THOMPSON
REGIONAL PARKS.....	BEAHTA DAVIS
REGISTRAR OF VOTERS.....	STEPHANIE SHEA
RISK MANAGEMENT	VICTOR TORDESILLAS
TRANSITIONAL ASSISTANCE DEPARTMENT (<i>INTERIM</i>).....	JAMES LOCURTO
VETERANS AFFAIRS	RALPH DUARTE
WORKFORCE DEVELOPMENT.....	BRADLEY GATES

SAN BERNARDINO COUNTY ORGANIZATIONAL CHART



THE PEOPLE OF SAN BERNARDINO COUNTY

BOARD OF SUPERVISORS

District Attorney

Sheriff/Coroner/Public Administrator

Clerk of the Board

County Counsel

Assessor/Recorder/County Clerk

Auditor-Controller/Treasurer/Tax Collector

Chief Executive Officer

Public Defender

Probation

ARMC

County Fire Protection District

Assistant Executive Officer
Equity & Vision

Deputy Executive Officer
Human Services Administration

Office of Emergency Services

Chief Communications Officer

Public Information Officer

Countywide Events

Multimedia Services

Printing Services

Marketing

Child Support Services

In-Home Supportive Services

Public Authority

Transitional Assistance

Veterans Affairs

Aging and Adult Services

Public Guardian

First5

Preschool Services

Office of Emergency Services

Assistant Executive Officer

Deputy Executive Officer

Child Support Services

In-Home Supportive Services

Public Authority

Transitional Assistance

Veterans Affairs

Aging and Adult Services

Public Guardian

First5

Preschool Services

Office of Emergency Services

Public Information Officer

Countywide Events

Multimedia Services

Printing Services

Marketing

Projects & Facilities Management

Public Works

Assistant Executive Officer

Deputy Executive Officer

Agriculture/Weights & Measures

Airports

ICEMA

Public Works

Regional Parks

Museums

Registrar of Voters

Workforce Development

Real Estate Services

Public Health

Land Use Services

Public Health

Real Estate Services

Public Health

Land Use Services

Innovation & Technology

Public Health

Assistant Executive Officer

Deputy Executive Officer

Economic Development

Fleet Management

Libraries

Museums

Registrar of Voters

Workforce Development

Real Estate Services

Public Health

Land Use Services

Public Health

Land Use Services

Public Health

Land Use Services

Public Health

Land Use Services

Innovation & Technology

Public Health

Assistant Executive Officer

Deputy Executive Officer

Office of Emergency Services

Public Information Officer

Countywide Events

Multimedia Services

Printing Services

Marketing

Child Support Services

In-Home Supportive Services

Public Authority

Transitional Assistance

Veterans Affairs

Aging and Adult Services

Public Guardian

First5

Preschool Services

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Deputy Executive Officer

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In-Home Supportive Services

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Marketing

Projects & Facilities Management

Public Works

Assistant Executive Officer

Deputy Executive Officer

Agriculture/Weights & Measures

Airports

ICEMA

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**San Bernardino County
California**

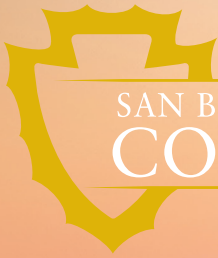
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO





SAN BERNARDINO
COUNTY

FINANCIAL SECTION







INDEPENDENT AUDITORS' REPORT



Honorable Board of Supervisors
San Bernardino County, California

Report on the Audit of the Financial Statements

Opinions

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 San Bernardino County, California (the "County"), as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the San Bernardino County Flood Control District (Flood Control District), the financial statements of the San Bernardino County Redevelopment Successor Agency Private-Purpose Trust Fund (Successor Agency), the financial statements of the First 5 San Bernardino Children and Families Commission (First 5 Commission), or the financial statements of the San Bernardino County Employees' Retirement Association (Pension Trust) which collectively represent the following percentages of assets, net position/fund balance, and revenues of the following opinion units as of and for the year ended June 30, 2023:

Opinion Unit	Assets	Net Position/ Fund Balance	Revenues
Governmental Activities	8.53%	12.33%	1.92%
Aggregate Remaining Fund Information	58.46%	60.08%	7.58%
Discretely Presented Component Unit	100.00%	100.00%	100.00%

Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Flood Control District, Successor Agency, First 5 Commission, and Pension Trust, are based solely on the report of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Implementation of New GASB Pronouncements

As described in Note 1 to the basic financial statements, the County implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of GASB Statement No. 96 requires the County to record subscription assets and corresponding subscription liabilities for all SBITAs with a noncancellable term over one year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the County's Proportionate Share of the Net Pension Liability, and the Schedule of the County's Contributions, as listed in the accompanying 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise San Bernardino County's basic financial statements. The Combined and Combining and Individual Nonmajor Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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. In our opinion, based on our audit and the reports of other auditors, the Combined and Combining and Individual Nonmajor Fund Financial Statements and Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable Board of Supervisors
San Bernardino County, California

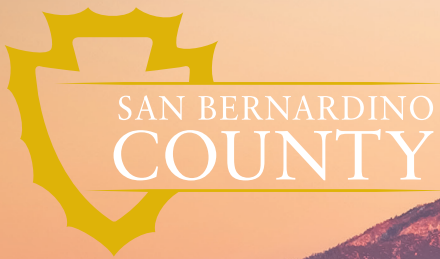
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2024, on our consideration of 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 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 County's internal control over financial reporting and compliance.

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

Santa Ana, California
February 29, 2024





SAN BERNARDINO
COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS





MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

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, 2023. 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 \$799,550. The net increase is attributable to the \$732,556 increase in governmental activities net position and the \$66,994 increase in business-type activities net position.
- As of June 30, 2023, the County Governmental Funds reported combined fund balances of \$4,388,806, an increase of \$572,828 in comparison with the prior year. Amounts available for spending include *restricted, committed, assigned, and unassigned fund balances*; these totaled \$4,339,235 or 98.87% of the ending fund balance. Of this amount, \$2,192,464 is restricted by law or externally imposed requirements, and \$359,439 is committed for specific purposes.
- At the end of the fiscal year, amounts available for spending for the General Fund totaled \$2,209,592 or 63.25% of total General Fund expenditures. This is an increase of \$390,774 in comparison with the prior year.
- At the end of the fiscal year, the County's total capital assets (net of accumulated depreciation and amortization) increased by \$96,347 and 3.32% in comparison with the prior year (See further detail on page 34).
- At the end of the fiscal year, the County's total long-term obligations decreased by \$45,677 and 6.39% in comparison with the prior year. (See further detail on page 35).

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, 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, and San Bernardino County Financing Authority. The County has one fiduciary component unit, San Bernardino County Employees' Retirement Association (SBCERA).

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 38-39 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.

Management's Discussion and Analysis (Amounts in thousands)

Because the focus of governmental funds is narrower than that of the Government-Wide financial statements, it is useful to compare the information presented for 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 nonmajor 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 42-44 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, 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 and Waste Systems Division 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 nonmajor 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 46-51 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 52-54 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 55-136 of this report.

Management's Discussion and Analysis (Amounts in thousands)

Required Supplementary Information and Supplemental Information

The Required Supplementary Information provides the County's proportionate share of the net pension liabilities and related ratios, and employer contributions to the pension plan.

Required supplementary information can be found on pages 138-139 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 142-212 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 \$5,832,617 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022*	2023	2022*	2023	2022
Current and Other Assets	\$ 5,708,191	\$ 5,171,869	\$ 897,840	\$ 936,365	\$ 6,606,031	\$ 6,108,234
Capital Assets	2,443,280	2,354,153	554,473	547,253	2,997,753	2,901,406
Total Assets	<u>8,151,471</u>	<u>7,526,022</u>	<u>1,452,313</u>	<u>1,483,618</u>	<u>9,603,784</u>	<u>9,009,640</u>
Deferred Outflows of Resources	693,570	786,730	144,686	111,192	838,256	897,922
Current and Other Liabilities	694,761	765,925	86,229	122,345	780,990	888,270
Long-Term Liabilities	2,806,434	2,017,796	789,299	724,854	3,595,733	2,742,650
Total Liabilities	<u>3,501,195</u>	<u>2,783,721</u>	<u>875,528</u>	<u>847,199</u>	<u>4,376,723</u>	<u>3,630,920</u>
Deferred Inflows of Resources	189,223	1,106,964	43,477	136,611	232,700	1,243,575
Net Position:						
Net Investment in Capital						
Assets	2,164,774	2,130,271	359,217	323,482	2,523,991	2,453,753
Restricted	2,311,578	1,884,804	13,567	-	2,325,145	1,884,804
Unrestricted	678,271	406,992	305,210	287,518	983,481	694,510
Total Net Position	<u>\$ 5,154,623</u>	<u>\$ 4,422,067</u>	<u>\$ 677,994</u>	<u>\$ 611,000</u>	<u>\$ 5,832,617</u>	<u>\$ 5,033,067</u>

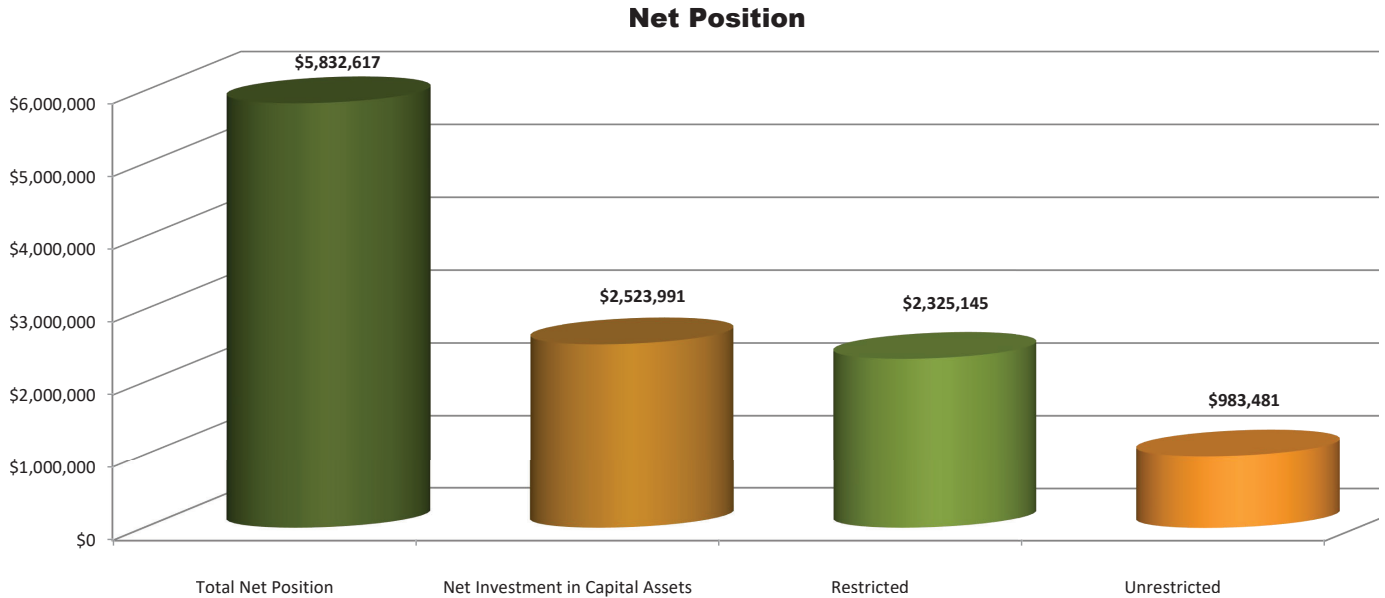
*As restated for the implementation of GASB 96

The largest portion of the County's net position of \$2,523,991 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.

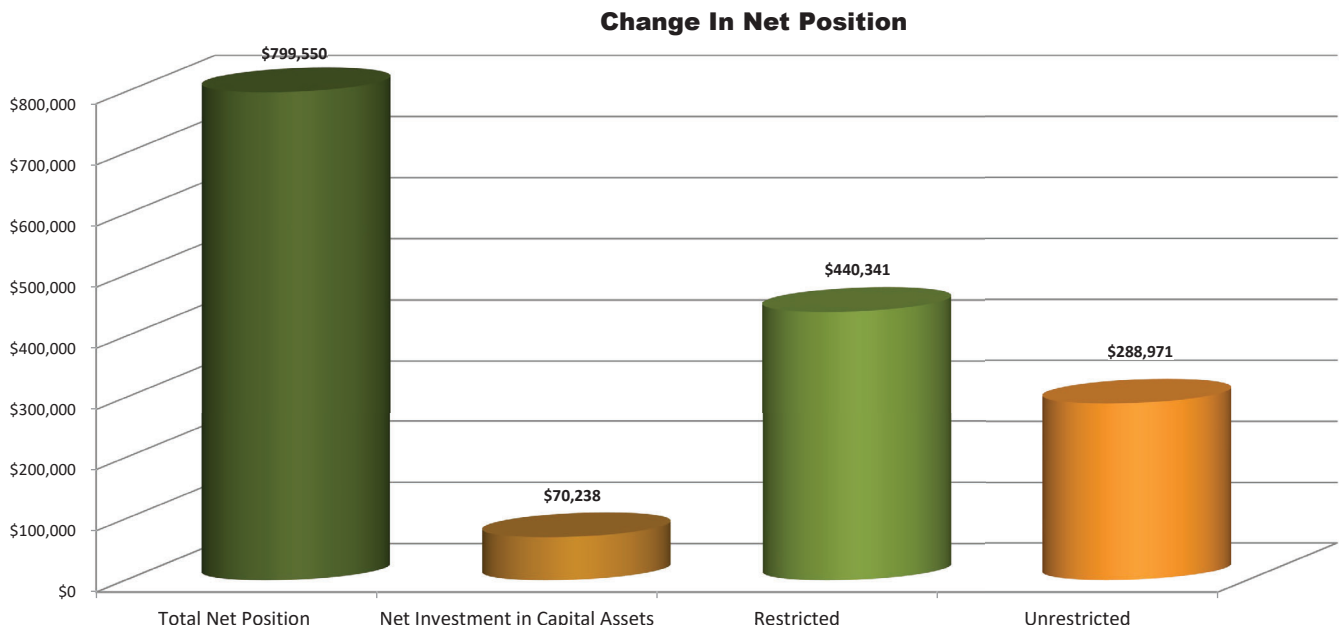
Restricted net position of \$2,325,145 represents another significant portion of County net position. These amounts are subject to external restrictions imposed by creditors, grantors, contributors, laws and regulation of other governments, and restrictions imposed by law through constitutional provisions 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 \$288,971 primarily as the result of an overall increase in current assets.



The County's total net position increased by \$799,550 (\$732,556 increase in governmental activities plus \$66,994 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	
	2023	2022	2023	2022	2023	2022
<u>Revenues:</u>						
Program Revenues						
Charges for Services	\$ 613,227	\$ 584,142	\$ 624,600	\$ 569,093	\$ 1,237,827	\$ 1,153,235
Operating Grants/Contributions	2,749,195	2,668,118	310,728	347,649	3,059,923	3,015,767
Capital Grants/Contributions	5,495	1,570	19,156	12,643	24,651	14,213
General Revenues						
Property Taxes, Levied for General Purposes	1,072,879	981,516	5,052	4,760	1,077,931	986,276
Public Safety Tax	289,757	277,989	-	-	289,757	277,989
Other Taxes	48,829	54,183	-	-	48,829	54,183
American Rescue Plan Act	79,644	57,739	-	-	79,644	57,739
Revenues from Use of Money and Property	91,414	(15,813)	6,571	(5,961)	97,985	(21,774)
Miscellaneous	65,327	55,585	19,227	1,579	84,554	57,164
Gain on Sale of Capital Assets	3,041	3,517	-	135	3,041	3,652
Total Revenues	<u>5,018,808</u>	<u>4,668,546</u>	<u>985,334</u>	<u>929,898</u>	<u>6,004,142</u>	<u>5,598,444</u>
<u>Expenses:</u>						
General Government	268,068	224,605	-	-	268,068	224,605
Public Protection	1,629,396	1,405,622	-	-	1,629,396	1,405,622
Public Ways and Facilities	141,481	101,367	-	-	141,481	101,367
Health and Sanitation	622,695	605,285	-	-	622,695	605,285
Public Assistance	1,553,529	1,329,724	-	-	1,553,529	1,329,724
Education	25,565	30,064	-	-	25,565	30,064
Recreation and Cultural Services	34,250	29,762	-	-	34,250	29,762
Interest on Long Term Debt	7,785	7,586	-	-	7,785	7,586
Medical Center	-	-	799,661	723,651	799,661	723,651
Waste Systems	-	-	100,378	102,307	100,378	102,307
Water, Sewer, and Sanitation	-	-	21,688	18,075	21,688	18,075
Others	-	-	96	183	96	183
Total Expenses	<u>4,282,769</u>	<u>3,734,015</u>	<u>921,823</u>	<u>844,216</u>	<u>5,204,592</u>	<u>4,578,231</u>
Excess (Deficiency) before Transfers	736,039	934,531	63,511	85,682	799,550	1,020,213
Transfers	(3,483)	2,810	3,483	(2,810)	-	-
Change in Net Position	<u>732,556</u>	<u>937,341</u>	<u>66,994</u>	<u>82,872</u>	<u>799,550</u>	<u>1,020,213</u>
Net Position -- Beginning of Year	<u>4,422,067</u>	<u>3,484,726</u>	<u>611,000</u>	<u>528,128</u>	<u>5,033,067</u>	<u>4,012,854</u>
Net Position -- End of Year	<u>\$ 5,154,623</u>	<u>\$ 4,422,067</u>	<u>\$ 677,994</u>	<u>\$ 611,000</u>	<u>\$ 5,832,617</u>	<u>\$ 5,033,067</u>

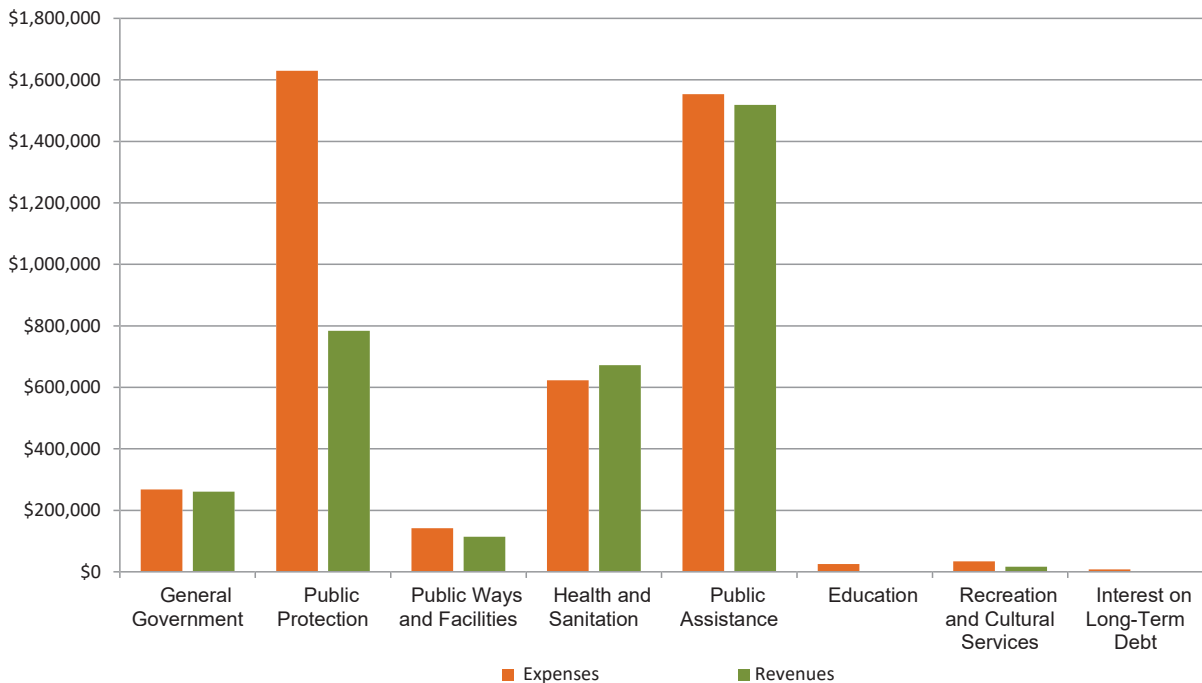
Net position within the Governmental Activities opinion unit increased from \$4,422,067 to \$5,154,623. The overall increase in net position is due to one-time and ongoing revenues exceeding related expenses.

Total revenues of County Governmental Activities increased primarily due to increases in Revenues from Use of Money and Property, Property Taxes, Levied for General Purposes, and Operating Grants/Contributions.

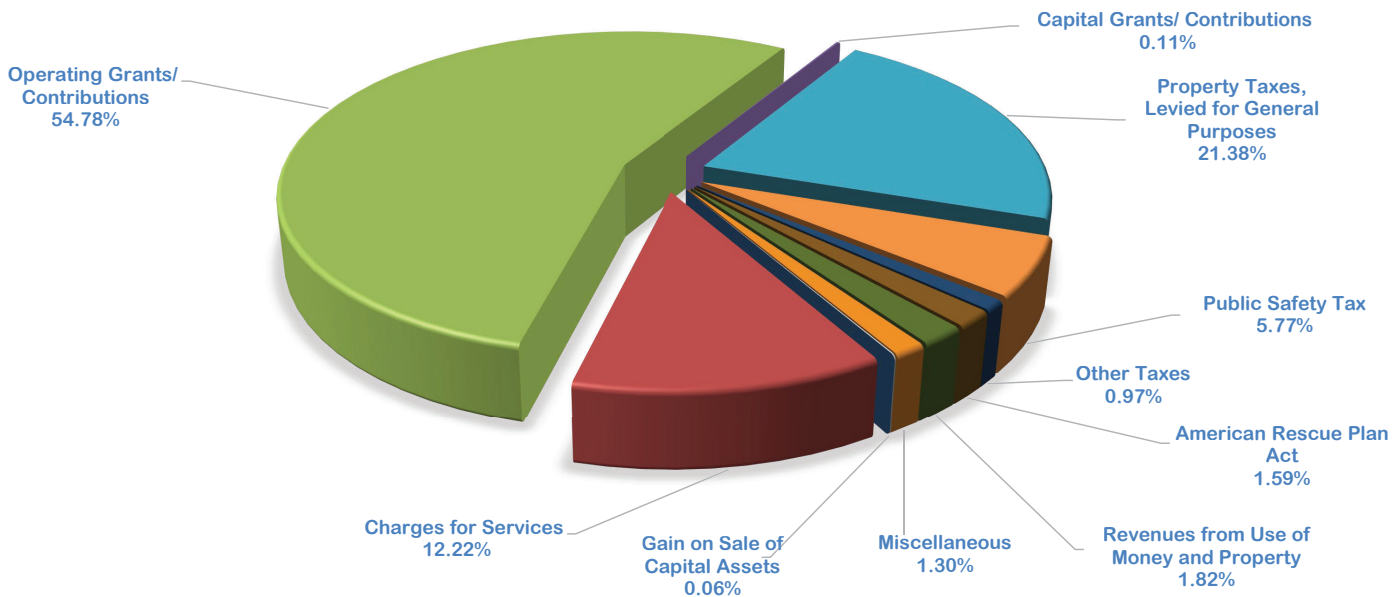
Program expenses for County Governmental Activities increased as a result of increases in Public Assistance and Public Protection. Both programs' expenses had an increase in staffing costs largely due to the addition of positions to meet increased service needs throughout the County, as well as negotiated salary and benefit increases. Additionally, The Human Services Group had an increase primarily due to the addition of staffing for the implementation of the Enhanced Care Management Program, increases in direct payments of benefits to clients and contracted payments to service providers, additional supportive services, and housing-related assistance through the Adult Protective Services, additional medical costs related to Target Low-Income Children's Program, and various operational costs for the ongoing response to the COVID-19 pandemic. The Sheriff/Coroner/Public Administrator had an increase primarily due to additional costs for various capital improvement projects for the Victor Valley Station, Colorado River Station, and multiple training centers. The Probation has an increase primarily due to the additional operating expenses for the Youth Placement Program and the newly expanded Sex Offender Division II. The Fire Protection District had an increase primarily due to additional operating expenses for the Arson K-9 Program in Fire Prevention Services and various capital improvement projects.

Management's Discussion and Analysis (Amounts in thousands)

Expenses and Program Revenues - Governmental Activities



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



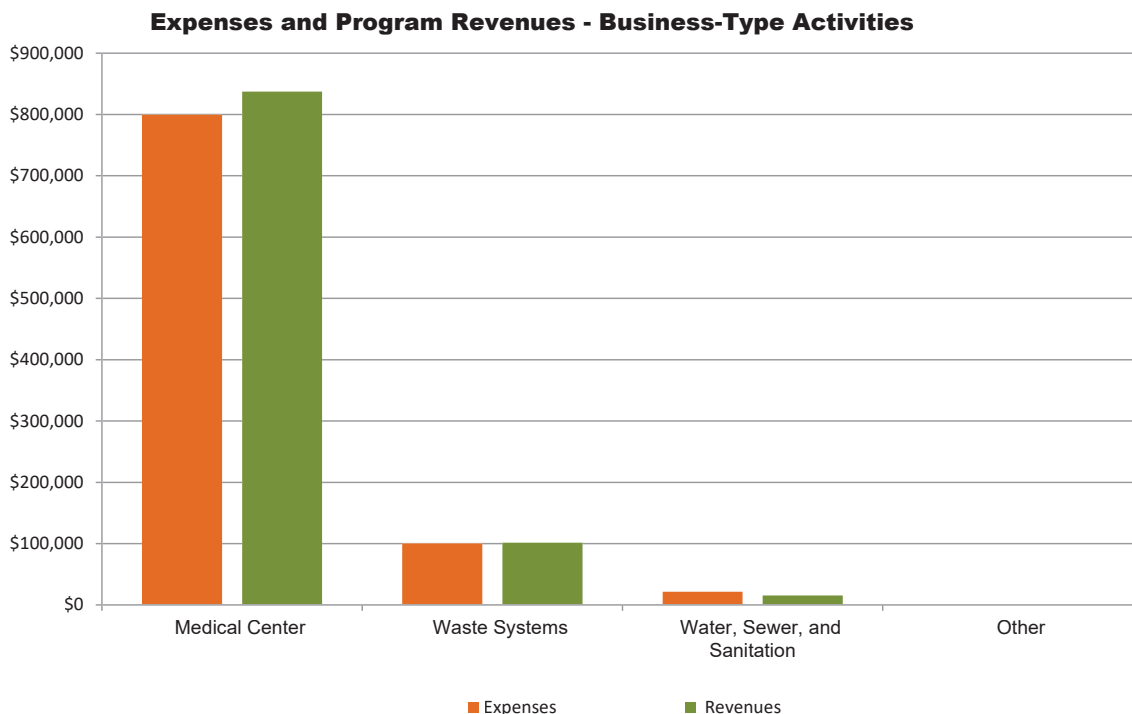
Management's Discussion and Analysis (Amounts in thousands)

Business-Type Activities increased the County's net position from \$611,000 to \$677,994. This is primarily due to program revenues exceeding related expenses.

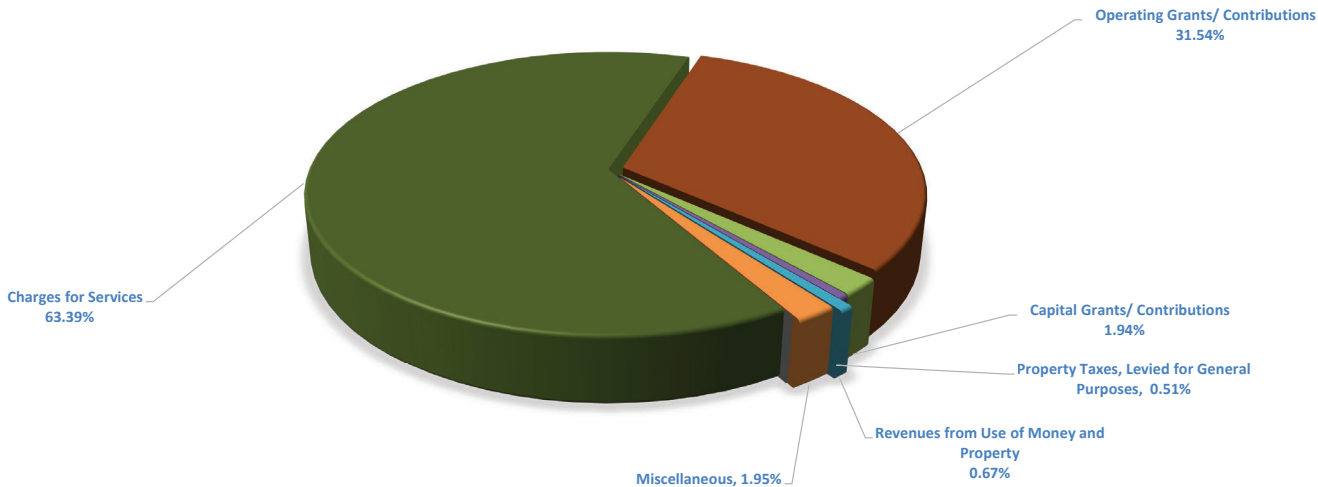
Total revenues of County business-type activities increased primarily due to increases in Charges for Services.

Business-Type Activities expenses increased mainly due to the Medical Center increased staffing costs for addition of positions and negotiated salary and benefit increases.

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



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, 2023, the County's governmental funds reported a total fund balance of \$4,388,806, an increase of \$572,828, in comparison with the prior year. Approximately 50.0% of the total fund balance, \$2,192,464, constitutes restricted fund balance, which is restricted by external parties and enabling legislation. The remaining fund balance is comprised of nonspendable amounts of \$49,571; committed amounts of \$359,439, which are committed for specific purposes; assigned amounts of \$767,035, set-aside for specific purposes; and an unassigned amount of \$1,020,297, representing the residual net resources of the General Fund available for spending.

The most significant restricted amounts in the governmental funds include \$259,469 for the Flood Control, \$255,556 for Fire Protection, \$227,911 for Mental Health Services Act, \$198,650 for Behavioral Health Realignment, \$197,414 for Law and Justice Realignment, and \$140,748 for Social Services Realignment (See Note 16).

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, 2023, the total fund balance was \$2,245,327, an increase of \$386,028 in comparison with the prior year. Approximately 36.5% or \$818,429 of the total fund balance constitutes restricted fund balance. The remaining fund balance is made up of \$35,735 of nonspendable amounts; \$359,439 of committed amounts, including \$50,000 for Building Replacement Reserve, \$40,087 for the Asset Replacement, \$35,000 for the Animal Shelter Capital Project, \$32,075 for the Medical Center Debt Service, \$31,518 for the New Property Tax System, and \$27,734 for the Community Concerns Reserve. The assigned amounts of \$11,427 is primarily for Automated Systems Development. There is \$1,020,297 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 39.8% of total fund expenditures; while total fund balance represents 64.3%.

Capital Improvement Fund: The Capital Improvement Fund accounts for the County's major capital acquisition and construction projects. On June 30, 2023, the total fund balance of the Capital Improvement Fund was \$723,927. The Capital Improvement Fund had an increase of \$92,057 primarily as the result of significantly increased contributions for maintenance and upgrades of County facilities.

Revenues for total governmental funds totaled \$5,008,539 in fiscal year 2023, representing a \$336,091 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:

<u>Revenues</u>	<u>Fiscal Year 2023</u>		<u>Over (Under) Fiscal Year 2022</u>	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount Changed</u>	<u>Percent</u>
Taxes	\$ 1,468,663	29%	\$ 105,309	8%
Licenses, Permits and Franchises	38,398	1%	6,310	20%
Fines, Forfeitures and Penalties	11,233	0%	(942)	-8%
Revenues From Use of Money and Property	121,196	2%	150,194	518%
Aid From Other Governmental Agencies	2,755,489	55%	52,610	2%
Charges for Current Services	549,532	12%	14,089	3%
Other Revenues	64,028	1%	8,521	15%
Total Revenues	<u>\$ 5,008,539</u>	<u>100%</u>	<u>\$ 336,091</u>	

The County’s three major funding sources: aid from other governmental agencies, taxes, and charges for current services, constitute 95.3% of all revenues.

Tax revenues increased by \$105,309 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, Proposition 172 half-cent sales tax, and an increase in taxes for the Fire Protection District.

Revenues From Use of Money and Property increased by \$150,194, primarily due to increase in interest revenue.

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

<u>Expenditures</u>	<u>Fiscal Year 2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount Changed</u>	<u>Percent</u>
Current:				
General Government	\$ 258,716	6%	\$ 27,602	12%
Public Protection	1,580,182	35%	135,076	9%
Public Ways and Facilities	130,819	3%	40,955	46%
Health and Sanitation	615,990	14%	(18,288)	-3%
Public Assistance	1,542,452	34%	146,718	11%
Education	24,116	0%	1,646	7%
Recreation and Cultural Services	27,846	0%	4,750	21%
Debt Service:				
Principal	121,706	3%	(50,792)	-29%
Interest and Fiscal Charges	9,038	0%	898	11%
Capital Outlay	229,078	5%	89,122	64%
Total Expenditures	<u>\$ 4,539,943</u>	<u>100%</u>	<u>\$ 377,687</u>	

Total County governmental funds expenditures increased by \$377,687 from the prior year.

Capital Outlay expenditures increased by \$89,122 primarily due to implementation of GASB 96 – Subscription-Based Information Technology Arrangements (SBITAs), which reclassified subscription paid out for SBITAs to debt principal and interest for SBITAs, and increased in the GASB 87 – Leases, which reclassified capital outlay for leases to other financing source for leases.

Public Assistance expenditures increased by \$146,718 primarily due to increase in payments to service providers in relation to Project Roomkey Program, CalWORKs Cash Aid, and Adoption Assistance Programs. In addition, the Human Services Administration Claim added 85 new positions due to anticipated workload growth.

Management's Discussion and Analysis
(Amounts in thousands)

Public Protection expenditures increased by \$135,076 primarily due to increase in the Department of Aging and Adult Services to support the Access to Technology (ATT) Program, which is funded by the ATT Program grant award. Additionally, the Sheriff Department had increase in support for service levels and ongoing operations.

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

Other Financing Sources (Uses) Governmental Funds	Fiscal Year 2023	Over (Under) Fiscal Year 2022	
	Amount	Amount Changed	Percent
Transfers Out	\$ (446,299)	\$ 11,482	3%
Transfers In	443,618	(19,163)	-4%
Lease Financing (Notes 11 & 19)	80,023	65,693	458%
Subscription Financing (Notes 11 & 20)	23,228	23,228	100%
Sale of Capital Assets	3,662	145	4%
Total Other Financing Sources and (Uses)	<u>\$ 104,232</u>	<u>\$ 81,385</u>	

Total of Other Financing Sources and (Uses) Increased by \$81,385 primarily due to an increase in lease financing by \$65,693 due to the GASB 87 – Leases, which reclassified to other financing source for leases, and increase in subscription financing by \$23,228 due to implementation of GASB 96 – SBITAs.

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	\$ 4,011,189	\$ 11,319	\$ 986,031	\$ 5,008,539
Expenditures	(3,493,640)	(70,362)	(975,941)	(4,539,943)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>517,549</u>	<u>(59,043)</u>	<u>10,090</u>	<u>468,596</u>
Total Other Financing Sources and (Uses)	<u>(131,521)</u>	<u>151,130</u>	<u>84,623</u>	<u>104,232</u>
Net Changes In Fund Balance	386,028	92,087	94,713	572,828
Fund Balance, Beginning	<u>1,859,299</u>	<u>631,840</u>	<u>1,324,839</u>	<u>3,815,978</u>
Fund Balance, Ending	<u>\$ 2,245,327</u>	<u>\$ 723,927</u>	<u>\$ 1,419,552</u>	<u>\$ 4,388,806</u>

In fiscal year 2023, the fund balance of total governmental funds increased by \$572,828. This increase is the result of a continued trend of revenues exceeding associated expenditures, with notable increases seen in tax revenue and revenue from use of money and property.

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		Total Nonmajor Enterprise Funds	
	Medical Center	Waste Systems Division		
Operating Revenues				
Net Patient Care and Services	\$ 508,833	\$ -	\$ -	\$ 508,833
Charges for Current Services	-	87,232	14,316	101,548
Other	270,186	13,784	435	284,405
Total Operating Revenues	<u>779,019</u>	<u>101,016</u>	<u>14,751</u>	<u>894,786</u>
Operating Expenses				
Professional Services	155,748	30,477	1,196	187,421
Salaries and Employee Benefits	393,953	8,726	4,021	406,700
Self Insurance Claims	-	-	34	34
Services and Supplies	197,856	55,773	10,714	264,343
Depreciation and Amortization	28,561	5,402	3,140	37,103
Other	17,670	-	-	17,670
Total Operating Expenses	<u>793,788</u>	<u>100,378</u>	<u>19,105</u>	<u>913,271</u>
Operating Income (Loss)	<u>(14,769)</u>	<u>638</u>	<u>(4,354)</u>	<u>(18,485)</u>
Nonoperating Revenues (Expenses)				
Investment Income (Loss)	-	4,913	1,658	6,571
Interest Expense	(5,873)	-	(116)	(5,989)
Tax Revenue	-	-	5,052	5,052
Grant Revenue	39,293	353	896	40,542
Gain (Loss) on Sale of Capital Assets	-	-	(3)	(3)
Other Nonoperating Revenues	247	18,344	639	19,230
Other Nonoperating Expenses	-	-	(2,563)	(2,563)
Total Nonoperating Revenues (Expenses)	<u>33,667</u>	<u>23,610</u>	<u>5,563</u>	<u>62,840</u>
Change in Net Position Before Contributions and Transfers	18,898	24,248	1,209	44,355
Capital Contributions	19,156	-	-	19,156
Transfers Out	(6,844)	(176)	(7)	(7,027)
Transfers In	10,510	-	-	10,510
Change in Net Position	41,720	24,072	1,202	66,994
Net Position, Beginning	343,115	148,150	119,735	611,000
Net Position, Ending	<u>\$ 384,835</u>	<u>\$ 172,222</u>	<u>\$ 120,937</u>	<u>\$ 677,994</u>

The net increase of \$66,994 in net position was primarily due to higher operating revenues in the Medical Center. Medical Center reported total operating revenues of \$779,019, which was higher from the prior year amount of \$741,033.

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 2.2%. A net increase in appropriations of \$98,392 was approved during the fiscal year. The significant components of this net increase are summarized below:

General

- On October 25, 2022, the Board adopted a budget amendment which decreased the Countywide Discretionary Budget unit's budget by \$5,200 in contingencies to fund Sheriff Department's unbudgeted purchase orders for the upgrade of the Human-Machine Interface and Camera System at West Valley and High Desert Detention Centers, primarily for continued safety and increased efficiency.
- On January 24, 2023, the Board adopted Mid-Year budget amendments which increased the County Administrative Office – Litigation's budget by a total of \$4,225 to fund anticipated legal costs associated with the Chino Plume Remediation Project and to cover any additional expenses for ongoing litigation matters and to plan for anything that may arise prior to June 30, 2023.
- On January 24, 2023, the Board adopted a budget amendment which increased the County Communications Group's budget by a total of \$1,830 to reflect the establishment of a new budget unit for the County Communications Group and to establish a Countywide marketing efforts budget to support the production and distribution of programming that supports County services and events.
- On January 24, 2023, the Board adopted a budget amendment which decreased the Countywide Discretionary Budget unit's budget by \$42,600 in contingencies for ongoing and one-time allocations to various County departments to reflect the general fund share of the cost resulting from the adopted Mid-Year budget amendments.
- On January 24, 2023, the Board adopted a budget amendment which increased Human Resources Department's budget by \$4,254 to fund the County's Wellness Program initiative, as well as enhancements to the Center for Employee Health and Wellness, and to fund 22 new positions and four reclassifications of existing positions to centralize and streamline multiple processes.
- On March 28, 2023, the Board adopted a budget amendment which increased the Department of Public Works' budget by \$1,500 to fund expenses related to the 2023 February/March Extreme Weather Event. The department increased staff shifts and requested additional snow removal equipment to prepare for the unprecedented snowfall. After the blizzard, additional contractors were utilized as heavier equipment was needed to remove the considerable amount of snow, up to five feet in some areas.

Health and Sanitation

- On January 24, 2023, the Board adopted Mid-Year budget amendments to increase the Department of Public Health's budget by \$10,571 to fund five new positions to meet current and future demand for patient care at the Federally Qualified Health Centers in Hesperia and Adelanto, to fund 15 reclassifications of existing positions to better align staffing with current and future needs and to better align job titles with the duties being performed by staff, to fulfill its responsibilities under the Future of Public Health (FoPH) grant, which is a new state program designed to improve public health infrastructure, to secure temporary Environmental Health Services staff, and to replace fixed assets and address the operational issues caused by the fire at the 172 W. 3rd Street office. These budget adjustments were funded by grant revenue and insurance proceeds, and partially offset by savings in Salaries and Benefits due to staffing vacancies.

Management's Discussion and Analysis (Amounts in thousands)

Public Assistance

- On January 24, 2023, the Board adopted a Mid-Year budget amendment which increased the Office of Homeless Services' budget by \$1,804 to support the Project Roomkey Program, which gives people who are experiencing homeless and are recovering from COVID-19 or have been exposed to COVID-19 a place to recuperate and properly quarantine outside of a hospital. The increase in appropriation of \$1,804 is requested after two contract encumbrances funded by a state grant for Project Roomkey were budgeted in the prior year and were since cancelled or reduced. The department requested an additional \$1,804 of one-time Discretionary General Funding to fund this increase, which would be returned to the General Fund at the end of fiscal year 2022-23.
- On January 24, 2023, the Board adopted Mid-Year budget amendment which increased the Human Services Administrative Claim's budget by \$94,545 to fund CalWORKs Cash Aid primarily due to a state mandated increase in grants of 21% effective on October 1, 2022, along with annualized caseload growth increasing by 12%, to fund Adoptions Assistance and Kinship Guardianship Assistance primarily due to inflationary growth mandated by the state of approximately 7% and due to the efforts of Children and Family Services to move children from foster care homes to permanent adoption, and to cover the staffing expenses related to an overall addition of 85 positions due to anticipated workload growth.

Public Protection

- On January 10, 2023, the Board adopted budget amendments which increased Department of Aging and Adult Services' budget by \$1,333 to support the Access to Technology (ATT) Program, which is funded by the ATT Program grant award. The program's purpose is to meet the needs of older adults and adults with disabilities to connect this population to technology to reduce isolation, increase connections, and enhance self-confidence in navigating digital and online resources. The ATT Program grant award will allow the department to provide up to an estimated 1,000 older adults and adults with disabilities Countywide access to digital connectivity, technology, and activities. These may include, but are not limited to, providing laptops, tablets, and smartphones; arranging reliable internet access via service plans; developing and/or arranging education and training on the use of technology; and conducting outreach regarding the ATT Program.
- On January 24, 2023, the Board adopted a Mid-Year budget amendment which increased Sheriff Department's budget by \$22,060 for Detentions, Contract Cities, and various units in the Administrative division to fund expenses related to Detentions' transfer of six positions from Operations to better align with the duties of the division, reimbursement to Operations for the Internal Affairs team, purchase of equipment to fund technology upgrades, increased service levels with Contract Cities and purchase of the 808/880 Mill Street buildings to support ongoing operations.
- On January 24, 2023, the Board adopted Mid-Year budget amendments which increased the Land Use Services (LUS)' budget by \$1,434 to fund increased costs associated with the Building and Safety division's substantial increase in permit application, which has increased the need to use on-call consultants to meet the demand of the public, and to fund the acquisition of a Customer Relationship Management (CRM) solution, which will create an interactive and transparent method for LUS customers to obtain information that relates to Planning, Building and Safety, and Code Enforcement.
- On February 28, 2023, the Board adopted a budget amendment which increased the Sheriff Department's budget by 1,312 to fund the first year of Body Worn Camera System (BWCS) fees. The BWCS is an effective resource that captures unalterable audio and video of daily interactions between department personnel and citizens, including use of force, and can be used as evidence in criminal cases. It can improve evidentiary outcomes, expedite case and/or incident resolutions, increase personnel and community safety, and increase

Management's Discussion and Analysis (Amounts in thousands)

public transparency while improving interactions between the department and the public.

- On April 25, 2023, the Board adopted a budget amendment which increased the Sheriff Department's budget by \$2,000 to support the Sheriff Department's Use of Force and De-escalation Training Pilot Program, which is funded by the State of California Senate Bill 154. The department will utilize the funding for a mobile training platform and the necessary personnel and equipment to support it, including mobile devices on which to access and complete training programs.

During the current fiscal year, General Government, Health and Sanitation, Public Assistance, and Public Protection functions accounted for the largest expenditure variances of \$414,324, \$255,913, \$214,707, and \$151,756, respectively, between the final budget and actual expenditures. The General Government variance is primarily the result of the establishment of contingency accounts and the budget adjustment of \$42,600 on the Countywide Discretionary Fund to fund various County departments for ongoing and one-time costs resulting from the adopted Mid-Year budget amendments. 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, as well as the actual salary expenditures were less than the final budget. 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 Public Protection variance is primarily the result of the actual salary expenditures and contracted services that were less than the final budgeted amounts.

The total difference of \$239,387 between final budgeted revenues and actual revenues was caused by the receipts of aid from other governments 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, property tax and sales tax revenues.

The General Fund budget to actual statement can be found on page 44 of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's total capital assets and related deferred outflows of resources for governmental/business-type activities as of June 30, 2023, amounted to \$2,997,753, and \$9,178, respectively. The County's total related debt used to acquire those assets as of June 30, 2023, amounted to \$421,381. 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:

- Infrastructures increased approximately \$80,385, due to capitalization related to the following significant projects: \$72,031 for West Fontana Channel- Banana to Juniper Project, \$2,675 for Phelan Road Intersection Improvements Project, and \$2,050 for Alder Ave Road Reconstruction Project.
- Structures and Improvement to Structures increased approximately \$50,794, due to capitalizations related to the following significant projects: \$11,501 for project 222 Building Remodel, \$7,474 for building acquisition located at 412 Hospitality Lane, \$5,745 for Remodel West Valley Juvenile Detention and Assessment Center

Management's Discussion and Analysis (Amounts in thousands)

(WVJDAC) to relocate Probation Training Center Project, \$2,271 for December 2nd Memorial Project, \$1,729 for High Desert Detention Center Generator Project, \$1,496 for Sheriff Central Detention Center (CDC) Generator Project, and \$1,476 for Sheriffs Scientific Investigation Division Remodel Project.

- Improvements other than buildings increased approximately \$10,694, due to capitalizations related to Solid Waste in the following major projects: \$5,886 to expand landfill liner at the Barstow Landfill, \$1,951 for the Sediment Channel Project at the Mid-Valley Landfill, and \$1,031 for the Leachate Collection and Removal (LCR) Systems Project at the Barstow Landfill.
- Right-to-Use Leased Buildings increased approximately \$80,762, due to newly entered and renewed lease agreements within the current fiscal year. Most significant leases include \$24,731 for lease contract 22-755, \$15,593 for lease contract 19-187 A-5, \$13,077 for lease contract 22-584 A-1, and \$10,320 for lease contract 22-1164.
- Right-to-Use Subscription Assets increased approximately \$27,416, due to newly entered and renewed Subscription-Based Information Technology Arrangements (SBITAs) within the current fiscal year. Most significant SBITAs include \$6,926 for contract 4400020088, \$6,490 for contract 4400021185, \$5,702 for contract 4400011072, and \$2,666 for contract 4400021113.

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)
	2023	2022*	2023	2022*	2023	2022	Percent of Change
Land	\$ 149,566	\$ 145,627	\$ 43,958	\$ 21,220	\$ 193,524	\$ 166,847	15.99%
Land Use Rights (non-amortizable)	26,281	26,281	351	351	26,632	26,632	0.00%
Land Use Rights (amortizable)	-	-	1,109	1,109	1,109	1,109	0.00%
Development in Progress	414,821	432,002	76,023	53,372	490,844	485,374	1.13%
Improvements other than Buildings	338,008	337,567	342,185	354,006	680,193	691,573	-1.65%
Structures and Improvements	1,285,705	1,238,809	579,365	575,467	1,865,070	1,814,276	2.80%
Infrastructure	1,565,333	1,484,948	-	-	1,565,333	1,484,948	5.41%
Equipment and Software	554,085	529,110	155,117	224,937	709,202	754,047	-5.95%
Right-to-use Leased Land	212	459	-	-	212	459	-53.81%
Right-to-use Leased Buildings	319,354	237,652	13,507	14,447	332,861	252,099	32.04%
Right-to-use Leased Equipment	2,707	3,429	-	-	2,707	3,429	-21.06%
Right-to-use Subscription Assets	33,361	8,713	10,897	8,129	44,258	16,842	162.78%
Accumulated Depreciation/Amortization	(2,246,153)	(2,090,444)	(668,039)	(705,785)	(2,914,192)	(2,796,229)	4.22%
Total	\$ 2,443,280	\$ 2,354,153	\$ 554,473	\$ 547,253	\$ 2,997,753	\$ 2,901,406	3.32%

*As restated for the implementation of GASB 96

Additional information on the County's capital assets can be found on Note 8 on pages 95-97 of this report.

Management's Discussion and Analysis (Amounts in thousands)

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) Percent of Change
	2023	2022	2023	2022	2023	2022	
Certificates of Participation, Net	\$ -	\$ -	\$ 179,280	\$ 211,419	\$ 179,280	\$ 211,419	-15.20%
General Obligation Bonds	-	-	50	50	50	50	0.00%
Revenue Bonds from Direct Placements	10,405	10,890	-	-	10,405	10,890	-4.45%
Other Bonds and Notes	100,255	157,130	-	-	100,255	157,130	-36.20%
Other Bonds and Notes from Direct	-	-	-	-	-	-	#DIV/0!
Borrowings and Direct Placements	5,084	8,929	1,019	1,096	6,103	10,025	-39.12%
Direct Financing Lease Obligations	-	-	671	1,366	671	1,366	-50.88%
Subscription Liability	23,013	8,713	8,189	8,129	31,202	16,842	85.26%
Lease Liability	233,082	195,599	9,917	12,164	242,999	207,763	16.96%
Other Long-Term Liabilities	-	-	98,193	99,350	98,193	99,350	-1.16%
Total	<u>\$ 371,839</u>	<u>\$ 381,261</u>	<u>\$ 297,319</u>	<u>\$ 333,574</u>	<u>\$ 669,158</u>	<u>\$ 714,835</u>	-6.39%

Additional information on the County's long-term debt can be found in Note 11 on pages 101-111 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), bonds and notes, and capital leases totaling \$40,113.

A significant portion of the revenue bonds are the Courthouse Project Bonds (2007) totaling \$10,405 that were issued by the San Bernardino Financing Authority. Included in long-term debt are also the Pension Obligation Bonds (2004) totaling \$25,000, with an AA+ rating from Standard & Poor's, and the Pension Obligation Refunding Bonds (2008) totaling \$37,960, 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 2024 final budget on June 13, 2023. The County's 2024 Budget reflects the County's values and vision and provides a framework for the County's commitment to maximize the standard of living for all County residents. 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 forecasts demonstrate the near-term future potential for ongoing revenues to fund those services.

The General Fund spending authority totals \$5.06 billion and is funded by departmental revenues, Countywide discretionary revenues, and other financing sources.

In addition, the County's fiscal planning efforts are presented with major challenges in fiscal year 2024 and beyond. These challenges include fiscal uncertainty inherent in inflation, tightening monetary policy, and federal shutdown fears.

The County continues to monitor other outstanding issues including:

- Inflation – Through May 2023, the Riverside-San Bernardino-Ontario Metro area has seen annual inflation moderate to 3.9% compared to 9.4% in May 2022. However, this is still above the Federal Reserve's

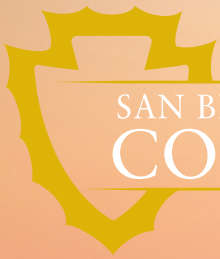
Management's Discussion and Analysis (Amounts in thousands)

target inflation rate of 2% and results in additional pressure on departmental budgets for items such as food, gasoline, and clothing. Departmental budgets will continue to be monitored throughout 2023-24 to ensure adequate funding, as needed.

- **Tightening Monetary Policy** – In early May 2023, the Federal Reserve raised interest rates for the 10th consecutive time to a range between 5% and 5.25%, which is the highest level since 2007. As it continues to address inflation by raising interest rates, the risk of a potential future economic downturn increases. Through continued monitoring and careful financial planning, the 2023-24 Adopted Budget is seeking to mitigate this risk by conservatively forecasting revenue and investing our sources in one-time needs rather than creating long-term liabilities.
- **Federal Shutdown Fears** –Ongoing situations at the federal level have resulted in the County needing to continually monitor the possibility of a federal government shutdown. Should congressional negotiations fall and result in a federal shutdown the County could be impacted in the areas of financing availability for federally funded programs (such as Human Services, Office of Homeless Services, Public Health, and Behavioral Health) and delays resulting from partner federal agencies being closed (for example in the areas of Community Development & Housing, Public Works and Special Districts). Should a protracted shutdown occur, including the furlough of federal employees, the County could also potentially see increased demand for various safety net programs including hospital services and the County's General Relief Program.

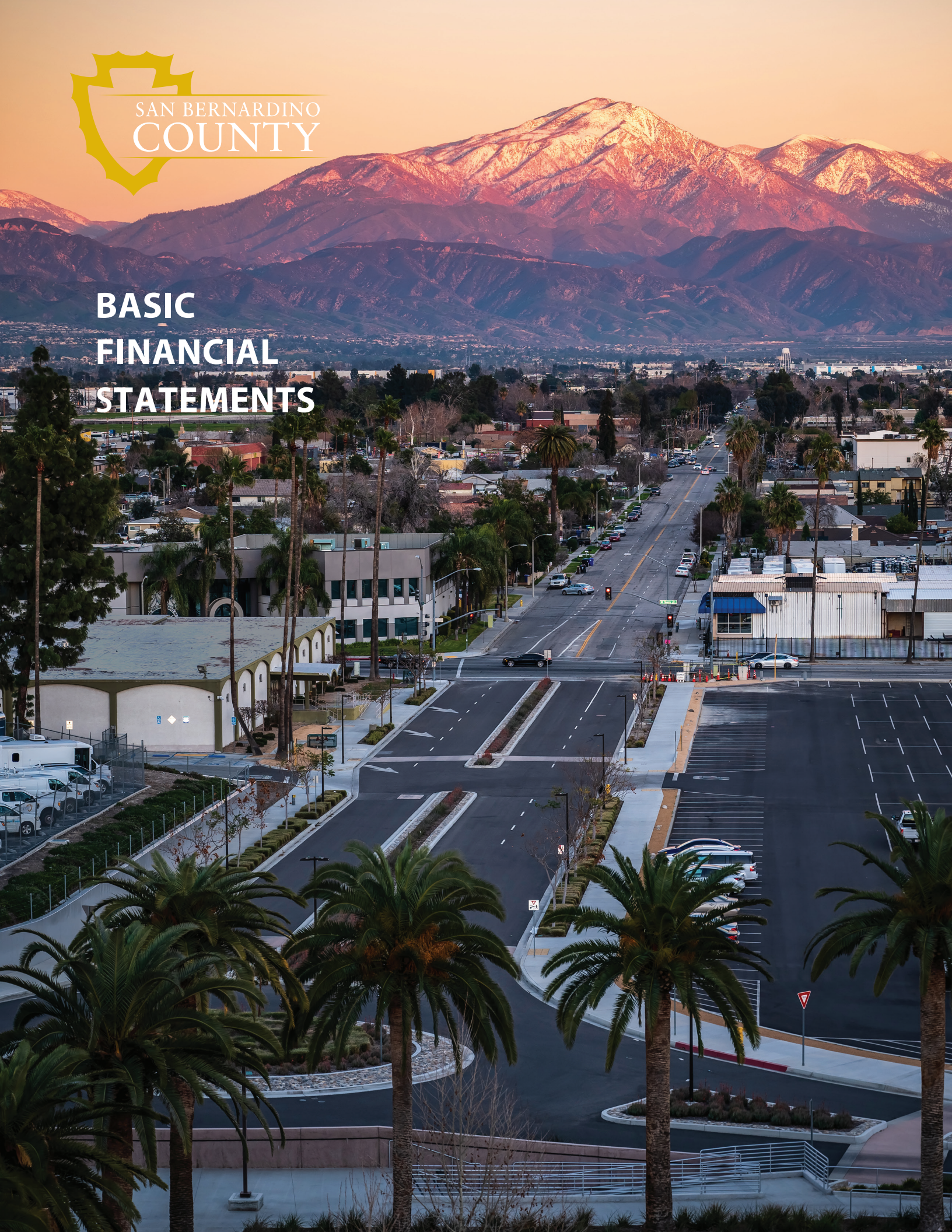
CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

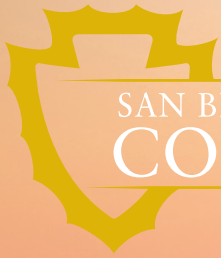
This financial report is designed to provide our citizens, taxpayers, customers, grantors, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or separate reports of the County's 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.



SAN BERNARDINO
COUNTY

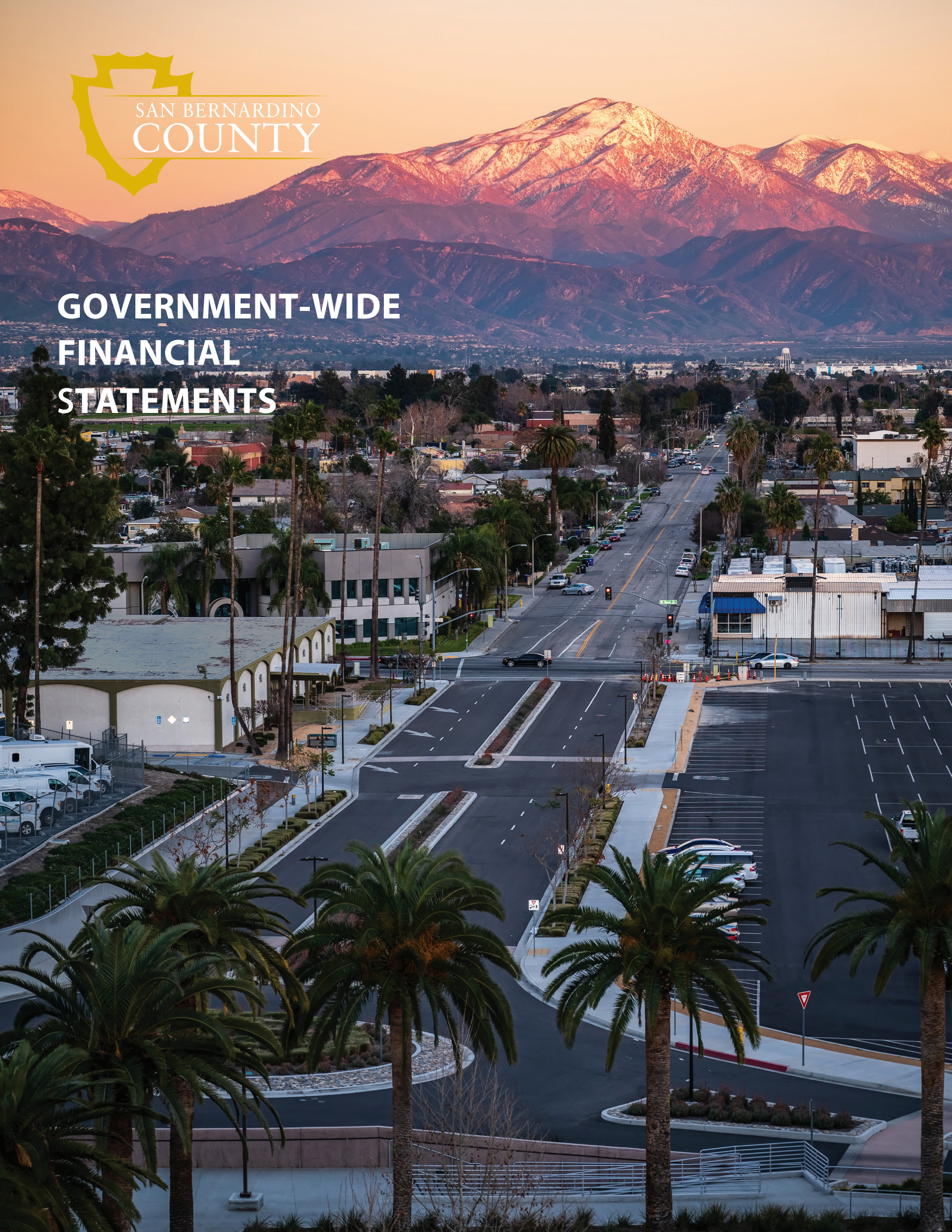
BASIC FINANCIAL STATEMENTS





SAN BERNARDINO
COUNTY

GOVERNMENT-WIDE FINANCIAL STATEMENTS





SAN BERNARDINO COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2023 (IN THOUSANDS)

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	FIRST 5 SAN BERNARDINO
ASSETS				
CASH AND INVESTMENTS (NOTE 4)	\$ 4,584,761	\$ 605,275	\$ 5,190,036	\$ 105,897
ACCOUNTS RECEIVABLE, NET (NOTE 5)	10,391	39,664	50,055	-
DUE FROM OTHER GOVERNMENTS, NET (NOTE 5)	530,727	136,105	666,832	3,200
TAXES RECEIVABLE (NOTE 5)	58,893	221	59,114	-
INTEREST RECEIVABLE (NOTE 5)	57,455	-	57,455	836
LEASE RECEIVABLE (NOTES 5 & 19)	12,816	451	13,267	-
LOANS RECEIVABLE (NOTE 5)	36,977	-	36,977	-
OTHER RECEIVABLES, NET (NOTES 5 & 21)	16,640	34,369	51,009	-
INTERNAL BALANCES (NOTE 6)	(3,887)	3,887	-	-
LAND HELD FOR RESALE	50,038	-	50,038	-
INVENTORIES	6,320	10,803	17,123	-
PREPAID ITEMS	12,969	6,440	19,409	-
RESTRICTED CASH AND INVESTMENTS (NOTES 4 & 7)	334,091	60,625	394,716	-
CAPITAL ASSETS NOT BEING DEPRECIATED AND AMORTIZED:				
LAND (NOTE 8)	149,566	43,958	193,524	-
LAND USE RIGHTS (NOTE 8)	26,281	351	26,632	-
DEVELOPMENT IN PROGRESS (NOTE 8)	414,821	76,023	490,844	-
CAPITAL ASSETS BEING DEPRECIATED AND AMORTIZED:				
LAND USE RIGHTS (NOTE 8)	-	1,109	1,109	-
STRUCTURES, IMPROVEMENTS, AND INFRASTRUCTURE (NOTE 8)	3,189,046	921,550	4,110,596	130
EQUIPMENT AND SOFTWARE (NOTE 8)	554,085	155,117	709,202	104
RIGHT-TO-USE LEASED LAND (NOTE 8)	212	-	212	-
RIGHT-TO-USE LEASED BUILDINGS (NOTE 8)	319,354	13,507	332,861	4,123
RIGHT-TO-USE LEASED EQUIPMENT (NOTE 8)	2,707	-	2,707	-
RIGHT-TO-USE SUBSCRIPTION ASSETS (NOTE 8)	33,361	10,897	44,258	-
ACCUMULATED DEPRECIATION AND AMORTIZATION (NOTE 8)	(2,246,153)	(668,039)	(2,914,192)	(807)
TOTAL ASSETS	8,151,471	1,452,313	9,603,784	113,483
DEFERRED OUTFLOWS OF RESOURCES (NOTE 9)	693,570	144,686	838,256	1,044
LIABILITIES				
ACCOUNTS PAYABLE AND CURRENT LIABILITIES	169,962	62,814	232,776	144
SALARIES AND BENEFITS PAYABLE	115,009	16,142	131,151	117
DUE TO OTHER GOVERNMENTS	48,211	3,858	52,069	3,786
INTEREST PAYABLE	1,916	2,112	4,028	1
ADVANCES FROM OTHERS (NOTE 10)	359,663	1,303	360,966	-
NONCURRENT LIABILITIES:				
PORTION DUE PAYABLE IN ONE YEAR:				
COMPENSATED ABSENCES PAYABLE (NOTE 11)	157,931	12,559	170,490	201
COPS, BONDS AND NOTES PAYABLE (NOTE 11)	67,385	29,374	96,759	-
DIRECT FINANCE LEASE OBLIGATIONS (NOTES 11 & 12)	-	411	411	-
LEASE LIABILITY (NOTES 11 & 19)	48,928	1,947	50,875	251
SUBSCRIPTION LIABILITY (NOTES 11 & 20)	8,597	2,715	11,312	-
OTHER LONG TERM LIABILITIES (NOTE 11)	-	98,193	98,193	-
POLLUTION REMEDIATION OBLIGATIONS (NOTE 11)	-	7,408	7,408	-
ESTIMATED LIABILITY FOR CLOSURE/POST-CLOSURE CARE COSTS (NOTES 11 & 13)	-	30,092	30,092	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS (NOTES 11 & 14)	102,643	-	102,643	-
PORTION DUE OR PAYABLE AFTER ONE YEAR:				
COMPENSATED ABSENCES PAYABLE (NOTE 11)	102,167	24,006	126,173	50
COPS, BONDS AND NOTES PAYABLE, NET (NOTE 11)	48,359	150,975	199,334	-
DIRECT FINANCE LEASE OBLIGATIONS (NOTES 11 & 12)	-	260	260	-
LEASE LIABILITY (NOTES 11 & 19)	184,154	7,970	192,124	3,413
SUBSCRIPTION LIABILITY (NOTES 11 & 20)	14,416	5,474	19,890	-
POLLUTION REMEDIATION OBLIGATIONS (NOTE 11)	-	58,904	58,904	-
ESTIMATED LIABILITY FOR CLOSURE/POST-CLOSURE CARE COSTS (NOTES 11 & 13)	-	154,008	154,008	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS (NOTES 11 & 14)	338,425	-	338,425	-
NET PENSION LIABILITY (NOTE 18)	1,733,429	205,003	1,938,432	1,691
TOTAL LIABILITIES	3,501,195	875,528	4,376,723	9,654
DEFERRED INFLOWS OF RESOURCES (NOTE 9)	189,223	43,477	232,700	332
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	2,164,774	359,217	2,523,991	(114)
RESTRICTED FOR:				
STATE REALIGNMENT FUNDS	774,339	-	774,339	-
TEETER PLAN	21,063	-	21,063	-
OTHER GRANTS AND PROGRAMS	1,398,595	-	1,398,595	-
PERPETUAL CARE - NONEXPENDABLE	1,837	-	1,837	-
DEBT SERVICE	115,744	50	115,794	-
LANDFILL CLOSURE	-	13,517	13,517	-
UNRESTRICTED	678,271	305,210	983,481	104,655
TOTAL NET POSITION	\$ 5,154,623	\$ 677,994	\$ 5,832,617	\$ 104,541

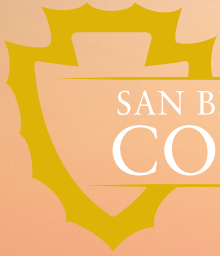
The notes to the basic financial statements are an integral part of this statement.

**SAN BERNARDINO COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023 (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		FIRST 5 SAN BERNARDINO
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
PRIMARY GOVERNMENT:							
GOVERNMENTAL ACTIVITIES:							
GENERAL GOVERNMENT	\$ 268,068	\$ 186,889	\$ 74,008	\$ 1	\$ (7,170)	\$ (7,170)	\$ -
PUBLIC PROTECTION	1,629,396	362,350	421,585	150	(845,311)	(845,311)	-
PUBLIC WAYS AND FACILITIES	141,481	8,325	100,921	4,958	(27,277)	(27,277)	-
HEALTH AND SANITATION	622,695	41,316	630,547	-	49,168	49,168	-
PUBLIC ASSISTANCE	1,553,529	3,030	1,515,709	-	(34,790)	(34,790)	-
EDUCATION	25,565	796	508	-	(24,261)	(24,261)	-
RECREATION AND CULTURAL SERVICES	34,250	10,521	5,917	386	(17,426)	(17,426)	-
INTEREST ON LONG TERM DEBT	7,785	-	-	-	(7,785)	(7,785)	-
TOTAL GOVERNMENTAL ACTIVITIES	4,282,769	613,227	2,749,195	5,495	(914,852)	(914,852)	-
BUSINESS-TYPE ACTIVITIES:							
MEDICAL CENTER	799,661	508,833	309,479	19,156	-	37,807	-
WASTE SYSTEMS DIVISION	100,378	101,016	353	-	-	991	-
WATER, SEWER, AND SANITATION	21,688	14,641	895	-	-	(6,152)	-
OTHERS	96	110	1	-	-	15	-
TOTAL BUSINESS-TYPE ACTIVITIES	921,823	624,600	310,728	19,156	-	32,661	-
TOTAL PRIMARY GOVERNMENT	\$ 5,204,592	\$ 1,237,827	\$ 3,059,923	\$ 24,651	(914,852)	(882,191)	-
COMPONENT UNIT							
FIRST 5 SAN BERNARDINO	\$ 20,139	\$ -	\$ 19,372	\$ -	-	-	(767)
GENERAL REVENUES:							
PROPERTY TAXES, LEVIED FOR GENERAL PURPOSES					1,072,879	1,072,879	-
PUBLIC SAFETY TAX					289,757	289,757	-
OTHER TAXES					48,829	48,829	-
AMERICAN RESCUE PLAN ACT					79,644	79,644	-
REVENUES FROM USE OF MONEY AND PROPERTY					91,414	97,985	2,035
MISCELLANEOUS					65,327	84,554	839
GAIN ON SALE OF CAPITAL ASSETS					3,041	3,041	-
TRANSFERS (NOTE 6)					(3,483)	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					1,647,408	1,681,741	2,874
CHANGE IN NET POSITION					732,556	799,550	2,107
NET POSITION - BEGINNING					4,422,067	5,033,067	102,434
NET POSITION - ENDING					\$ 5,154,623	\$ 5,832,617	\$ 104,541

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





SAN BERNARDINO
COUNTY

FUND FINANCIAL STATEMENTS





**SAN BERNARDINO COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023 (IN THOUSANDS)**

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
CASH AND INVESTMENTS (NOTE 4)	\$ 1,978,936	\$ 666,047	\$ 1,409,646	\$ 4,054,629
ACCOUNTS RECEIVABLE, NET (NOTE 5)	7,881	-	2,369	10,250
DUE FROM OTHER GOVERNMENTS (NOTE 5)	403,675	696	123,470	527,841
TAXES RECEIVABLE (NOTE 5)	45,548	-	13,345	58,893
INTEREST RECEIVABLE (NOTE 5)	56,400	-	1,055	57,455
LEASE RECEIVABLE (NOTES 5 & 19)	10,371	-	2,445	12,816
LOANS RECEIVABLE (NOTE 5)	31,477	-	5,500	36,977
OTHER RECEIVABLES (NOTES 5 & 21)	5,112	-	11,528	16,640
DUE FROM OTHER FUNDS (NOTE 6)	53,835	12,139	24,264	90,238
LAND HELD FOR RESALE	549	47,827	1,662	50,038
INVENTORIES	1,700	-	353	2,053
PREPAID ITEMS	2,010	-	11,646	13,656
ADVANCES TO OTHER FUNDS (NOTE 6)	12,743	-	869	13,612
RESTRICTED CASH AND INVESTMENTS (NOTES 4 & 7)	324,642	-	9,449	334,091
TOTAL ASSETS	<u>\$ 2,934,879</u>	<u>\$ 726,709</u>	<u>\$ 1,617,601</u>	<u>\$ 5,279,189</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 96,095	\$ 2,446	\$ 59,389	\$ 157,930
SALARIES AND BENEFITS PAYABLE	91,094	-	21,430	112,524
DUE TO OTHER FUNDS (NOTE 6)	33,076	330	58,400	91,806
DUE TO OTHER GOVERNMENTS	40,510	-	7,330	47,840
INTEREST PAYABLE	-	-	524	524
ADVANCES FROM OTHERS (NOTE 10)	341,115	6	18,467	359,588
ADVANCES FROM OTHER FUNDS (NOTE 6)	-	-	13,362	13,362
TOTAL LIABILITIES	<u>601,890</u>	<u>2,782</u>	<u>178,902</u>	<u>783,574</u>
DEFERRED INFLOWS OF RESOURCES (NOTE 9)	<u>87,662</u>	<u>-</u>	<u>19,147</u>	<u>106,809</u>
FUND BALANCES (NOTE 16):				
NONSPENDABLE	35,735	-	13,836	49,571
RESTRICTED	818,429	86,337	1,287,698	2,192,464
COMMITTED	359,439	-	-	359,439
ASSIGNED	11,427	637,590	118,018	767,035
UNASSIGNED	1,020,297	-	-	1,020,297
TOTAL FUND BALANCES	<u>2,245,327</u>	<u>723,927</u>	<u>1,419,552</u>	<u>4,388,806</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,934,879</u>	<u>\$ 726,709</u>	<u>\$ 1,617,601</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.				2,376,319
Receivables that are not available to pay for current-period expenditures are deferred in the governmental funds.				94,179
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.				109,935
Interest payable on long-term debt				(1,389)
Deferred outflows and inflows of resources related to pensions, leases, and deferred amounts on refunding are applicable to future periods and therefore are not reported in the funds.				502,535
Long-term liabilities, including net pension liability, bonds payables, lease liability, subscription liability, and related items, are not due and payable in the current period and, therefore not reported in the funds.				(2,315,762)
Net position of governmental activities (page 38)				<u>\$ 5,154,623</u>

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

SAN BERNARDINO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2023 (IN THOUSANDS)

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
TAXES	\$ 1,202,778	\$ -	\$ 265,885	\$ 1,468,663
LICENSES, PERMITS, AND FRANCHISES	37,456	-	942	38,398
FINES, FORFEITURES, AND PENALTIES	6,623	-	4,610	11,233
REVENUE FROM USE OF MONEY AND PROPERTY	93,193	720	27,283	121,196
AID FROM OTHER GOVERNMENTAL AGENCIES	2,254,588	2,420	498,481	2,755,489
CHARGES FOR CURRENT SERVICES	400,245	-	149,287	549,532
OTHER REVENUES	16,306	8,179	39,543	64,028
TOTAL REVENUES	4,011,189	11,319	986,031	5,008,539
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT	251,115	-	7,601	258,716
PUBLIC PROTECTION	1,253,171	-	327,011	1,580,182
PUBLIC WAYS AND FACILITIES	4,831	-	125,988	130,819
HEALTH AND SANITATION	386,078	-	229,912	615,990
PUBLIC ASSISTANCE	1,400,771	-	141,681	1,542,452
EDUCATION	3,099	-	21,017	24,116
RECREATION AND CULTURAL SERVICES	16,374	-	11,472	27,846
DEBT SERVICE:				
PRINCIPAL	53,742	-	67,964	121,706
INTEREST AND FISCAL CHARGES	2,076	-	6,962	9,038
CAPITAL OUTLAY	122,383	70,362	36,333	229,078
TOTAL EXPENDITURES	3,493,640	70,362	975,941	4,539,943
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	517,549	(59,043)	10,090	468,596
OTHER FINANCING SOURCES (USES)				
TRANSFERS OUT (NOTE 6)	(326,861)	(63,653)	(55,785)	(446,299)
TRANSFERS IN (NOTE 6)	99,834	214,783	129,001	443,618
LEASE FINANCING (NOTES 11 & 19)	74,348	-	5,675	80,023
SUBSCRIPTION FINANCING (NOTES 11 & 20)	20,939	-	2,289	23,228
SALE OF CAPITAL ASSETS	219	-	3,443	3,662
TOTAL OTHER FINANCING SOURCES AND (USES)	(131,521)	151,130	84,623	104,232
NET CHANGES IN FUND BALANCE	386,028	92,087	94,713	572,828
FUND BALANCES, BEGINNING	1,859,299	631,840	1,324,839	3,815,978
FUND BALANCES, ENDING	\$ 2,245,327	\$ 723,927	\$ 1,419,552	\$ 4,388,806
NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS				\$ 572,828

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, right-to-use lease and subscription assets, and other related capital asset adjustments	\$ 225,636
Less current year depreciation/amortization expense.	(171,854)
Add current year program expenses related to capital assets adjustments.	22,832
	76,614

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. (12,075)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. (96,644)

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 fund. (8,721)

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	401,712
Less current year pension expense.	(322,697)
	79,015

The issuance of long-term debt (for example, bonds and 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.

Changes in net position of governmental activities (page 39) \$ 732,556

**SAN BERNARDINO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL ON BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
TAXES	\$ 1,083,895	\$ 1,083,895	\$ 1,202,778	\$ 118,883
LICENSES, PERMITS AND FRANCHISES	6,648	6,648	37,456	30,808
FINES, FORFEITURES AND PENALTIES	5,455	5,455	6,623	1,168
REVENUES FROM USE OF MONEY AND PROPERTY	46,313	46,690	93,193	46,503
AID FROM OTHER GOVERNMENTAL AGENCIES	1,830,475	1,984,159	2,254,588	270,429
CHARGES FOR CURRENT SERVICES	609,771	624,732	400,245	(224,487)
OTHER REVENUES	20,249	20,223	16,306	(3,917)
TOTAL REVENUES	3,602,806	3,771,802	4,011,189	239,387
EXPENDITURES				
CURRENT:				
GENERAL GOVERNMENT	747,968	673,323	258,999	414,324
PUBLIC PROTECTION	1,379,311	1,418,408	1,266,652	151,756
PUBLIC WAYS AND FACILITIES	5,352	5,428	5,036	392
HEALTH AND SANITATION	636,809	635,676	379,763	255,913
PUBLIC ASSISTANCE	1,542,170	1,616,068	1,401,361	214,707
EDUCATION	3,193	3,563	3,099	464
RECREATION AND CULTURAL SERVICES	16,328	17,208	16,403	805
DEBT SERVICE:				
PRINCIPAL	8,368	53,682	53,742	(60)
INTEREST AND FISCAL CHARGES	109	2,075	2,075	-
CAPITAL OUTLAY	138,419	150,988	142,572	8,416
TOTAL EXPENDITURES	4,478,027	4,576,419	3,529,702	1,046,717
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(875,221)	(804,617)	481,487	1,286,104
OTHER FINANCING SOURCES (USES)				
TRANSFERS OUT (NOTE 6)	(428,134)	(493,186)	(326,861)	166,325
TRANSFERS IN (NOTE 6)	118,682	122,283	99,834	(22,449)
LEASE FINANCING	74,348	74,348	74,348	-
SUBSCRIPTION FINANCING	20,939	20,939	20,939	-
SALE OF CAPITAL ASSETS	635	642	219	(423)
TOTAL OTHER FINANCING SOURCES AND (USES)	(213,530)	(274,974)	(131,521)	143,453
NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEM	(1,088,751)	(1,079,591)	349,966	1,429,557
NET CHANGE IN FUND BALANCES	(1,088,751)	(1,079,591)	349,966	1,429,557
FUND BALANCES, BEGINNING	1,741,565	1,741,565	1,741,565	-
FUND BALANCES, ENDING	\$ 652,814	\$ 661,974	\$ 2,091,531	\$ 1,429,557

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



**SAN BERNARDINO COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023 (IN THOUSANDS)**

	BUSINESS-TYPE ACTIVITIES -	
	ENTERPRISE FUNDS	
	MEDICAL CENTER	WASTE SYSTEMS DIVISION
ASSETS		
CURRENT ASSETS:		
CASH AND INVESTMENTS (NOTE 4)	\$ 320,618	\$ 210,880
ACCOUNTS RECEIVABLE, NET (NOTE 5)	26,522	10,658
DUE FROM OTHER GOVERNMENTS (NOTE 5)	134,538	1,567
TAXES RECEIVABLE (NOTE 5)	-	-
LEASE RECEIVABLE (NOTES 5 & 19)	-	86
OTHER RECEIVABLES, NET (NOTES 5 & 21)	1,377	1,951
DUE FROM OTHER FUNDS (NOTE 6)	8,729	299
INVENTORIES	10,788	-
PREPAID ITEMS	5,198	1,242
RESTRICTED CASH AND INVESTMENTS (NOTES 4 & 7)	-	60,625
TOTAL CURRENT ASSETS	<u>507,770</u>	<u>287,308</u>
NONCURRENT ASSETS:		
LEASE RECEIVABLE (NOTE 5)	-	365
OTHER RECEIVABLES (NOTE 5)	13,052	17,887
CAPITAL ASSETS NOT BEING DEPRECIATED AND AMORTIZED:		
LAND (NOTE 8)	22,074	17,359
LAND USE RIGHTS (NOTE 8)	-	93
DEVELOPMENT IN PROGRESS (NOTE 8)	58,157	13,170
CAPITAL ASSETS BEING DEPRECIATED AND AMORTIZED:		
LAND USE RIGHTS (NOTE 8)	-	105
STRUCTURES, IMPROVEMENTS, AND INFRASTRUCTURE (NOTE 8)	561,136	259,994
EQUIPMENT AND SOFTWARE (NOTE 8)	152,563	1,044
RIGHT-TO-USE LEASED BUILDINGS (NOTE 8)	13,507	-
RIGHT-TO-USE LEASED EQUIPMENT (NOTE 8)	-	-
RIGHT-TO-USE SUBSCRIPTION ASSETS (NOTE 8)	10,897	-
ACCUMULATED DEPRECIATION AND AMORTIZATION (NOTE 8)	(461,782)	(142,283)
TOTAL NONCURRENT ASSETS	<u>369,604</u>	<u>167,734</u>
TOTAL ASSETS	<u>877,374</u>	<u>455,042</u>
DEFERRED OUTFLOWS OF RESOURCES (NOTE 9)	<u>141,315</u>	<u>3,371</u>
LIABILITIES		
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE AND CURRENT LIABILITIES	40,595	21,052
SALARIES AND BENEFITS PAYABLE	15,746	395
DUE TO OTHER FUNDS (NOTE 6)	2,761	729
DUE TO OTHER GOVERNMENTS	-	3,858
INTEREST PAYABLE	2,033	-
ADVANCES FROM OTHERS (NOTE 10)	-	1,169
COMPENSATED ABSENCES PAYABLE (NOTE 11)	11,836	723
BONDS AND NOTES PAYABLE (NOTE 11)	29,295	-
DIRECT FINANCE LEASE OBLIGATIONS (NOTES 11 & 12)	411	-
LEASE LIABILITY (NOTES 11 & 19)	1,947	-
SUBSCRIPTION LIABILITY (NOTES 11 & 20)	2,715	-
OTHER LONG TERM LIABILITIES, DUE IN ONE YEAR (NOTE 11)	98,193	-
POLLUTION REMEDIATION OBLIGATIONS (NOTE 11)	-	7,408
ESTIMATED LIABILITY FOR CLOSURES/POST-CLOSURE CARE COSTS (NOTES 11 & 13)	-	30,092
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS (NOTES 11 & 14)	-	-
TOTAL CURRENT LIABILITIES	<u>205,532</u>	<u>65,426</u>
NONCURRENT LIABILITIES:		
ADVANCES FROM OTHER FUNDS (NOTE 6)	-	-
COMPENSATED ABSENCES PAYABLE (NOTE 11)	23,334	672
BONDS AND NOTES PAYABLE (NOTE 11)	149,985	-
DIRECT FINANCE LEASE OBLIGATIONS (NOTES 11 & 12)	260	-
LEASE LIABILITY (NOTES 11 & 19)	7,970	-
SUBSCRIPTION LIABILITY (NOTES 11 & 20)	5,474	-
POLLUTION REMEDIATION OBLIGATIONS (NOTE 11)	-	58,904
ESTIMATED LIABILITY FOR CLOSURE/POST-CLOSURE CARE COSTS (NOTES 11 & 13)	-	154,008
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS (NOTES 11 & 14)	-	-
NET PENSION LIABILITY (NOTE 18)	199,582	5,421
TOTAL NONCURRENT LIABILITIES	<u>386,605</u>	<u>219,005</u>
TOTAL LIABILITIES	<u>592,137</u>	<u>284,431</u>
DEFERRED INFLOWS OF RESOURCES (NOTE 9)	<u>41,717</u>	<u>1,760</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	166,492	144,427
RESTRICTED FOR:		
DEBT SERVICE	-	-
LANDFILL CLOSURE COSTS	-	13,517
UNRESTRICTED	218,343	14,278
TOTAL NET POSITION	<u>\$ 384,835</u>	<u>\$ 172,222</u>

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

**SAN BERNARDINO COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2023 (IN THOUSANDS)**

	BUSINESS- TYPE ACTIVITIES		GOVERNMENTAL
	ENTERPRISE FUNDS		ACTIVITIES
	TOTAL NONMAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
ASSETS			
CURRENT ASSETS:			
CASH AND INVESTMENTS (NOTE 4)	\$ 73,777	\$ 605,275	\$ 530,132
ACCOUNTS RECEIVABLE, NET (NOTE 5)	2,484	39,664	141
DUE FROM OTHER GOVERNMENTS (NOTE 5)	-	136,105	2,886
TAXES RECEIVABLE (NOTE 5)	221	221	-
LEASE RECEIVABLE (NOTES 5 & 19)	-	86	-
OTHER RECEIVABLES, NET (NOTES 5 & 21)	102	3,430	-
DUE FROM OTHER FUNDS (NOTE 6)	158	9,186	1,286
INVENTORIES	15	10,803	4,267
PREPAID ITEMS	-	6,440	407
RESTRICTED CASH AND CASH EQUIVALENTS (NOTES 4 & 7)	-	60,625	-
TOTAL CURRENT ASSETS	<u>76,757</u>	<u>871,835</u>	<u>539,119</u>
NONCURRENT ASSETS:			
LEASE RECEIVABLE (NOTE 5)	-	365	-
OTHER RECEIVABLES (NOTE 5)	-	30,939	-
CAPITAL ASSETS NOT BEING DEPRECIATED AND AMORTIZED:			
LAND (NOTE 8)	4,525	43,958	1,504
LAND USE RIGHTS (NOTE 8)	258	351	-
DEVELOPMENT IN PROGRESS (NOTE 8)	4,696	76,023	5,322
CAPITAL ASSETS BEING DEPRECIATED AND AMORTIZED:			
LAND USE RIGHTS (NOTE 8)	1,004	1,109	-
STRUCTURE, IMPROVEMENTS, AND INFRASTRUCTURE (NOTE 8)	100,420	921,550	40,587
EQUIPMENT AND SOFTWARE (NOTE 8)	1,510	155,117	121,360
RIGHT-TO-USE LEASED BUILDINGS (NOTE 8)	-	13,507	-
RIGHT-TO-USE LEASED EQUIPMENT (NOTE 8)	-	-	1,019
RIGHT-TO-USE SUBSCRIPTION ASSETS (NOTE 8)	-	10,897	2,114
ACCUMULATED DEPRECIATION AND AMORTIZATION (NOTE 8)	(63,974)	(668,039)	(104,945)
TOTAL NONCURRENT ASSETS	<u>48,439</u>	<u>585,777</u>	<u>66,961</u>
TOTAL ASSETS	<u>125,196</u>	<u>1,457,612</u>	<u>606,080</u>
DEFERRED OUTFLOWS OF RESOURCES (NOTE 9)	-	144,686	26,072
LIABILITIES			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE AND CURRENT LIABILITIES	1,167	62,814	12,032
SALARIES AND BENEFITS PAYABLE	1	16,142	2,485
DUE TO OTHER FUNDS (NOTE 6)	1,559	5,049	3,855
DUE TO OTHER GOVERNMENTS	-	3,858	371
INTEREST PAYABLE	79	2,112	3
ADVANCES FROM OTHERS (NOTE 10)	134	1,303	1,169
COMPENSATED ABSENCES PAYABLE (NOTE 11)	-	12,559	4,970
BONDS AND NOTES PAYABLE (NOTE 11)	79	29,374	-
DIRECT FINANCE LEASE OBLIGATIONS (NOTES 11 & 12)	-	411	-
LEASE LIABILITY (NOTES 11 & 19)	-	1,947	181
SUBSCRIPTION LIABILITY (NOTES 11 & 20)	-	2,715	475
OTHER LONG TERM LIABILITIES, DUE IN ONE YEAR (NOTE 11)	-	98,193	-
POLLUTION REMEDIATION OBLIGATIONS (NOTE 11)	-	7,408	-
ESTIMATED LIABILITY FOR CLOSURES/POST-CLOSURE CARE COSTS (NOTES 11 & 13)	-	30,092	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS (NOTES 11 & 14)	-	-	102,643
TOTAL CURRENT LIABILITIES	<u>3,019</u>	<u>273,977</u>	<u>128,184</u>
NONCURRENT LIABILITIES:			
ADVANCES FROM OTHER FUNDS (NOTE 6)	250	250	-
COMPENSATED ABSENCES PAYABLE (NOTE 11)	-	24,006	4,618
BONDS AND NOTES PAYABLE (NOTE 11)	990	150,975	-
DIRECT FINANCE LEASE OBLIGATIONS (NOTES 11 & 12)	-	260	-
LEASE LIABILITY (NOTES 11 & 19)	-	7,970	459
SUBSCRIPTION LIABILITY (NOTES 11 & 20)	-	5,474	457
POLLUTION REMEDIATION OBLIGATIONS (NOTE 11)	-	58,904	-
ESTIMATED LIABILITY FOR CLOSURE/POST-CLOSURE CARE COSTS (NOTES 11 & 13)	-	154,008	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS (NOTES 11 & 14)	-	-	338,425
NET PENSION LIABILITY (NOTE 18)	-	205,003	38,444
TOTAL NONCURRENT LIABILITIES	<u>1,240</u>	<u>606,850</u>	<u>382,403</u>
TOTAL LIABILITIES	<u>4,259</u>	<u>880,827</u>	<u>510,587</u>
DEFERRED INFLOWS OF RESOURCES (NOTE 9)	-	43,477	11,630
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	48,298	359,217	64,661
RESTRICTED FOR:			
DEBT SERVICE	50	50	-
LANDFILL CLOSURE COSTS	-	13,517	-
UNRESTRICTED	72,589	305,210	45,274
TOTAL NET POSITION	<u>\$ 120,937</u>	<u>\$ 677,994</u>	<u>\$ 109,935</u>

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

SAN BERNARDINO COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)

BUSINESS-TYPE ACTIVITIES -
ENTERPRISE FUNDS

	MEDICAL CENTER	WASTE SYSTEMS DIVISION
OPERATING REVENUES:		
NET PATIENT CARE AND SERVICE	\$ 508,833	\$ -
CHARGES FOR CURRENT SERVICES	-	87,232
OTHER	270,186	13,784
TOTAL OPERATING REVENUES	<u>779,019</u>	<u>101,016</u>
OPERATING EXPENSES:		
PROFESSIONAL SERVICES	155,748	30,477
SALARIES AND EMPLOYEE BENEFITS	393,953	8,726
SELF-INSURED CLAIMS	-	-
SERVICES AND SUPPLIES	197,856	55,773
DEPRECIATION AND AMORTIZATION	28,561	5,402
OTHER	17,670	-
TOTAL OPERATING EXPENSES	<u>793,788</u>	<u>100,378</u>
OPERATING INCOME (LOSS)	<u>(14,769)</u>	<u>638</u>
NONOPERATING REVENUES (EXPENSES):		
INVESTMENT INCOME	-	4,913
INTEREST EXPENSE	(5,873)	-
TAX REVENUE	-	-
GRANT REVENUE	39,293	353
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	-	-
OTHER NONOPERATING REVENUES	247	18,344
OTHER NONOPERATING EXPENSES	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>33,667</u>	<u>23,610</u>
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS AND TRANSFERS	18,898	24,248
CAPITAL CONTRIBUTIONS	19,156	-
TRANSFERS OUT (NOTE 6)	(6,844)	(176)
TRANSFERS IN (NOTE 6)	10,510	-
CHANGE IN NET POSITION	41,720	24,072
TOTAL NET POSITION, BEGINNING	<u>343,115</u>	<u>148,150</u>
TOTAL NET POSITION, ENDING	<u>\$ 384,835</u>	<u>\$ 172,222</u>

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

SAN BERNARDINO COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
	TOTAL NONMAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
OPERATING REVENUES:			
NET PATIENT CARE AND SERVICE CHARGES FOR CURRENT SERVICES	\$ -	\$ 508,833	\$ -
OTHER	14,316	101,548	318,167
	435	284,405	39,422
TOTAL OPERATING REVENUES	14,751	894,786	357,589
OPERATING EXPENSES:			
PROFESSIONAL SERVICES	1,196	187,421	33,711
SALARIES AND EMPLOYEE BENEFITS	4,021	406,700	62,081
SELF-INSURED CLAIMS	34	34	161,831
SERVICES AND SUPPLIES	10,714	264,343	108,474
DEPRECIATION AND AMORTIZATION	3,140	37,103	11,369
OTHER	-	17,670	2,763
TOTAL OPERATING EXPENSES	19,105	913,271	380,229
OPERATING INCOME (LOSS)	(4,354)	(18,485)	(22,640)
NONOPERATING REVENUES (EXPENSES):			
INVESTMENT INCOME	1,658	6,571	9,594
INTEREST EXPENSE	(116)	(5,989)	(13)
TAX REVENUE	5,052	5,052	-
GRANT REVENUE	896	40,542	788
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	(3)	(3)	760
OTHER NONOPERATING REVENUES	639	19,230	238
OTHER NONOPERATING EXPENSES	(2,563)	(2,563)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	5,563	62,840	11,367
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS AND TRANSFERS	1,209	44,355	(11,273)
CAPITAL CONTRIBUTIONS	-	19,156	-
TRANSFERS OUT (NOTE 6)	(7)	(7,027)	(1,302)
TRANSFERS IN (NOTE 6)	-	10,510	500
CHANGE IN NET POSITION	1,202	66,994	(12,075)
TOTAL NET POSITION, BEGINNING	119,735	611,000	122,010
TOTAL NET POSITION, ENDING	\$ 120,937	\$ 677,994	\$ 109,935

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

**SAN BERNARDINO COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	
	MEDICAL CENTER	WASTE SYSTEMS DIVISION
CASH FLOWS FROM OPERATING ACTIVITIES:		
CASH RECEIVED FROM PATIENT CARE AND SERVICES	\$ 744,996	\$ 101,186
CASH RECEIVED FROM OTHER FUNDS FOR INTERNAL SERVICES	-	-
CASH PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES	(395,225)	(95,700)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(407,491)	(8,739)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(57,720)</u>	<u>(3,253)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
OTHER NONOPERATING REVENUE	1,365	20,429
TAXES RECEIVED	-	-
GRANTS RECEIVED	20,846	353
TRANSFERS RECEIVED	11,793	-
TRANSFERS PAID	-	(176)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>34,004</u>	<u>20,606</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(21,744)	(19,768)
CAPITAL GRANTS AND CONTRIBUTIONS	19,156	-
INTEREST PAID ON CAPITAL LEASE OBLIGATIONS & ADVANCES	-	-
PAYMENTS ON LEASE LIABILITY	-	-
PAYMENTS ON SUBSCRIPTION LIABILITY	-	-
PRINCIPAL PAID ON BONDS AND NOTES	(33,642)	-
INTEREST PAID ON BONDS AND NOTES	(8,680)	-
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(44,910)</u>	<u>(19,768)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
INTEREST ON INVESTMENTS	-	4,913
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>4,913</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(68,626)	2,498
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	389,244	269,007
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 320,618</u>	<u>\$ 271,505</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
OPERATING INCOME (LOSS)	\$ (14,769)	\$ 638
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
DEPRECIATION AND AMORTIZATION	28,561	5,402
NONOPERATING REVENUE (EXPENSE) RELATED TO OPERATING ACTIVITIES	-	-
CHANGES IN ASSETS, DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS:		
ACCOUNTS RECEIVABLE	8,720	(1,414)
DUE FROM OTHER FUNDS	-	(92)
DUE FROM OTHER GOVERNMENTS	-	(222)
OTHER RECEIVABLES	(12,158)	1,864
INVENTORIES	(6,231)	-
PREPAID ITEMS	1,902	(908)
DEFERRED OUTFLOWS OF RESOURCES	(34,808)	(954)
ACCOUNTS PAYABLE	(19,622)	11,124
SALARIES AND BENEFITS PAYABLE	(4,542)	(59)
DUE TO OTHER FUNDS	-	65
DUE TO OTHER GOVERNMENTS	-	(485)
OTHER LONG-TERM LIABILITIES	(1,157)	-
ADVANCES FROM OTHERS	(29,428)	34
COMPENSATED ABSENCES PAYABLE	2,381	28
NET PENSION LIABILITY	114,419	3,118
DEFERRED INFLOWS OF RESOURCES	(90,988)	(2,146)
POLLUTION REMEDIATION OBLIGATIONS	-	(14,838)
ESTIMATED LIABILITY FOR CLOSURE/POST-CLOSURE CARE COSTS	-	(4,408)
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (57,720)</u>	<u>\$ (3,253)</u>
NONCASH CAPITAL AND FINANCING ACTIVITIES:		
CAPITAL ASSET TRANSFERS FROM COUNTY	\$ -	\$ -
	BREAKDOWN OF CASH AND CASH EQUIVALENTS	
CASH AND CASH EQUIVALENTS	\$ 320,618	\$ 210,880
RESTRICTED CASH AND INVESTMENTS	-	60,625
TOTAL	<u>\$ 320,618</u>	<u>\$ 271,505</u>

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

**SAN BERNARDINO COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
	TOTAL NONMAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:			
CASH RECEIVED FROM PATIENT CARE AND SERVICES	\$ 13,414	\$ 859,596	\$ -
CASH RECEIVED FROM OTHER FUNDS FOR INTERNAL SERVICES	-	-	366,298
CASH PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES	(11,519)	(502,444)	(266,780)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(4,022)	(420,252)	(64,509)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(2,127)	(63,100)	35,009
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
OTHER NONOPERATING REVENUE	-	21,794	-
TAXES RECEIVED	5,064	5,064	-
GRANTS RECEIVED	896	22,095	788
TRANSFERS RECEIVED	(5,600)	6,193	500
TRANSFERS PAID	(7)	(183)	(1,302)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	353	54,963	(14)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(2,433)	(43,945)	(14,977)
CAPITAL GRANTS AND CONTRIBUTIONS	-	19,156	-
INTEREST PAID ON CAPITAL LEASE OBLIGATIONS & ADVANCES	-	-	(13)
PAYMENTS ON LEASE LIABILITY	-	-	(137)
PAYMENTS ON SUBSCRIPTION LIABILITY	-	-	932
PRINCIPAL PAID ON BONDS AND NOTES	151	(33,491)	-
INTEREST PAID ON BONDS AND NOTES	(326)	(9,006)	-
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	-	721
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,608)	(67,286)	(13,474)
CASH FLOWS FROM INVESTING ACTIVITIES:			
INTEREST ON INVESTMENTS	1,658	6,571	9,594
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	1,658	6,571	9,594
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,724)	(68,852)	31,115
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	76,501	734,752	499,017
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 73,777	\$ 665,900	\$ 530,132
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	\$ (4,582)	\$ (18,713)	\$ (22,640)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
DEPRECIATION AND AMORTIZATION	3,140	37,103	11,369
NONOPERATING REVENUE (EXPENSE) RELATED TO OPERATING ACTIVITIES	(1,924)	(1,924)	238
CHANGES IN ASSETS, DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS:			
ACCOUNTS RECEIVABLE	200	7,506	(12)
DUE FROM OTHER FUNDS	-	(92)	1,199
DUE FROM OTHER GOVERNMENTS	374	152	(1,333)
OTHER RECEIVABLES	-	(10,294)	8,572
INVENTORIES	15	(6,216)	369
PREPAID ITEMS	-	994	1,231
DEFERRED OUTFLOWS OF RESOURCES	-	(35,762)	(5,826)
ACCOUNTS PAYABLE	381	(8,117)	2,795
INTEREST PAYABLE	-	-	3
SALARIES AND BENEFITS PAYABLE	(1)	(4,602)	298
DUE TO OTHER FUNDS	311	376	2,748
DUE TO OTHER GOVERNMENTS	(54)	(539)	310
OTHER LONG-TERM LIABILITIES	-	(1,157)	-
ADVANCES FROM OTHERS	13	(29,381)	45
COMPENSATED ABSENCES PAYABLE	-	2,409	419
NET PENSION LIABILITY	-	117,537	21,998
DEFERRED INFLOWS OF RESOURCES	-	(93,134)	(19,317)
POLLUTION REMEDIATION OBLIGATIONS	-	(14,838)	-
ESTIMATED LIABILITY FOR CLOSURE/POST-CLOSURE CARE COSTS	-	(4,408)	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	-	-	32,543
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (2,127)	\$ (63,100)	\$ 35,009
NONCASH CAPITAL AND FINANCING ACTIVITIES:			
CAPITAL ASSET TRANSFERS FROM COUNTY	\$ -	\$ -	\$ 500
BREAKDOWN OF CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS	\$ 73,777	\$ 605,275	\$ 530,132
RESTRICTED CASH AND INVESTMENTS	-	60,625	-
TOTAL	\$ 73,777	\$ 665,900	\$ 530,132

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

SAN BERNARDINO COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023 (IN THOUSANDS)

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUND	INVESTMENT TRUST FUNDS	PRIVATE- PURPOSE TRUST FUNDS	CUSTODIAL FUNDS
ASSETS				
CASH AND INVESTMENTS (NOTE 4)	\$ 20,675	\$ 7,247,547	\$ 29,125	\$ 803,159
RECEIVABLES:				
EMPLOYER AND MEMBER CONTRIBUTIONS	33,099	-	-	-
ACCOUNTS RECEIVABLE - NET	1,631	-	-	25,678
TAXES RECEIVABLE	-	-	-	200,586
INTEREST AND DIVIDENDS RECEIVABLE	28,068	73,662	230	4,406
DUE FROM OTHER GOVERNMENTS	-	-	-	20,642
SALE OF INVESTMENTS	211,472	-	-	-
TOTAL RECEIVABLES	<u>274,270</u>	<u>73,662</u>	<u>230</u>	<u>251,312</u>
INVESTMENTS, AT FAIR VALUE:				
SHORT-TERM INVESTMENTS	1,568,081	-	-	-
DEBT SECURITIES	938,051	-	-	-
COMMON AND PREFERRED STOCK	1,997,866	-	-	-
REAL ESTATE	8,522	-	-	-
ALTERNATIVE INVESTMENTS	6,071,585	-	-	-
INTERNATIONAL INVESTMENTS	3,476,327	-	-	-
SECURITIES LENDING COLLATERAL	48,515	-	-	-
TOTAL INVESTMENTS, AT FAIR VALUE	<u>14,108,947</u>	<u>-</u>	<u>-</u>	<u>-</u>
LAND HELD FOR RESALE	-	-	13,276	-
PREPAID ITEMS	-	-	982	-
RESTRICTED CASH AND CASH EQUIVALENTS	-	-	3,532	-
EQUIPMENT AND SOFTWARE	22,663	-	-	-
ACCUMULATED DEPRECIATION AND AMORTIZATION	(12,810)	-	-	-
TOTAL ASSETS	<u>14,413,745</u>	<u>7,321,209</u>	<u>47,145</u>	<u>1,054,471</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>1,050</u>	<u>-</u>
LIABILITIES				
OBLIGATIONS UNDER SECURITIES LENDING	48,515	-	-	-
SECURITIES OPTIONS PAYABLE	35,445	-	-	-
PAYABLES FOR SECURITIES PURCHASED	221,824	14,988	-	-
ACCOUNTS PAYABLE AND OTHER LIABILITIES	36,611	-	34	160
DUE TO OTHER GOVERNMENTS	-	-	89	248,400
INTEREST PAYABLE	-	-	728	-
BONDS AND NOTES PAYABLE:				
DUE IN ONE YEAR	-	-	2,630	-
DUE AFTER ONE YEAR	-	-	56,053	-
TOTAL LIABILITIES	<u>342,395</u>	<u>14,988</u>	<u>59,534</u>	<u>248,560</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>479</u>	<u>-</u>
NET POSITION				
RESTRICTED FOR:				
PENSIONS	14,071,350	-	-	-
POOL PARTICIPANTS	-	7,306,221	-	-
INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS	-	-	(11,818)	805,911
TOTAL NET POSITION (DEFICIT)	<u>\$ 14,071,350</u>	<u>\$ 7,306,221</u>	<u>\$ (11,818)</u>	<u>\$ 805,911</u>

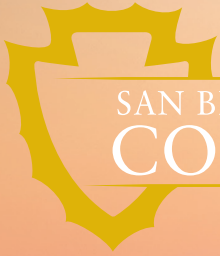
The notes to the basic financial statements are an integral part of this statement.

SAN BERNARDINO COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUND	INVESTMENT TRUST FUNDS	PRIVATE- PURPOSE TRUST FUNDS	CUSTODIAL FUNDS
ADDITIONS				
CONTRIBUTIONS:				
EMPLOYERS	\$ 555,892	\$ -	\$ -	\$ -
PLAN MEMBERS	188,091	-	-	-
CONTRIBUTIONS TO POOL INVESTMENTS	-	14,977,774	-	-
REDEVELOPMENT AGENCY PROPERTY TAX TRUST FUND	-	-	3,742	-
GIFTS AND BEQUESTS	-	-	16,770	-
TOTAL CONTRIBUTIONS	<u>743,983</u>	<u>14,977,774</u>	<u>20,512</u>	<u>-</u>
INVESTMENT INCOME:				
NET INCREASE/(DECREASE) IN FAIR VALUE OF INVESTMENTS	576,872	(42,173)	(251)	(2,157)
INTEREST, DIVIDENDS, REAL ESTATE, AND OTHER INCOME	385,899	132,647	549	9,897
SECURITIES LENDING INCOME	5,336	-	-	-
GROSS INVESTMENT INCOME	<u>968,107</u>	<u>90,474</u>	<u>298</u>	<u>7,740</u>
LESS INVESTMENT COSTS:				
INVESTMENT ACTIVITY COSTS	160,570	-	-	-
SECURITIES LENDING COSTS	4,942	-	-	-
NET INVESTMENT INCOME	<u>802,595</u>	<u>90,474</u>	<u>298</u>	<u>7,740</u>
OTHER ADDITIONS:				
TAXES COLLECTED FOR OTHER GOVERNMENTS	-	-	-	3,248,269
FINES AND FEES COLLECTED FOR OTHER GOVERNMENTS	-	-	-	100,267
STATE FUNDS COLLECTED FOR OTHER GOVERNMENTS	-	-	-	382,916
BOND PROCEEDS COLLECTED FOR OTHER GOVERNMENTS	-	-	-	8,632
PAYMENTS COLLECTED ON BEHALF OF OTHERS	-	-	-	6,778
TOTAL OTHER ADDITIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,746,862</u>
TOTAL ADDITIONS	<u>1,546,578</u>	<u>15,068,248</u>	<u>20,810</u>	<u>3,754,602</u>
DEDUCTIONS				
BENEFIT AND REFUND PAYMENTS TO PLAN MEMBERS AND BENEFICIARIES	760,785	-	-	-
BENEFIT AND REFUND PAYMENTS TO INDIVIDUALS	-	-	13,360	764
DISTRIBUTION FROM POOL INVESTMENTS	-	13,714,517	-	-
DISTRIBUTION AND OBLIGATION RETIREMENTS	-	-	2,123	274,709
DISTRIBUTION OF PROPERTY TRANSFER TAX	-	-	-	11,701
TAX COLLECTIONS DISBURSED TO OTHER GOVERNMENTS	-	-	-	2,851,159
TAX ADJUSTMENTS DISBURSED TO INDIVIDUALS	-	-	-	46,645
FINES AND FEES DISBURSED TO OTHER GOVERNMENTS	-	-	-	82,026
FINES AND FEES DISBURSED TO INDIVIDUALS	-	-	-	10,555
STATE FUNDS DISBURSED TO OTHER GOVERNMENTS	-	-	-	21,299
PAYMENTS DISBURSED TO OTHERS	-	-	-	367,584
ADMINISTRATIVE EXPENSES	11,779	-	277	19,171
OTHER EXPENSES	5,580	-	-	-
TOTAL DEDUCTIONS	<u>778,144</u>	<u>13,714,517</u>	<u>15,760</u>	<u>3,685,613</u>
CHANGE IN NET POSITION	768,434	1,353,731	5,050	68,989
NET POSITION (DEFICIT) HELD IN TRUST, BEGINNING	<u>13,302,916</u>	<u>5,952,490</u>	<u>(16,868)</u>	<u>736,922</u>
NET POSITION (DEFICIT) HELD IN TRUST, ENDING	<u>\$ 14,071,350</u>	<u>\$ 7,306,221</u>	<u>\$ (11,818)</u>	<u>\$ 805,911</u>

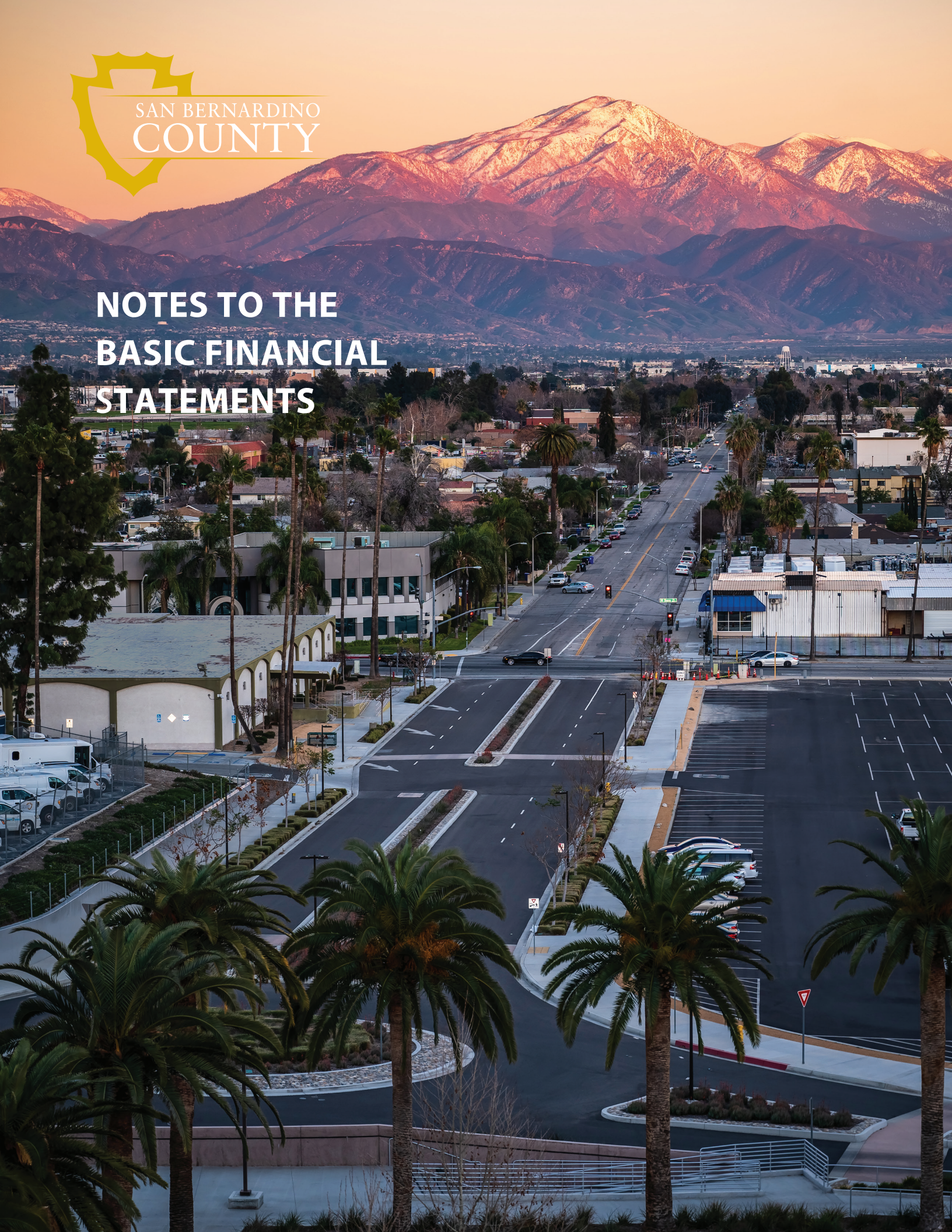
The notes to the basic financial statements are an integral part of this statement.





SAN BERNARDINO
COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS



SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

San Bernardino County (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 accepted in the United States of America (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 to 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.

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023
(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. IEPFC 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. SBCFA 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.

The fiduciary component unit below is included in the County's reporting entity:

- *San Bernardino County Employees' Retirement Association (SBCERA)* – SBCERA was established on January 1, 1945, under the County Employees Retirement Law of 1937 following a vote by the people of the County on May 16, 1944. SBCERA is an independent, defined benefit pension plan administrator providing retirement, disability, and death benefits on behalf of approximately 43,000 members and beneficiaries. SBCERA is a fiduciary component unit of the County reported in the Pension (and Other Employee Benefit) Trust Fund column of the fiduciary fund financial statements. SBCERA is included in the reporting entity because the County is financially accountable for SBCERA since it appoints a voting majority of SBCERA's governing body (GASB 61, paragraph 6) and there is a financial benefit/burden relationship (GASB 84). SBCERA's separately issued financial statements can be obtained from their office located at 348 W. Hospitality Lane, Suite 100, San Bernardino, CA 92408.

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.

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023
(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 and fiduciary-type component units. 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 the 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.

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023
(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.

The County reports the following internal service funds in summary form as part of the proprietary 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 County reports the following fiduciary funds:

- The *Pension (and Other Employee Benefit) Trust Fund* accounts for the San Bernardino County Employee's Retirement Association (SBCERA) which is a cost sharing multiple-employer defined benefit pension plan administered through trusts.
- The *Investment Trust Funds* 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 Funds* 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 the 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

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

- The *Custodial Funds* are fiduciary in nature and do not involve measurement of results of operations. Such funds primarily account for assets held by the County in an custodial 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 are 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 custodial funds, which account for assets held in a trustee or an custodial capacity for individuals, private organizations, or other governments. Fiduciary funds are not included in the government-wide financial statements.

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023
(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 that 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). Inventories, which consist principally of materials and supplies held for resale are valued at an amount that approximates the lower of cost or market. 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.

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023
(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 represent a consumption of net assets that applies to future periods and deferred inflows of resources represent an acquisition of net assets that applies to future periods. Deferred outflows of resources have a positive effect on net position, similar to assets, and deferred inflows of resources have a negative effect on net position, similar to liabilities. The County has certain items, which qualify for reporting as deferred outflows and deferred inflows of resources (Note 9 and Note 18).

(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)
- Lease Infrastructure: \$150,000 (amount not rounded)
- Lease Equipment: \$10,000 (amount not rounded)
- Lease Land: \$0

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 and leases 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 governmental fund and government-wide presentations.

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023
(Amounts in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) 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).

(i) 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 governmental fund financial statements, 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.

(j) Pension

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 (the Plan) administered by the San Bernardino County Employees' Retirement Association (SBCERA) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by SBCERA. 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.

(k) 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

SAN BERNARDINO COUNTY
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

presentation.

(I) 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, amortization, 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 invested in capital assets or restricted for any project or other purpose.

At June 30, 2023, the County reported a restricted net position of \$2,311,578 in the Governmental Activities restricted for the following purposes:

Restricted for:	Amount
Grants and Other County Programs:	
State Realignment Funds	\$ 774,339
Teeter Plan	21,063
Other Grants and Programs	1,398,595
Perpetual Care - Nonexpendable	1,837
Debt Service	115,744
	\$ 2,311,578

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 16).

- 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

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

- 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 the 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.

(m) Fund Balance and Reserve Policy

The objective of the County's fund balance and reserve policy is to ensure San Bernardino County 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 the adopted budget. The amount needed to fund the mandatory

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 them 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, 2023, the County's general purposes reserve is \$198,100 which is included in the unassigned fund balance as determined by the fund balance policy.

(n) 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 2022-23 taxable assessed valuation of San Bernardino County was \$288,921,122.

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.

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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.

(o) Use of Estimates

The presentation of the financial statements in conformity with GAAP 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.

(p) Implemented Accounting Pronouncements

During fiscal year 2023, the County adopted the following Governmental Accounting Standards Board (GASB) Statements:

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 were postponed by GASB 95 and are effective for the fiscal year ending June 30, 2023. The adoption of this statement did not have a material impact 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 Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for the fiscal year ending June 30, 2023. The adoption of this statement did not have a material impact on the financial statements.

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

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for the fiscal year ending June 30, 2023. The County has implemented this Statement as of July 1, 2022, which resulted in an increase to capital assets and subscription liabilities. There is no impact to the County's net position.

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 42)	Long-term Assets Deferred Outflows Deferred Inflows and Liabilities (1)	Internal Service Funds (2) (Page 47)	Eliminations	Statement of Net Position Totals (Page 38)
Assets and Deferred Outflows of Resources					
Assets:					
Cash and Investments	\$ 4,054,629	\$ -	\$ 530,132	\$ -	\$ 4,584,761
Accounts Receivable - Net	10,250	-	141	-	10,391
Due from Other Governments	527,841	-	2,886	-	530,727
Taxes Receivable	58,893	-	-	-	58,893
Interest Receivable	57,455	-	-	-	57,455
Lease Receivable	12,816	-	-	-	12,816
Loans Receivable	36,977	-	-	-	36,977
Other Receivables	16,640	-	-	-	16,640
Due from Other Funds	90,238	-	1,286	(91,524)	-
Internal Balances	-	-	-	(3,887)	(3,887)
Land Held for Resale	50,038	-	-	-	50,038
Inventories	2,053	-	4,267	-	6,320
Prepaid Items	13,656	-	407	(1,094)	12,969
Advances to Other Funds	13,612	-	-	(13,612)	-
Restricted Cash and Investments	334,091	-	-	-	334,091
Land	-	148,062	1,504	-	149,566
Land Use Rights - Not Amortized	-	26,281	-	-	26,281
Development In Progress	-	409,499	5,322	-	414,821
Structures, Improvements, and Infrastructure	-	3,148,459	40,587	-	3,189,046
Equipment and Software	-	432,725	121,360	-	554,085
Right-To-Use Leased Land	-	212	-	-	212
Right-To-Use Leased Buildings	-	319,354	-	-	319,354
Right-To-Use Leased Equipment	-	1,688	1,019	-	2,707
Right-To-Use Subscription Assets	-	31,247	2,114	-	33,361
Accumulated Depreciation and Amortization	-	(2,141,208)	(104,945)	-	(2,246,153)
Total Assets	5,279,189	2,376,319	606,080	(110,117)	8,151,471
Deferred Outflows of Resources:					
Bond Refunding	-	372	-	-	372
Pensions	-	667,126	26,072	-	693,198
Total Deferred Outflows of Resources	-	667,498	26,072	-	693,570
Total Assets and Deferred Outflows of Resources	\$ 5,279,189	\$ 3,043,817	\$ 632,152	\$ (110,117)	\$ 8,845,041
Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position					
Liabilities:					
Accounts Payable and Other Current Liabilities	\$ 157,930	\$ -	\$ 12,032	-	\$ 169,962
Salaries and Benefits Payable	112,524	-	2,485	-	115,009
Due to Other Funds	91,806	-	3,855	(95,661)	-
Due to Other Governments	47,840	-	371	-	48,211
Interest Payable	524	1,389	3	-	1,916
Advances from Others	359,588	-	1,169	(1,094)	359,663
Advances from Other Funds	13,362	-	-	(13,362)	-
Compensated Absences Payable	-	250,510	9,588	-	260,098
Bonds and Notes Payable	-	115,744	-	-	115,744
Lease Liability	-	232,442	640	-	233,082
Subscription Liability	-	22,081	932	-	23,013
Estimated Liability for Litigation and Self-Insured Claims	-	-	441,068	-	441,068
Net Pension Liability	-	1,694,985	38,444	-	1,733,429
Total Liabilities	783,574	2,317,151	510,587	(110,117)	3,501,195
Deferred Inflows of Resources:					
Unavailable Revenues	94,179	(94,179)	-	-	-
Bond Refunding	-	-	-	-	-
Leases	12,630	-	-	-	12,630
Pensions	-	164,963	11,630	-	176,593
Total Deferred Inflows of Resources	106,809	70,784	11,630	-	189,223
Fund Balance/Net Position	4,388,806	655,882	109,935	-	5,154,623
Total Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position	\$ 5,279,189	\$ 3,043,817	\$ 632,152	\$ (110,117)	\$ 8,845,041

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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	\$	148,062
Land Use Rights - not being amortized		26,281
Development in Progress		409,499
Structures, Improvements, and Infrastructure		3,148,459
Equipment and Software		432,725
Right-To-Use Leased Land		212
Right-To-Use Leased buildings		319,354
Right-To-Use Leased Equipment		1,688
Right-To-Use Subscription Assets		31,247
Accumulated Depreciation and Amortization		<u>(2,141,208)</u>
		<u>\$ 2,376,319</u>
(1) Receivables are not available to pay for current-period expenditures and are therefore deferred in the governmental funds.	\$	<u>94,179</u>
		<u>\$ 94,179</u>
(1) Interest Payable		<u>\$ (1,389)</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	\$	372
Deferred Outflows of Resources - Pensions		667,126
Deferred Inflows of Resources - Pensions		<u>(164,963)</u>
		<u>\$ 502,535</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	\$	(250,510)
Bonds and Notes Payable		(115,744)
Lease Liability		(232,442)
Subscription Liability		(22,081)
Net Pension Liability		<u>(1,694,985)</u>
		<u>\$ (2,315,762)</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>\$ 109,935</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.

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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, 2023, expenditures exceeded appropriations in the principal of the General Fund by \$60, in the principal and interest and fiscal charges of the Jobs and Employment Services funds by \$659 and \$69, in the capital outlay of the Micrographics Fees funds by \$224, in the interest and fiscal charges of the Economic and Community Development funds by \$143, in the general government of the County Service Areas funds by \$1,619, and in the interest and fiscal charges of the Parks and Recreation Districts funds by \$43. 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:

	General Fund
Fund balance - budgetary basis	\$ 2,091,531
Outstanding encumbrances for budgeted funds	153,796
Fund balance - GAAP basis	\$ 2,245,327

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.

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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2023, Cash and Investments are classified in the accompanying financial statements as follows:

	Total Governmental Activities	Total Business-type Activities	Total Primary Government	Discretely Presented Component Unit	Total Fiduciary Funds	Total
Cash and Investments	\$ 4,584,761	\$ 605,275	\$ 5,190,036	\$ 105,897	\$ 8,100,506	\$ 13,396,439
Investments, At Fair Value (SBCERA)	-	-	-	-	14,108,947	14,108,947
Restricted Cash and Investments	\$ 334,091	\$ 60,625	394,716	-	3,532	398,248
Total Cash and Investments	\$ 4,918,852	\$ 665,900	\$ 5,584,752	\$ 105,897	\$ 22,212,985	\$ 27,903,634

The following presents a condensed statement of cash investments and changes in cash and investments for the Treasurer's investment pool as of June 30, 2023:

Statement of Net Position	
Equity of internal pool participants	\$ 6,231,464
Equity of external pool participants:	
Voluntary	665,511
Involuntary	6,640,709
Total Net Position held for pool participants	\$ 13,537,684
Statement of Changes in Net Position	
Net Position at July 1, 2022	\$ 11,779,415
Net change in net position by pool participants	1,758,269
Net Position at June 30, 2023	\$ 13,537,684

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 \$6,595,683, at June 30, 2023.

As of June 30, 2023, the fair value of the County investment pool was \$13.5 billion. Approximately 16% 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, 2023, \$651,864, 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, 2023. 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.

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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

The County does not pool its external participants' investments separately from the County pool. The average rate of return on investments during fiscal year 2023 was 2.76%.

A summary of the total cash and investments as of June 30, 2023, is as follows:

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Interest Rate Range</u>	<u>Maturity Range</u>	<u>Average Maturity (days)</u>
U.S. Treasury Securities	\$ 3,349,761	\$ 3,243,084	0.85% - 5.35%	07/31/23 - 08/15/27	660
U.S. Government Agencies	4,138,844	4,052,565	0.23% - 5.33%	07/03/23 - 09/25/28	577
Negotiable Certificates of Deposit	500,000	498,429	3.91% - 5.35%	07/03/23 - 02/01/24	104
Commercial Paper	1,092,449	1,107,545	4.81% - 5.62%	07/03/23 - 03/01/24	65
Agency Mortgage-Backed	1,477,814	1,424,815	0.52% - 4.85%	07/01/23 - 11/01/28	1,066
Medium-Term Notes	799,830	779,062	0.25% - 5.44%	07/05/23 - 06/08/26	588
Insured Placement Service Accounts	22	22	5.06%	07/01/23	1
JPA Investment Pools	614,000	614,000	5.11% - 5.27%	07/01/23	1 ^A
Money Market Mutual Funds	629,000	629,000	4.92% - 5.02%	07/01/23	1 ^B
Supranational Securities	167,996	165,205	0.32% - 4.53%	10/04/23 - 05/15/26	442
Asset-Backed Securities	936,455	923,958	0.26% - 5.59%	04/22/24 - 06/15/28	1,041
Repurchase Agreements	100,000	99,999	5.20%	07/03/23	3
Total County's Pooled Investments	13,806,171	13,537,684			
Investments Held Outside County Pool:					
State and Local Municipal Bonds	76,245	74,015	3.00% - 5.00%	07/01/23 - 08/01/25	300
Money Market Mutual Funds	96,241	96,241	N/A	N/A	N/A ^C
State Local Government Series Treasury Securities (SLGS)	30,000	30,419	N/A	N/A	1
Total Investments Held Outside County Pool	202,486	200,675			
Total Investments	\$ 14,008,657	13,738,359			
Cash in Bank:					
Cash Equivalents and Demand Deposits (County)		35,653			
Total Cash in Bank		35,653			
Fiduciary Component Unit Cash and Investments					
External-SBCERA ^D		14,129,622			
Total Cash and Investments		\$ 27,903,634			

^A Weighted Average Maturity (WAM) of JPA Investment Pools held by the County Pool on 6/30/23, was 26 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 6/30/23, was 20 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 6/30/23, was 12 days.

^D Starting FY 2021, SBCERA is reported as a Fiduciary Component Unit of the County. SBCERA's cash and investments are held by SBCERA and are not with the County's Treasurer. For more information regarding investments with SBCERA, refer to their most recently issued financial statements available at <https://www.sbcera.org>

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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	None ^D	5 years & 6 months ^D	None	None	None	None	None	None
U.S. Government Agencies	None ^D	5 years & 6 months ^D	None	None	None	None ^J	None	None
Agency Mortgage-Backed Securities	None ^D	7 years & 3 months	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%	15%/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%	15%	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 As authorized under CGC 53601 and by San Bernardino County's 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 15% 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.
^J Max 10% of portfolio in new issue agency par callable securities.

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.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value

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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

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, 2023. 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, 2023, was \$629,000, 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).

The valuation of 2a7 Money Market Mutual funds held outside the pool at one-dollar net asset value (NAV) per

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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

share was \$8,647, at June 30, 2023. The total fair value of 2a7 Money Market Mutual Funds held outside the pool subject to floating NAV was \$87,594, at June 30, 2023. The total fair value of these at June 30, 2023, was \$96,241, 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, 2023, the County has the following recurring fair value measurements:

	Balance at June 30, 2023	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	\$ 3,243,084	\$ -	\$ 3,243,084	\$ -
U.S. Government Agencies	4,052,565	-	4,052,565	-
Negotiable Certificates of Deposit	498,429	-	498,429	-
Commercial Paper	1,107,545	-	1,107,545	-
Agency Mortgage-Backed	1,424,815	-	1,424,815	-
Medium-Term Notes	779,062	-	779,062	-
Supranational Securities	165,205	-	165,205	-
Asset-Backed Securities	923,958	-	923,958	-
Total County's Pooled Investments by Fair Value Level	12,194,663	\$ -	\$ 12,194,663	\$ -
Investments Held Outside County Pool by Fair Value Level:				
State and Local Municipal Bonds	74,015	\$ -	\$ 74,015	\$ -
Total Investments Held Outside County Pool by Fair Value Level	74,015	\$ -	\$ 74,015	\$ -
Uncategorized Investments				
Uncategorized Investments Held in County's Pool:				
Insured Placement Service Accounts	22			
JPA Investment Pools	614,000			
Repurchase Agreements	99,999			
Total Uncategorized Investments Held in County's Pool	714,021			
Uncategorized Investments Held Outside County's Pool:				
State Local Government Series Treasury Securities (SLGS)	30,419			
Total Uncategorized Investments Held Outside County's Pool	30,419			
Investments Measured at the Net Asset Value (NAV)				
County's Pooled Investments Measured at the Net Asset Value (NAV):				
Money Market Mutual Funds	629,000			
Investments Held Outside County Pool Measured at the Net Asset Value (NAV):				
Money Market Mutual Funds	96,241			
Total County's Pooled Investments	13,537,684			
Total Investments Held Outside County Pool	200,675			
Total Investments	\$ 13,738,359			

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.

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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, 2023, all investments held by the County Pool were within policy limits.

<u>Investment Type</u>	<u>S&P Rating *</u>	<u>Moody's Rating *</u>	<u>Fitch Rating *</u>	<u>Maximum Allowed % of Portfolio</u>	<u>Individual Issuer Limitations</u>	<u>Weighted % of Pool</u>
U.S. Treasury Securities	AA+	Aaa	AAA	None	None	23.78%
U.S. Treasury Securities	A-1+	P-1	F1+	None	None	0.18%
U.S. Government Agencies	AA+	Aaa	AAA	None	None	11.32%
U.S. Government Agencies	AA+	Aaa	NR	None	None	17.40%
U.S. Government Agencies	A-1+	P-1	NR	None	None	0.68%
U.S. Government Agencies	A-1+	P-1	F1+	None	None	0.55%
Negotiable Certificates of Deposit	A-1	P-1	F1+	30%	5%	2.58%
Negotiable Certificates of Deposit	A-1+	P-1	F1+	30%	5%	1.11%
Commercial Paper	A-1	NR	F1+	40%	5%	1.39%
Commercial Paper	A-1	P-1	F1	40%	5%	1.29%
Commercial Paper	A-1	P-1	F1+	40%	5%	0.72%
Commercial Paper	A-1	P-1	NR	40%	5%	1.16%
Commercial Paper	A-1+	P-1	F1	40%	5%	1.03%
Commercial Paper	A-1+	P-1	F1+	40%	5%	1.31%
Commercial Paper	A-1+	P-1	NR	40%	5%	1.28%
Repurchase Agreements	NR	NR	NR	40%	None	0.74%
Medium-Term Notes	A	A1	AA-	15%/20%	5%	1.62%
Medium-Term Notes	A	A2	A+	15%/20%	5%	0.84%
Medium-Term Notes	A+	A1	A+	15%/20%	5%	1.26%
Medium-Term Notes	AA	A1	AA-	15%/20%	5%	1.08%
Medium-Term Notes	AA	Aa2	AA	15%/20%	5%	0.14%
Medium-Term Notes	AA-	Aa2	AA	15%/20%	5%	0.04%
Medium-Term Notes	AA-	Aa2	NR	15%/20%	5%	0.07%
Medium-Term Notes	AA-	Aa3	AA-	15%/20%	5%	0.36%
Medium-Term Notes	AA-	Aa3	NR	15%/20%	5%	0.11%
Medium-Term Notes	AA+	Aaa	NR	15%/20%	5%	0.22%
Insured Placement Service Accounts	NR	NR	NR	5%	\$100MM, \$100MM	0.00%
JPA Investment Pools	AAAm	NR	NR	5%	None	4.54%
Money Market Mutual Funds	AAAm	Aaa	AAA	20%	10%	2.42%
Money Market Mutual Funds	AAAm	Aaa	NR	20%	10%	2.22%
Supranational Securities	AAA	Aaa	NR	30%	None	0.14%
Supranational Securities	AAA	Aaa	AAA	30%	None	1.08%
Asset-Backed Securities	AAA	Aaa	NR	15%	5%	1.58%
Asset-Backed Securities	AAA	NR	AAA	15%	5%	2.76%
Asset-Backed Securities	NR	Aaa	AAA	15%	5%	2.48%
Agency Mortgage-Backed	AA+	Aaa	AAA	None	None	10.52%

* NA = Not Applicable, NR = Not Rated

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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, 2023, 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>
Municipal Bonds	A+	Aa3	AA-	2.00%
Municipal Bonds	AA+	Aa1	AA+	1.77%
Municipal Bonds	AA+	Aa1	AAA	0.36%
Municipal Bonds	AA+	Aaa	AA+	1.44%
Municipal Bonds	AA+	Aaa	NR	2.56%
Municipal Bonds	AA-	Aa2	AA	1.53%
Municipal Bonds	AAA	Aa1	AAA	2.51%
Municipal Bonds	AAA	Aa1	NR	1.25%
Municipal Bonds	AAA	Aaa	AAA	12.46%
Municipal Bonds	AAA	NR	NR	2.46%
Municipal Bonds	NR	Aaa	NR	0.50%
Municipal Bonds	AA-	Aa3	AA-	4.24%
Municipal Bonds	AAA	NR	AAA	1.37%
Municipal Bonds	AA+	Aa2	AA	1.85%
Municipal Bonds	AA	Aa2	NR	0.58%
Money Market Mutual Funds	AAA	Aaa	AAA	1.76%
Money Market Mutual Funds	AAA	Aaa	NR	2.55%
Money Market Mutual Funds	AAA	NR*	NR	43.65%
State Local Government Series	NR	NR	NR	15.16%

* 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, 2023, 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 Home Loan Bank (FHLB)	\$ 2,446,301	18.07%
Federal Home Loan Mortgage Corp (FHLMC)	1,918,207	14.17%

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

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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

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, and by maintaining an overall Effective Duration of 3.0 or less. The Effective Duration of the total pooled investment at June 30, 2023, is 1.18. 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 bonds with embedded options and variable principal payments. Duration-to-Maturity assumes that all securities in the portfolio, including callable and floating rate notes, are held to final maturity. The San Bernardino County Pool Investment Policy places limitations on the maximum maturity of investments to be purchased by sector (see schedule), more restrictive than those outlined in California Law. As of June 30, 2023, all investments held by the County Pool were within policy limits.

A summary of County pooled investments for Maturity Range, Limits, and Effective 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	\$ 3,243,084	31 - 1,507	2,007 days	1.62
U.S. Government Agencies	4,052,565	3 - 1,914	2,007 days	1.22
Negotiable Certificates of Deposit	498,429	3 - 216	1,156 days	0.31
Commercial Paper	1,107,545	3 - 245	270 days	0.15
Agency Mortgage-Backed	1,424,815	1 - 1,951	2,007 days	2.79
Medium-Term Corporate Notes	779,062	5 - 1,074	1,156 days	1.51
Insured Placement Service Accounts	22	1	Immediate liquidity	0.01
JPA Investment Pools	614,000	1	Immediate liquidity	0.01
Money Market Mutual Funds	629,000	1	Immediate liquidity	0.01
Supranational Securities	165,205	96 - 1,050	1,825 days	1.03
Asset-Backed Securities	923,958	297 - 1,812	1,825 days	3.13
Repurchase Agreements	99,999	3	180 days	0.01
Total County's Pooled Investments	<u><u>\$ 13,537,684</u></u>			

Weighted average maturity of the investments held outside the County Pool, as of June 30, 2023, is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Money Market Mutual Funds	\$ 96,241	0.03
State and Local Municipal Bonds	74,015	0.82
State Local Government Series Treasury Securities (SLGS)	30,419	0.00
Total Investments Held Outside County Pool	<u><u>\$ 200,675</u></u>	

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

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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

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).

As of June 30, 2023, the carrying amount of the County's deposits was \$35,653, and the corresponding bank balance was \$99,653. The difference of \$64,000, was primarily due to outstanding warrants, wires, and deposits in transit. Of the bank balances, \$750 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.

SBCERA Investments

Narratives and tables presented for investments managed by SBCERA are taken directly from SBCERA's Annual Comprehensive Financial Reports for the fiscal year ended June 30, 2023 (tables were formatted to conform with the County's presentation). The credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk related to SBCERA investments are different than the corresponding risk on investments held by the County Treasurer.

The Board is authorized by the California County Employees Retirement Law of 1937 (CERL) to invest in any form or type of investment deemed prudent in the informed opinion of the Board. The CERL vests the SBCERA's Board with exclusive control over SBCERA's investment portfolio. The Board has adopted its Investment Plan, Policy, and Guidelines, which provide the framework for the management of SBCERA's investments, in accordance with applicable local, state, and federal laws. The Board members exercise authority and control over the management of SBCERA's assets by setting policy, which the Investment Staff executes either internally or through the use of external prudent experts. SBCERA retains investment managers specializing in specific strategies and/or investments within a particular asset class. Investment managers are subject to the guidelines and controls established in SBCERA's Investment Plan, Policy and Guidelines, various types of investment manager agreements, and other applicable policies and documents.

The Investment Plan, Policy, and Guidelines encompass the following:

- Purpose and Core Beliefs
- Governing Law
- Functional Organization and Responsibilities
- General Objectives and Plan Policies
- Asset Allocation Plan and Objectives
- Investment Structure
- Investment Program Implementation
- Review and Modification of Investment Plan
- Emergency Actions

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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

Derivatives

SBCERA invests in investment derivative instruments and did not enter into any synthetic guaranteed investment contracts or hedging derivative instruments. SBCERA does post collateral for investment derivatives for speculation purposes pursuant to clearing requirements or swap agreements.

The following table provides a summary of the derivative instruments outstanding as of June 30, 2023:

Investment Derivatives	Change ¹	Fair Value at June 30, 2023		
		Classification	Amount ²	Notional ³
Credit Default Swaps Bought	\$ (1,148)	Domestic & Foreign Alternatives	\$ 189	\$ 25,069
Credit Default Swaps Written	66	Domestic & Foreign Alternatives	-	-
Equity Options Bought	(527)	Domestic & Foreign Alternatives	10	255
Equity Options Written	(240)	Securities Options Payable	(424)	(59)
Fixed Income Futures Long	(50,634)	Domestic & Foreign Alternatives	-	915,152
Fixed Income Futures Short	1,278	Domestic & Foreign Alternatives	-	(26,500)
Fixed Income Options Bought	(2,058)	Domestic & Foreign Alternatives	11,854	350,000
FX Forwards	(50,909)	Foreign Common and Preferred Stock	(8,815)	601,273
Index Futures Long	45,306	Domestic & Foreign Alternatives	-	3,965
Index Futures Short	(2,424)	Domestic & Foreign Alternatives	-	(23)
Index Options Bought	(19,155)	Domestic & Foreign Alternatives	17,323	199
Index Options Written	7,109	Securities Options Payable	(35,021)	(398)
Pay Fixed Interest Rate Swaps	601	Domestic & Foreign Alternatives	1,025	25,837
Receive Fixed Interest Rate Swaps	(1,024)	Domestic & Foreign Alternatives	-	7,708
Total Return Swaps Bond	1,966	Domestic & Foreign Alternatives	(19)	2,531
Total Return Swaps Equity	(572)	Domestic & Foreign Alternatives	(815)	(10,319)
Warrants	846	Domestic & Foreign Alternatives	4,873	14,919
TOTAL	\$ (71,519)		\$ (9,820)	

¹ Negative values refer to losses; change reflected in the net appreciation (depreciation) in fair value of investments for securities and alternative investments.

² Negative values refer to liabilities.

³ Notional may be a dollar amount or quantity of underlying investment; negative values refer to short positions.

The counterparty credit ratings of SBCERA's non-exchange traded investment derivative instruments outstanding and subject to loss as of June 30, 2023 is displayed below:

Counterparty Name	2023	
	Total Fair Value	S&P Credit Rating
Bank of New York	\$ 44	A
Barclays Bank	13	A+
BNP Paribas	116	A+
Citibank N.A.	-	A+
Conversion	349	N/A
Conversion Non Cash	-	N/A
Goldman Sachs + Co LLC	359	BBB+
Goldman Sachs ICE	53	BBB+
Goldman Sachs International	1	A+
Goldman Sachs London LCH UK	635	BBB+
HSBC Bank	64	A+
JP Morgan Securities Inc.	176	A-
JP Morgan Securities PLC	-	A-
JP Morgan ICE	-	A-
JP Morgan LCH	79	A-
JP Morgan Chase Bank NA London	-	A+
JP Morgan Chase Bank, N.A.	133	A+
Merrill Lynch	113	A-
Morgan Stanley ICE	-	A-
Morgan Stanley LCH	-	A-
State Street Bank And Trust Company	689	AA-
State Street Bank London	-	A
UBS AG	-	A+
TOTAL	\$ 2,824	

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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

The maximum exposure SBCERA would face in case of default of all counterparties is \$2.8 million as of June 30, 2023. At June 30, 2023, SBCERA did not have any significant exposure to counterparty credit risk with any single party. SBCERA does not have any specific policies relating to the posting of collateral or master netting agreements.

As of June 30, 2023, SBCERA is exposed to interest rate risk on its investments in various swap arrangements and fixed income options based on daily interest rates for LIBOR (London Interbank Offered Rate), EURIBOR (Euro Interbank Offered Rate), and federal funds rate. The following tables describe the maturity periods of these derivative instruments.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 Years</u>
Credit Default Swaps Bought	\$ 189	\$ 12	\$ 177	\$ -	\$ -
Fixed Income Options Bought	11,854	-	11,377	-	477
Pay Fixed Interest Rate Swaps	1,025	138	582	237	68
Total Return Swaps Bond	(19)	(19)	-	-	-
Total Return Swaps Equity	(815)	-	-	-	(815)
TOTAL	\$ 12,234	\$ 131	\$ 12,136	\$ 237	\$ (270)

SBCERA is exposed to foreign currency risk for its investments in derivative instruments denominated in foreign currencies that may be adversely affected by changes in the currency exchange rates as displayed below:

<u>Currency</u>	<u>Fair Value</u>	<u>Options</u>	<u>Swaps</u>	<u>Forward Contracts</u>	
				<u>Net Receivables</u>	<u>Net Payables</u>
Canadian Dollar	\$ (47)	\$ -	\$ -	\$ -	\$ (47)
Euro Currency	(989)	(958)	312	852	(1,195)
Japanese Yen	(7,503)	-	-	-	(7,503)
Pound Sterling	(1,901)	-	(985)	-	(916)
Saudi Riyal	(55)	-	-	116	(171)
South African Rand	(1)	-	-	-	(1)
Swiss Franc	(13)	-	-	-	(13)
Yuan Renminbi	63	-	-	67	(4)
TOTAL	\$ (10,446)	\$ (958)	\$ (673)	\$ 1,035	\$ (9,850)

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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

At June 30, 2023, SBCERA did not hold any positions in derivatives containing contingent features.

Credit Risk

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. SBCERA seeks to maintain a diversified portfolio of debt investments in order to obtain the highest total return for the fund at an acceptable level of risk within this asset class. To mitigate credit risk, investment guidelines have been established for each manager investing on behalf of SBCERA.

Private placement investments' credit risk is controlled through limited partnership agreements and other applicable commingled fund documents. These investments are not rated by nationally recognized statistical rating organizations although they may be partly or wholly made up of individual securities rated by nationally recognized statistical rating organizations. Private placement investments considered fixed income investments are displayed as "NA" in the following tables and amount to \$43.9 million as of June 30, 2023. The short-term cash investment funds consist primarily of open-ended mutual funds and external investment pools. These investments are not rated by a nationally recognized statistical rating organization. Therefore, they are disclosed as such in the aforementioned tables. U.S. Treasury obligations are considered obligations of the U.S. Government, are explicitly guaranteed by the U.S. Government, are not considered to have credit risk, and are not shown in the following tables, but amount to \$277.3 million as of June 30, 2023.

The credit quality ratings of investments in fixed income securities and short-term cash investments by a nationally recognized statistical rating organization, Standard and Poor's (S&P) as of June 30, 2023.

S&P Rating	Asset Backed	Corporate Bonds	Collateralized Mortgage Obligations	Emerging Market Debt	Foreign Bonds	Municipals	Short-Term Cash Investment Funds	Total
AAA	\$ -	\$ -	\$ 209	\$ -	\$ -	\$ -	\$ -	\$ 209
AA	-	79	70,801	-	480	63	-	71,423
A	970	-	18	-	2,813	-	-	3,801
BBB	1,148	7,277	1,872	11,272	13,347	-	-	34,916
BB	3,061	17,319	13,816	-	117,265	-	-	151,461
B	2,132	67,932	15,927	3,350	87,379	-	-	176,720
CCC	6,843	50,721	3,526	29,896	21,005	-	-	111,991
CC	2	309	292	-	-	-	-	603
D	718	170	1,765	-	361	-	-	3,014
NR	67,125	93,623	121,764	12,707	488,340	12,543	1,568,081	2,364,183
NA ¹	3,289	20,718	3,322	13,845	2,424	306	-	43,904
TOTAL	\$ 85,288	\$ 258,148	\$ 233,312	\$ 71,070	\$ 733,414	\$ 12,912	\$ 1,568,081	\$ 2,962,225

¹ Private placements listed as NA.

Note: Table above does not include U.S. Treasury obligations, which amount to \$277,321 as these obligations are not subject to credit risk.

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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial Credit Risk for deposits is the risk that, in the event of a financial institution's failure, SBCERA would not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not insured or not collateralized. As of June 30, 2023, SBCERA's deposits with a financial institution are insured up to \$250 by the Federal Deposit Insurance Corporation (FDIC) with the remaining balance exposed to custodial credit risk as it is not insured. However, the financial institution does collateralize the deposit of monies in excess of the FDIC insurance amount with eligible securities held by the pledging financial institution, but not in SBCERA's name. Deposits with San Bernardino County Treasurer's Investment Pool are not exposed to custodial credit risk as they are held in a trust fund in SBCERA's name. SBCERA does not have a general policy relating to custodial credit risk.

Custodial Credit Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, SBCERA would not be able to recover the value of the investment or collateral securities that are in possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in SBCERA's name, and held by the counterparty.

SBCERA's investment securities and collateral received through securities lending are not exposed to custodial credit risk because all securities are held by SBCERA's custodial bank in SBCERA's name or by other qualified third-party administrator trust accounts.

At June 30, 2023, SBCERA did not hold any positions in derivatives containing contingent features.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of an investment in a single issuer. As of June 30, 2023, SBCERA did not hold any investments in any one issuer that would represent 5% or more of total investments. Investments issued or explicitly guaranteed by the U.S. Government and pooled investments are excluded from this requirement

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, an investment with a longer maturity date has a greater sensitivity of its fair value to changes in market interest rates. One of the ways that SBCERA manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time, as necessary, to provide the cash flow and liquidity needed for operations.

To mitigate interest rate risk, the managers investing on behalf of SBCERA have applicable investment guidelines. Interest rate risk for emerging market and private placement debt investments is managed through limited partnership agreements and applicable fund documents.

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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2023, SBCERA had the following Fixed Income and Short-Term Cash Investments as displayed below:

Investment Type	Fair Value	Investment Maturities			
		Less than 6 Months	6 Months to 1 Year	1-5 Years	More than 5 Years
Asset Backed	\$ 85,287	\$ 16,138	\$ -	\$ 11,461	\$ 57,688
Corporate Bonds	258,149	23,123	4,553	81,567	148,906
Collateralized Mortgage Obligations	233,312	5,864	727	9,567	217,154
Emerging Market Debt	71,070	8,608	4,024	1,852	56,586
Foreign Bonds	733,414	33,671	5,076	114,759	579,908
Municipals	12,912	4,724	-	964	7,224
Short-Term Cash Investment Funds	1,568,081	1,568,081	-	-	-
U.S. Treasury Obligations	277,321	247,515	34,093	(855)	(3,432)
TOTAL	\$ 3,239,546	\$ 1,907,724	\$ 48,473	\$ 219,315	\$ 1,064,034

Foreign Currency Risk

SBCERA's exposure to foreign currency risk primarily derives from its positions in foreign currency denominated international equity, fixed income investments, and foreign currency overlay exposure. SBCERA's investment policy allows international managers to enter into foreign exchange contracts provided the contracts have a maturity of one year or less and are limited to hedging currency exposure existing in the portfolio. Specific managers in international equities or fixed income may engage in the active management of currencies, per individual investment agreements approved by the Board.

SBCERA's net exposure to foreign currency risk in U.S. dollars as of June 30, 2023, is displayed below:

Currency	2023			
	Fair Value	Fixed Income	Equity	Cash
Argentine Peso	\$ 3	\$ -	\$ -	\$ 3
Australian Dollar	20,551	-	16,038	4,513
Brazilian Real	1,139	-	1,015	124
Canadian Dollar	18,567	-	18,261	306
Euro Currency	834,965	387,209	430,245	17,511
Hong Kong Dollar	71	-	-	71
Indonesian Rupiah	74	-	74	-
Japanese Yen	1,894	43	-	1,851
Pound Sterling	227,659	27,311	180,516	19,832
Swedish Krona	209	-	-	209
Swiss Franc	28	-	11	17
Yuan Renminbi	18	-	-	18
TOTAL	\$ 1,105,178	\$ 414,563	\$ 646,160	\$ 44,455

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

Rate of Return

For the years ended June 30, 2023, the annual money-weighted rate of return on the assets of the Plan, net of investment expense, was 5.0%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the timing of cash flows and the changing amounts actually invested.

Commitments to Fund Partnerships

As of June 30, 2023, the total capital commitments to fund partnerships were \$6.2 billion. Of this amount, \$1.5 billion, remained unfunded and is not recorded on the SBCERA Statements of Fiduciary Net Position as of June 30, 2023.

The following tables depict the total commitments and unfunded commitments, respectively.

2023	
Total	Unfunded
Commitments	Commitments
\$ 6,198,431	\$ 1,546,581

Fair Value Measurements

SBCERA categorizes its fair value measurements of its investments based on the fair value hierarchy established by GAAP. 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 unadjusted quoted prices in active markets for identical assets. Level 2 inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs are observable. Level 3 inputs are valuations derived from valuation techniques in which significant inputs are unobservable.

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

The following table depicts the fair value measurements as of June 30, 2023.

Investment Type	June 30, 2023	Fair Value Measurements Using		
		Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Short-Term Cash Investment Funds	\$ 1,568,081	\$ 454,525	\$ 1,113,556	\$ -
Emerging Market Debt	57,225	-	55,084	2,141
United States Government Obligations and Other Municipals:				
U.S. Treasury	277,321	65,052	212,269	-
Municipals	12,912	-	12,912	-
Total US Government Obligations and Other Municipals:	290,233	65,052	225,181	-
Domestic Bonds:				
Asset Backed	85,288	-	50,080	35,208
Collateralized Mortgage Obligations	233,312	-	113,537	119,775
Corporate Bonds	258,148	-	206,315	51,833
Total Domestic Bonds	576,748	-	369,932	206,816
Foreign Bonds	733,414	-	520,330	213,084
Domestic Common and Preferred Stock	1,779,708	1,735,514	5,166	39,028
Foreign Common and Preferred Stock	811,747	763,562	21,167	27,018
Investments of Cash Collateral Received on Securities Lending	48,515	-	48,515	-
Domestic Alternatives	130,016	461	54,117	75,438
Foreign Alternatives	514,457	-	182,536	331,921
TOTAL INVESTMENTS BY FAIR VALUE LEVEL	\$ 6,510,144	\$ 3,019,114	\$ 2,595,584	\$ 895,446
Investment Derivative Instruments				
Swaps	\$ 380	\$ -	\$ 380	\$ -
Options	29,187	10	29,177	-
Forward Contracts	(8,815)	(8,815)	-	-
Warrants	4,873	95	86	4,692
TOTAL INVESTMENT DERIVATIVE INSTRUMENTS	\$ 25,625	\$ (8,710)	\$ 29,643	\$ 4,692
Investments Measured at the Net Asset Value (NAV)				
Emerging Market Debt	\$ 13,845			
Domestic Common and Preferred Stock	218,158			
Foreign Common and Preferred Stock	119,499			
Real Estate	8,522			
Domestic Alternatives:				
Absolute Return Composite	1,248,430			
Non-U.S. Developed Credit	288,615			
Private Equity - Commodities	635,583			
Private Equity - Composite	2,612,246			
Private Equity - Real Assets	861			
Private Equity - Real Estate	541,227			
U.S. Credit Strategies	588,213			
Total Domestic Alternatives	5,915,175			
Foreign Alternatives:				
Absolute Return Composite	230			
Non-U.S. Developed Credit	634,269			
Private Equity - Composite	634,291			
Private Equity - Real Estate	29,189			
Total Foreign Alternatives	1,297,979			
TOTAL INVESTMENTS MEASURED AT THE NAV	\$ 7,573,178			
TOTAL INVESTMENTS MEASURED AT FAIR VALUE	\$ 14,108,947			

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

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

Short-term cash investments generally include investments in currency, classified in Level 1 of the fair value hierarchy at fair value, and money market-type securities, and other short-term investment funds, classified in Level 2 of the fair value hierarchy at fair value.

Debt securities includes emerging market debt, U.S. Government obligations and other municipals, domestic bonds, and foreign bonds. Debt securities classified in Level 2 of the fair value hierarchy are valued using the matrix pricing technique or the discounted cash flow method. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Debt securities classified in Level 3 of the fair value hierarchy are valued using the discounted cash flow method or proprietary pricing information. Equity securities includes domestic and foreign common and preferred stock.

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Equity securities classified in Level 2 of the fair value hierarchy are valued using prices quoted in active markets for similar securities. Equity securities classified in Level 3 of the fair value hierarchy are valued with last trade data having limited trading volume.

Cash collateral received on securities lending consists primarily of U.S. Government debt obligations, and also includes domestic equity, domestic fixed income, international equity, and international fixed income securities classified in Level 2 of the fair value hierarchy using prices quoted in active markets for similar securities.

Alternative securities include domestic and foreign alternatives. Alternative securities classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Alternative securities classified in Level 2 of the fair value hierarchy are valued using prices quoted in active markets for similar securities. Alternative securities classified in Level 3 of the fair value hierarchy are valued using the discounted cash flow method or proprietary pricing information.

Derivative instruments classified in Level 1 of the fair value hierarchy are valued using a market approach using prices quoted in active markets for those securities. Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates.

The fair value of investments in certain equity, fixed income, real estate, and marketable alternatives are based on the investment's net asset value (NAV) per share (or its equivalent) provided by the investee. The fair values of investments in certain private equity funds have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the investments.

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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

Such fair value measurements is shown in the table below as of June 30, 2023:

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency ¹	Redemption Notice Period
Emerging Market Debt	\$ 13,845	\$ -	NA	NA
Domestic Common and Preferred Stock	218,158	-	D	5-10 days
Foreign Common and Preferred Stock	119,499	-	Q,NA	60 days, NA
Real Estate	8,522	-	NA	NA
Domestic Alternatives:				
Absolute Return Composite	1,248,430	52,266	Q,NA	65-180 days, NA
Non-U.S. Developed Credit	288,615	-	M,NA	5 days,NA
Private Equity - Commodities	635,583	6,424	A,NA	180 days, NA
Private Equity - Composite	2,612,246	1,005,929	Q,SA,NA	30-185 days, NA
Private Equity - Real Assets	861	-	NA	NA
Private Equity - Real Estate	541,227	169,213	Q,SA,NA	45-180 days, NA
U.S. Credit Strategies	588,213	-	D,Q,NA	30-180 days, NA
Total Domestic Alternatives	<u>5,915,175</u>	<u>1,233,832</u>		
Foreign Alternatives:				
Absolute Return Composite	230	7,812	NA	NA
Non-U.S. Developed Credit	634,269	-	D,Q,NA	D, 180 days, NA
Private Equity - Composite	634,291	256,169	NA	NA
Private Equity - Real Estate	29,189	48,768	NA	NA
Total Foreign Alternatives	<u>1,297,979</u>	<u>312,749</u>		
TOTAL INVESTMENTS MEASURED AT THE NAV	<u>\$ 7,573,178</u>	<u>\$ 1,546,581</u>		

¹ D= Daily, M= Monthly, Q= Quarterly, SA= Semi-Annually, A= Annually, NA= Not Applicable

The investment types listed in the tables above were measured at the NAV as follows:

Emerging market debt includes investments in alternative funds that invest primarily in debt in emerging markets to access income from a broader global pool of assets. The fair values of the investments in this type have been determined using the NAV per share of the investments. Investments in this category are not redeemable as of June 30, 2023. It is expected that the underlying assets of the funds will be liquidated over the next ten years.

Domestic common and preferred stock includes investments in equities that invest in assets that focus on global credit strategies to provide an income-focus by utilizing credit dislocation opportunities. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. As of June 30, 2023, 100% of investments in this category are redeemable with a 60 day notice.

Foreign common and preferred stock includes investments in equities that invest in assets that focus on global credit strategies to provide an income-focus by utilizing credit dislocation opportunities. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. As of June 30, 2023, 89% of investments in this category are redeemable with a 60 day notice.

Real estate investments provide stable income and participation in broad economic growth. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Investment in this category are not redeemable as of June 30, 2023.

Domestic alternatives: Absolute return composite provides income and diversification through below investment grade credit and distressed debt strategies. This type includes credit and debt securities. As of June 30,2023, 80% of investments in this category are redeemable with a 65-180 day notice. It is expected that the underlying assets of the funds will be liquidated over the next seven years. Unless the partnership agreement allows for an indefinite continuance.

Domestic alternatives: Non-U.S. developed credit provides access to income from a broader pool of assets in Europe. This type includes investments in funds that focus on corporate and sovereign bonds of developed

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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

economies issued in U.S. dollars. As of June 30, 2023, 39% of investments in this category are redeemable with a 5 day notice.

Domestic alternatives: Private equity – commodities provide exposure to inflation related assets and includes investments in partnerships that focus on natural resources and energy. The fair values of this investment type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. As of June 30, 2023, 93% of investments in this category are redeemable with a 180 day notice. It is expected that the underlying assets of the funds will be liquidated over the next six years, unless the partnership agreement allows for an indefinite continuance.

Domestic alternatives: Private equity – composite provides participation in equity and debt instruments that provide for a premium on illiquid assets. This type includes investments in partnerships as a limited partner that invest in private equity and private debt. The fair values of this investment type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. As of June 30, 2023, 26% of investments in this category are redeemable with a 30-185 day notice. It is expected that the underlying assets of the funds will be liquidated over the next ten years, unless the partnership agreement allows for an indefinite continuance.

Domestic alternatives: Private equity – infrastructure provides participation in equity and debt instruments that provide for a premium on illiquid assets. This type includes investments in partnerships that focus on infrastructure in highly regulated markets. The underlying assets were fully liquidated as of June 30, 2023.

Domestic alternatives: Private equity – real assets provide exposure to inflation related assets and includes investments in partnerships that focus on real assets including timber and wetlands. The fair values of this investment type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Investments in this category are not redeemable as of June 30, 2023. The underlying assets of the funds are currently in liquidation.

Domestic alternatives: Private Equity - real estate investments provide stable income and participation in broad economic growth. This type includes real estate funds that invest in global commercial real estate and commingled funds. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. As of June 30, 2023, 67% of investments in this category are redeemable with a daily or 45-180 day notice. It is expected that the underlying assets of the funds will be liquidated over the next thirteen years, unless the partnership agreement allows for an indefinite continuance.

Domestic alternatives: U.S. credit strategies include investments in assets that focus on U.S. credit strategies to provide an income-focus by utilizing credit dislocation. This type includes investments in funds that focus on credit strategies, including direct loans, securitized products, and public-traded debt products. As of June 30, 2023, 79% of investments in this category are redeemable with a 30-180 day notice. It is expected that the underlying assets of the funds will be liquidated over the next five years, unless the partnership agreement allows for an indefinite continuance.

Foreign alternatives: Absolute return composite provides income and diversity through below investment grade global credit and distressed debt strategies. This type includes global credit and debt securities. Investments in this category are not redeemable as of June 30, 2023. It is expected that the underlying assets of the funds will be liquidated over the next year.

Foreign alternatives: Non-U.S. developed credit provides access to income from a broader pool of assets in Europe. This type includes investments in funds that focus on corporate and sovereign bonds of developed

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NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

economies. As of June 30, 2023, 41% of investments in this category are redeemable with a daily or 180 day notice. It is expected that the underlying assets of the funds will be liquidated over the next seven years, unless the partnership agreement allows for an indefinite continuance.

Foreign alternatives: Private equity – composite provides participation in equity and debt instruments that provide for a premium on illiquid assets. This type includes investments in partnerships as a limited partner that invest in private equity and private debt. The fair values of this investment type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Investments in this category are not redeemable as of June 30, 2023. It is expected that the underlying assets of the funds will be liquidated over the next nine years, unless the partnership agreement allows for an indefinite continuance.

Foreign alternatives: Private Equity - Real estate investments provide stable income and participation in broad economic growth. This type includes real estate funds that invest in global commercial real estate and commingled funds. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Investments in this category are not redeemable as of June 30, 2023.

Securities Lending

SBCERA, pursuant to a Securities Lending Authorization Agreement (Agreement), has authorized State Street Bank and Trust Company (State Street) to act as SBCERA's agent in lending the Plan's securities to approved borrowers. State Street, as agent, enters into Securities Loan Agreements with borrowers. State Street lent, on behalf of SBCERA, certain securities of the Plan held by State Street as custodian and received cash or other collateral including securities issued or guaranteed by the U.S. Government. The types of securities loaned are U.S. Government obligations and other municipals, domestic equity, domestic fixed income, international equity, and international fixed income securities. State Street does not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers are required to deliver collateral for each loan equal to 102% for domestic loans and 105% for international loans, of the fair value of the loaned securities plus accrued income, for the years ended June 30, 2023.

SBCERA did not impose any restrictions during the year ended June 30, 2023, on the amount of loans that State Street made on its behalf. Pursuant to the Agreement, State Street had an obligation to indemnify SBCERA in the event of default by a borrower. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the same period that resulted in a declaration or notice of default of the borrower.

During the years ended June 30, 2023, SBCERA and the borrowers maintained the right to terminate securities lending transactions upon notice. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment fund comprised of a liquidity pool. The pool is not rated. All securities in this pool with maturities of 13 months or less are rated at least "A1", "P1", or "F1", and maturities in excess of 13 months are rated at least "A-" or "A3", by at least two nationally recognized statistical rating organizations, or if unrated, have been determined by the bank to be of comparable quality. As of June 30, 2023, the liquidity pool had an average duration of 7 days, and a weighted average final maturity of 107 days. Because the securities lending transactions were terminable at will, their duration did not generally match the duration of the investments made with the cash collateral received from the borrower.

On June 30, 2023, SBCERA had no credit risk exposure to borrowers. As of June 30, 2023, the fair value of securities on loan was \$85.1 million, with the fair value of cash collateral received for the securities on loan of \$48.5 million, and non-cash collateral of \$39.4 million.

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 Receivable	Due From Other Governments	Taxes	Interest	Lease Receivable	Loans	Other Receivables	Total Governmental Activities
General Fund	\$ 8,177	\$ 403,675	\$ 45,548	\$ 56,400	\$ 10,371	\$ 31,477	\$ 5,112	\$ 560,760
Less Allowance for Doubtful Accounts	(296)	-	-	-	-	-	-	(296)
Capital Improvement Fund	-	696	-	-	-	-	-	696
Nonmajor Governmental Funds	2,468	123,470	13,345	1,055	2,445	5,500	11,528	159,811
Less Allowance for Doubtful Accounts	(99)	-	-	-	-	-	-	(99)
Internal Service Funds	141	2,886	-	-	-	-	-	3,027
Total Governmental Activities Receivables	<u>\$ 10,391</u>	<u>\$ 530,727</u>	<u>\$ 58,893</u>	<u>\$ 57,455</u>	<u>\$ 12,816</u>	<u>\$ 36,977</u>	<u>\$ 16,640</u>	<u>\$ 723,899</u>

Business-Type Activities:

	Accounts Receivable	Due From Other Governments	Taxes	Interest	Lease Receivable	Loans	Other Receivables	Total Business- Type Activities
Medical Center	\$ 455,468	\$ 134,538	\$ -	\$ -	\$ -	\$ -	\$ 14,429	\$ 604,435
Less Allowance for Doubtful Accounts	(428,946)	-	-	-	-	-	-	(428,946)
Waste Systems Division	11,071	1,567	-	-	451	-	19,939	33,028
Less Allowance for Doubtful Accounts	(413)	-	-	-	-	-	(101)	(514)
Nonmajor Enterprise Funds	2,484	-	221	-	-	-	102	2,807
Total Business-Type Activities Receivables	<u>\$ 39,664</u>	<u>\$ 136,105</u>	<u>\$ 221</u>	<u>\$ -</u>	<u>\$ 451</u>	<u>\$ -</u>	<u>\$ 34,369</u>	<u>\$ 210,810</u>

Due From Other Governments

At June 30, 2023, the Governmental Funds accrued \$527,841 of receivables from other governments, of which, \$348,549 was due from the State of California. Of the amount owed by the State, \$116,133 was for health care services, \$69,575 was for public social services, \$60,691, was for motor vehicle license fees and sales tax monies, and the remaining \$102,150 was for other services. The remaining amount of \$179,292 was due from the federal government and other governmental agencies.

Loans Receivable

The loans receivable balance in the Governmental Activities is \$36,977 of this amount, \$18,120 represents the receivable under the Teeter Plan, \$5,500 is due from other various agencies, \$13,357 represents a County loan to the Adelanto Successor Agency.

Interest Receivable

Of the \$57,455 interest receivable reported in the Governmental Activities column of the statement of net position, \$36,690 is due from the Adelanto City Redevelopment Successor Agency.

Other Receivables

The \$16,640 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 receivable under the Teeter Plan. The other receivables in the Business-Type Activities total \$34,369. The majority of the \$19,838 reported in the Waste Systems Division represents insurance recoveries related to the Mid-Valley Landfill Perchlorate pollution remediation activities.

SAN BERNARDINO COUNTY
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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, 2023, are as follows:

	Payable Funds									
	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds	Medical Center	Waste Systems	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Totals
Receivable Funds										
General Fund	\$ -	\$ 167	\$ 47,279	\$ 47,446	\$ 2,708	\$ 242	\$ 234	\$ 3,184	\$ 3,205	\$ 53,835
Capital Improvement Fund	8,597	-	3,316	11,913	1	-	38	39	187	12,139
Nonmajor Governmental Funds	15,429	-	7,138	22,567	5	408	1,284	1,697	-	24,264
Total Governmental Funds	24,026	167	57,733	81,926	2,714	650	1,556	4,920	3,392	90,238
Medical Center	8,513	-	216	8,729	-	-	-	-	-	8,729
Waste Systems	13	-	157	170	-	-	-	-	129	299
Nonmajor Enterprise Funds	154	-	4	158	-	-	-	-	-	158
Total Enterprise Funds	8,680	-	377	9,057	-	-	-	-	129	9,186
Internal Service Funds	370	163	290	823	47	79	3	129	334	1,286
Totals	\$ 33,076	\$ 330	\$ 58,400	\$ 91,806	\$ 2,761	\$ 729	\$ 1,559	\$ 5,049	\$ 3,855	\$ 100,710

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.

Advances To/From Other Funds at June 30, 2023, are as follows:

	Payable Funds				
	Nonmajor Governmental Funds	Total Governmental Funds	Nonmajor Enterprise Funds	Total Enterprise Funds	Totals
Receivable Funds					
General Fund	\$ 12,743	\$ 12,743	\$ -	\$ -	\$ 12,743
Nonmajor Governmental Funds	619	619	250	250	869
Total Governmental Funds	13,362	13,362	250	250	13,612
Totals	\$ 13,362	\$ 13,362	\$ 250	\$ 250	\$ 13,612

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 \$12,743 is an amount loaned from the General Fund to provide cash flow primarily to the Big Bear Alpine Zoo Relocation Project and the CDH Eagle Hesperia Housing Project.

Transfers To/From Other Funds for the year ended June 30, 2023, reflect funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues.

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

The following schedule briefly summarizes the County's transfer activity:

Transfers In/Out

(a) Between Governmental and Business-type Activities:

	Transfer In				
	Nonmajor Governmental Funds	Total Governmental Funds	Medical Center	Total Enterprise Funds	Totals
Transfer Out					
General Fund	\$ -	\$ -	\$ 10,510	\$ 10,510	\$ 10,510
Total Governmental Funds	<u>-</u>	<u>-</u>	<u>10,510</u>	<u>10,510</u>	<u>10,510</u>
Medical Center	6,844	6,844	-	-	6,844
Waste Systems	176	176	-	-	176
Nonmajor Enterprise Funds	7	7	-	-	7
Total Enterprise Funds	<u>7,027</u>	<u>7,027</u>	<u>-</u>	<u>-</u>	<u>7,027</u>
Totals	<u>\$ 7,027</u>	<u>\$ 7,027</u>	<u>\$ 10,510</u>	<u>\$ 10,510</u>	<u>\$ 17,537</u>

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

	Transfer In					Totals
	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	
Transfer Out						
General Fund	\$ -	\$ 209,024	\$ 107,327	\$ 316,351	\$ -	\$ 316,351
Capital Improvement Fund	63,591	-	62	63,653	-	63,653
Nonmajor Governmental Funds	36,243	5,759	13,283	55,285	500	55,785
Total Governmental Funds	<u>99,834</u>	<u>214,783</u>	<u>120,672</u>	<u>435,289</u>	<u>500</u>	<u>435,789</u>
Internal Service Funds	-	-	1,302	1,302	-	1,302
Totals	<u>\$ 99,834</u>	<u>\$ 214,783</u>	<u>\$ 121,974</u>	<u>\$ 436,591</u>	<u>\$ 500</u>	<u>\$ 437,091</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 \$3,700 for the Glen Helen Park Splash Pad Extension, Restroom Replacement, and Picnic Shelters Projects funded by the Regional Parks Department.

Amounts transferred from the General Fund to the Medical Center are the result of \$10,510 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 pension obligation bond debt service payments, and various capital improvement projects.

SAN BERNARDINO COUNTY
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NOTE 6 – INTERFUND TRANSACTIONS (CONTINUED)

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, including \$40,000, for the Downtown Building Replacement Project and \$30,000, for the New Parking Garage near the County Government Center.

NOTE 7 – RESTRICTED CASH AND INVESTMENTS

Cash and investments of \$394,716, are restricted by legal or contractual requirements at June 30, 2023, and are comprised of the following:

Governmental Activities

General Fund:

Restricted cash and cash equivalents of \$324,642, 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 \$9,449, consists of \$4,354 being restricted for debt service payments, \$4,104, for construction of Cactus Basin 4 and 5, and \$991 for construction contract retainage in escrow.

Business-Type Activities

Waste System Division:

Restricted cash and cash equivalents of \$60,625, consists of funds 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).

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

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, is as follows:

Primary Government

	Beginning Balance*	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets, non-depreciable/non-amortizable:				
Land	\$ 145,627	\$ 3,939	\$ -	\$ 149,566
Land Use Rights	26,281	-	-	26,281
Development in progress	432,002	102,581	119,762	414,821
Total capital assets, non-depreciable/non-amortizable	<u>603,910</u>	<u>106,520</u>	<u>119,762</u>	<u>590,668</u>
Capital Assets, depreciable/amortizable:				
Improvements other than Buildings	337,567	441	-	338,008
Structures and Improvements	1,238,809	46,896	-	1,285,705
Infrastructure	1,484,948	80,385	-	1,565,333
Equipment and Software	529,110	44,456	19,481	554,085
Total capital assets, depreciable/amortizable	<u>3,590,434</u>	<u>172,178</u>	<u>19,481</u>	<u>3,743,131</u>
Lease Assets, depreciable/amortizable:				
Right-to-use Leased Land	459	-	247	212
Right-to-use Leased Buildings	237,652	103,007	21,305	319,354
Right-to-use Leased Equipment	3,429	648	1,370	2,707
Total lease assets, depreciable/amortizable	<u>241,540</u>	<u>103,655</u>	<u>22,922</u>	<u>322,273</u>
Subscription Assets, depreciable/amortizable:				
Right-to-use Subscription Assets	8,713	24,648	-	33,361
Total subscription assets, depreciable/amortizable	<u>8,713</u>	<u>24,648</u>	<u>-</u>	<u>33,361</u>
Less Capital Assets accumulated depreciation/amortization for :				
Improvements other than Buildings	209,527	10,851	-	220,378
Structures and Improvements	528,244	37,019	-	565,263
Infrastructure	951,089	30,301	-	981,390
Equipment and Software	353,495	43,469	19,086	377,878
Total accumulated depreciation/amortization	<u>2,042,355</u>	<u>121,640</u>	<u>19,086</u>	<u>2,144,909</u>
Less Lease Assets accumulated amortization for :				
Right-to-use Leased Land	40	18	22	36
Right-to-use Leased Buildings	47,383	53,820	8,406	92,797
Right-to-use Leased Equipment	666	702	-	1,368
Total accumulated amortization	<u>48,089</u>	<u>54,540</u>	<u>8,428</u>	<u>94,201</u>
Less Subscription Assets accumulated amortization for :				
Right-to-use Subscription Assets	-	7,043	-	7,043
Total accumulated amortization	<u>-</u>	<u>7,043</u>	<u>-</u>	<u>7,043</u>
Total capital assets, depreciable/amortizable, net	<u>1,750,243</u>	<u>117,258</u>	<u>14,889</u>	<u>1,852,612</u>
Governmental activities capital assets, net	<u>\$ 2,354,153</u>	<u>\$ 223,778</u>	<u>\$ 134,651</u>	<u>\$ 2,443,280</u>

*Beginning Balance restated for GASB 96 Implementation

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

	Beginning Balance*	Additions	Deletions	Reclassification	Ending Balance
Business-type Activities					
Capital assets, non-depreciable/non-amortizable:					
Land	\$ 21,220	\$ 664	\$ -	\$ 22,074	\$ 43,958
Land Use Rights	351	-	-	-	351
Development in progress	53,372	26,890	4,239	-	76,023
Total capital assets, non-depreciable/non-amortizable	<u>74,943</u>	<u>27,554</u>	<u>4,239</u>	<u>22,074</u>	<u>120,332</u>
Capital Assets, depreciable/amortizable:					
Land Use Rights	1,109	-	-	-	1,109
Improvements other than Buildings	354,006	10,253	-	(22,074)	342,185
Structures and Improvements	575,467	3,898	-	-	579,365
Equipment and Software	224,937	6,767	76,587	-	155,117
Total capital assets, depreciable/amortizable	<u>1,155,519</u>	<u>20,918</u>	<u>76,587</u>	<u>(22,074)</u>	<u>1,077,776</u>
Lease Assets, amortizable:					
Right-to-use Leased Buildings	14,447	857	1,797	-	13,507
Total lease assets, amortizable	<u>14,447</u>	<u>857</u>	<u>1,797</u>	<u>-</u>	<u>13,507</u>
Subscription Assets, amortizable:					
Right-to-use Subscription Assets	8,129	2,768	-	-	10,897
Total subscription assets, amortizable	<u>8,129</u>	<u>2,768</u>	<u>-</u>	<u>-</u>	<u>10,897</u>
Less Capital Assets accumulated depreciation/amortization for :					
Land Use Rights	1,109	-	-	-	1,109
Improvements other than Buildings	183,410	8,161	-	-	191,571
Structures and Improvements	331,962	15,903	-	-	347,865
Equipment and Software	186,860	8,398	74,014	-	121,244
Total accumulated depreciation/amortization	<u>703,341</u>	<u>32,462</u>	<u>74,014</u>	<u>-</u>	<u>661,789</u>
Less Lease Assets accumulated amortization for :					
Right-to-use Leased Buildings	2,444	2,213	835	-	3,822
Total accumulated amortization	<u>2,444</u>	<u>2,213</u>	<u>835</u>	<u>-</u>	<u>3,822</u>
Less Subscription Assets accumulated amortization for :					
Right-to-use Subscription Assets	-	2,428	-	-	2,428
Total accumulated amortization	<u>-</u>	<u>2,428</u>	<u>-</u>	<u>-</u>	<u>2,428</u>
Total capital assets, depreciable/amortizable, net	<u>472,310</u>	<u>(12,560)</u>	<u>3,535</u>	<u>(22,074)</u>	<u>434,141</u>
Business-type activities capital assets, net	<u>\$ 547,253</u>	<u>\$ 14,994</u>	<u>\$ 7,774</u>	<u>\$ -</u>	<u>\$ 554,473</u>

*Beginning Balance restated for GASB 96 Implementation

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

Depreciation/amortization

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

General Government	\$	20,926
Public Protection		57,248
Public Ways and Facilities		27,313
Health and Sanitation		3,541
Public Assistance		3,045
Education		3,441
Recreation and Cultural Services		6,126
		6,126
Total depreciation/amortization expense - governmental activities	\$	121,640

Amortization expense for Lease Assets is charged to governmental functions as follows:

General Government	\$	180
Public Protection		8,212
Health and Sanitation		13,700
Public Assistance		31,871
Education		474
Recreation and Cultural Services		103
		103
Total amortization expense - governmental activities	\$	54,540

Amortization expense for Subscription Assets is charged to governmental functions as follows:

General Government	\$	2,784
Public Protection		3,865
Public Ways and Facilities		3
Health and Sanitation		165
Public Assistance		211
Recreation and Cultural Services		15
		15
Total amortization expense - governmental activities	\$	7,043

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

Medical Center	\$	23,920
Waste Systems Division		5,402
Non-Major Enterprise Funds		3,140
		3,140
Total depreciation/amortization expense - business type activities	\$	39,505

Amortization expense for Lease Assets is charged to business-type functions as follows:

Medical Center	\$	2,213
		2,213
Total amortization expense - business type activities	\$	2,213

Amortization expense for Subscription Assets is charged to business-type functions as follows:

Medical Center	\$	2,428
		2,428
Total amortization expense - business type activities	\$	2,428

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NOTE 8 – CAPITAL ASSETS (CONTINUED)

Development in Progress

Development in Progress consists of the following projects:	Governmental Activities	Business-Type Activities
Medical Center Projects	\$ -	\$ 58,157
Waste Systems Division Projects	-	13,170
Special Districts	-	4,696
800 MHz Replacement Project	78,648	-
Transportation Projects	53,378	-
Flood Control Projects	42,386	-
323 Building Acquisition & Remodel	33,295	-
Sheriff's Subaru Bell 412EPX IFR Helicopter	17,603	-
Assessor's Property Information Management System Upgrade Project	17,013	-
851 Building Remodel	14,385	-
Property Tax Legacy System Replacement Project	11,223	-
Space Programming	10,421	-
County Government Center Campus Improvements	8,663	-
Chino Plume CDA Agreement	8,604	-
Chino Airport Groundwater Remedial Action Project	6,637	-
Central Operation Office Modification	6,166	-
West Valley Detention Center Ice Banks	5,718	-
Other County Projects	100,681	-
Total	\$ 414,821	\$ 76,023

NOTE 9 – DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

The County recognized deferred outflows of resources in the government-wide and fund financial statements. Deferred outflows of resources represent a consumption of net assets that applies to future periods. The County has two items that are reportable on the Government-Wide Statement of Net Position: from changes in the net pension 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, 2023, 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	\$ 693,198	\$ 135,508	\$ 828,706	\$ 1,044
Deferred Outflows Related to Bond Refunding:				
<u>Certificates of Participation</u>				
Medical Center Refunding Project (Series 2019 A)	-	9,178	9,178	-
Total Certificates of Participation	-	9,178	9,178	-
<u>Other Bonds and Notes</u>				
Flood Control Refunding Bonds (Series 2008)	363	-	363	-
Pension Obligation Refunding Bonds (2008)	9	-	9	-
Total Other Bonds and Notes	372	-	372	-
Total Deferred Outflows Related to Bond Refunding	372	9,178	9,550	-
Total Deferred Outflows of Resources	\$ 693,570	\$ 144,686	\$ 838,256	\$ 1,044

SAN BERNARDINO COUNTY
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NOTE 9 – DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES (CONTINUED)

Refer to Note 18 Retirement Plan for additional details on Deferred Outflows of Resources information related to pensions.

The County recognized inflows of resources in the government-wide and fund financial statements. Deferred inflows of resources represent an acquisition of net assets that applies to future periods.

The balances as of June 30, 2023, 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	\$ 176,593	\$ 43,027	\$ 219,620	\$ 332
Deferred Inflows Related to Leases:	12,630	450	13,080	-
Total Government-Wide and Component Unit Activities	<u>\$ 189,223</u>	<u>\$ 43,477</u>	<u>\$ 232,700</u>	<u>\$ 332</u>

Refer to Note 18 Retirement Plans for additional Deferred Inflows of Resources information related to pensions.

The balances as of June 30, 2023, of deferred inflows in the fund financial statements are as follows:

Governmental Funds:	Unavailable Revenues						Total Governmental Funds
	Property Tax Receivable	Interest Receivable	Other Receivable	Due from Governmental Agencies	Due from Other Agencies	Leases	
General Fund	\$ 7,615	\$ 37,213	\$ 989	\$ 31,657	\$ -	\$ 10,188	\$ 87,662
Nonmajor Governmental Funds	4,156	901	10,222	154	1,272	2,442	19,147
Total Unavailable Revenues	<u>\$ 11,771</u>	<u>\$ 38,114</u>	<u>\$ 11,211</u>	<u>\$ 31,811</u>	<u>\$ 1,272</u>	<u>\$ 12,630</u>	<u>\$ 106,809</u>

Proprietary Funds:	Pensions	
	San Bernardino County Employees' Retirement Association (SBCERA)	Total Proprietary Funds
Medical Center	\$ 41,717	\$ 41,717
Waste Systems Division	1,310	1,310
Total Proprietary Funds	<u>\$ 43,027</u>	<u>\$ 43,027</u>
Internal Service Fund	\$ 11,630	\$ 11,630
Total Internal Service Funds	<u>\$ 11,630</u>	<u>\$ 11,630</u>

SAN BERNARDINO COUNTY
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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.

The balances as of June 30, 2023, of advances from others are as follows:

Governmental Activities:	Developer Deposits	Customer Deposits	Advances from Governmental Agencies	Advances from Other Agencies	Advances from Other County Departments	Government- Wide Eliminations	Total
General Fund	\$ 9,178	\$ 4,331	\$ 322,350	\$ 5,000	\$ 256	\$ -	\$ 341,115
Capital Improvement Fund	-	6	-	-	-	-	6
Nonmajor Governmental Funds	-	281	10,223	4,596	3,367	-	18,467
Internal Service Funds	-	-	-	-	1,169	(1,094)	75
Total Governmental Activities	<u>\$ 9,178</u>	<u>\$ 4,618</u>	<u>\$ 332,573</u>	<u>\$ 9,596</u>	<u>\$ 4,792</u>	<u>\$ (1,094)</u>	<u>\$ 359,663</u>
Business-Type Activities:	Customer Deposits	Advances from Other Agencies	Advances from Other County Departments	Total			
Waste Systems Division	\$ 1,016	\$ 33	\$ 120	\$ 1,169			
Nonmajor Enterprise Funds	108	26	-	134			
Total Business-Type Activities	<u>\$ 1,124</u>	<u>\$ 59</u>	<u>\$ 120</u>	<u>\$ 1,303</u>			

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 – LONG TERM LIABILITIES

Primary Government

The following is a summary of long-term liability transactions for the year ended June 30, 2023:

	Beginning Balance			Ending Balance	Due Within One Year
<u>Governmental Activities</u>	*As Restated	Additions	Reductions		
Revenue Bonds from Direct Placements	\$ 10,890	\$ -	\$ 485	\$ 10,405	\$ 520
Other Bonds and Notes	157,130	-	56,875	100,255	62,960
Other Bonds and Notes from Direct Borrowings and Direct Placements	8,929	-	3,845	5,084	3,905
Total COP, Bonds and Notes Payable	<u>176,949</u>	<u>-</u>	<u>61,205</u>	<u>115,744</u>	<u>67,385</u>
Compensated Absences	249,705	173,305	162,912	260,098	157,931
Lease Liability	195,599	103,655	66,172	233,082	48,928
Subscription Liability	8,713	24,575	10,275	23,013	8,597
Estimated Liability for Litigation and Self -Insured Claims	408,525	161,832	129,289	441,068	102,643
Net Pension Liability	978,305	755,124	-	1,733,429	-
Total Governmental Activities - Long-term Liabilities	<u>\$ 2,017,796</u>	<u>\$ 1,218,491</u>	<u>\$ 429,853</u>	<u>\$ 2,806,434</u>	<u>\$ 385,484</u>
<u>Business-Type Activities</u>					
Certificates of Participation, net	\$ 211,419	\$ -	\$ 32,139	\$ 179,280	\$ 29,295
General Obligation Bonds	50	-	-	50	-
Notes from Direct Borrowings	1,096	-	77	1,019	79
Total COP, Bonds and Notes Payable	<u>212,565</u>	<u>-</u>	<u>32,216</u>	<u>180,349</u>	<u>29,374</u>
Compensated Absences	34,156	30,158	27,749	36,565	12,559
Direct Finance Lease Obligations	1,366	-	695	671	411
Lease Liability	12,164	857	3,104	9,917	1,947
Subscription Liability	8,129	2,728	2,668	8,189	2,715
Other Long-Term Liabilities	99,350	42,025	43,182	98,193	98,193
Pollution Remediation Obligations	81,150	-	14,838	66,312	7,408
Estimated Liability for Closure/Postclosure Care Costs	188,508	12,668	17,076	184,100	30,092
Net Pension Liability	87,466	117,537	-	205,003	-
Total Business-type Activities -Long-term Liabilities	<u>\$ 724,854</u>	<u>\$ 205,973</u>	<u>\$ 141,528</u>	<u>\$ 789,299</u>	<u>\$ 182,699</u>

*Beginning balance as restated for GASB 96 implementation.

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, 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.

Governmental Activities:

Bonds and Notes Payable

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 an 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.

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

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 \$1,084. The total surcharge revenues received during the fiscal year totaled \$1,870. 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 1.59. The total principal and interest remaining on the bonds are \$15,175. 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.

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

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.

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, 2023, 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 4.85% 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 4.85% 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

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

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, 2023, 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%.

The following schedule represents a debt service scenario in which all the bonds are tendered by investors on July 1, 2023, 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
2024	\$ 10,600	\$ 2,823	\$ 13,423
2025	10,600	1,742	12,342
2026	10,700	835	11,535
2027	5,395	77	5,472
Total	<u>\$ 37,295</u>	<u>\$ 5,477</u>	<u>\$ 42,772</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 at least seven days after the occurrence of an event default.

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

Pension Obligation Bonds (Series 2004 and 2008)

The County Board of Supervisors adopted a resolution to authorize the issuance of San Bernardino County 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.

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 6/30/2023</u>
Courthouse Project Bonds (2007) (Direct Placement)	5.10 to 5.50	6/29/2007	6/30/2037	\$ 18,370	\$ 10,405
Subtotal					<u>10,405</u>
Total Revenue Bonds					<u>10,405</u>
<u>Other Bonds and Notes</u>					
Flood Control District:					
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	3,770
Pension Obligation Bonds (2004)	0.54 to 5.86	6/24/2004	8/1/2023	463,895	25,000
Pension Obligation Refunding Bonds (2008)	6.02	4/16/2008	6/30/2024	160,900	37,960
Fire Protection District 2010 Installment Loan (Direct Borrowing)	5.4	8/2/2010	8/1/2030	2,286	1,314
Total Other Bonds and Notes					<u>105,339</u>
Total Governmental Activities					<u>\$ 115,744</u>

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NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

The following is a schedule of principal debt service requirements to maturity as of June 30, 2023, 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
2024	\$ 520	\$ 62,960	\$ 3,905	\$ 67,385
2025	540	-	145	685
2026	575	-	160	735
2027	605	-	171	776
2028	645	-	186	831
2029 - 2033	3,740	13,800	517	18,057
2034 - 2038	3,780	23,495	-	27,275
Total Principal	10,405	100,255	5,084	115,744
Total Bonds and Notes Payable	\$ 10,405	\$ 100,255	\$ 5,084	\$ 115,744

The following is a schedule of interest expense requirements to maturity as of June 30, 2023, 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
2024	\$ 572	\$ 3,181	\$ 124	\$ 3,877
2025	544	1,811	58	2,413
2026	514	1,807	50	2,371
2027	482	1,809	41	2,332
2028	449	1,808	31	2,288
2029 - 2033	1,676	8,245	32	9,953
2034 - 2038	533	3,620	-	4,153
Total Interest	\$ 4,770	\$ 22,281	\$ 336	\$ 27,387

Business-Type Activities:

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, with interest rates of 5 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, with interest rates from 2.00 percent to 2.05 percent.

Proceeds from the 2019 Arrowhead Refunding Project Certificates Series A and B, along with other District 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 deferred loss will be amortized through 2028 at \$2,269 per year.

The COPs contain certain bond covenants, which are deemed by the County to be duties imposed by law. The

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

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, 2023, the remaining balance of the defeased bonds was \$0. The Series 2019 B Certificates were paid in full as of June 30, 2023.

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.

County Service Area 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.

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NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

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

<u>Certificates of Participation:</u>	<u>Interest Rates (%)</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Issue Amount</u>	<u>Outstanding as of 6/30/2023</u>
Medical Center Refunding Project Series 2019A	5.00	7/2/2019	10/1/2027	\$ 224,045	\$ 160,860
Medical Center Refunding Project Series 2019B	2.00 to 2.05	7/2/2019	10/1/2022	35,635	-
					<u>160,860</u>
<u>Premium / (Discounts):</u>					
Medical Center Refunding Project Series 2019A					18,420
Total Certificates of Participation					<u>179,280</u>
 <u>General Obligation Bonds</u>					
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
Pinon Hills Water Distribution:					
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>
 <u>Notes Payable</u>					
Oak Hills Water (Loan) (Direct Borrowing)	3.09	11/25/2003	8/25/2033	2,150	1,019
Total Notes Payable					<u>1,019</u>
Total Business-Type Activities					<u>\$ 180,349</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, 2023, for COPs, bonds and notes payable in the business-type activities:

<u>Years Ending June 30</u>	<u>Certificates of Participation</u>	<u>General Obligation Bonds</u>	<u>Notes From Direct Borrowings</u>	<u>Total</u>
2024	\$ 29,295	\$ 50	\$ 79	\$ 29,424
2025	30,800	-	82	30,882
2026	32,520	-	84	32,604
2027	34,265	-	87	34,352
2028	33,980	-	89	34,069
2029 - 2033	-	-	491	491
2034	-	-	107	107
Total Principal	<u>160,860</u>	<u>50</u>	<u>1,019</u>	<u>161,929</u>
Plus: Premium	18,420	-	-	18,420
Total Bonds and Notes Payable	<u>\$ 179,280</u>	<u>\$ 50</u>	<u>\$ 1,019</u>	<u>\$ 180,349</u>

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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, 2023, for COPs, bonds, and notes payable in the business-type activities:

Years Ending June 30	Certificates of Participation	Notes From Direct Borrowings	Total
2024	\$ 7,311	\$ 30	\$ 7,341
2025	5,808	28	5,836
2026	4,225	25	4,250
2027	2,556	23	2,579
2028	850	20	870
2029 - 2033	-	55	55
2034	-	2	2
Total Interest	\$ 20,750	\$ 183	\$ 20,933

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.

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.

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, 2023. 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

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

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, 2023.

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. Working with the RWQCB, the County periodically re-doses its bio-remedial wells, as needed, to support ongoing removal of VOC's in groundwater at the site. In 2019 and 2020, additional bacteria colonies that perform the in-situ consumption of pollution were added to the system.

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).

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. In 2020, additional carbon donor materials and bacteria colonies that perform the in-situ consumption of pollution were added to the system. Working with the RWQCB, the County periodically re-doses its bio-remedial wells, as needed, to support ongoing removal of VOCs in groundwater in the site.

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(Amounts in thousands)

NOTE 11 – LONG TERM LIABILITIES (CONTINUED)

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 landfill impacts to off-site structures; to update reports for the landfill due to lack of groundwater to run the Corrective Action Program (CAP) pump and treat program and to evaluate the need for additional downgradient monitoring. Waste Systems engaged a consultant to prepare 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 CAP 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 assessed 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. In May 2023, the South Coast Air Quality Management District granted operational approval for system operation. The full-scale SVE system was installed and as of June 30, 2023, operation and maintenance on the system is set to begin August/September of 2023.

In fiscal year 2023, the estimated total pollution remediation liability decreased from \$81,150 at June 30, 2022, to \$66,312 at June 30, 2023. 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 \$14,838 are listed below:

- The Mid-Valley net liability decreased by a net of \$17,207 primarily due to remeasurements of groundwater treatment system monitoring, repair, and installation costs. The outstanding liability as of June 30, 2023, is \$50,728.
- The Yucaipa net liability decreased by a net of \$121 primarily due to remeasurements of overall future Full Scale In-Situ Bio-Enhancement Treatment System OM&M costs. The outstanding liability as of June 30, 2023, is \$2,248.
- The Heaps Peak net liability increased by a net of \$2,620 primarily due to remeasurements of overall future Leachate Treatment System OM&M costs. The outstanding liability as of June 30, 2023, is \$11,441.
- The Lenwood-Hinkley net liability decreased by a net of \$129 primarily due to remeasurements of overall future Groundwater VOC Treatment System OM&M costs. The outstanding liability as of June 30, 2023, is \$1,896.

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 2023, Waste Systems expended \$3,018 in performing pollution remediation activities at Mid-Valley Landfill, Yucaipa Disposal Site, Heaps Peak Disposal Site, and

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

Lenwood-Hinkley Disposal Site. Outlays are expected to be incurred in fiscal year 2024 totaling \$7,408. The presence of perchlorate, VOC, and leachate will continue to be remediated and monitored with an expected estimated outlay of \$58,904 from fiscal year 2025 through fiscal year 2043.

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 \$115 and Multi-Family Mortgage Revenue Bonds of \$50,265 at June 30, 2023, do not represent a liability of the County and, as such, do not appear in the accompanying basic financial statements.

School District General Obligation Bonds

San Bernardino County 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 \$4,750 at June 30, 2023, 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 \$83,627 at June 30, 2023, do not represent a liability of the County and, as such, do not appear in the accompanying basic financial statements.

Discretely Presented Component Unit

Long-term liability transactions for FIRST 5 San Bernardino for the year ended June 30, 2023, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 268	\$ 204	\$ 221	\$ 251	\$ 201
Net Pension Liability	714	977	-	1,691	-
Lease Liability	3,896	-	232	3,664	251
Total Long-Term Liabilities	<u>\$ 4,878</u>	<u>\$ 1,181</u>	<u>\$ 453</u>	<u>\$ 5,606</u>	<u>\$ 452</u>

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 12 – DIRECT FINANCE CAPITAL OBLIGATION

The County has financed purchase agreements with financial institutions and medical equipment manufacturers expiring at various dates through fiscal year ended 2025, Equipment acquired under these agreements has been accounted for as financed purchase obligations.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 413
2025	253
2026	<u>8</u>
Total Minimum Payments	674
Less: Amount Representing Interest	<u>(3)</u>
Present Value of Net Minimum Payments	671
Less: Current Portion of Finance Purchase Obligations	<u>(411)</u>
Finance Purchase Obligations, Excluding Current Portion	<u><u>\$ 260</u></u>

The gross value of equipment acquired under financed purchase obligations at June 30, 2023, was \$3,313, net of accumulated amortization of \$2,628.

The County's outstanding financed purchase agreements, secured by the related equipment of \$685, contain provision that in the event of default, outstanding amounts may become immediately due if the County is unable to make the payment.

SAN BERNARDINO COUNTY
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%	Closed	Milliken	100%	Closed
Baker	100%	Closed	Morongo Valley	100%	Closed
Barstow	6%	531	Needles	100%	Closed
Big Bear	100%	Closed	Newberry Springs	100%	Closed
Colton	100%	Inactive	Phelan	100%	Closed
Hesperia	100%	Closed	San Timoteo	52%	14
Landers	26%	73	Trona-Argus	100%	Closed
Lenwood-Hinkley	100%	Closed	Twentynine Palms	100%	Closed
Lucerne Valley	100%	Closed	Victorville	21%	110
Mid-Valley	47%	28	Yermo	100%	Closed

The estimated closure and post-closure activity for the year ended June 30, 2023, includes the following:

	<u>Beginning Balance</u>	<u>Increase (Decrease)</u>	<u>Ending Balance</u>
Estimated Liability for Closure Care Costs	\$ 63,835	\$ (16,727)	\$ 47,108
Estimated Liability for Postclosure Care Costs	124,673	12,319	136,992
Total	<u>\$ 188,508</u>	<u>\$ (4,408)</u>	<u>\$ 184,100</u>

The annually inflated landfill closure and post-closure care cost estimates of \$257,047 and \$272,247, respectively for a total of \$529,294, 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, 2023, the aggregate expense recorded by the County based upon individual landfill capacity usage was \$330,256 (\$158,626 closure costs and \$171,630 post-closure costs). The remaining \$199,038 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 \$111,518 and \$34,638 have been incurred through June 30, 2023. Landfill closure liabilities decreased to \$47,108 and post-closure liabilities also increased to \$136,992. 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

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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, 2023, is \$184,100 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 San Bernardino County 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 \$87,232 and post-closure expenses were \$2,492. 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 \$60,625 in the Waste System Division enterprise fund, this amount 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 (Actual Amounts)

The County has self-insurance programs for public liability, unemployment insurance, employee dental insurance, property damage, workers' compensation claims, hospital and medical malpractice liability, environmental liability, and cyber security.

Public liability claims are self-insured for up to \$3 million per occurrence with a one-time corridor retention of \$2 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 PRISM (Public Risk Innovation, Solutions, and Management) as follows:

Primary Liability coverage:

- \$7 million excess of \$3 million self-insured retention with PRISM; QBE Insurance; and reinsurance provided by ACE American Insurance Company.
- \$5 million, excess of \$10 million with PRISM with quota share reinsurance provided by Great American Insurance Company, Everest Reinsurance Company, Arcadian Risk Capital LTD, and Greenlight Reinsurance LTD.
- \$10 million in excess of \$15 million provided by PRISM with reinsurance provided by Safety National Casualty Corporation.

Secondary Liability Coverage:

- \$10 million in excess of \$25 million with Allied World National Assurance Co.
- \$5 million in excess of \$35 million with Great American Excess & Surplus Co.
- \$10 million in excess of \$40 million with PRISM, reinsured with Munich Reinsurance America, Inc.

The County has excess liability coverage for specified Human Services departments with \$2.5 million coverage in excess of \$500,000 self-insurance retention provided by PRISM.

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.

SAN BERNARDINO COUNTY
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NOTE 14 – SELF-INSURANCE (CONTINUED)

The Workers' Compensation program continued under the PRISM Excess Workers' Compensation Program with a policy of \$2 million SIR and statutory limits with Great American Insurance Co., ACE American Insurance Co., and Liberty Insurance Corp.

The County supplements its self-insurance for medical malpractice claims with a \$25 million per claim policy (\$35 million aggregate) with BETA Risk Management Authority, which provides annual coverage on a claims-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. Environmental claims are self-insured up to \$1 million per occurrence, with excess coverage provided through a combination of policies as follows:

- \$10 million per pollution condition and aggregate limits provided by Illinois Union Insurance Company.
- \$15 million for each claim and aggregate limits in excess of \$10 million provided by Tokio Marine Specialty Insurance Company.
- \$25 million for each claim and aggregate limits in excess of \$25 million provided by Fireman's Fund Indemnity Corporation (Allianz).

The County extends environmental coverage to County Contractors with a \$25 million per incident and \$25 million aggregate in excess of \$100,000 self-insurance retention.

Coverage for data breaches and cyber security breaches are self-insured for \$1.5 million per occurrence with excess coverage provided as follows:

- \$5 million per claim and \$5 million aggregate in excess of \$1.5 million SIR provided by Indian Harbor Insurance Company.
- \$5 million per claim in excess of \$5 million provided by Starr Surplus Lines Insurance.
- \$5 million per claim in excess of \$10 million provided by Liberty Surplus Insurance Corporation.
- \$5 million per claim in excess of \$15 million provided by Berkley Assurance Company.
- \$10 million per claim in excess of \$20 million provided by Lloyd's of London Syndicate.

Property damage claims are insured on an occurrence basis over a \$100,000 deductible through PRISM and reinsured with Fidelis Insurance and several other insurers/reinsurers including Westchester Fire Insurance Company, Aspen Specialty Insurance Company, Ironshore Indemnity Inc., Munich Reinsurance America, Inc., and several other insurance companies.

All public officials and County employees are insured under a blanket Comprehensive Disappearance, Destruction, and Dishonesty policy covering County monies and securities, with National Union Fire Insurance Company of Pittsburgh, PA with a \$100 thousand deductible and excess limits up to \$ 5 million per occurrence.

The claims related to the above referenced programs are accounted for in the Department of Risk Management'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 0.79% and an actuarially determined 80% confidence level. It is the County's practice to obtain actuarial studies on an annual basis.

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 14 – SELF-INSURANCE (CONTINUED)

The total claims liability of \$441.07 million reported at June 30, 2023, 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 are presented **in thousands** for fiscal years 2022 and 2023 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>
2021-22	\$374,759	\$104,266	(\$70,500)	\$408,525
2022-23	\$408,525	\$161,832	(\$129,289)	\$441,068

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>
Arrowhead Regional Medical Center	\$ 490,481	\$ -	\$ -	\$ 490,481
	<u>\$ 490,481</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 490,481</u>

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.

SAN BERNARDINO COUNTY
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NOTE 16 – 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 Nonmajor Funds	Total
Nonspendable:								
Loan Receivable	\$ 31,477	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,477
Prepaid Items and Inventories	3,710	-	11,999	-	-	-	11,999	15,709
Land Held for Resale	548	-	-	-	-	-	-	548
Endowments	-	-	-	-	-	1,837	1,837	1,837
Total Nonspendable Fund Balance	35,735	-	11,999	-	-	1,837	13,836	49,571
Restricted for:								
Social Services Realignment	140,748	-	-	-	-	-	-	140,748
Health Services Realignment	102,406	-	-	-	-	-	-	102,406
Behavioral Health Realignment	198,650	-	-	-	-	-	-	198,650
Law and Justice Realignment	197,414	-	-	-	-	-	-	197,414
Family Support Realignment	123,510	-	-	-	-	-	-	123,510
Coronavirus Fund	14,471	-	-	-	-	-	-	14,471
CalWORKs Maintenance of Effort Realignment	11,611	-	-	-	-	-	-	11,611
Teeter Plan	21,063	-	-	-	-	-	-	21,063
Aging Programs	8,556	-	-	-	-	-	-	8,556
Debt Service	-	-	-	6,653	-	-	6,653	6,653
Central Courthouse Project	-	-	1,753	-	-	-	1,753	1,753
Redemption Restitution Maintenance	-	-	2,375	-	-	-	2,375	2,375
Redevelopment Housing	-	-	3,616	-	19,079	-	22,695	22,695
Capital Improvement Projects	-	86,337	-	-	-	-	-	86,337
Flood Control	-	-	259,469	-	-	-	259,469	259,469
Domestic Violence Programs	-	-	2,785	-	-	-	2,785	2,785
Crime Prosecution	-	-	16,132	-	-	-	16,132	16,132
Probation Programs	-	-	50,688	-	-	-	50,688	50,688
Recorder's Micrographics	-	-	24,567	-	-	-	24,567	24,567
Local Law Enforcement Block Grant	-	-	2,625	-	-	-	2,625	2,625
Sheriff Special Projects	-	-	17,132	-	-	-	17,132	17,132
Fire Protection	-	-	247,011	-	8,545	-	255,556	255,556
Chino Agriculture Preserve	-	-	35,357	-	-	-	35,357	35,357
Road Operations	-	-	52,101	-	-	-	52,101	52,101
Measure I	-	-	34,289	-	-	-	34,289	34,289
Regional Development Mitigation Plan	-	-	35,077	-	-	-	35,077	35,077
Facilities Development Plans	-	-	4,133	-	-	-	4,133	4,133
Airport Operations	-	-	5,262	-	-	-	5,262	5,262
Mental Health Services Act	-	-	227,911	-	-	-	227,911	227,911
Master Settlement Agreement	-	-	1,301	-	-	-	1,301	1,301
Block Grant Carryover Program	-	-	730	-	-	-	730	730
Vector Control Assessments	-	-	5,653	-	-	-	5,653	5,653
Public Health - Other	-	-	4,879	-	-	-	4,879	4,879
Inland Counties Emergency Medical Agencies	-	-	8,936	-	-	-	8,936	8,936
Aging and Adult Services - Other	-	-	1,662	-	-	-	1,662	1,662
Job and Employment Services	-	-	56	-	-	-	56	56
Economic and Community Development	-	-	46,503	-	-	-	46,503	46,503
Wraparound Reinvestment	-	-	61,566	-	-	-	61,566	61,566
Regional Parks	-	-	2,419	-	-	-	2,419	2,419
Park and Recreation Districts	-	-	318	-	2,646	-	2,964	2,964
County Free Library	-	-	34,760	-	-	-	34,760	34,760
County Service Area	-	-	40,974	-	2,679	-	43,653	43,653
Other Restricted Programs	-	-	16,056	-	-	-	16,056	16,056
Total Restricted Fund Balance	818,429	86,337	1,248,096	6,653	32,949	-	1,287,698	2,192,464

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NOTE 16 – 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 Nonmajor Funds	Total
Committed to:								
AB177/199 Criminal Fees Backfill Reserve	4,671	-	-	-	-	-	-	4,671
Annual Elections Cycle Reserve	6,755	-	-	-	-	-	-	6,755
Asset Replacement	40,087	-	-	-	-	-	-	40,087
Bloomington Community Benefit/Improvement Reserve	590	-	-	-	-	-	-	590
Body Camera Implementation Project	2,500	-	-	-	-	-	-	2,500
Animal Shelter Capital Project	35,000	-	-	-	-	-	-	35,000
Archives Acquisition	1,741	-	-	-	-	-	-	1,741
Big Bear Apline Zoo	1,700	-	-	-	-	-	-	1,700
Building Replacement Reserve	50,000	-	-	-	-	-	-	50,000
Chino Airport Development Plan Reserve	250	-	-	-	-	-	-	250
Chino Plume Needs Reserve	10,000	-	-	-	-	-	-	10,000
Community Concerns Reserve	27,734	-	-	-	-	-	-	27,734
Agenda Management Systems	240	-	-	-	-	-	-	240
New Property Tax System	31,518	-	-	-	-	-	-	31,518
New PIMS Replacement System	3,948	-	-	-	-	-	-	3,948
New Voting System	2,388	-	-	-	-	-	-	2,388
Countywide Crime Suppression and Pilot Program	3,105	-	-	-	-	-	-	3,105
December 2nd Memorial	382	-	-	-	-	-	-	382
Earned Leave	6,807	-	-	-	-	-	-	6,807
Enterprise Financial System Post Implementation Costs	5,400	-	-	-	-	-	-	5,400
Etswana Reserve	1,000	-	-	-	-	-	-	1,000
Indigent Defence Costs	500	-	-	-	-	-	-	500
Adelanto Detention Center Jail Upgrade	4,781	-	-	-	-	-	-	4,781
Glen Helen Rehabilitation Center Jail Upgrade	75	-	-	-	-	-	-	75
West Valley Detention Center Jail Upgrade	6,597	-	-	-	-	-	-	6,597
Labor	8,881	-	-	-	-	-	-	8,881
Land Use Services Plan and Amendments	884	-	-	-	-	-	-	884
Liability Reserve	25,000	-	-	-	-	-	-	25,000
Litigation Expenses	865	-	-	-	-	-	-	865
Medical Center Debt Service	32,075	-	-	-	-	-	-	32,075
Public Guardian Lease Space Reserve	56	-	-	-	-	-	-	56
Restricted Revenue Set-Aside	5,022	-	-	-	-	-	-	5,022
Retirement	20,944	-	-	-	-	-	-	20,944
Running Springs County Library	2,635	-	-	-	-	-	-	2,635
Strategic Initiatives Reserve	308	-	-	-	-	-	-	308
Cedar Avenue Interchange	6,723	-	-	-	-	-	-	6,723
Glen Helen Parkway Bridge Project	1,666	-	-	-	-	-	-	1,666
National Trails Highway	3,920	-	-	-	-	-	-	3,920
Rock Springs Bridge Project	2,037	-	-	-	-	-	-	2,037
Stanfield Cutoff Road Repair and Bridge Replacement	405	-	-	-	-	-	-	405
Vision to Succeed	249	-	-	-	-	-	-	249
Total Committed Fund Balance	359,439	-	-	-	-	-	-	359,439
Assigned to:								
Automated Systems Development	10,346	-	-	-	-	-	-	10,346
800 MHZ Upgrade Project	-	40,100	-	-	-	-	-	40,100
County Buildings Retrofit and Improvements	-	328,199	-	-	-	-	-	328,199
Valley Public Safety	-	118,324	-	-	-	-	-	118,324
ISD Acquisition & Improvements	-	14,492	-	-	-	-	-	14,492
DA Building Acquisition	-	6,362	-	-	-	-	-	6,362
Chino Airport	-	18,799	-	-	-	-	-	18,799
Maintenance, Upgrades and Other Capital Outlay	-	105,370	-	-	-	-	-	105,370
High Desert Animal Shelter	-	1,128	-	-	-	-	-	1,128
Disaster Recovery	-	-	821	-	-	-	821	821
Flood Control	-	-	9,520	-	-	-	9,520	9,520
Sheriff Special Projects	-	4,816	-	-	-	-	-	4,816
Road Operations	-	-	33,980	-	-	-	33,980	33,980
Master Settlement Agreement	-	-	45,644	-	-	-	45,644	45,644
Mental Health	-	-	4,302	-	-	-	4,302	4,302
Human Resources	-	-	14,040	-	-	-	14,040	14,040
Chino Agriculture Preserve	-	-	1,981	-	-	-	1,981	1,981
Economic and Community Development	-	-	2,838	-	-	-	2,838	2,838
Regional Parks	-	-	4,359	-	-	-	4,359	4,359
Cal Fresh Waiver Discontinuance	302	-	-	-	-	-	-	302
Teamsters Side Letter Reserve	779	-	-	-	-	-	-	779
Other Assigned Programs	-	-	533	-	-	-	533	533
Total Assigned Fund Balance	11,427	637,590	118,018	-	-	-	118,018	767,035
Unassigned Fund Balance	1,020,297	-	-	-	-	-	-	1,020,297
Total Fund Balances	\$ 2,245,327	\$ 723,927	\$ 1,378,113	\$ 6,653	\$ 32,949	\$ 1,837	\$ 1,419,552	\$ 4,388,806

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NOTE 17 – MEDICARE AND MEDI-CAL PROGRAMS

The Medical Center provides services to eligible patients under Medi-Cal and Medicare programs. For the fiscal year ended June 30, 2023, the Medi-Cal program represented approximately 55%, and the Medicare program represented approximately 30% 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 Medicare Severity-Diagnostic Related Group (MS-DRG). 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 continue to be paid based on a cost-reimbursement methodology. The Medical Center is reimbursed for cost-reimbursable items at a tentative rate, with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the fiscal intermediary. The Medical Center’s classification of patients under these programs and the appropriateness of their admissions are subject to an independent review by a peer review organization under contract with the Medical Center. Final reports on the results of such audits have been received through June 30, 2016 for Medi-Cal. Notice of Amount of Program Reimbursement (NPR) has been received for Medicare cost reports through June 30, 2019. 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 18 – RETIREMENT PLAN

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). SBCERA is a fiduciary component unit of the County pursuant to GASB Statement Nos. 61 and 84 and its fiduciary activity is included in the pension (and other employee benefit) trust fund column of the County’s fiduciary fund financial statements.

The County recognized net pension liabilities, deferred outflows, and deferred inflows of resources related to pensions, and pension expenses from the SBCERA retirement plan in the government-wide financial statements. The balances as of June 30, 2023 of net pension liabilities are as follows:

	Governmental Activities	Business-Type Activities	Primary Government Total	Discretely Presented Component Unit
Net Pension Liabilities	\$ 1,733,429	\$ 205,003	\$ 1,938,432	\$ 1,691
Deferred Outflows of Resources Related to Pensions	\$ 693,198	\$ 135,508	\$ 828,706	\$ 1,044
Deferred Inflows of Resources Related to Pensions	\$ 176,593	\$ 43,027	\$ 219,620	\$ 332
Pension Expenses	\$ 329,998	\$ 44,442	\$ 374,440	\$ 308

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 18 – RETIREMENT PLAN (CONTINUED)

Plan Description

SBCERA was established in 1945 and operates 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 San Bernardino County Board of Supervisors and/or the SBCERA Board of Retirement (Board). SBCERA is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

SBCERA provides benefits to its members, who are employed by 16 active plan sponsors (participating employers), and five withdrawn employers. These include: The San Bernardino County, Barstow Fire Protection District, Big Bear Fire Authority, California State Association of Counties, City of Big Bear Lake, City of Chino Hills, Crestline Sanitation District, Department of Water and Power of the City of Big Bear Lake, Hesperia Recreation and Park District, Law Library for San Bernardino County, Local Agency Formation Commission, Mojave Desert Air Quality Management District, SBCERA, San Bernardino County Transportation Authority, South Coast Air Quality Management District, and Superior Court of California San Bernardino County (Superior Court), Inland Valley Development Agency (withdrew June 30, 2012), San Bernardino International Airport Authority (withdrew June 30, 2012), Rim of the World Recreation and Park District (withdrew May 4, 2013), Inland Library System (withdrew May 31, 2019), and California Electronic Recording Transaction Network Authority (withdrew June 30, 2021).

Fiduciary oversight of SBCERA is vested with the SBCERA Board, which consists of nine voting members and three alternate members. Four members are appointed by the San Bernardino County's Board of Supervisors, six members (which include two alternates) are elected by the members of SBCERA (General members elect two members, Safety members elect one member and one alternate, and Retired members elect one member and one alternate), and the San Bernardino County Treasurer (County Treasurer) is an ex-officio member who has designated one alternate. Board members serve three-year terms, with the exception of the County Treasurer, who serves during their tenure in office. SBCERA's Chief Executive Officer is appointed by the Board, and implements the policies and direction set by the Board.

SBCERA publishes its own annual comprehensive 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.

Plan Membership

As of the June 30, 2022 actuarial valuation, SBCERA membership consisted of 45,342 members, including 21,276 active members, 14,878 inactive members or beneficiaries currently receiving benefits, 3,536 inactive members eligible for but not yet receiving benefits, and 5,652 inactive members with fewer than five years of service credit and eligible for refund value of account only.

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

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NOTE 18 – RETIREMENT PLAN (CONTINUED)

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.

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.

SAN BERNARDINO COUNTY
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NOTE 18 – RETIREMENT PLAN (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, 2023, 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	9.14% to 15.78%	9.04%	12.45% to 18.50%	15.84%
Employer contribution rates	27.17%	24.03%	59.75%	51.21%

For the year ended June 30, 2023, 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	\$ 240,635	\$ 56,251	\$ 296,886	\$ 444
Safety Members	171,525	-	171,525	-
Total	<u>\$ 412,160</u>	<u>\$ 56,251</u>	<u>\$ 468,411</u>	<u>\$ 444</u>

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NOTE 18 – RETIREMENT PLAN (CONTINUED)

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

As of June 30, 2023, 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	\$ 890,570	\$ 205,003	\$ 1,095,573	\$ 1,691
Safety Members	842,859	-	842,859	-
Total	<u>\$ 1,733,429</u>	<u>\$ 205,003</u>	<u>\$ 1,938,432</u>	<u>\$ 1,691</u>

The net pension liability was measured as of June 30, 2022, 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 2022 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 83.46%, including 83.38% 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 2.55%, including 2.53% for primary government and a decrease of 0.02% for discretely presented component unit, from its proportion measured as of June 30, 2021.

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 2022 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, 2021 are as follows:

	Governmental Activities	Business-Type Activities	Primary Government Total	Discretely Presented Component Unit
Proportion - June 30, 2022				
General Members	45.90%	10.57%	56.47%	0.09%
Safety Members	43.44%	-	43.44%	-
Total	<u>89.34%</u>	<u>10.57%</u>	<u>99.91%</u>	<u>0.09%</u>
Change - Increase (Decrease)				
General Members	9.34%	2.37%	11.71%	0.02%
Safety Members	-11.73%	-	-11.73%	-
Total	<u>-2.39%</u>	<u>2.37%</u>	<u>-0.02%</u>	<u>0.02%</u>

For the year ended June 30, 2023, the County recognized pension expense of \$374,748 as follows:

	Governmental Activities	Business-Type Activities	Primary Government Total	Discretely Presented Component Unit
Pension Expense	\$ 329,998	\$ 44,442	\$ 374,440	\$ 308

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 18 – RETIREMENT PLAN (CONTINUED)

At June 30, 2023, 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	\$ 119,963	\$ 14,187	\$ 134,150	\$ 117
Differences between actual and expected experience	43,229	5,112	48,341	42
Changes in proportion and differences between County contributions and proportionate share of contributions	117,846	59,958	177,804	441
Pension contributions subsequent to the measurement date	412,160	56,251	468,411	444
Total	\$ 693,198	\$ 135,508	\$ 828,706	\$ 1,044

	Deferred Inflows of Resources			
	Governmental Activities	Business-Type Activities	Primary Government Total	Discretely Presented Component Unit
Differences between actual and expected experience	\$ 39,042	\$ 4,617	\$ 43,659	\$ 38
Net differences between projected and actual earnings on pension plan investments	31,680	3,746	35,426	31
Changes in proportion and differences between County contributions and proportionate share of contributions	105,871	34,664	140,535	263
Total	\$ 176,593	\$ 43,027	\$ 219,620	\$ 332

SAN BERNARDINO COUNTY
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NOTE 18 – RETIREMENT PLAN (CONTINUED)

The total amount of \$468,855 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, 2024. 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
2024	\$ 60,399	\$ 12,754	\$ 73,153	\$ 70
2025	10,956	6,773	17,729	48
2026	(154,935)	(14,723)	(169,658)	(119)
2027	190,866	28,534	219,400	245
2028	(2,841)	2,892	51	24
Total	<u>\$ 104,445</u>	<u>\$ 36,230</u>	<u>\$ 140,675</u>	<u>\$ 268</u>

Actuarial Assumptions

The County’s proportion of the Plan’s total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Investment Rate of Return	7.25%
Inflation	2.75%
Projected Salary Increases	General: 4.55% to 12.75%; Safety: 4.75% to 12.25%
Cost of Living Adjustments	Consumer price index with a 2.00% maximum
Administrative Expenses	0.85% of payroll

The actuarial assumptions used to determine the total pension liability as of June 30, 2022 were based on the results of the June 30, 2019 Actuarial Experience Study, which covered the period from July 1, 2016 through June 30, 2019. They are the same assumptions used in the June 30, 2022 actuarial valuation.

Mortality rates used in the June 30, 2022 actuarial valuation were based on the Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2019 projection scale. For healthy General members, the General Healthy Retiree rates increased by 10% were used. For healthy Safety members, the Safety Healthy Retiree rates were used. For disabled General members, the Non-Safety Disabled Retiree rates were used. For disabled Safety members, the Safety Disabled Retiree rates were used. For beneficiaries, the General Contingent Survivor rates increased by 10% were used.

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NOTE 18 – RETIREMENT PLAN (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, 2022 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	11.00%	5.42%
Small Cap U.S. Equity	Domestic Common and Preferred Stock	2.00%	6.21%
Developed International Equity	Foreign Common and Preferred Stock	9.00%	6.50%
Emerging Market Equity	Foreign Common and Preferred Stock	6.00%	8.80%
U.S. Core Fixed Income	U.S. Government and Municipals/Domestic Bonds	2.00%	1.13%
High Yield/Credit Strategies	Domestic Bonds/Foreign Bonds	13.00%	3.40%
International Core Fixed Income	Foreign Bonds	1.00%	-0.04%
Emerging Market Debt	Emergng Market Debt	8.00%	3.44%
Real Estate	Real Estate	3.50%	4.57%
Value Added Real Estate	Real Estate	3.50%	6.53%
International Credit	Foreign Alternatives	11.00%	5.89%
Absolute Return	Domestic Alternatives/Foreign Alternatives	7.00%	3.69%
Real Assets	Domestic Alternatives/Foreign Alternatives	5.00%	10.64%
Private Equity	Domestic Alternatives/Foreign Alternatives	16.00%	10.70%
Cash and Equivalents	Short-Term Cash Investment Funds	2.00%	-0.03%
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, 2022. 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, 2022.

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NOTE 18 – RETIREMENT PLAN (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%)	\$ 3,290,125	\$ 439,832	\$ 3,729,957	\$ 3,628
Current Discount Rate (7.25%)	1,733,429	205,003	1,938,432	1,691
1.00% Increase (8.25%)	460,174	12,932	473,106	107

Pension Plan Fiduciary Net Position

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

NOTE 19 – LEASES

The County leases buildings, equipment, and land for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2038, with an interest rate range of 0.15%-1.49%.

Lease obligations consist of the following for the year ended June 30, 2023:

Lease Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities	\$ 195,599	\$ 103,655	\$ 66,172	\$ 233,082	\$ 48,928
Business Activities	12,164	857	3,104	9,917	1,947
Totals	<u>\$ 207,763</u>	<u>\$ 104,512</u>	<u>\$ 69,276</u>	<u>\$ 242,999</u>	<u>\$ 50,875</u>

SAN BERNARDINO COUNTY
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NOTE 19 – LEASES (CONTINUED)

Total future minimum lease payments under lease agreements are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 48,928	\$ 2,199	\$ 1,947	\$ 82	\$ 53,156
2025	35,520	1,882	2,002	64	39,468
2026	31,046	1,584	2,058	46	34,734
2027	27,195	1,298	2,115	27	30,635
2028	19,952	1,045	1,724	8	22,729
2029-2033	61,613	2,369	71	-	64,053
2034 and thereafter	8,828	192	-	-	9,020
Total minimum lease payments	<u>\$ 233,082</u>	<u>\$ 10,569</u>	<u>\$ 9,917</u>	<u>\$ 227</u>	<u>\$ 253,795</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Buildings	\$ 319,354	\$ 13,507
Equipment	2,707	-
Land	212	-
Less: accumulated amortization	94,201	3,822
	<u>\$ 228,072</u>	<u>\$ 9,685</u>

The County, acting as lessor, leases buildings and land under long-term, non-cancelable lease agreements. The leases expire at various dates through 2039. During the year ended June 30, 2023, the County recognized \$1,953 in lease revenue and \$169 in interest revenue, with an interest rate range of 0.0%-1.69%, respectively, pursuant to these lease agreements.

The County leases office space and land to related parties, and related lease receivables and deferred inflows have been recorded. The leases provide for minimum annual lease payments of \$14,875 through April 29, 2039.

Total future minimum lease payments to be received under lease agreements are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 2,001	\$ 200	\$ 86	\$ 2	\$ 2,289
2025	618	174	90	2	884
2026	628	164	94	1	887
2027	641	153	97	1	892
2028	655	144	84	-	883
2029-2033	3,775	539	-	-	4,314
2034 and thereafter	4,498	228	-	-	4,726
Total minimum lease payments	<u>\$ 12,816</u>	<u>\$ 1,602</u>	<u>\$ 451</u>	<u>\$ 6</u>	<u>\$ 14,875</u>

The County, acting as lessor, leases buildings and land under long-term regulated lease agreements. The leases expire at various dates through 2048. During the year ended June 30, 2023, the County recognized \$1,518, in lease revenue, with an interest rate range of 0.0%-3%, respectively, pursuant to these lease agreements.

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 19 – LEASES (CONTINUED)

Total future minimum lease payments to be received under regulated lease agreements are as follows:

<u>Regulated Activities</u>	
	<u>Payments</u>
2024	\$ 1,671
2025	1,242
2026	1,111
2027	1,074
2028	1,092
2029-2033	5,561
2034 and thereafter	<u>7,527</u>
Total minimum lease payments	<u>\$ 19,278</u>

NOTE 20 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

The County has entered into various long-term, non cancellable subscription-based information technology arrangements (SBITAs) for administrative and operational purposes. These SBITAs include services related to cloud-based software applications, data storage, and management services. The SBITAs expire at various dates through 2032, with an interest rate range of 0.19%-1.22%. The SBITAs provide for minimum annual subscription payments of \$32,131 through October 31, 2032.

SBITA obligations consist of the following for the year ended June 30, 2023:

<u>Subscription Liabilities</u>	<u>Beginning Balance, As restated</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental-Type	\$ 8,713	\$ 24,575	\$ 10,275	\$ 23,013	\$ 8,597
Business-Type	8,129	2,728	2,668	8,189	2,715
Totals	<u>\$ 16,842</u>	<u>\$ 27,303</u>	<u>\$ 12,943</u>	<u>\$ 31,202</u>	<u>\$ 11,312</u>

Total future minimum subscription payments under SBITAs are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 8,597	\$ 239	\$ 2,715	\$ 166	\$ 11,717
2025	6,212	127	2,446	98	8,883
2026	2,806	82	1,813	46	4,747
2027	2,469	54	1,215	9	3,747
2028	593	36	-	-	629
2029-2033	2,336	72	-	-	2,408
Total minimum subscription payments	<u>\$ 23,013</u>	<u>\$ 610</u>	<u>\$ 8,189</u>	<u>\$ 319</u>	<u>\$ 32,131</u>

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023
(Amounts in thousands)

NOTE 20 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS (CONTINUED)

Right-to-use assets acquired through SBITAs are shown below:

	Governmental Activities	Business-Type Activities
Subscription Assets	\$ 33,361	\$ 10,897
Less: accumulated amortization	7,043	2,428
	\$ 26,318	\$ 8,469

NOTE 21 – OPIOID LITIGATION SETTLEMENT

The State of California along with other states settled claims that certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failed to monitor for, detect, and prevent diversion of the drugs. The County also settled the same claims and related claims. Due to its settlement of these claims, the County will receive payments from the Defendant companies over the next seventeen years. The County is required to use these funds for activities to remediate the opioid crisis and treat or mitigate opioid use disorder and related disorders through prevention, harm reduction, treatment, and recovery services.

NOTE 22 – COMMITMENTS AND CONTINGENCIES

The County, and other Board governed entities, have 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, or other Board governed entities, 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, 2023, 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.

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023
(Amounts in thousands)

NOTE 22 – COMMITMENTS AND CONTINGENCIES (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	\$ 153,796
Capital Improvement Fund	58,664
Total Major Governmental Funds	212,460
Nonmajor Governmental Funds	111,205
Total Governmental Funds	\$ 323,665

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 \$2,033.

(b) Community Development

The Community Development and Housing Department (CDH) has various business and housing loan programs funded by the Department of Housing and Urban Development (HUD) that were administered CDH. While the programs are no longer being administered, the loan portfolios are actively maintained to provide oversight and ensure compliance. HUD funds are used to develop viable communities, provide decent, safe and sanitary housing, create suitable living environments, and expand economic opportunities for low-income and moderate-income individuals/households.

CDH issues various loans for the creation of affordable housing units through new construction or acquisition/rehabilitation. The loans issued for the multi-family affordable housing projects have two loan types: debt service or residual receipts. The debt service loans require a set payment, annually. Some of the debt service loans are fully amortized, while others are partially amortized requiring a balloon payment or refinancing upon maturity. The residual receipts loans have more flexibility whereas payments are required and calculated based upon the amount of excess cashflow available after above the line expenses are absorbed; the residual receipts calculations are done on an annual basis. If the aggregate residual receipts payments received over the term of the loan are insufficient to fully satisfy the loan, the remaining balance is forgivable providing the terms and conditions, as set forth in the Regulatory Agreement, have been met. The multi-family loan portfolio is comprised of 45 and is valued at \$103,571.

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023
(Amounts in thousands)

NOTE 22 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Under HUD regulations, any monies received from the repayments of the loans is considered Program Income and is subject to the same regulations and use restrictions imposed upon the original funding sources. The total long-term receivables for the loan portfolio as of June 30, 2023 is \$109,707; however, given the nature of the residual receipts loans, the forgivable loans, and the grants, it is anticipated that a significantly lower amount will be collected. Due to the contingent nature of these loans, they are not currently recognized in the financial statements.

(c) San Bernardino County Fire Protection District Service Zone FP-5 Special Tax

An initiative petition entitled “Initiative to Repeal the Special Tax Associated With Fire Protection Service Zone Five (FP-5)” was submitted to the voters pursuant to Elections Code section 1405 for the June 2022 election (Measure Z). The FP-5 tax is a special tax for the San Bernardino County Fire Protection District (SBCFPD) Service Zone FP-5 which is currently \$171.85 per parcel. The total estimated revenue from the FP-5 special tax for 2023-24 is approximately \$46.5 million. SBCFPD filed a pre-election challenge to the initiative and on May 31, 2022, the trial court entered judgment in favor of SBCFPD. The judgment provides that if Measure Z passes, it is unenforceable. Measure Z passed at the June 2022 election. Both parties have appealed the trial court’s ruling in the matter San Bernardino County Fire Protection District v. Bob Page [Michael Jimenez], as County Registrar, etc., et al., California Court of Appeal, Fourth District, Division Two, Case No. E079130. Related to this case, SBCFPD filed a post-election challenge to Measure Z in the matter of San Bernardino County Fire Protection District v. Lynna Monell, in her official capacity as Secretary of the Board of Directors of the San Bernardino County Fire Protection District, et al. (CIVSB2226340). This lawsuit challenges Measure Z on substantive grounds. Most recently, an initiative petition entitled “Initiative to Repeal the Special Tax for San Bernardino County Fire Protection District Service Zone FP-5,” is being submitted to the voters pursuant to Elections Code section 1405 for the March 5, 2024 election.

(d) County Service Area 70-F Morongo

On June 20, 2017, the San Bernardino County Division of Environmental Health Services (EHS) issued Citation No.: 05_66_17C_019_3600226_02 (Citation) pursuant to Section 116555 of the California Health and Safety Code (HSC) to County Service Area 70-F Morongo Water System (Water System) concerning detection of levels of uranium exceeding HSC Section 116555 and Title 22, CCR, Section 64442. The Water System is permitted as a community public water system as defined in HSC Section 116275(i) and provides daily water service to approximately 88 service connections or 290, to residents in the unincorporated community known as Morongo, San Bernardino County, California, using three wells as its source of domestic water. Title 22, CCR, Division 4, Chapter 15, Article 5, establishes primary drinking water standards and monitoring and reporting requirements for radioactive constituents. All public water systems must comply with the maximum contaminant level (MCL) for uranium of 20 pCi/L, as established in Title 22 CCR Section 64442. Pursuant to the Citation, EHS determined water produced by three Water System wells exceeded the uranium MCL. EHS and the Water System developed a Corrective Action Plan to mitigate water quality and quantity issues that exist with the Water System. The implementation of the Corrective Action Plan is currently underway and remediation efforts are ongoing.

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

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023
(Amounts in thousands)

NOTE 22 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 \$297 per year. 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. In addition to these costs, the County has historically paid \$224 per year for water rights used to run the PCE remediation systems. The agreement with Rialto expired in May 2020 and the County agreed to an additional two-year agreement to pay for water rights such that for the 2020/2021 water year the County paid approximately \$297 and for the 2021/2022 water year the County paid approximately \$302 for the water rights. This agreement to pay for water rights expired on December 31, 2022, and the County negotiated an amendment to extend the agreement until December 31, 2025. Pursuant to the revised three year agreement, for the 2022/2023 water year the County paid \$317, for the 2023/2024 water year the County will pay \$333, and for the 2024/2025 water year the County will pay \$349 for the water rights.

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, 2023, these lawsuits were substantially resolved as to the County, and the other litigants, through various settlements. In the ongoing lawsuit *City of Colton v. American Promotional Events, Inc., et. al.* (Los Angeles Superior Court Case No. BC376008, and related actions), in which the County is not a defendant, Pyro Spectaculars, Inc. filed a claim with the County on October 21, 2021, indicating it intends to file a cross-claim against the County seeking contribution for alleged contamination to groundwater drinking wells that service the City of Riverside. The County denied the claim but entered into a tolling agreement effective from May 16, 2022, to February 16, 2023, in an attempt for Pyro Spectaculars, Inc. to resolve the matter and avoid naming the County as a cross-defendant. Pyro Spectaculars, Inc. informed the County it will not pursue a cross-claim upon expiration of the tolling agreement and instead made a public records request to which the County promptly complied. 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, 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.

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023
(Amounts in thousands)

NOTE 22 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

(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.

On January 11, 2017, the Regional Board issued Clean up and Abatement Order (CAO) No. R8-2017-0011 to supersede Order No. R8-2008-0064. The County is now complying with the new CAO 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 purchased three, multiyear insurance policies covering the period 1966-1975 issued by The Insurance Company of the State of Pennsylvania (ICSOP). The County tendered a claim to ICSOP in 2008 for costs incurred in compliance with the CAO. ICSOP stopped making payments on the claim and disputed its obligation to continue to reimburse the County for more than one occurrence. The County disputes this interpretation of the policies and on November 24, 2021, the County initiated the legal action San Bernardino County v. The Insurance Company of the State of Pennsylvania, Case No. 5:21-cv-01978 alleging breach of contract, breach of implied covenant of good faith and fair dealing, and declaratory relief. Trial was originally set for May 4, 2023, was continued to November 2, 2023, and then taken off calendar by the court to resolve pending motions. The County anticipates a trial date in January or February 2024, subject to the Court's scheduling. The County expects to recover from ICSOP additional funds for costs incurred to comply with the CAO.

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 Chino Groundwater Basin Watermaster. Further, the workplan to implement the remediation has not yet been approved by the oversight agency- the Regional Board. The Regional Board is requiring the County to conduct supplemental vapor intrusion and shallow soil investigation at the Airport as part of the human health screening-level risk evaluation. The County is in the process of complying

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023
(Amounts in thousands)

NOTE 22 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

with the additional investigation. The County has estimated costs for the Remediation Plan including ongoing operations and maintenance over 30-50 years to possibly range between \$40-70 million.

Teamsters Local 1932 Health and Welfare Trust Retiree Plan

The County entered into a Side Letter Agreement with the Teamsters Local 1932 on March 10, 2020, Board Agenda Item #29, to initiate negotiations to establish an option for the Teamsters Local 1932 members to select the County-sponsored health plans or the Teamsters-sponsored health plans that are offered through a Teamsters healthcare trust. On June 22, 2021, Board Agenda Item # 46, the County entered into a Side Letter Agreement with the Teamsters to defer 0.5% of the FY 2021-22 2.5% across-the-board wage and to defer 1% of the FY 2022-23 3% across-the-board increase to a Teamsters Local 1932 retiree medical trust. On June 27, 2023, Board Agenda Item #64, the County paid \$12,593,111 to the Teamsters Local 1932 retiree medical trust. The \$12,593,111 was funded by the employees' deferral of the across-the-board increases for FY 2021-22 and FY 2022-23. Employee contributions to the Teamsters Local 1932 retiree medical trust are paid bi-weekly going forward. An Other Post-Employment Benefits (OPEB) liability has not been determined as the funding is employee contributions and there are no employer contributions to the Teamsters Local 1932 retiree medical trust.

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.

On March 1, 2022, the Board of Supervisors terminated the general local Emergency Proclamation resulting from COVID-19 and proclaimed a local emergency resulting from the impacts of COVID-19 to the Emergency Medical Services system. On June 25, 2022, the San Bernardino County Health Officer issued an Order clarifying that all previous Health Orders related directly to COVID-19 are rescinded. On October 4, 2022, the Board of Supervisors terminated the local Emergency Proclamation resulting from the impacts of COVID-19 to the Emergency Medical Services system.

On February 28, 2023, Governor Newsom terminated the state's COVID-19 State of Emergency.

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.

SAN BERNARDINO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023
(Amounts in thousands)

NOTE 23 – NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 100 – Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62

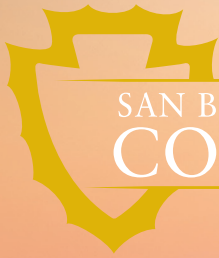
In June 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for the fiscal year ending June 30, 2024. The County has not determined the effect of this Statement.

GASB Statement No. 101 – Compensated Absences

In June 2022, GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the fiscal year ending June 30, 2025. The County has not determined the effect of this Statement.

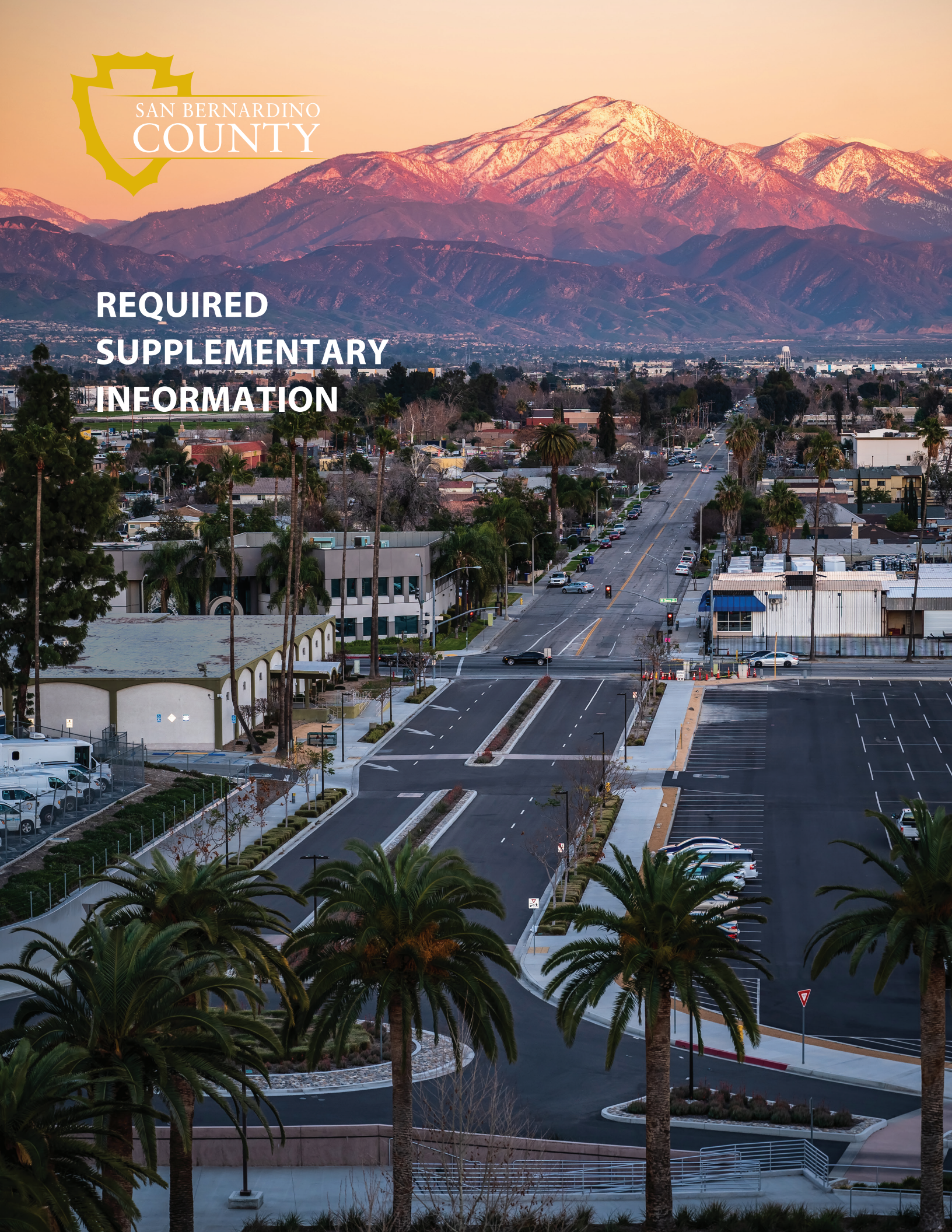
GASB Statement No. 102 – Certain Risk Disclosures

In December 2023, GASB issued Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. That objective is achieved by requiring governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The statement also requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Application of this statement is effective for the City's fiscal year ending June 30, 2025. The County has not determined the effect of this Statement.



SAN BERNARDINO
COUNTY

REQUIRED SUPPLEMENTARY INFORMATION





SAN BERNARDINO COUNTY
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	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability ⁽²⁾	83.46%	80.91%	82.83%	81.73%	81.36%	82.57%	82.92%	83.37%	84.40%
County's proportionate share of the net pension liability	\$ 1,940,123	\$ 1,066,486	\$ 3,320,161	\$ 2,216,336	\$ 2,061,295	\$ 2,176,107	\$ 2,046,702	\$ 1,619,806	\$ 1,434,500
County's covered payroll	\$ 1,368,248	\$ 1,338,809	\$ 1,286,478	\$ 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	141.80%	79.66%	258.08%	181.35%	177.20%	194.89%	192.85%	154.48%	139.41%
Plan fiduciary net position as a percentage of the total pension liability	85.12%	91.19%	71.96%	79.61%	79.89%	77.90%	76.86%	80.98%	82.47%
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	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	83.39%	80.86%	82.76%	81.66%	81.29%	82.48%	82.81%	83.27%	84.29%
Primary Government's proportionate share of the net pension liability	\$ 1,938,432	\$ 1,065,772	\$ 3,317,265	\$ 2,214,449	\$ 2,059,554	\$ 2,174,075	\$ 2,044,518	\$ 1,618,134	\$ 1,432,929
Primary Government's covered payroll	\$ 1,366,611	\$ 1,337,246	\$ 1,285,098	\$ 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	141.84%	79.70%	258.13%	181.41%	177.25%	194.95%	192.90%	154.53%	139.45%
Plan fiduciary net position as a percentage of the total pension liability	85.12%	91.19%	71.96%	79.61%	79.89%	77.90%	76.86%	80.98%	82.47%
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	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%	0.05%	0.07%	0.07%	0.07%	0.09%	0.11%	0.10%	0.11%
Component Unit's proportionate share of the net pension liability	\$ 1,691	\$ 714	\$ 2,896	\$ 1,887	\$ 1,741	\$ 2,032	\$ 2,184	\$ 1,672	\$ 1,571
Component Unit's covered payroll	\$ 1,637	\$ 1,563	\$ 1,380	\$ 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	103.30%	45.70%	209.91%	135.77%	133.89%	148.15%	152.40%	118.99%	113.13%
Plan fiduciary net position as a percentage of the total pension liability	85.12%	91.19%	71.96%	79.61%	79.89%	77.90%	76.86%	80.98%	82.47%
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Note to Schedule:

In 2023, there was no changes of assumptions. Amounts reported in 2023 primarily reflect the -2.37% return on the market value of assets during 2021-2022 that was lower than the assumed return of 7.25%. Additionally, the results of the Board adopted Resolution 2020-5 in this valuation reflect the refunds of member contributions previously paid in conjunction with certain pay items for inclusion in compensation earnable, which increased the net pension liability by \$12.3 million.

In 2022, there was no changes of assumptions. Amounts reported in 2022 primarily reflect the 32.61% return on the market value of assets during 2020-2021 that was higher than the assumed return of 7.25% and the changes in benefit terms based on a decision in the Alameda County Deputy Sheriffs' Assn. et al. v. Alameda County Employees' Retirement Assn. litigation issued by the California Supreme Court on July 30, 2020. The Board of Retirement adopted Resolution 2020-5, which detailed the implementation of the Alameda decision including reclassifying certain pay items for inclusion in compensation earnable. The results in this valuation reflect the reclassification of those pay codes, which reduced the Plan's net pension liability by \$132.8 million.

In 2021, the actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2019. Amounts reported in 2021 primarily a decrease of 0.25% inflation rate, an increase of 0.15% payroll for administrative expenses, and adjustments of projected salary increases and mortality rates to more closely reflect actual experience. Mortality rates were based on the Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2019 projection scale.

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 nine years are shown.

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

SAN BERNARDINO COUNTY
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)

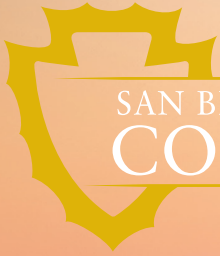
<u>County Total</u>	<u>2023</u>	<u>2022</u>	<u>2021⁽²⁾</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 468,855	\$ 453,712	\$ 413,599	\$ 387,854	\$ 371,241	\$ 315,907	\$ 303,138	\$ 286,271	\$ 255,377
Contributions in relation to the actuarially determined contribution	468,855	453,712	413,599	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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 1,474,889	\$ 1,368,248	\$ 1,338,809	\$ 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	31.79%	33.16%	30.89%	30.15%	30.38%	27.16%	27.15%	27.70%	24.36%
<u>Primary Government</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 468,411	\$ 453,263	\$ 413,204	\$ 387,511	\$ 370,902	\$ 315,618	\$ 302,836	\$ 285,943	\$ 255,080
Contributions in relation to the actuarially determined contribution	468,411	453,263	413,204	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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 1,473,187	\$ 1,366,611	\$ 1,337,246	\$ 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	31.80%	33.17%	30.90%	30.15%	30.38%	27.16%	27.16%	26.98%	24.36%
<u>Discretely Presented Component Unit</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 444	\$ 449	\$ 395	\$ 343	\$ 339	\$ 289	\$ 302	\$ 328	\$ 297
Contributions in relation to the actuarially determined contribution	444	449	395	343	339	289	302	328	297
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 1,702	\$ 1,637	\$ 1,563	\$ 1,380	\$ 1,390	\$ 1,301	\$ 1,372	\$ 1,443	\$ 1,406
Contributions as a percentage of covered payroll	26.06%	27.44%	25.25%	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 nine years are shown.

⁽²⁾ 2021 Contributions have been revised due to the Plan corrected an error on the 415 replacement benefit plan adjustment.

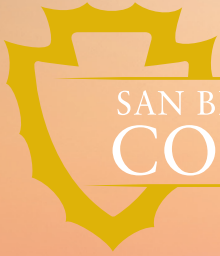




SAN BERNARDINO
COUNTY

SUPPLEMENTAL INFORMATION





SAN BERNARDINO
COUNTY

**COMBINED
FINANCIAL
STATEMENTS
NONMAJOR
GOVERNMENTAL
FUNDS**





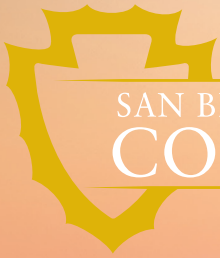
**SAN BERNARDINO COUNTY
COMBINED BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023 (IN THOUSANDS)**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR FUNDS
ASSETS					
CASH AND INVESTMENTS	\$ 1,367,020	\$ 7,253	\$ 33,536	\$ 1,837	\$ 1,409,646
ACCOUNTS RECEIVABLE - NET	2,369	-	-	-	2,369
DUE FROM OTHER GOVERNMENTS	123,470	-	-	-	123,470
TAXES RECEIVABLE	13,345	-	-	-	13,345
INTEREST RECEIVABLE	1,055	-	-	-	1,055
LEASE RECEIVABLE	2,445	-	-	-	2,445
LOAN RECEIVABLE	5,500	-	-	-	5,500
OTHER RECEIVABLES	11,528	-	-	-	11,528
DUE FROM OTHER FUNDS	23,575	-	689	-	24,264
LAND HELD FOR RESALE	361	-	1,301	-	1,662
INVENTORIES	353	-	-	-	353
PREPAID ITEMS	11,646	-	-	-	11,646
ADVANCES TO OTHER FUNDS	869	-	-	-	869
RESTRICTED CASH AND INVESTMENTS	9,449	-	-	-	9,449
TOTAL ASSETS	<u>\$ 1,572,985</u>	<u>\$ 7,253</u>	<u>\$ 35,526</u>	<u>\$ 1,837</u>	<u>\$ 1,617,601</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE	\$ 59,208	\$ -	\$ 181	\$ -	\$ 59,389
SALARIES AND BENEFITS PAYABLE	21,430	-	-	-	21,430
DUE TO OTHER FUNDS	57,510	600	290	-	58,400
DUE TO OTHER GOVERNMENTS	7,330	-	-	-	7,330
INTEREST PAYABLE	482	-	42	-	524
ADVANCES FROM OTHERS	18,467	-	-	-	18,467
ADVANCES FROM OTHER FUNDS	11,298	-	2,064	-	13,362
TOTAL LIABILITIES	<u>175,725</u>	<u>600</u>	<u>2,577</u>	<u>-</u>	<u>178,902</u>
DEFERRED INFLOWS OF RESOURCES	<u>19,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,147</u>
FUND BALANCES:					
NONSPENDABLE	11,999	-	-	1,837	13,836
RESTRICTED	1,248,096	6,653	32,949	-	1,287,698
ASSIGNED	118,018	-	-	-	118,018
TOTAL FUND BALANCES	<u>1,378,113</u>	<u>6,653</u>	<u>32,949</u>	<u>1,837</u>	<u>1,419,552</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,572,985</u>	<u>\$ 7,253</u>	<u>\$ 35,526</u>	<u>\$ 1,837</u>	<u>\$ 1,617,601</u>

**SAN BERNARDINO COUNTY
 COMBINED - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR FUNDS
REVENUES					
TAXES	\$ 265,885	\$ -	\$ -	\$ -	\$ 265,885
LICENSES, PERMITS, AND FRANCHISES	942	-	-	-	942
FINES, FORFEITURES, AND PENALTIES	4,610	-	-	-	4,610
REVENUES FROM USE OF MONEY AND PROPERTY	26,667	49	531	36	27,283
AID FROM OTHER GOVERNMENTAL AGENCIES	498,466	-	15	-	498,481
CHARGES FOR CURRENT SERVICES	149,287	-	-	-	149,287
OTHER REVENUES	38,869	673	1	-	39,543
TOTAL REVENUES	984,726	722	547	36	986,031
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT	6,965	3	633	-	7,601
PUBLIC PROTECTION	327,011	-	-	-	327,011
PUBLIC WAYS AND FACILITIES	125,988	-	-	-	125,988
HEALTH AND SANITATION	229,912	-	-	-	229,912
PUBLIC ASSISTANCE	141,681	-	-	-	141,681
EDUCATION	21,017	-	-	-	21,017
RECREATION AND CULTURAL SERVICES	11,472	-	-	-	11,472
DEBT SERVICE:					
PRINCIPAL	11,089	56,875	-	-	67,964
INTEREST AND FISCAL CHARGES	2,623	4,261	78	-	6,962
CAPITAL OUTLAY	33,948	-	2,385	-	36,333
TOTAL EXPENDITURES	911,706	61,139	3,096	-	975,941
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	73,020	(60,417)	(2,549)	36	10,090
OTHER FINANCING SOURCES (USES):					
TRANSFERS OUT	(55,685)	-	(100)	-	(55,785)
TRANSFERS IN	67,335	58,159	3,507	-	129,001
LEASE FINANCING	5,675	-	-	-	5,675
SUBSCRIPTION FINANCING	2,289	-	-	-	2,289
SALE OF CAPITAL ASSETS	3,443	-	-	-	3,443
TOTAL OTHER FINANCING SOURCES AND (USES)	23,057	58,159	3,407	-	84,623
NET CHANGE IN FUND BALANCES	96,077	(2,258)	858	36	94,713
FUND BALANCES, BEGINNING	1,282,036	8,911	32,091	1,801	1,324,839
FUND BALANCES, ENDING	<u>\$ 1,378,113</u>	<u>\$ 6,653</u>	<u>\$ 32,949</u>	<u>\$ 1,837</u>	<u>\$ 1,419,552</u>





SAN BERNARDINO
COUNTY

**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

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 solely for the acquisition, rehabilitation, construction, and financing of courtrooms and courtroom facilities pursuant to Government Code Section 76100.

NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS – Continued

CRIMINAL JUSTICE TEMPORARY CONSTRUCTION

The Criminal Justice Temporary Construction fund accounts for the monies that are restricted to be used for improvements to criminal justice facilities. Revenues are derived from a surcharge on parking fines and criminal fines pursuant to Government Code Section 76101.

CENTRAL COURTHOUSE SURCHARGE

The Central Courthouse Surcharge fund accounts for the monies to be used solely for the Central Courthouse seismic retrofit/remodel project as well as contributions to the state for the new courthouse in downtown San Bernardino. 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 modernized the 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 103605(f) and 103625(g)(2) 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 specific functions: Inland Regional Narcotics Enforcement Team, local detention facility projects, federal and state asset forfeitures, vehicle registration assessments, law enforcement, vehicle replacement, equipment and maintenance, civil process operations associated with court services, 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 court fees as authorized by Government Code Sections 26731 and 26746.

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. It also accounts for the Bloomington Library being co-located within the Bloomington Intergenerational Housing Project. The Library is funded primarily through property tax revenues, federal and state funds, service fees, contributions from local Friends of the Library organizations, and the Bloomington Library reserve provided by the developer of the housing project.

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 from financing activities to be used for 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, Vital Statistics State Fees, Vector Control Assessments, Chino Agricultural Preserve, Off-Highway Vehicle License Fees, County Trails System, Park Maintenance and Development, Disaster Recovery, State Supplementation for County Assessors Program, Project Roomkey and Rehousing Strategy, El Mirage Off-Road Vehicle Park, Epidemiology Laboratory Capacity, 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.

PERMANENT FUNDS DESCRIPTIONS

LUCERNE VALLEY CEMETERY ENDOWMENT CARE FUND

The Lucerne Valley Cemetery Endowment Care fund accounts for cash contributions for the Lucerne Valley Cemetery endowment. Interest earnings are used for 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.



**SAN BERNARDINO COUNTY
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2023 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>TRANSPORTATION</u>	<u>SPECIAL TRANSPORTATION</u>	<u>SPECIAL AVIATION</u>
ASSETS				
CASH AND INVESTMENTS	\$ 1,367,020	\$ 81,495	\$ 74,035	\$ 5,384
ACCOUNTS RECEIVABLE - NET	2,369	8	-	-
DUE FROM OTHER GOVERNMENTS	123,470	14,899	2,004	-
TAXES RECEIVABLE	13,345	-	-	-
INTEREST RECEIVABLE	1,055	-	-	-
LEASE RECEIVABLE	2,445	-	-	-
LOANS RECEIVABLE	5,500	-	-	-
OTHER RECEIVABLES	11,528	-	-	-
DUE FROM OTHER FUNDS	23,575	3,279	114	395
LAND HELD FOR RESALE	361	-	-	-
INVENTORIES	353	159	-	-
PREPAID ITEMS	11,646	227	-	-
ADVANCES TO OTHER FUNDS	869	55	-	-
RESTRICTED CASH AND INVESTMENTS	9,449	-	-	-
TOTAL ASSETS	<u>\$ 1,572,985</u>	<u>\$ 100,122</u>	<u>\$ 76,153</u>	<u>\$ 5,779</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 59,208	\$ 10,453	\$ 2,089	\$ -
SALARIES AND BENEFITS PAYABLE	21,430	1,224	-	-
DUE TO OTHER FUNDS	57,510	867	510	517
DUE TO OTHER GOVERNMENTS	7,330	-	-	-
INTEREST PAYABLE	482	-	-	-
ADVANCES FROM OTHERS	18,467	1,110	-	-
ADVANCES FROM OTHER FUNDS	11,298	-	55	-
TOTAL LIABILITIES	<u>175,725</u>	<u>13,654</u>	<u>2,654</u>	<u>517</u>
DEFERRED INFLOWS OF RESOURCES	<u>19,147</u>	<u>1</u>	<u>-</u>	<u>-</u>
FUND BALANCES:				
NONSPENDABLE	11,999	386	-	-
RESTRICTED	1,248,096	52,101	73,499	5,262
ASSIGNED	118,018	33,980	-	-
TOTAL FUND BALANCES	<u>1,378,113</u>	<u>86,467</u>	<u>73,499</u>	<u>5,262</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,572,985</u>	<u>\$ 100,122</u>	<u>\$ 76,153</u>	<u>\$ 5,779</u>

**SAN BERNARDINO COUNTY
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2023 (IN THOUSANDS)**

	MENTAL HEALTH SERVICES ACT	PRESCHOOL SERVICES	AGING AND ADULT SERVICES	JOBS AND EMPLOYMENT SERVICES
ASSETS				
CASH AND INVESTMENTS	\$ 227,434	\$ 3,395	\$ 2,847	\$ 478
ACCOUNTS RECEIVABLE - NET	-	-	-	-
DUE FROM OTHER GOVERNMENTS	32,873	6,531	4,797	2,271
TAXES RECEIVABLE	-	-	-	-
INTEREST RECEIVABLE	-	-	-	-
LEASE RECEIVABLE	-	-	-	-
LOANS RECEIVABLE	-	-	-	-
OTHER RECEIVABLES	-	-	-	-
DUE FROM OTHER FUNDS	973	130	212	95
LAND HELD FOR RESALE	-	-	-	-
INVENTORIES	-	-	-	-
PREPAIDS ITEMS	-	-	-	-
ADVANCES TO OTHER FUNDS	-	-	-	-
RESTRICTED CASH AND INVESTMENTS	-	-	-	-
TOTAL ASSETS	<u>\$ 261,280</u>	<u>\$ 10,056</u>	<u>\$ 7,856</u>	<u>\$ 2,844</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 26,943	\$ 5,399	\$ 1,017	\$ 1,972
SALARIES AND BENEFITS PAYABLE	2,053	971	113	321
DUE TO OTHER FUNDS	2,768	300	5,064	110
DUE TO OTHER GOVERNMENTS	1,605	320	-	338
INTEREST PAYABLE	-	-	-	-
ADVANCES FROM OTHERS	-	36	-	-
ADVANCES FROM OTHR FUNDS	-	-	-	-
TOTAL LIABILITIES	<u>33,369</u>	<u>7,026</u>	<u>6,194</u>	<u>2,741</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>47</u>
FUND BALANCES:				
NONSPENDABLE	-	-	-	-
RESTRICTED	227,911	3,030	1,662	56
ASSIGNED	-	-	-	-
TOTAL FUND BALANCES	<u>227,911</u>	<u>3,030</u>	<u>1,662</u>	<u>56</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 261,280</u>	<u>\$ 10,056</u>	<u>\$ 7,856</u>	<u>\$ 2,844</u>

**SAN BERNARDINO COUNTY
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2023 (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 INVESTMENTS	\$ 185	\$ 6,230	\$ -	\$ 24,585
ACCOUNTS RECEIVABLE - NET	-	-	-	16
DUE FROM OTHER GOVERNMENTS	1	1	-	-
TAXES RECEIVABLE	-	-	-	-
INTEREST RECEIVABLE	-	-	-	-
LEASE RECEIVABLE	-	-	-	-
LOANS RECEIVABLE	-	-	-	-
OTHER RECEIVABLES	-	-	-	-
DUE FROM OTHER FUNDS	-	-	3,140	116
LAND HELD FOR RESALE	-	-	-	-
INVENTORIES	-	-	-	-
PREPAIDS ITEMS	-	-	-	-
ADVANCES TO OTHER FUNDS	-	-	-	-
RESTRICTED CASH AND INVESTMENTS	-	-	-	-
TOTAL ASSETS	<u>\$ 186</u>	<u>\$ 6,231</u>	<u>\$ 3,140</u>	<u>\$ 24,717</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ -	\$ -	\$ 1	\$ 132
SALARIES AND BENEFITS PAYABLE	-	-	-	13
DUE TO OTHER FUNDS	-	6,230	-	5
DUE TO OTHER GOVERNMENTS	186	-	-	-
INTEREST PAYABLE	-	-	-	-
ADVANCES FROM OTHERS	-	-	-	-
ADVANCES FROM OTHER FUNDS	-	-	-	-
TOTAL LIABILITIES	<u>186</u>	<u>6,230</u>	<u>1</u>	<u>150</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:				
NONSPENDABLE	-	-	-	-
RESTRICTED	-	1	3,139	24,567
ASSIGNED	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>1</u>	<u>3,139</u>	<u>24,567</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 186</u>	<u>\$ 6,231</u>	<u>\$ 3,140</u>	<u>\$ 24,717</u>

**SAN BERNARDINO COUNTY
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2023 (IN THOUSANDS)**

	LOCAL LAW ENFORCEMENT BLOCK GRANT	SHERIFF SPECIAL PROJECTS	FIRE PROTECTION DISTRICTS	ECONOMIC AND COMMUNITY DEVELOPMENT
ASSETS				
CASH AND INVESTMENTS	\$ 2,643	\$ 18,160	\$ 237,283	\$ 30,334
ACCOUNTS RECEIVABLE - NET	-	-	782	-
DUE FROM OTHER GOVERNMENTS	-	949	16,009	22,763
TAXES RECEIVABLE	-	-	8,056	-
INTEREST RECEIVABLE	-	-	-	-
LEASE RECEIVABLE	-	-	-	-
LOANS RECEIVABLE	-	-	-	5,500
OTHER RECEIVABLES	-	-	1,306	-
DUE FROM OTHER FUNDS	-	-	2,413	655
LAND HELD FOR RESALE	-	-	-	-
INVENTORIES	-	-	-	-
PREPAID ITEMS	-	-	11,222	-
ADVANCES TO OTHER FUNDS	-	-	-	-
RESTRICTED CASH AND INVESTMENTS	-	-	-	-
TOTAL ASSETS	<u>\$ 2,643</u>	<u>\$ 19,109</u>	<u>\$ 277,071</u>	<u>\$ 59,252</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ -	\$ 8	\$ 3,582	\$ 1,503
SALARIES AND BENEFITS PAYABLE	-	-	7,891	142
DUE TO OTHER FUNDS	-	1,392	660	298
DUE TO OTHER GOVERNMENTS	-	577	3,579	246
INTEREST PAYABLE	-	-	-	168
ADVANCES FROM OTHERS	18	-	947	2,052
ADVANCES FROM OTHER FUNDS	-	-	-	5,500
TOTAL LIABILITIES	<u>18</u>	<u>1,977</u>	<u>16,659</u>	<u>9,909</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>2,179</u>	<u>2</u>
FUND BALANCES:				
NONSPENDABLE	-	-	11,222	-
RESTRICTED	2,625	17,132	247,011	46,503
ASSIGNED	-	-	-	2,838
TOTAL FUND BALANCES	<u>2,625</u>	<u>17,132</u>	<u>258,233</u>	<u>49,341</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,643</u>	<u>\$ 19,109</u>	<u>\$ 277,071</u>	<u>\$ 59,252</u>

**SAN BERNARDINO COUNTY
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2023 (IN THOUSANDS)**

	FLOOD CONTROL DISTRICT	COUNTY SERVICE AREAS	PARK AND RECREATION DISTRICTS	COUNTY FREE LIBRARY
ASSETS				
CASH AND INVESTMENTS	\$ 264,479	\$ 39,903	\$ 6,544	\$ 34,600
ACCOUNTS RECEIVABLE - NET	1,036	39	43	173
DUE FROM OTHER GOVERNMENTS	786	246	-	6
TAXES RECEIVABLE	3,812	226	140	1,111
INTEREST RECEIVABLE	1,004	31	-	-
LEASE RECEIVABLE	-	-	-	-
LOANS RECEIVABLE	-	-	-	-
OTHER RECEIVABLES	-	-	-	-
DUE FROM OTHER FUNDS	1,136	2,160	188	227
LAND HELD FOR RESALE	-	-	-	-
INVENTORIES	-	-	194	-
PREPAID ITEMS	197	-	-	-
ADVANCES TO OTHER FUNDS	-	814	-	-
RESTRICTED CASH AND INVESTMENTS	9,449	-	-	-
TOTAL ASSETS	<u>\$ 281,899</u>	<u>\$ 43,419</u>	<u>\$ 7,109</u>	<u>\$ 36,117</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 1,991	\$ 1,011	\$ 279	\$ 468
SALARIES AND BENEFITS PAYABLE	691	369	105	341
DUE TO OTHER FUNDS	1,637	415	339	105
DUE TO OTHER GOVERNMENTS	284	177	-	18
INTEREST PAYABLE	-	2	312	-
ADVANCES FROM OTHERS	4,532	36	3	-
ADVANCES FROM OTHER FUNDS	-	243	5,500	-
TOTAL LIABILITIES	<u>9,135</u>	<u>2,253</u>	<u>6,538</u>	<u>932</u>
DEFERRED INFLOWS OF RESOURCES	<u>3,578</u>	<u>192</u>	<u>59</u>	<u>425</u>
FUND BALANCES:				
NONSPENDABLE	197	-	194	-
RESTRICTED	259,469	40,974	318	34,760
ASSIGNED	9,520	-	-	-
TOTAL FUND BALANCES	<u>269,186</u>	<u>40,974</u>	<u>512</u>	<u>34,760</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 281,899</u>	<u>\$ 43,419</u>	<u>\$ 7,109</u>	<u>\$ 36,117</u>

**SAN BERNARDINO COUNTY
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2023 (IN THOUSANDS)**

	REDEVELOPMENT SUCCESSOR HOUSING	JOINT POWERS AUTHORITIES	OTHER SPECIAL REVENUE
ASSETS			
CASH AND INVESTMENTS	\$ 3,441	\$ 4,875	\$ 298,690
ACCOUNTS RECEIVABLE - NET	-	-	272
DUE FROM OTHER GOVERNMENTS	-	-	19,334
TAXES RECEIVABLE	-	-	-
INTEREST RECEIVABLE	-	18	2
LEASE RECEIVABLE	-	-	2,445
LOANS RECEIVABLE	-	-	-
OTHER RECEIVABLE	-	-	10,222
DUE FROM OTHER FUNDS	104	-	8,238
LAND HELD FOR RESALE	361	-	-
INVENTORIES	-	-	-
PREPAID ITEMS	-	-	-
ADVANCES TO OTHER FUNDS	-	-	-
RESTRICTED CASH AND INVESTMENTS	-	-	-
TOTAL ASSETS	<u>\$ 3,906</u>	<u>\$ 4,893</u>	<u>\$ 339,203</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
ACCOUNTS PAYABLE	\$ 215	\$ -	\$ 2,145
SALARIES AND BENEFITS PAYABLE	-	-	7,196
DUE TO OTHER FUNDS	75	3,140	33,078
DUE TO OTHER GOVERNMENTS	-	-	-
INTEREST PAYABLE	-	-	-
ADVANCES FROM OTHERS	-	-	9,733
ADVANCES FROM OTHER FUNDS	-	-	-
TOTAL LIABILITIES	<u>290</u>	<u>3,140</u>	<u>52,152</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>12,664</u>
FUND BALANCES:			
NONSPENDABLE	-	-	-
RESTRICTED	3,616	1,753	202,707
ASSIGNED	-	-	71,680
TOTAL FUND BALANCES	<u>3,616</u>	<u>1,753</u>	<u>274,387</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,906</u>	<u>\$ 4,893</u>	<u>\$ 339,203</u>

**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>TRANSPORTATION</u>	<u>SPECIAL TRANSPORTATION</u>	<u>SPECIAL AVIATION</u>
REVENUES:				
TAXES	\$ 265,885	\$ -	\$ 7,841	\$ -
LICENSES, PERMITS AND FRANCHISES	942	336	-	-
FINES, FORFEITURES AND PENALTIES	4,610	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	26,667	1,720	1,375	127
AID FROM OTHER GOVERNMENTAL AGENCIES	498,466	93,303	1,293	-
CHARGES FOR CURRENT SERVICES	149,287	2,670	2,135	-
OTHER REVENUES	38,869	190	-	-
TOTAL REVENUES	984,726	98,219	12,644	127
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	6,965	-	-	-
PUBLIC PROTECTION	327,011	-	-	-
PUBLIC WAYS AND FACILITIES	125,988	107,218	15,941	-
HEALTH AND SANITATION	229,912	-	-	-
PUBLIC ASSISTANCE	141,681	-	-	-
EDUCATION	21,017	-	-	-
RECREATION AND CULTURAL SERVICES	11,472	-	-	-
DEBT SERVICE:				
PRINCIPAL	11,089	6	-	-
INTEREST AND FISCAL CHARGES	2,623	-	-	-
CAPITAL OUTLAY	33,948	5,046	-	-
TOTAL EXPENDITURES	911,706	112,270	15,941	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	73,020	(14,051)	(3,297)	127
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT	(55,685)	(634)	(900)	(901)
TRANSFERS IN	67,335	3,389	-	97
LEASE FINANCING	5,675	-	-	-
SUBSCRIPTION FINANCING	2,289	-	-	-
SALE OF CAPITAL ASSETS	3,443	203	-	-
TOTAL OTHER FINANCING SOURCES (USES)	23,057	2,958	(900)	(804)
NET CHANGE IN FUND BALANCES	96,077	(11,093)	(4,197)	(677)
FUND BALANCES, BEGINNING	1,282,036	97,560	77,696	5,939
FUND BALANCES, ENDING	\$ 1,378,113	\$ 86,467	\$ 73,499	\$ 5,262

**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	MENTAL HEALTH SERVICES ACT	PRESCHOOL SERVICES	AGING AND ADULT SERVICES	JOBS AND EMPLOYMENT SERVICES
REVENUES:				
TAXES	\$ -	\$ -	\$ -	\$ -
LICENSES, PERMITS AND FRANCHISES	-	-	-	-
FINES, FORFEITURES AND PENALTIES	-	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	5,370	61	42	717
AID FROM OTHER GOVERNMENTAL AGENCIES	160,713	60,314	17,102	16,973
CHARGES FOR CURRENT SERVICES	42	14	-	-
OTHER REVENUES	6,639	141	2,701	122
TOTAL REVENUES	172,764	60,530	19,845	17,812
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	-	-	-	-
PUBLIC PROTECTION	-	-	-	-
PUBLIC WAYS AND FACILITIES	-	-	-	-
HEALTH AND SANITATION	207,316	-	-	-
PUBLIC ASSISTANCE	-	55,987	19,702	17,524
EDUCATION	-	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-	-
DEBT SERVICE:				
PRINCIPAL	1,869	1,821	51	744
INTEREST AND FISCAL CHARGES	8	26	2	69
CAPITAL OUTLAY	1,229	1,228	-	1,280
TOTAL EXPENDITURES	210,422	59,062	19,755	19,617
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(37,658)	1,468	90	(1,805)
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT	(1,152)	(1,639)	(16,875)	(140)
TRANSFERS IN	969	2	16,876	291
LEASE FINANCING	-	1,127	-	1,130
SUBSCRIPTION FINANCING	-	-	-	150
SALE OF CAPITAL ASSETS	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(183)	(510)	1	1,431
NET CHANGE IN FUND BALANCES	(37,841)	958	91	(374)
FUND BALANCES, BEGINNING	265,752	2,072	1,571	430
FUND BALANCES, ENDING	<u>\$ 227,911</u>	<u>\$ 3,030</u>	<u>\$ 1,662</u>	<u>\$ 56</u>

**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	COURTHOUSE TEMPORARY CONSTRUCTION	CRIMINAL JUSTICE TEMPORARY CONSTRUCTION	CENTRAL COURTHOUSE SURCHARGE	MICROGRAPHICS FEES
REVENUES:				
TAXES	\$ -	\$ -	\$ -	\$ -
LICENSES, PERMITS AND FRANCHISES	-	-	-	-
FINES, FORFEITURES AND PENALTIES	299	1,311	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	1	63	-	164
AID FROM OTHER GOVERNMENTAL AGENCIES	-	-	-	8
CHARGES FOR CURRENT SERVICES	-	-	1,506	2,574
OTHER REVENUES	-	-	364	-
TOTAL REVENUES	300	1,374	1,870	2,746
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	300	-	-	-
PUBLIC PROTECTION	-	-	-	3,945
PUBLIC WAYS AND FACILITIES	-	-	-	-
HEALTH AND SANITATION	-	-	-	-
PUBLIC ASSISTANCE	-	-	-	-
EDUCATION	-	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-	-
DEBT SERVICE:				
PRINCIPAL	-	-	-	30
INTEREST AND FISCAL CHARGES	-	-	-	-
CAPITAL OUTLAY	-	-	-	126
TOTAL EXPENDITURES	300	-	-	4,101
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	1,374	1,870	(1,355)
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT	-	(1,374)	(1,870)	(141)
TRANSFERS IN	-	-	3,139	374
LEASE FINANCING	-	-	-	-
SUBSCRIPTION FINANCING	-	-	-	14
SALE OF CAPITAL ASSETS	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(1,374)	1,269	247
NET CHANGE IN FUND BALANCES	-	-	3,139	(1,108)
FUND BALANCES, BEGINNING	-	1	-	25,675
FUND BALANCES, ENDING	\$ -	\$ 1	\$ 3,139	\$ 24,567

**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	LOCAL LAW ENFORCEMENT BLOCK GRANT	SHERIFF SPECIAL PROJECTS	FIRE PROTECTION DISTRICTS	ECONOMIC AND COMMUNITY DEVELOPMENT
REVENUES:				
TAXES	\$ -	\$ -	\$ 133,824	\$ -
LICENSES, PERMITS AND FRANCHISES	-	-	-	-
FINES, FORFEITURES AND PENALTIES	-	15	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	26	277	3,835	1,313
AID FROM OTHER GOVERNMENTAL AGENCIES	1,222	11,904	32,690	37,466
CHARGES FOR CURRENT SERVICES	36	506	119,540	1
OTHER REVENUES	-	-	1,168	2,223
TOTAL REVENUES	1,284	12,702	291,057	41,003
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	-	-	-	-
PUBLIC PROTECTION	1,811	9,747	254,626	-
PUBLIC WAYS AND FACILITIES	-	-	-	-
HEALTH AND SANITATION	-	-	-	-
PUBLIC ASSISTANCE	-	-	-	44,267
EDUCATION	-	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	-	-
DEBT SERVICE:				
PRINCIPAL	-	-	1,301	151
INTEREST AND FISCAL CHARGES	-	-	782	147
CAPITAL OUTLAY	-	596	11,706	1,392
TOTAL EXPENDITURES	1,811	10,343	268,415	45,957
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(527)	2,359	22,642	(4,954)
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT	-	-	(6,059)	(1,733)
TRANSFERS IN	-	-	24,621	514
LEASE FINANCING	-	-	2,026	1,392
SUBSCRIPTION FINANCING	-	-	1,777	-
SALE OF CAPITAL ASSETS	-	-	56	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	22,421	173
NET CHANGE IN FUND BALANCES	(527)	2,359	45,063	(4,781)
FUND BALANCES, BEGINNING	3,152	14,773	213,170	54,122
FUND BALANCES, ENDING	<u>\$ 2,625</u>	<u>\$ 17,132</u>	<u>\$ 258,233</u>	<u>\$ 49,341</u>

**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	FLOOD CONTROL DISTRICT	COUNTY SERVICE AREAS	PARK AND RECREATION DISTRICTS	COUNTY FREE LIBRARY
REVENUES:				
TAXES	\$ 87,451	\$ 5,626	\$ 3,605	\$ 27,513
LICENSES, PERMITS AND FRANCHISES	65	-	-	-
FINES, FORFEITURES AND PENALTIES	-	-	-	-
REVENUES FROM USE OF MONEY AND PROPERTY	4,357	636	79	7
AID FROM OTHER GOVERNMENTAL AGENCIES	2,392	1,758	207	501
CHARGES FOR CURRENT SERVICES	805	5,656	2,183	796
OTHER REVENUES	299	346	942	169
TOTAL REVENUES	95,369	14,022	7,016	28,986
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	-	5,513	-	-
PUBLIC PROTECTION	34,762	-	-	-
PUBLIC WAYS AND FACILITIES	-	2,829	-	-
HEALTH AND SANITATION	-	-	-	-
PUBLIC ASSISTANCE	-	-	-	-
EDUCATION	-	-	-	21,017
RECREATION AND CULTURAL SERVICES	-	2,280	6,238	-
DEBT SERVICE:				
PRINCIPAL	3,729	-	-	470
INTEREST AND FISCAL CHARGES	814	10	143	11
CAPITAL OUTLAY	6,640	1,600	213	588
TOTAL EXPENDITURES	45,945	12,232	6,594	22,086
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	49,424	1,790	422	6,900
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT	(858)	(221)	(234)	(133)
TRANSFERS IN	1,301	4,409	193	-
LEASE FINANCING	-	-	-	-
SUBSCRIPTION FINANCING	249	-	-	-
SALE OF CAPITAL ASSETS	313	36	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,005	4,224	(41)	(133)
NET CHANGE IN FUND BALANCES	50,429	6,014	381	6,767
FUND BALANCES, BEGINNING	218,757	34,960	131	27,993
FUND BALANCES, ENDING	\$ 269,186	\$ 40,974	\$ 512	\$ 34,760

SAN BERNARDINO COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)

	REDEVELOPMENT SUCCESSOR HOUSING	JOINT POWERS AUTHORITIES	OTHER SPECIAL REVENUE
REVENUES:			
TAXES	\$ -	\$ -	\$ 25
LICENSES, PERMITS AND FRANCHISES	-	-	541
FINES, FORFEITURES AND PENALTIES	-	-	2,985
REVENUES FROM USE OF MONEY AND PROPERTY	88	155	6,254
AID FROM OTHER GOVERNMENTAL AGENCIES	-	-	60,620
CHARGES FOR CURRENT SERVICES	-	-	10,823
OTHER REVENUES	378	-	23,187
TOTAL REVENUES	466	155	104,435
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	-	2	1,150
PUBLIC PROTECTION	-	-	22,120
PUBLIC WAYS AND FACILITIES	-	-	-
HEALTH AND SANITATION	-	-	22,596
PUBLIC ASSISTANCE	2,397	-	1,804
EDUCATION	-	-	-
RECREATION AND CULTURAL SERVICES	-	-	2,954
DEBT SERVICE:			
PRINCIPAL	-	485	432
INTEREST AND FISCAL CHARGES	-	599	12
CAPITAL OUTLAY	-	-	2,304
TOTAL EXPENDITURES	2,397	1,086	53,372
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,931)	(931)	51,063
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	-	(1,269)	(19,552)
TRANSFERS IN	241	-	10,919
LEASE FINANCING	-	-	-
SUBSCRIPTION FINANCING	-	-	99
SALE OF CAPITAL ASSETS	-	-	2,835
TOTAL OTHER FINANCING SOURCES (USES)	241	(1,269)	(5,699)
NET CHANGE IN FUND BALANCES	(1,690)	(2,200)	45,364
FUND BALANCES	5,306	3,953	229,023
FUND BALANCES, ENDING	\$ 3,616	\$ 1,753	\$ 274,387

**SAN BERNARDINO COUNTY
 BALANCE SHEET
 DEBT SERVICE FUNDS
 JUNE 30, 2023 (IN THOUSANDS)**

	<u>PENSION OBLIGATION BONDS</u>
ASSETS	
CASH AND INVESTMENTS	\$ 7,253
TOTAL ASSETS	<u>\$ 7,253</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
LIABILITIES:	
DUE TO OTHER FUNDS	\$ 600
TOTAL LIABILITIES	<u>600</u>
FUND BALANCES:	
RESTRICTED	<u>6,653</u>
TOTAL FUND BALANCES	<u>6,653</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 7,253</u>

**SAN BERNARDINO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	PENSION OBLIGATION BONDS
REVENUES	
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 49
OTHER REVENUES	673
TOTAL REVENUES	<u>722</u>
EXPENDITURES	
CURRENT:	
GENERAL GOVERNMENT	3
DEBT SERVICE:	
PRINCIPAL	56,875
INTEREST AND FISCAL CHARGES	4,261
TOTAL EXPENDITURES	<u>61,139</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(60,417)</u>
OTHER FINANCING SOURCES (USES):	
TRANSFERS IN	58,159
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>58,159</u>
NET CHANGE IN FUND BALANCES	(2,258)
FUND BALANCES, BEGINNING	8,911
FUND BALANCES, ENDING	<u>\$ 6,653</u>

**SAN BERNARDINO COUNTY
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2023 (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>
ASSETS					
CASH AND INVESTMENTS	\$ 33,536	\$ 17,779	\$ 8,545	\$ 3,792	\$ 3,420
DUE FROM OTHER FUNDS	689	-	-	642	47
LAND HELD FOR RESALE	1,301	1,301	-	-	-
TOTAL ASSETS	<u>\$ 35,526</u>	<u>\$ 19,080</u>	<u>\$ 8,545</u>	<u>\$ 4,434</u>	<u>\$ 3,467</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE	\$ 181	\$ 1	\$ -	\$ 126	\$ 54
DUE TO OTHER FUNDS	290	-	-	120	170
INTEREST PAYABLE	42	-	-	42	-
ADVANCES FROM OTHER FUNDS	2,064	-	-	1,500	564
TOTAL LIABILITIES	<u>2,577</u>	<u>1</u>	<u>-</u>	<u>1,788</u>	<u>788</u>
FUND BALANCES:					
RESTRICTED	32,949	19,079	8,545	2,646	2,679
TOTAL FUND BALANCES	<u>32,949</u>	<u>19,079</u>	<u>8,545</u>	<u>2,646</u>	<u>2,679</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 35,526</u>	<u>\$ 19,080</u>	<u>\$ 8,545</u>	<u>\$ 4,434</u>	<u>\$ 3,467</u>

**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2023 (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	\$ 531	\$ 348	\$ 120	\$ 12	\$ 51
AID FROM OTHER GOVERNMENTAL AGENCIES	15	-	-	-	15
OTHER REVENUES	1	-	-	1	-
TOTAL REVENUES	<u>547</u>	<u>348</u>	<u>120</u>	<u>13</u>	<u>66</u>
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT	633	345	-	57	231
DEBT SERVICE:					
INTEREST AND FISCAL CHARGES	78	-	-	78	-
CAPITAL OUTLAY	2,385	-	-	587	1,798
TOTAL EXPENDITURES	<u>3,096</u>	<u>345</u>	<u>-</u>	<u>722</u>	<u>2,029</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,549)</u>	<u>3</u>	<u>120</u>	<u>(709)</u>	<u>(1,963)</u>
OTHER FINANCING SOURCES (USES):					
TRANSFERS OUT	(100)	-	-	(100)	-
TRANSFERS IN	3,507	-	-	2,942	565
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>3,407</u>	<u>-</u>	<u>-</u>	<u>2,842</u>	<u>565</u>
NET CHANGE IN FUND BALANCES	858	3	120	2,133	(1,398)
FUND BALANCES, BEGINNING	32,091	19,076	8,425	513	4,077
FUND BALANCES, ENDING	<u>\$ 32,949</u>	<u>\$ 19,079</u>	<u>\$ 8,545</u>	<u>\$ 2,646</u>	<u>\$ 2,679</u>

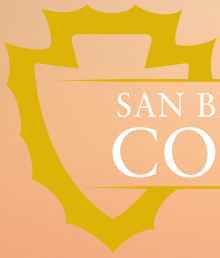
**SAN BERNARDINO COUNTY
 COMBINING BALANCE SHEET
 PERMANENT FUNDS
 JUNE 30, 2023 (IN THOUSANDS)**

	TOTAL	LUCERNE VALLEY CEMETERY ENDOWMENT CARE FUND	ETIWANDA CSA 120 ENDOWMENT CARE FUND
ASSETS			
CASH AND INVESTMENTS	\$ 1,837	\$ 111	\$ 1,726
TOTAL ASSETS	<u>\$ 1,837</u>	<u>\$ 111</u>	<u>\$ 1,726</u>
FUND BALANCES			
NONSPENDABLE	\$ 1,837	\$ 111	\$ 1,726
TOTAL FUND BALANCES	<u>\$ 1,837</u>	<u>\$ 111</u>	<u>\$ 1,726</u>

**SAN BERNARDINO COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 PERMANENT FUNDS
 YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>LUCERNE VALLEY CEMETERY ENDOWMENT CARE FUND</u>	<u>ETIWANDA CSA 120 ENDOWMENT CARE FUND</u>
REVENUES			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 36	\$ 3	\$ 33
TOTAL REVENUES	<u>36</u>	<u>3</u>	<u>33</u>
NET CHANGE IN FUND BALANCES	36	3	33
FUND BALANCES, BEGINNING	1,801	108	1,693
FUND BALANCES, ENDING	<u>\$ 1,837</u>	<u>\$ 111</u>	<u>\$ 1,726</u>





SAN BERNARDINO
COUNTY

**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.

**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2023 (IN THOUSANDS)**

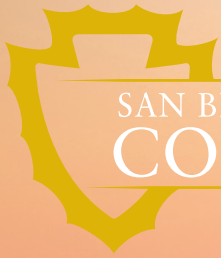
	<u>TOTAL</u>	<u>COUNTY SERVICE AREAS</u>	<u>OTHER ENTERPRISE</u>
ASSETS			
CURRENT ASSETS:			
CASH AND INVESTMENTS	\$ 73,777	\$ 73,425	\$ 352
ACCOUNTS RECEIVABLE, NET	2,484	2,484	-
TAXES RECEIVABLE	221	221	-
OTHER RECEIVABLES	102	102	-
DUE FROM OTHER FUNDS	158	158	-
INVENTORIES	15	-	15
TOTAL CURRENT ASSETS	<u>76,757</u>	<u>76,390</u>	<u>367</u>
NONCURRENT ASSETS:			
CAPITAL ASSETS NOT BEING DEPRECIATED OR AMORTIZED:			
LAND	4,525	4,525	-
LAND USE RIGHTS	258	258	-
DEVELOPMENT IN PROGRESS	4,696	4,696	-
CAPITAL ASSETS BEING DEPRECIATED AND AMORTIZED:			
LAND USE RIGHTS	1,004	1,004	-
STRUCTURES, IMPROVEMENTS, AND INFRASTRUCTURE	100,420	100,420	-
EQUIPMENT AND SOFTWARE	1,510	1,510	-
ACCUMULATED DEPRECIATION AND AMORTIZATION	(63,974)	(63,974)	-
TOTAL NONCURRENT ASSETS	<u>48,439</u>	<u>48,439</u>	<u>-</u>
TOTAL ASSETS	<u>125,196</u>	<u>124,829</u>	<u>367</u>
LIABILITIES			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	1,167	1,167	-
SALARIES AND BENEFITS PAYABLE	1	-	1
DUE TO OTHER FUNDS	1,559	1,559	-
INTEREST PAYABLE	79	79	-
ADVANCES FROM OTHERS	134	134	-
BONDS AND NOTES PAYABLE	79	79	-
TOTAL CURRENT LIABILITIES	<u>3,019</u>	<u>3,018</u>	<u>1</u>
NONCURRENT LIABILITIES:			
ADVANCES FROM OTHER FUNDS	250	250	-
BONDS AND NOTES PAYABLE	990	990	-
TOTAL NONCURRENT LIABILITIES	<u>1,240</u>	<u>1,240</u>	<u>-</u>
TOTAL LIABILITIES	<u>4,259</u>	<u>4,258</u>	<u>1</u>
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	48,298	48,298	-
RESTRICTED FOR DEBT SERVICE	50	50	-
UNRESTRICTED	72,589	72,223	366
TOTAL NET POSITION	<u>\$ 120,937</u>	<u>\$ 120,571</u>	<u>\$ 366</u>

SAN BERNARDINO COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)

	<u>TOTAL</u>	<u>COUNTY SERVICE AREAS</u>	<u>OTHER ENTERPRISE</u>
OPERATING REVENUES:			
CHARGES FOR CURRENT SERVICES	\$ 14,316	\$ 14,206	\$ 110
OTHER	435	435	-
TOTAL OPERATING REVENUES	<u>14,751</u>	<u>14,641</u>	<u>110</u>
OPERATING EXPENSES:			
PROFESSIONAL SERVICES	1,196	1,196	-
SALARIES AND EMPLOYEES BENEFITS	4,021	3,982	39
SELF-INSURANCE CLAIMS	34	34	-
SERVICES AND SUPPLIES	10,714	10,657	57
DEPRECIATION AND AMORTIZATION	3,140	3,140	-
TOTAL OPERATING EXPENSES	<u>19,105</u>	<u>19,009</u>	<u>96</u>
OPERATING INCOME (LOSS)	<u>(4,354)</u>	<u>(4,368)</u>	<u>14</u>
NONOPERATING REVENUES (EXPENSES):			
INVESTMENT INCOME	1,658	1,658	-
INTEREST EXPENSE	(116)	(116)	-
TAX REVENUE	5,052	5,052	-
GRANT REVENUE	896	895	1
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	(3)	(3)	-
OTHER NONOPERATING REVENUES	639	639	-
OTHER NONOPERATING EXPENSES	(2,563)	(2,563)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>5,563</u>	<u>5,562</u>	<u>1</u>
CHANGE IN NET POSITION BEFORE TRANSFERS	1,209	1,194	15
TRANSFERS OUT	(7)	(7)	-
CHANGE IN NET POSITION	1,202	1,187	15
TOTAL NET POSITION, BEGINNING	<u>119,735</u>	<u>119,384</u>	<u>351</u>
TOTAL NET POSITION, ENDING	<u>\$ 120,937</u>	<u>\$ 120,571</u>	<u>\$ 366</u>

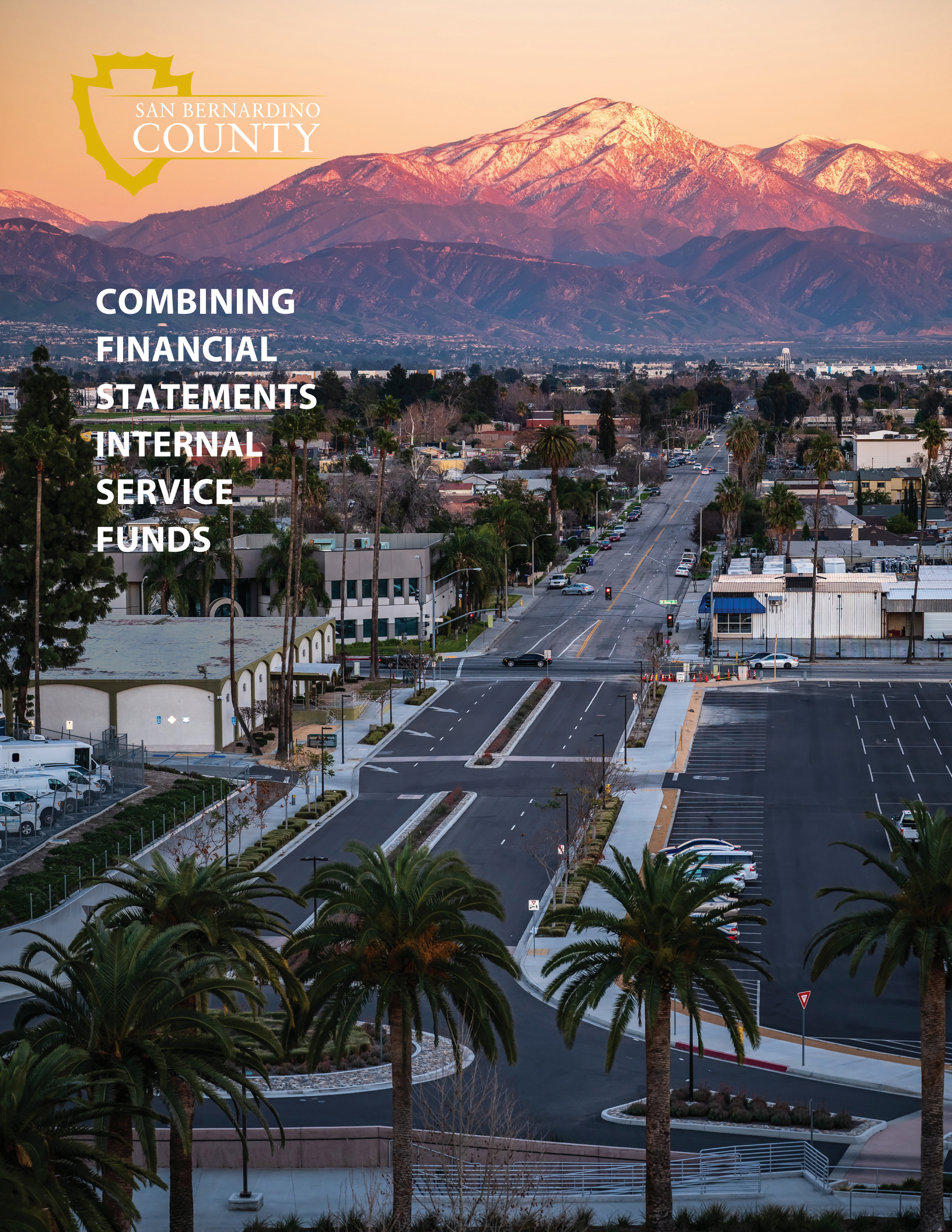
**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	TOTAL	COUNTY SERVICE AREAS	OTHER NONMAJOR ENTERPRISE
CASH FLOWS FROM OPERATING ACTIVITIES:			
CASH RECEIVED FROM SERVICES	\$ 13,414	\$ 13,304	\$ 110
CASH PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES	(11,519)	(11,476)	(43)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(4,022)	(3,982)	(40)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(2,127)</u>	<u>(2,154)</u>	<u>27</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
TAXES RECEIVED	5,064	5,064	-
GRANTS RECEIVED	896	895	1
TRANSFERS RECEIVED	(5,600)	(5,600)	-
TRANSFERS PAID	(7)	(7)	-
EXTRAORDINARY ITEM	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>353</u>	<u>352</u>	<u>1</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(2,433)	(2,433)	-
PRINCIPAL PAID ON BONDS AND NOTES	151	151	-
INTEREST PAID ON BONDS AND NOTES	(326)	(326)	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(2,608)</u>	<u>(2,608)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
INTEREST ON INVESTMENTS	1,658	1,658	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,658</u>	<u>1,658</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,724)	(2,752)	28
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	76,501	76,177	324
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 73,777</u>	<u>\$ 73,425</u>	<u>\$ 352</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	\$ (4,582)	\$ (4,596)	\$ 14
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
DEPRECIATION AND AMORTIZATION	3,140	3,140	-
NONOPERATING REVENUE (EXPENSE) RELATED TO OPERATING ACTIVITIES	(1,924)	(1,924)	-
CHANGES IN ASSETS, DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS:			
ACCOUNTS RECEIVABLE	200	200	-
DUE FROM OTHER GOVERNMENTS	374	374	-
INVENTORIES	15	-	15
ACCOUNTS PAYABLE AND OTHER LIABILITIES	692	693	(1)
SALARIES AND BENEFITS PAYABLE	(1)	-	(1)
DUE TO OTHER GOVERNMENTS	(54)	(54)	-
ADVANCES FROM OTHERS	13	13	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (2,127)</u>	<u>\$ (2,154)</u>	<u>\$ 27</u>
BREAKDOWN OF CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS	<u>\$ 73,777</u>	<u>\$ 73,425</u>	<u>\$ 352</u>



SAN BERNARDINO
COUNTY

**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.

**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2023 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>GENERAL SERVICES GROUP</u>	<u>TELECOMMUNICATION SERVICES</u>	<u>COMPUTER OPERATIONS</u>
ASSETS				
CURRENT ASSETS:				
CASH AND INVESTMENTS	\$ 530,132	\$ 3,368	\$ 18,684	\$ 37,527
ACCOUNTS RECEIVABLE - NET	141	-	141	-
DUE FROM OTHER GOVERNMENTS	2,886	87	1,519	488
DUE FROM OTHER FUNDS	1,286	300	186	123
INVENTORIES	4,267	34	1,396	-
PREPAID ITEMS	407	332	-	-
TOTAL CURRENT ASSETS	<u>539,119</u>	<u>4,121</u>	<u>21,926</u>	<u>38,138</u>
NONCURRENT ASSETS:				
CAPITAL ASSETS NOT BEING DEPRECIATED AND AMORTIZED:				
LAND	1,504	610	-	-
DEVELOPMENT IN PROGRESS	5,322	110	576	3,258
CAPITAL ASSETS BEING DEPRECIATED AND AMORTIZED:				
STRUCTURES AND IMPROVEMENTS	40,587	2,083	7,712	10,953
EQUIPMENT AND SOFTWARE	121,360	1,149	16,643	33,803
RIGHT-TO-USE LEASED EQUIPMENT	1,019	984	-	-
RIGHT-TO-USE SUBSCRIPTION ASSETS	2,114	-	-	2,114
ACCUMULATED DEPRECIATION AND AMORTIZATION	(104,945)	(1,182)	(17,846)	(28,353)
TOTAL NONCURRENT ASSETS	<u>66,961</u>	<u>3,754</u>	<u>7,085</u>	<u>21,775</u>
TOTAL ASSETS	<u>606,080</u>	<u>7,875</u>	<u>29,011</u>	<u>59,913</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>26,072</u>	<u>988</u>	<u>4,226</u>	<u>14,250</u>
LIABILITIES				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE	12,032	293	264	1,902
SALARIES AND BENEFITS PAYABLE	2,485	105	456	1,269
DUE TO OTHER FUNDS	3,855	377	159	541
DUE TO OTHER GOVERNMENTS	371	-	-	-
INTEREST PAYABLE	3	1	-	2
ADVANCES FROM OTHERS	1,169	-	-	-
COMPENSATED ABSENCES PAYABLE	4,970	224	1,253	2,254
LEASE LIABILITY	181	170	-	-
SUBSCRIPTION LIABILITY	475	-	-	475
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	102,643	-	-	-
TOTAL CURRENT LIABILITIES	<u>128,184</u>	<u>1,170</u>	<u>2,132</u>	<u>6,443</u>
NONCURRENT LIABILITIES:				
COMPENSATED ABSENCES PAYABLE	4,618	-	571	3,281
LEASE LIABILITY	459	455	-	-
SUBSCRIPTION LIABILITY	457	-	-	457
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	338,425	-	-	-
NET PENSION LIABILITY	38,444	1,686	7,120	19,596
TOTAL NONCURRENT LIABILITIES	<u>382,403</u>	<u>2,141</u>	<u>7,691</u>	<u>23,334</u>
TOTAL LIABILITIES	<u>510,587</u>	<u>3,311</u>	<u>9,823</u>	<u>29,777</u>
DEFERRED INFLOWS OF RESOURCES	<u>11,630</u>	<u>399</u>	<u>1,806</u>	<u>6,760</u>
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS UNRESTRICTED	64,661	3,129	7,085	20,489
	45,274	2,024	14,523	17,137
TOTAL NET POSITION (DEFICIT)	<u>\$ 109,935</u>	<u>\$ 5,153</u>	<u>\$ 21,608</u>	<u>\$ 37,626</u>

**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)
JUNE 30, 2023 (IN THOUSANDS)**

	FLEET MANAGEMENT	RISK MANAGEMENT	FLOOD CONTROL EQUIPMENT
ASSETS			
CURRENT ASSETS:			
CASH AND INVESTMENTS	\$ 25,940	\$ 437,819	\$ 6,794
ACCOUNTS RECEIVABLE - NET	-	-	-
DUE FROM OTHER GOVERNMENTS	180	601	11
DUE FROM OTHER FUNDS	431	63	183
INVENTORIES	2,837	-	-
PREPAID ITEMS	-	75	-
TOTAL CURRENT ASSETS	<u>29,388</u>	<u>438,558</u>	<u>6,988</u>
NONCURRENT ASSETS:			
CAPITAL ASSETS NOT BEING DEPRECIATED AND AMORTIZED:			
LAND	894	-	-
DEVELOPMENT IN PROGRESS	1,378	-	-
CAPITAL ASSETS BEING DEPRECIATED AND AMORTIZED:			
STRUCTURES AND IMPROVEMENTS	19,839	-	-
EQUIPMENT AND SOFTWARE	50,660	663	18,442
RIGHT-TO-USE LEASED EQUIPMENT	35	-	-
RIGHT-TO-USE SUBSCRIPTION ASSETS	-	-	-
ACCUMULATED DEPRECIATION AND AMORTIZATION	(45,951)	(663)	(10,950)
TOTAL NONCURRENT ASSETS	<u>26,855</u>	<u>-</u>	<u>7,492</u>
TOTAL ASSETS	<u>56,243</u>	<u>438,558</u>	<u>14,480</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>3,640</u>	<u>2,968</u>	<u>-</u>
LIABILITIES			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	1,577	7,996	-
SALARIES AND BENEFITS PAYABLE	380	275	-
DUE TO OTHER FUNDS	284	2,187	307
DUE TO OTHER GOVERNMENTS	-	371	-
INTEREST PAYABLE	-	-	-
ADVANCES FROM OTHERS	-	1,169	-
COMPENSATED ABSENCES PAYABLE	693	546	-
LEASE LIABILITY	11	-	-
SUBSCRIPTION LIABILITY	-	-	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	-	102,643	-
TOTAL CURRENT LIABILITIES	<u>2,945</u>	<u>115,187</u>	<u>307</u>
NONCURRENT LIABILITIES:			
COMPENSATED ABSENCES PAYABLE	515	251	-
LEASE LIABILITY	4	-	-
SUBSCRIPTION LIABILITY	-	-	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	-	338,425	-
NET PENSION LIABILITY	5,617	4,425	-
TOTAL NONCURRENT LIABILITIES	<u>6,136</u>	<u>343,101</u>	<u>-</u>
TOTAL LIABILITIES	<u>9,081</u>	<u>458,288</u>	<u>307</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,456</u>	<u>1,209</u>	<u>-</u>
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	26,466	-	7,492
UNRESTRICTED	22,880	(17,971)	6,681
TOTAL NET POSITION (DEFICIT)	<u>\$ 49,346</u>	<u>\$ (17,971)</u>	<u>\$ 14,173</u>

**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

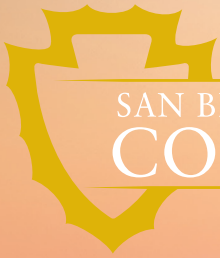
	<u>TOTAL</u>	<u>GENERAL SERVICES GROUP</u>	<u>TELECOMMUNICATION SERVICES</u>	<u>COMPUTER OPERATIONS</u>
OPERATING REVENUES:				
CHARGES FOR CURRENT SERVICES	\$ 318,167	\$ 11,844	\$ 25,768	\$ 66,923
OTHER	39,422	-	-	-
TOTAL OPERATING REVENUES	<u>357,589</u>	<u>11,844</u>	<u>25,768</u>	<u>66,923</u>
OPERATING EXPENSES:				
PROFESSIONAL SERVICES	33,711	971	1,723	12,295
SALARIES AND EMPLOYEES BENEFITS	62,081	3,248	11,729	30,311
SELF-INSURED CLAIMS	161,831	-	-	-
SERVICES AND SUPPLIES	108,474	6,606	16,672	20,188
DEPRECIATION AND AMORTIZATION	11,369	318	1,030	3,961
OTHER	2,763	-	-	-
TOTAL OPERATING EXPENSES	<u>380,229</u>	<u>11,143</u>	<u>31,154</u>	<u>66,755</u>
OPERATING INCOME (LOSS)	<u>(22,640)</u>	<u>701</u>	<u>(5,386)</u>	<u>168</u>
NONOPERATING REVENUES (EXPENSES):				
INVESTMENT INCOME	9,594	43	446	722
INTEREST EXPENSE	(13)	(4)	-	(9)
GRANT REVENUE	788	69	168	281
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	760	-	-	-
OTHER NONOPERATING REVENUES	238	-	3	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>11,367</u>	<u>108</u>	<u>617</u>	<u>994</u>
CHANGE IN NET POSITION BEFORE TRANSFERS	(11,273)	809	(4,769)	1,162
TRANSFERS OUT	(1,302)	(53)	(239)	(677)
TRANSFERS IN	500	-	-	-
CHANGE IN NET POSITION	(12,075)	756	(5,008)	485
TOTAL NET POSITION (DEFICIT), BEGINNING	<u>122,010</u>	<u>4,397</u>	<u>26,616</u>	<u>37,141</u>
TOTAL NET POSITION (DEFICIT), ENDING	<u>\$ 109,935</u>	<u>\$ 5,153</u>	<u>\$ 21,608</u>	<u>\$ 37,626</u>

**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	FLEET MANAGEMENT	RISK MANAGEMENT	FLOOD CONTROL EQUIPMENT
OPERATING REVENUES:			
CHARGES FOR CURRENT SERVICES	\$ 44,255	\$ 164,414	\$ 4,963
OTHER	-	39,422	-
TOTAL OPERATING REVENUES	<u>44,255</u>	<u>203,836</u>	<u>4,963</u>
OPERATING EXPENSES:			
PROFESSIONAL SERVICES	3,677	15,039	6
SALARIES AND EMPLOYEES BENEFITS	10,055	6,738	-
SELF-INSURED CLAIMS	-	161,831	-
SERVICES AND SUPPLIES	21,117	41,346	2,545
DEPRECIATION AND AMORTIZATION	4,523	-	1,537
OTHER	-	2,763	-
TOTAL OPERATING EXPENSES	<u>39,372</u>	<u>227,717</u>	<u>4,088</u>
OPERATING INCOME (LOSS)	<u>4,883</u>	<u>(23,881)</u>	<u>875</u>
NONOPERATING REVENUES (EXPENSES):			
INVESTMENT INCOME	391	7,929	63
INTEREST EXPENSE	-	-	-
GRANT REVENUE	175	95	-
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	723	-	37
OTHER NONOPERATING REVENUES	-	133	102
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>1,289</u>	<u>8,157</u>	<u>202</u>
CHANGE IN NET POSITION BEFORE TRANSFERS	6,172	(15,724)	1,077
TRANSFERS OUT	(186)	(147)	-
TRANSFERS IN	-	-	500
CHANGE IN NET POSITION	5,986	(15,871)	1,577
TOTAL NET POSITION (DEFICIT), BEGINNING	<u>43,360</u>	<u>(2,100)</u>	<u>12,596</u>
TOTAL NET POSITION (DEFICIT), ENDING	<u>\$ 49,346</u>	<u>\$ (17,971)</u>	<u>\$ 14,173</u>

**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2023 (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 OTHER FUNDS FOR INTERNAL SERVICES	\$ 366,298	\$ 11,744	\$ 25,847	\$ 67,363	\$ 43,999	\$ 212,159	\$ 5,186
CASH PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES	(266,780)	(7,214)	(18,090)	(30,511)	(25,511)	(183,196)	(2,258)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(64,509)	(3,429)	(12,222)	(31,453)	(10,479)	(6,926)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	35,009	1,101	(4,465)	5,399	8,009	22,037	2,928
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
GRANTS RECEIVED	788	69	168	281	175	95	-
TRANSFERS RECEIVED	500	-	-	-	-	-	500
TRANSFERS PAID	(1,302)	(53)	(239)	(677)	(186)	(147)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(14)	16	(71)	(396)	(11)	(52)	500
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(14,977)	(130)	(1,103)	(8,472)	(5,240)	-	(32)
INTEREST PAID ON CAPITAL LEASE OBLIGATIONS & ADVANCES	(13)	(4)	-	(9)	-	-	-
SUBSCRIPTION LIABILITY	932	-	-	932	-	-	-
PAYMENTS ON LEASE LIABILITY	(137)	(126)	-	-	(11)	-	-
PROCEEDS FROM SALE OF CAPITAL ASSETS	721	-	-	-	628	-	93
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(13,474)	(260)	(1,103)	(7,549)	(4,623)	-	61
CASH FLOWS FROM INVESTING ACTIVITIES:							
INTEREST ON INVESTMENTS	9,594	43	446	722	391	7,929	63
NET CASH PROVIDED BY INVESTING ACTIVITIES	9,594	43	446	722	391	7,929	63
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	31,115	900	(5,193)	(1,824)	3,766	29,914	3,552
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	499,017	2,468	23,877	39,351	22,174	407,905	3,242
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 530,132	\$ 3,368	\$ 18,684	\$ 37,527	\$ 25,940	\$ 437,819	\$ 6,794
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
OPERATING INCOME (LOSS)	\$ (22,640)	\$ 701	\$ (5,386)	\$ 168	\$ 4,883	\$ (23,881)	\$ 875
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
DEPRECIATION AND AMORTIZATION	11,369	318	1,030	3,961	4,523	-	1,537
NONOPERATING REVENUE (EXPENSE) RELATED TO OPERATING ACTIVITIES	238	-	3	-	-	133	102
CHANGES IN ASSETS, DEFERRED OUTFLOWS, LIABILITIES AND DEFERRED INFLOWS:							
ACCOUNTS RECEIVABLE	(12)	-	(12)	-	-	-	-
DUE FROM OTHER FUNDS	1,199	(44)	600	705	(285)	97	126
DUE FROM OTHER GOVERNMENTS	(1,333)	(56)	(512)	(265)	29	(524)	(5)
OTHER RECEIVABLES	8,572	-	-	-	-	8,572	-
INVENTORIES	369	(1)	633	-	(263)	-	-
PREPAID ITEMS	1,231	(124)	-	1,315	-	40	-
DEFERRED OUTFLOWS OF RESOURCES	(5,826)	(169)	(587)	(3,225)	(930)	(915)	-
ACCOUNTS PAYABLE	2,795	115	(340)	309	(432)	3,157	(14)
INTEREST PAYABLE	3	1	-	2	-	-	-
SALARIES AND BENEFITS PAYABLE	298	7	52	181	7	51	-
DUE TO OTHER FUNDS	2,748	374	22	355	18	1,672	307
DUE TO OTHER GOVERNMENTS	310	(2)	(10)	(9)	(40)	371	-
ADVANCES FROM OTHERS	45	-	-	-	-	45	-
COMPENSATED ABSENCES PAYABLE	419	(62)	147	325	(38)	47	-
NET PENSION LIABILITY	21,998	914	3,726	11,509	3,218	2,631	-
DEFERRED INFLOWS OF RESOURCES	(19,317)	(871)	(3,831)	(9,932)	(2,681)	(2,002)	-
ESTIMATED LIABILITY FOR LITIGATION AND SELF-INSURED CLAIMS	32,543	-	-	-	-	32,543	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 35,009	\$ 1,101	\$ (4,465)	\$ 5,399	\$ 8,009	\$ 22,037	\$ 2,928
NONCASH CAPITAL AND FINANCING ACTIVITIES:							
CAPITAL ASSET TRANSFERS FROM COUNTY	500	-	-	-	-	-	500
BREAKDOWN OF CASH AND CASH EQUIVALENTS							
CASH AND CASH EQUIVALENTS	\$ 530,132	\$ 3,368	\$ 18,684	\$ 37,527	\$ 25,940	\$ 437,819	\$ 6,794
	530,132	3,368	18,684	37,527	25,940	437,819	6,794



SAN BERNARDINO
COUNTY

**COMBINING
FINANCIAL
STATEMENTS
FIDUCIARY
FUNDS**



FIDUCIARY FUNDS DESCRIPTIONS

PRIVATE-PURPOSE TRUST FUNDS

Public Guardian

The Public Guardian fund accounts for assets which are held in trust for San Bernardino County residents who are gravely disabled or otherwise incompetent and have lost the ability to properly care for themselves and administer their estates.

Public Administrator

The Public Administrator fund accounts for assets which are held in trust for the administration of decedents' estates on behalf of San Bernardino County dependents who have no known relatives who are willing to administer their estates.

RDA Successor Agency

The RDA Successor Agency fund accounts for assets which are held by San Bernardino County in trust to wind down the affairs of the former redevelopment agency according to the Dissolution Act (ABX1 26) of 2012.

CUSTODIAL FUNDS

Unapportioned Collections

The Unapportioned Collections fund accounts for secured and unsecured property taxes receivable, court fines, amounts which are impounded because of disputes or litigation, as well as amounts held pending authority for apportionment.

CalSAWS Consortium

The CalSAWS Consortium fund accounts for cash accumulated for the operation and maintenance of an automated welfare system to be used by each of the fifty-eight member counties in California on behalf of CalSAWS Consortium Joint Power Authority.

Tax Collections for School Bonds

Tax Collections for School Bonds fund accounts for cash accumulated from property tax levy to be used for debt service payments of school bonds on behalf of School Districts and Community College Districts.

Other Custodial

Other Custodial funds account for assets of various other funds which are held for other governmental agencies or individuals by the County in a custodial capacity.

**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2023 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>PUBLIC GUARDIAN</u>	<u>PUBLIC ADMINISTRATOR</u>	<u>RDA SUCCESSOR AGENCY</u>
ASSETS				
CASH AND INVESTMENTS (NOTE 4)	\$ 29,125	\$ 10,792	\$ 17,366	\$ 967
RECEIVABLES:				
INTEREST AND DIVIDENDS RECEIVABLE	230	79	137	14
TOTAL RECEIVABLES	<u>230</u>	<u>79</u>	<u>137</u>	<u>14</u>
LAND HELD FOR RESALE	13,276	-	-	13,276
PREPAID ITEMS	982	-	-	982
RESTRICTED CASH AND CASH EQUIVALENTS	3,532	-	-	3,532
TOTAL ASSETS	<u>47,145</u>	<u>10,871</u>	<u>17,503</u>	<u>18,771</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,050</u>	<u>-</u>	<u>-</u>	<u>1,050</u>
LIABILITIES				
ACCOUNTS PAYABLE AND OTHER LIABILITIES	34	34	-	-
DUE TO OTHER GOVERNMENTS	89	-	-	89
INTEREST PAYABLE	728	-	-	728
BONDS AND NOTES PAYABLE:				
DUE IN ONE YEAR	2,630	-	-	2,630
DUE AFTER ONE YEAR	56,053	-	-	56,053
TOTAL LIABILITIES	<u>59,534</u>	<u>34</u>	<u>-</u>	<u>59,500</u>
DEFERRED INFLOWS OF RESOURCES	<u>479</u>	<u>-</u>	<u>-</u>	<u>479</u>
NET POSITION				
RESTRICTED FOR:				
INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS	(11,818)	10,837	17,503	(40,158)
TOTAL NET POSITION (DEFICIT)	<u>\$ (11,818)</u>	<u>\$ 10,837</u>	<u>\$ 17,503</u>	<u>\$ (40,158)</u>

**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023 (IN THOUSANDS)**

	TOTAL	UNAPPORTIONED COLLECTIONS	CALSAWS CONSORTIUM	TAX COLLECTIONS FOR SCHOOL BONDS	OTHER CUSTODIAL
ASSETS					
CASH AND INVESTMENTS (NOTE 4)	\$ 803,159	\$ 445,276	\$ 10,436	\$ 333,117	\$ 14,330
RECEIVABLES:					
ACCOUNTS RECEIVABLE - NET	25,678	25,536	-	-	142
TAXES RECEIVABLE	200,586	200,586	-	-	-
INTEREST AND DIVIDENDS RECEIVABLE	4,406	2,014	-	2,384	8
DUE FROM OTHER GOVERNMENTS	20,642	19,481	-	-	1,161
TOTAL RECEIVABLES	<u>251,312</u>	<u>247,617</u>	<u>-</u>	<u>2,384</u>	<u>1,311</u>
TOTAL ASSETS	<u>1,054,471</u>	<u>692,893</u>	<u>10,436</u>	<u>335,501</u>	<u>15,641</u>
LIABILITIES					
ACCOUNTS PAYABLE AND OTHER LIABILITIES	160	160	-	-	-
DUE TO OTHER GOVERNMENTS	248,400	237,680	10,436	-	284
TOTAL LIABILITIES	<u>248,560</u>	<u>237,840</u>	<u>10,436</u>	<u>-</u>	<u>284</u>
NET POSITION					
RESTRICTED FOR:					
INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS	805,911	455,053	-	335,501	15,357
TOTAL NET POSITION	<u>\$ 805,911</u>	<u>\$ 455,053</u>	<u>\$ -</u>	<u>\$ 335,501</u>	<u>\$ 15,357</u>

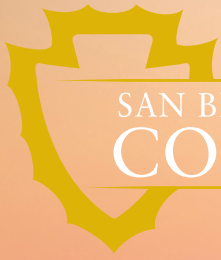
**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	TOTAL	PUBLIC GUARDIAN	PUBLIC ADMINISTRATOR	RDA SUCCESSOR AGENCY
ADDITIONS				
CONTRIBUTIONS:				
REDEVELOPMENT AGENCY PROPERTY TAX TRUST FUND	\$ 3,742	\$ -	\$ -	\$ 3,742
GIFTS AND BEQUESTS	16,770	11,643	5,127	-
TOTAL CONTRIBUTIONS	<u>20,512</u>	<u>11,643</u>	<u>5,127</u>	<u>3,742</u>
INVESTMENT INCOME:				
NET INCREASE/(DECREASE) IN FAIR VALUE OF INVESTMENTS	(251)	(80)	(170)	(1)
INTEREST, DIVIDENDS, AND OTHER INCOME	549	220	215	114
NET INVESTMENT INCOME	<u>298</u>	<u>140</u>	<u>45</u>	<u>113</u>
TOTAL ADDITIONS	<u>20,810</u>	<u>11,783</u>	<u>5,172</u>	<u>3,855</u>
DEDUCTIONS				
BENEFIT AND REFUND PAYMENTS TO INDIVIDUALS	13,360	9,121	4,239	-
DISTRIBUTION AND OBLIGATION RETIREMENTS	2,123	-	-	2,123
ADMINISTRATIVE EXPENSES	277	-	-	277
TOTAL DEDUCTIONS	<u>15,760</u>	<u>9,121</u>	<u>4,239</u>	<u>2,400</u>
CHANGE IN NET POSITION	5,050	2,662	933	1,455
NET POSITION (DEFICIT) HELD IN TRUST, BEGINNING	<u>(16,868)</u>	<u>8,175</u>	<u>16,570</u>	<u>(41,613)</u>
NET POSITION (DEFICIT) HELD IN TRUST, ENDING	<u>\$ (11,818)</u>	<u>\$ 10,837</u>	<u>\$ 17,503</u>	<u>\$ (40,158)</u>

**SAN BERNARDINO COUNTY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

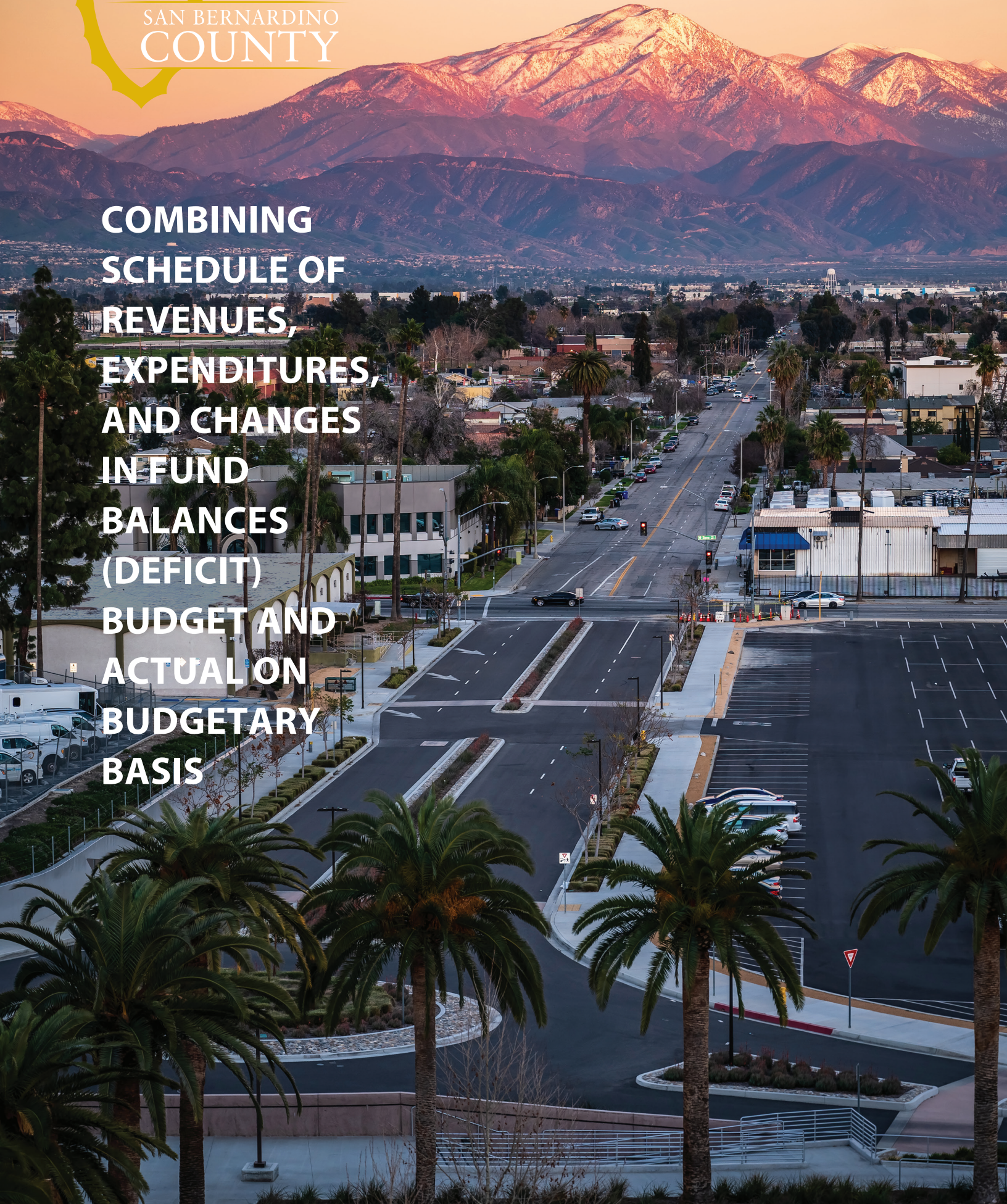
	<u>TOTAL</u>	<u>UNAPPORTIONED COLLECTIONS</u>	<u>CALSAWS CONSORTIUM</u>	<u>TAX COLLECTIONS FOR SCHOOL BONDS</u>	<u>OTHER CUSTODIAL</u>
ADDITIONS					
INVESTMENT INCOME:					
NET INCREASE/(DECREASE) IN FAIR VALUE OF INVESTMENTS	\$ (2,157)	\$ (1,080)	\$ -	\$ (1,037)	\$ (40)
INTEREST, DIVIDENDS, AND OTHER	9,897	3,737	-	6,148	12
NET INVESTMENT INCOME	7,740	2,657	-	5,111	(28)
TAXES COLLECTED FOR OTHER GOVERNMENTS	3,248,269	2,963,072	-	266,783	18,414
FINES AND FEES COLLECTED FOR OTHER GOVERNMENTS	100,267	84,086	-	-	16,181
STATE FUNDS COLLECTED FOR OTHER GOVERNMENTS	382,916	-	361,603	-	21,313
BOND PROCEEDS COLLECTED FOR OTHER GOVERNMENTS	8,632	-	-	8,632	-
PAYMENTS COLLECTED ON BEHALF OF OTHERS	6,778	-	6,014	-	764
TOTAL ADDITIONS	3,754,602	3,049,815	367,617	280,526	56,644
DEDUCTIONS					
BENEFIT AND REFUND PAYMENTS TO INDIVIDUALS	764	-	-	-	764
DISTRIBUTION AND OBLIGATION RETIREMENTS	274,709	-	-	274,605	104
DISTRIBUTION OF PROPERTY TRANSFER TAX	11,701	-	-	-	11,701
TAX COLLECTIONS DISBURSED TO OTHER GOVERNMENTS	2,851,159	2,844,668	-	-	6,491
TAX ADJUSTMENTS DISBURSED TO INDIVIDUALS	46,645	46,640	-	-	5
FINES AND FEES DISBURSED TO OTHER GOVERNMENTS	82,026	65,354	-	-	16,672
FINES AND FEES DISBURSED TO INDIVIDUALS	10,555	9,419	-	-	1,136
STATE FUNDS DISBURSED TO OTHER GOVERNMENTS	21,299	-	-	-	21,299
PAYMENTS DISBURSED TO OTHERS	367,584	224	367,360	-	-
ADMINISTRATIVE EXPENSES	19,171	18,216	257	684	14
TOTAL DEDUCTIONS	3,685,613	2,984,521	367,617	275,289	58,186
CHANGE IN NET POSITION	68,989	65,294	-	5,237	(1,542)
NET POSITION HELD IN TRUST, BEGINNING	736,922	389,759	-	330,264	16,899
NET POSITION HELD IN TRUST, ENDING	<u>\$ 805,911</u>	<u>\$ 455,053</u>	<u>\$ -</u>	<u>\$ 335,501</u>	<u>\$ 15,357</u>





SAN BERNARDINO
COUNTY

**COMBINING
SCHEDULE OF
REVENUES,
EXPENDITURES,
AND CHANGES
IN FUND
BALANCES
(DEFICIT)
BUDGET AND
ACTUAL ON
BUDGETARY
BASIS**



**SAN BERNARDINO COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL ON BUDGETARY BASIS
CERTAIN SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	TOTAL		
	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET
REVENUES:			
TAXES	\$ 230,784	\$ 265,885	\$ 35,101
LICENSES, PERMITS AND FRANCHISES	-	942	942
FINES, FORFEITURES AND PENALTIES	3,021	4,610	1,589
REVENUES FROM USE OF MONEY AND PROPERTY	13,496	26,512	13,016
AID FROM OTHER GOVERNMENTAL AGENCIES	720,134	498,466	(221,668)
CHARGES FOR CURRENT SERVICES	151,220	149,287	(1,933)
OTHER REVENUES	43,611	38,869	(4,742)
TOTAL REVENUES	<u>1,162,266</u>	<u>984,571</u>	<u>(177,695)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	15,845	6,604	9,241
PUBLIC PROTECTION	447,164	319,507	127,657
PUBLIC WAYS AND FACILITIES	171,483	133,443	38,040
HEALTH AND SANITATION	348,005	202,182	145,823
PUBLIC ASSISTANCE	208,837	113,124	95,713
EDUCATION	28,207	20,445	7,762
RECREATION AND CULTURAL SERVICES	14,370	11,391	2,979
DEBT SERVICE:			
PRINCIPAL	10,319	10,604	(285)
INTEREST AND FISCAL CHARGES	2,909	2,024	885
CAPITAL OUTLAY	131,039	60,924	70,115
TOTAL EXPENDITURES	<u>1,378,178</u>	<u>880,248</u>	<u>497,930</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(215,912)</u>	<u>104,323</u>	<u>320,235</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(156,942)	(54,416)	102,526
TRANSFERS IN	136,261	67,335	(68,926)
LONG-TERM DEBT ISSUED	280	-	(280)
LEASE FINANCING	5,675	5,675	-
SUBSCRIPTION FINANCING	2,289	2,289	-
SALE OF CAPITAL ASSETS	891	3,443	2,552
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(11,546)</u>	<u>24,326</u>	<u>35,872</u>
NET CHANGE IN FUND BALANCES	<u>(227,458)</u>	<u>128,649</u>	<u>356,107</u>
NET CHANGE IN FUND BALANCES	(227,458)	128,649	356,107
FUND BALANCES, BEGINNING	<u>1,136,650</u>	<u>1,136,650</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 909,192</u>	<u>\$ 1,265,299</u>	<u>\$ 356,107</u>

**SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)**

	TRANSPORTATION		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
LICENSES, PERMITS AND FRANCHISES	\$ -	\$ 336	\$ 336
REVENUES FROM USE OF MONEY AND PROPERTY	1,063	1,720	657
AID FROM OTHER GOVERNMENTAL AGENCIES	107,611	93,303	(14,308)
CHARGES FOR CURRENT SERVICES	2,083	2,670	587
OTHER REVENUES	206	190	(16)
TOTAL REVENUES	<u>110,963</u>	<u>98,219</u>	<u>(12,744)</u>
EXPENDITURES:			
CURRENT:			
PUBLIC WAYS AND FACILITIES	123,297	113,456	9,841
DEBT SERVICE:			
PRINCIPAL	6	6	-
CAPITAL OUTLAY	15,804	10,597	5,207
TOTAL EXPENDITURES	<u>139,107</u>	<u>124,059</u>	<u>15,048</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(28,144)</u>	<u>(25,840)</u>	<u>2,304</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(6,736)	(634)	6,102
TRANSFERS IN	9,783	3,389	(6,394)
SALE OF CAPITAL ASSETS	162	203	41
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>3,209</u>	<u>2,958</u>	<u>(251)</u>
NET CHANGE IN FUND BALANCES	(24,935)	(22,882)	2,053
FUND BALANCES, BEGINNING	<u>85,258</u>	<u>85,258</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 60,323</u>	<u>\$ 62,376</u>	<u>\$ 2,053</u>

SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)

	<u>SPECIAL TRANSPORTATION</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
TAXES	\$ 7,369	\$ 7,841	\$ 472
REVENUES FROM USE OF MONEY AND PROPERTY	618	1,375	757
AID FROM OTHER GOVERNMENTAL AGENCIES	7,591	1,293	(6,298)
CHARGES FOR CURRENT SERVICES	<u>3,824</u>	<u>2,135</u>	<u>(1,689)</u>
TOTAL REVENUES	<u>19,402</u>	<u>12,644</u>	<u>(6,758)</u>
EXPENDITURES:			
CURRENT:			
PUBLIC WAYS AND FACILITIES	<u>43,604</u>	<u>17,136</u>	<u>26,468</u>
TOTAL EXPENDITURES	<u>43,604</u>	<u>17,136</u>	<u>26,468</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(24,202)</u>	<u>(4,492)</u>	<u>19,710</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(975)	(900)	75
TRANSFERS IN	<u>25</u>	<u>-</u>	<u>(25)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(950)</u>	<u>(900)</u>	<u>50</u>
NET CHANGE IN FUND BALANCES	(25,152)	(5,392)	19,760
FUND BALANCES, BEGINNING	<u>77,380</u>	<u>77,380</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 52,228</u>	<u>\$ 71,988</u>	<u>\$ 19,760</u>

**SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)**

	SPECIAL AVIATION		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 20	\$ 127	\$ 107
AID FROM OTHER GOVERNMENTAL AGENCIES	2,015	-	(2,015)
TOTAL REVENUES	<u>2,035</u>	<u>127</u>	<u>(1,908)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	20	-	20
TOTAL EXPENDITURES	<u>20</u>	<u>-</u>	<u>20</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,015</u>	<u>127</u>	<u>(1,888)</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(10,631)	(901)	9,730
TRANSFERS IN	4,107	97	(4,010)
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(6,524)</u>	<u>(804)</u>	<u>5,720</u>
NET CHANGE IN FUND BALANCES	(4,509)	(677)	3,832
FUND BALANCES, BEGINNING	<u>5,900</u>	<u>5,900</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 1,391</u>	<u>\$ 5,223</u>	<u>\$ 3,832</u>

SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)

MENTAL HEALTH SERVICES ACT

	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 4,910	\$ 5,370	\$ 460
AID FROM OTHER GOVERNMENTAL AGENCIES	259,664	160,713	(98,951)
CHARGES FOR CURRENT SERVICES	12	42	30
OTHER REVENUES	4,650	6,639	1,989
TOTAL REVENUES	<u>269,236</u>	<u>172,764</u>	<u>(96,472)</u>
EXPENDITURES:			
CURRENT:			
HEALTH AND SANITATION	285,207	179,781	105,426
DEBT SERVICE:			
PRINCIPAL	1,869	1,869	-
INTEREST AND FISCAL CHARGES	8	8	-
CAPITAL OUTLAY	6,280	1,535	4,745
TOTAL EXPENDITURES	<u>293,364</u>	<u>183,193</u>	<u>110,171</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(24,128)</u>	<u>(10,429)</u>	<u>13,699</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(14,561)	(1,152)	13,409
TRANSFERS IN	2,489	969	(1,520)
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(12,072)</u>	<u>(183)</u>	<u>11,889</u>
NET CHANGE IN FUND BALANCES	(36,200)	(10,612)	25,588
FUND BALANCES, BEGINNING	<u>195,826</u>	<u>195,826</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 159,626</u>	<u>\$ 185,214</u>	<u>\$ 25,588</u>

**SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)**

	PRESCHOOL SERVICES		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ -	\$ 61	\$ 61
AID FROM OTHER GOVERNMENTAL AGENCIES	84,545	60,314	(24,231)
CHARGES FOR CURRENT SERVICES	-	14	14
OTHER REVENUES	-	141	141
TOTAL REVENUES	<u>84,545</u>	<u>60,530</u>	<u>(24,015)</u>
EXPENDITURES:			
CURRENT:			
PUBLIC ASSISTANCE	75,436	56,748	18,688
DEBT SERVICE:			
PRINCIPAL	1,821	1,821	-
INTEREST AND FISCAL CHARGES	29	26	3
CAPITAL OUTLAY	4,507	1,273	3,234
TOTAL EXPENDITURES	<u>81,793</u>	<u>59,868</u>	<u>21,925</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,752</u>	<u>662</u>	<u>(2,090)</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(3,363)	(1,639)	1,724
TRANSFERS IN	-	2	2
SALE OF CAPITAL ASSETS	6	-	(6)
LEASE FINANCING	1,127	1,127	-
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(2,230)</u>	<u>(510)</u>	<u>1,720</u>
NET CHANGE IN FUND BALANCES	522	152	(370)
FUND BALANCES (DEFICIT), BEGINNING	<u>(574)</u>	<u>(574)</u>	<u>-</u>
FUND BALANCES (DEFICIT), ENDING	<u>\$ (52)</u>	<u>\$ (422)</u>	<u>\$ (370)</u>

**SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)**

	AGING AND ADULT SERVICES		
	<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	\$ 42	\$ 34
AID FROM OTHER GOVERNMENTAL AGENCIES	17,658	17,102	(556)
OTHER REVENUES	<u>3,206</u>	<u>2,701</u>	<u>(505)</u>
TOTAL REVENUES	<u>20,872</u>	<u>19,845</u>	<u>(1,027)</u>
EXPENDITURES:			
CURRENT:			
PUBLIC ASSISTANCE	20,759	19,593	1,166
DEBT SERVICE:			
PRINCIPAL	51	51	-
INTEREST AND FISCAL CHARGES	<u>2</u>	<u>2</u>	<u>-</u>
TOTAL EXPENDITURES	<u>20,812</u>	<u>19,646</u>	<u>1,166</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>60</u>	<u>199</u>	<u>139</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(17,159)	(16,875)	284
TRANSFERS IN	<u>17,100</u>	<u>16,876</u>	<u>(224)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(59)</u>	<u>1</u>	<u>60</u>
NET CHANGE IN FUND BALANCES	1	200	199
FUND BALANCES, BEGINNING	<u>1,461</u>	<u>1,461</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 1,462</u>	<u>\$ 1,661</u>	<u>\$ 199</u>

SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)

	JOBS AND EMPLOYMENT SERVICES		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 484	\$ 717	\$ 233
AID FROM OTHER GOVERNMENTAL AGENCIES	26,546	16,973	(9,573)
OTHER REVENUES	489	122	(367)
TOTAL REVENUES	<u>27,519</u>	<u>17,812</u>	<u>(9,707)</u>
EXPENDITURES:			
CURRENT:			
PUBLIC ASSISTANCE	26,546	16,867	9,679
DEBT SERVICE:			
PRINCIPAL	85	744	(659)
INTEREST AND FISCAL CHARGES	-	69	(69)
CAPITAL OUTLAY	1,503	1,280	223
TOTAL EXPENDITURES	<u>28,134</u>	<u>18,960</u>	<u>9,174</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(615)</u>	<u>(1,148)</u>	<u>(533)</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	-	(140)	(140)
TRANSFERS IN	285	291	6
LEASE FINANCING	1,130	1,130	-
SUBSCRIPTION FINANCING	150	150	-
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>1,565</u>	<u>1,431</u>	<u>(134)</u>
NET CHANGE IN FUND BALANCES	950	283	(667)
FUND BALANCES (DEFICIT), BEGINNING	<u>(881)</u>	<u>(881)</u>	<u>-</u>
FUND BALANCES (DEFICIT), ENDING	<u>\$ 69</u>	<u>\$ (598)</u>	<u>\$ (667)</u>

**SAN BERNARDINO COUNTY
 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, 2023 (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	\$ 590	\$ 299	\$ (291)
REVENUES FROM USE OF MONEY AND PROPERTY	2	1	(1)
TOTAL REVENUES	<u>592</u>	<u>300</u>	<u>(292)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	592	300	292
TOTAL EXPENDITURES	<u>592</u>	<u>300</u>	<u>292</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)

CRIMINAL JUSTICE TEMPORARY CONSTRUCTION

	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
FINES, FORFEITURES AND PENALTIES	\$ 1,000	\$ 1,311	\$ 311
REVENUES FROM USE OF MONEY AND PROPERTY	12	63	51
TOTAL REVENUES	<u>1,012</u>	<u>1,374</u>	<u>362</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	<u>(593)</u>	<u>(1,374)</u>	<u>(781)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(593)</u>	<u>(1,374)</u>	<u>(781)</u>
NET CHANGE IN FUND BALANCES	419	-	(419)
FUND BALANCES, BEGINNING	<u>1</u>	<u>1</u>	<u>-</u>
FUND BALANCES (DEFICIT), ENDING	<u>\$ 420</u>	<u>\$ 1</u>	<u>\$ (419)</u>

SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)

CENTRAL COURTHOUSE SURCHARGE

	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 1	\$ -	\$ (1)
CHARGES FOR CURRENT SERVICES	2,000	1,506	(494)
OTHER REVENUES	-	364	364
TOTAL REVENUES	<u>2,001</u>	<u>1,870</u>	<u>(131)</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(2,001)	(1,870)	131
TRANSFERS IN	-	3,139	3,139
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(2,001)</u>	<u>1,269</u>	<u>3,270</u>
NET CHANGE IN FUND BALANCES	-	3,139	3,139
FUND BALANCES, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ 3,139</u>	<u>\$ 3,139</u>

SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)

	MICROGRAPHICS FEES		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 64	\$ 164	\$ 100
AID FROM OTHER GOVERNMENTAL AGENCIES	2	8	6
CHARGES FOR CURRENT SERVICES	<u>5,062</u>	<u>2,574</u>	<u>(2,488)</u>
TOTAL REVENUES	<u>5,128</u>	<u>2,746</u>	<u>(2,382)</u>
EXPENDITURES:			
CURRENT:			
PUBLIC PROTECTION	5,563	1,935	3,628
DEBT SERVICE:			
PRINCIPAL	30	30	-
CAPITAL OUTLAY	<u>289</u>	<u>513</u>	<u>(224)</u>
TOTAL EXPENDITURES	<u>5,882</u>	<u>2,478</u>	<u>3,404</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(754)</u>	<u>268</u>	<u>1,022</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(507)	(141)	366
TRANSFERS IN	693	374	(319)
SUBSCRIPTION FINANCING	<u>14</u>	<u>14</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>200</u>	<u>247</u>	<u>47</u>
NET CHANGE IN FUND BALANCES	(554)	515	1,069
FUND BALANCES, BEGINNING	<u>22,888</u>	<u>22,888</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 22,334</u>	<u>\$ 23,403</u>	<u>\$ 1,069</u>

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 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, 2023 (IN THOUSANDS)

LOCAL LAW ENFORCEMENT BLOCK GRANT

	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 71	\$ 26	\$ (45)
AID FROM OTHER GOVERNMENTAL AGENCIES	3,865	1,222	(2,643)
CHARGES FOR CURRENT SERVICES	-	36	36
TOTAL REVENUES	<u>3,936</u>	<u>1,284</u>	<u>(2,652)</u>
EXPENDITURES:			
CURRENT:			
PUBLIC PROTECTION	<u>4,617</u>	<u>1,811</u>	<u>2,806</u>
TOTAL EXPENDITURES	<u>4,617</u>	<u>1,811</u>	<u>2,806</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(681)</u>	<u>(527)</u>	<u>154</u>
NET CHANGE IN FUND BALANCES	(681)	(527)	154
FUND BALANCES, BEGINNING	<u>3,152</u>	<u>3,152</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 2,471</u>	<u>\$ 2,625</u>	<u>\$ 154</u>

SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)

	SHERIFF SPECIAL PROJECTS		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
FINES, FORFEITURES AND PENALTIES	\$ -	\$ 15	\$ 15
REVENUES FROM USE OF MONEY AND PROPERTY	122	277	155
AID FROM OTHER GOVERNMENTAL AGENCIES	9,708	11,904	2,196
CHARGES FOR CURRENT SERVICES	600	506	(94)
OTHER REVENUES	<u>2</u>	<u>-</u>	<u>(2)</u>
TOTAL REVENUES	<u>10,432</u>	<u>12,702</u>	<u>2,270</u>
EXPENDITURES:			
CURRENT:			
PUBLIC PROTECTION	16,934	9,587	7,347
CAPITAL OUTLAY	<u>4,239</u>	<u>1,900</u>	<u>2,339</u>
TOTAL EXPENDITURES	<u>21,173</u>	<u>11,487</u>	<u>9,686</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(10,741)</u>	<u>1,215</u>	<u>11,956</u>
NET CHANGE IN FUND BALANCES	(10,741)	1,215	11,956
FUND BALANCES, BEGINNING	<u>14,350</u>	<u>14,350</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 3,609</u>	<u>\$ 15,565</u>	<u>\$ 11,956</u>

**SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)**

	FIRE PROTECTION DISTRICTS		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
TAXES	\$ 120,134	\$ 133,824	\$ 13,690
REVENUES FROM USE OF MONEY AND PROPERTY	1,753	3,835	2,082
AID FROM OTHER GOVERNMENTAL AGENCIES	14,413	32,690	18,277
CHARGES FOR CURRENT SERVICES	117,112	119,540	2,428
OTHER REVENUES	7,283	1,168	(6,115)
TOTAL REVENUES	<u>260,695</u>	<u>291,057</u>	<u>30,362</u>
EXPENDITURES:			
CURRENT:			
PUBLIC PROTECTION	273,003	247,366	25,637
DEBT SERVICE:			
PRINCIPAL	1,301	1,301	-
INTEREST AND FISCAL CHARGES	851	782	69
CAPITAL OUTLAY	58,611	29,733	28,878
TOTAL EXPENDITURES	<u>333,766</u>	<u>279,182</u>	<u>54,584</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(73,071)</u>	<u>11,875</u>	<u>84,946</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(39,425)	(6,059)	33,366
TRANSFERS IN	65,096	24,621	(40,475)
SALE OF CAPITAL ASSETS	-	56	56
LEASE FINANCING	2,026	2,026	-
SUBSCRIPTION FINANCING	1,777	1,777	-
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>29,474</u>	<u>22,421</u>	<u>(7,053)</u>
NET CHANGE IN FUND BALANCES	(43,597)	34,296	77,893
FUND BALANCES, BEGINNING	<u>200,315</u>	<u>200,315</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 156,718</u>	<u>\$ 234,611</u>	<u>\$ 77,893</u>

**SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)**

ECONOMIC AND COMMUNITY DEVELOPMENT

	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 479	\$ 1,313	\$ 834
AID FROM OTHER GOVERNMENTAL AGENCIES	74,256	37,466	(36,790)
CHARGES FOR CURRENT SERVICES	4	1	(3)
OTHER REVENUES	<u>758</u>	<u>2,223</u>	<u>1,465</u>
TOTAL REVENUES	<u>75,497</u>	<u>41,003</u>	<u>(34,494)</u>
EXPENDITURES:			
CURRENT:			
PUBLIC ASSISTANCE	78,200	15,822	62,378
DEBT SERVICE:			
PRINCIPAL	151	151	-
INTEREST AND FISCAL CHARGES	4	147	(143)
CAPITAL OUTLAY	<u>1,392</u>	<u>1,392</u>	<u>-</u>
TOTAL EXPENDITURES	<u>79,747</u>	<u>17,512</u>	<u>62,235</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,250)</u>	<u>23,491</u>	<u>27,741</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(2,704)	(1,733)	971
TRANSFERS IN	1,304	514	(790)
LEASE FINANCING	<u>1,392</u>	<u>1,392</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(8)</u>	<u>173</u>	<u>181</u>
NET CHANGE IN FUND BALANCES	(4,258)	23,664	27,922
FUND BALANCES, BEGINNING	<u>24,851</u>	<u>24,851</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 20,593</u>	<u>\$ 48,515</u>	<u>\$ 27,922</u>

**SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)**

	FLOOD CONTROL DISTRICT		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
TAXES	\$ 71,480	\$ 87,451	\$ 15,971
LICENSES, PERMITS AND FRANCHISES	-	65	65
REVENUES FROM USE OF MONEY AND PROPERTY	229	4,357	4,128
AID FROM OTHER GOVERNMENTAL AGENCIES	5,498	2,392	(3,106)
CHARGES FOR CURRENT SERVICES	1,214	805	(409)
OTHER REVENUES	4,004	299	(3,705)
TOTAL REVENUES	<u>82,425</u>	<u>95,369</u>	<u>12,944</u>
EXPENDITURES:			
CURRENT:			
PUBLIC PROTECTION	113,898	36,655	77,243
DEBT SERVICE:			
PRINCIPAL	3,784	3,729	55
INTEREST AND FISCAL CHARGES	1,868	814	1,054
CAPITAL OUTLAY	13,330	6,648	6,682
TOTAL EXPENDITURES	<u>132,880</u>	<u>47,846</u>	<u>85,034</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(50,455)</u>	<u>47,523</u>	<u>97,978</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(15,048)	(858)	14,190
TRANSFERS IN	15,482	1,301	(14,181)
SALE OF CAPITAL ASSETS	723	313	(410)
SUBSCRIPTION FINANCING	249	249	-
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>1,406</u>	<u>1,005</u>	<u>(401)</u>
NET CHANGE IN FUND BALANCES	(49,049)	48,528	97,577
FUND BALANCES, BEGINNING	<u>212,611</u>	<u>212,611</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 163,562</u>	<u>\$ 261,139</u>	<u>\$ 97,577</u>

**SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)**

	COUNTY SERVICE AREAS		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
TAXES	\$ 4,489	\$ 5,626	\$ 1,137
REVENUES FROM USE OF MONEY AND PROPERTY	321	636	315
AID FROM OTHER GOVERNMENTAL AGENCIES	4,532	1,758	(2,774)
CHARGES FOR CURRENT SERVICES	4,790	5,656	866
OTHER REVENUES	36	346	310
	<u>14,168</u>	<u>14,022</u>	<u>(146)</u>
TOTAL REVENUES			
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	3,556	5,175	(1,619)
PUBLIC WAYS AND FACILITIES	4,582	2,851	1,731
RECREATION AND CULTURAL SERVICES	2,757	2,291	466
DEBT SERVICE:			
PRINCIPAL	169	-	169
INTEREST AND FISCAL CHARGES	24	10	14
CAPITAL OUTLAY	12,956	2,573	10,383
	<u>24,044</u>	<u>12,900</u>	<u>11,144</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(9,876)</u>	<u>1,122</u>	<u>10,998</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(2,757)	(221)	2,536
TRANSFERS IN	6,429	4,409	(2,020)
LONG-TERM DEBT ISSUED	280	-	(280)
SALE OF CAPITAL ASSETS	-	36	36
	<u>3,952</u>	<u>4,224</u>	<u>272</u>
TOTAL OTHER FINANCING SOURCES AND (USES)			
NET CHANGE IN FUND BALANCES	(5,924)	5,346	11,270
FUND BALANCES, BEGINNING	<u>34,381</u>	<u>34,381</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 28,457</u>	<u>\$ 39,727</u>	<u>\$ 11,270</u>

**SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)**

PARK AND RECREATION DISTRICTS

	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
TAXES	\$ 3,312	\$ 3,605	\$ 293
REVENUES FROM USE OF MONEY AND PROPERTY	33	79	46
AID FROM OTHER GOVERNMENTAL AGENCIES	44	207	163
CHARGES FOR CURRENT SERVICES	2,714	2,183	(531)
OTHER REVENUES	764	942	178
TOTAL REVENUES	<u>6,867</u>	<u>7,016</u>	<u>149</u>
EXPENDITURES:			
CURRENT:			
RECREATION AND CULTURAL SERVICES	7,524	6,197	1,327
DEBT SERVICE:			
PRINCIPAL	150	-	150
INTEREST AND FISCAL CHARGES	100	143	(43)
CAPITAL OUTLAY	242	226	16
TOTAL EXPENDITURES	<u>8,016</u>	<u>6,566</u>	<u>1,450</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,149)</u>	<u>450</u>	<u>1,599</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(804)	(234)	570
TRANSFERS IN	450	193	(257)
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(354)</u>	<u>(41)</u>	<u>313</u>
NET CHANGE IN FUND BALANCES	(1,503)	409	1,912
FUND BALANCES, BEGINNING	<u>2</u>	<u>2</u>	<u>-</u>
FUND BALANCES (DEFICIT), ENDING	<u>\$ (1,501)</u>	<u>\$ 411</u>	<u>\$ 1,912</u>

**SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)**

	COUNTY FREE LIBRARY		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
TAXES	\$ 23,958	\$ 27,513	\$ 3,555
REVENUES FROM USE OF MONEY AND PROPERTY	6	7	1
AID FROM OTHER GOVERNMENTAL AGENCIES	1,825	501	(1,324)
CHARGES FOR CURRENT SERVICES	831	796	(35)
OTHER REVENUES	-	169	169
	<u>26,620</u>	<u>28,986</u>	<u>2,366</u>
TOTAL REVENUES			
EXPENDITURES:			
CURRENT:			
EDUCATION	28,207	20,445	7,762
DEBT SERVICE:			
PRINCIPAL	470	470	-
INTEREST AND FISCAL CHARGES	11	11	-
CAPITAL OUTLAY	785	588	197
	<u>29,473</u>	<u>21,514</u>	<u>7,959</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,853)</u>	<u>7,472</u>	<u>10,325</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(528)	(133)	395
TRANSFERS IN	100	-	(100)
	<u>(428)</u>	<u>(133)</u>	<u>295</u>
TOTAL OTHER FINANCING SOURCES AND (USES)			
NET CHANGE IN FUND BALANCES	(3,281)	7,339	10,620
FUND BALANCES, BEGINNING	<u>27,313</u>	<u>27,313</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 24,032</u>	<u>\$ 34,652</u>	<u>\$ 10,620</u>

SAN BERNARDINO COUNTY
 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, 2023 (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	\$ 35	\$ 88	\$ 53
OTHER REVENUES	<u>260</u>	<u>378</u>	<u>118</u>
TOTAL REVENUES	<u>295</u>	<u>466</u>	<u>171</u>
EXPENDITURES:			
CURRENT:			
PUBLIC ASSISTANCE	<u>5,116</u>	<u>2,233</u>	<u>2,883</u>
TOTAL EXPENDITURES	<u>5,116</u>	<u>2,233</u>	<u>2,883</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,821)</u>	<u>(1,767)</u>	<u>3,054</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS IN	<u>241</u>	<u>241</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>241</u>	<u>241</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(4,580)	(1,526)	3,054
FUND BALANCES, BEGINNING	<u>4,929</u>	<u>4,929</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 349</u>	<u>\$ 3,403</u>	<u>\$ 3,054</u>

**SAN BERNARDINO COUNTY
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, 2023 (IN THOUSANDS)**

	OTHER SPECIAL REVENUE		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
TAXES	\$ 42	\$ 25	\$ (17)
LICENSES, PERMITS AND FRANCHISES	-	541	541
FINES, FORFEITURES AND PENALTIES	1,431	2,985	1,554
REVENUES FROM USE OF MONEY AND PROPERTY	3,265	6,254	2,989
AID FROM OTHER GOVERNMENTAL AGENCIES	100,361	60,620	(39,741)
CHARGES FOR CURRENT SERVICES	10,974	10,823	(151)
OTHER REVENUES	<u>21,953</u>	<u>23,187</u>	<u>1,234</u>
TOTAL REVENUES	<u>138,026</u>	<u>104,435</u>	<u>(33,591)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	11,677	1,129	10,548
PUBLIC PROTECTION	33,149	22,153	10,996
HEALTH AND SANITATION	62,798	22,401	40,397
PUBLIC ASSISTANCE	2,780	1,861	919
RECREATION AND CULTURAL SERVICES	4,089	2,903	1,186
DEBT SERVICE:			
PRINCIPAL	432	432	-
INTEREST AND FISCAL CHARGES	12	12	-
CAPITAL OUTLAY	<u>11,101</u>	<u>2,666</u>	<u>8,435</u>
TOTAL EXPENDITURES	<u>126,038</u>	<u>53,557</u>	<u>72,481</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>11,988</u>	<u>50,878</u>	<u>38,890</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(39,150)	(19,552)	19,598
TRANSFERS IN	12,677	10,919	(1,758)
SUBSCRIPTION FINANCING	99	99	-
SALE OF CAPITAL ASSETS	<u>-</u>	<u>2,835</u>	<u>2,835</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(26,374)</u>	<u>(5,699)</u>	<u>20,675</u>
NET CHANGE IN FUND BALANCES	(14,386)	45,179	59,565
FUND BALANCES, BEGINNING	<u>227,487</u>	<u>227,487</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 213,101</u>	<u>\$ 272,666</u>	<u>\$ 59,565</u>

**SAN BERNARDINO COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL ON BUDGETARY BASIS
CAPITAL IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES:				
REVENUES FROM USE OF MONEY AND PROPERTY	\$ -	\$ -	\$ 720	\$ 720
AID FROM OTHER GOVERNMENTAL AGENCIES	3,867	39,904	2,420	(37,484)
OTHER REVENUES	-	-	8,179	8,179
TOTAL REVENUES	3,867	39,904	11,319	(28,585)
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	-	-	(28,204)	28,204
CAPITAL OUTLAY	739,560	858,061	130,545	727,516
TOTAL EXPENDITURES	739,560	858,061	102,341	755,720
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(735,693)	(818,157)	(91,022)	727,135
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT	(32,782)	(58,668)	(63,653)	(4,985)
TRANSFERS IN	210,400	318,750	214,783	(103,967)
TOTAL OTHER FINANCING SOURCES AND (USES)	177,618	260,082	151,130	(108,952)
NET CHANGE IN FUND BALANCES	(558,075)	(558,075)	60,108	618,183
FUND BALANCES, BEGINNING	605,155	605,155	605,155	-
FUND BALANCES, ENDING	\$ 47,080	\$ 47,080	\$ 665,263	\$ 618,183

**SAN BERNARDINO COUNTY
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL ON BUDGETARY BASIS
 CERTAIN CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	TOTAL		
	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 349	\$ 531	\$ 182
AID FROM OTHER GOVERNMENTAL AGENCIES	1,500	15	(1,485)
OTHER REVENUES	-	1	1
TOTAL REVENUES	1,849	547	(1,302)
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	6,286	345	5,941
DEBT SERVICE:			
PRINCIPAL	4,500	-	4,500
INTEREST AND FISCAL CHARGES	85	78	7
CAPITAL OUTLAY	36,660	2,637	34,023
TOTAL EXPENDITURES	47,531	3,060	44,471
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(45,682)	(2,513)	43,169
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(8,745)	(100)	8,645
TRANSFERS IN	18,526	3,507	(15,019)
LONG-TERM DEBT ISSUED	2,982	-	(2,982)
TOTAL OTHER FINANCING SOURCES AND (USES)	12,763	3,407	(9,356)
NET CHANGE IN FUND BALANCES	(32,919)	894	33,813
FUND BALANCES, BEGINNING	31,911	31,911	-
FUND BALANCES (DEFICIT), ENDING	<u>\$ (1,008)</u>	<u>\$ 32,805</u>	<u>\$ 33,813</u>

SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)

REDEVELOPMENT SUCCESSOR HOUSING

	FINAL BUDGET	ACTUAL ON BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 307	\$ 348	\$ 41
TOTAL REVENUES	307	348	41
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	5,415	345	5,070
CAPITAL OUTLAY	13,011	-	13,011
TOTAL EXPENDITURES	18,426	345	18,081
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,119)	3	18,122
NET CHANGE IN FUND BALANCES	(18,119)	3	18,122
FUND BALANCES, BEGINNING	19,076	19,076	-
FUND BALANCES, ENDING	\$ 957	\$ 19,079	\$ 18,122

SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)

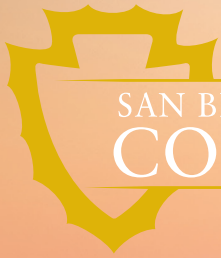
	FIRE PROTECTION DISTRICTS		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 29	\$ 120	\$ 91
TOTAL REVENUES	<u>29</u>	<u>120</u>	<u>91</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	<u>(8,500)</u>	<u>-</u>	<u>8,500</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>(8,500)</u>	<u>-</u>	<u>8,500</u>
NET CHANGE IN FUND BALANCES	(8,471)	120	8,591
FUND BALANCES, BEGINNING	<u>8,425</u>	<u>8,425</u>	<u>-</u>
FUND BALANCES (DEFICIT), ENDING	<u>\$ (46)</u>	<u>\$ 8,545</u>	<u>\$ 8,591</u>

SAN BERNARDINO COUNTY
 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, 2023 (IN THOUSANDS)

	PARK AND RECREATION DISTRICTS		
	<u>FINAL BUDGET</u>	<u>ACTUAL ON BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:			
REVENUES FROM USE OF MONEY AND PROPERTY	\$ 2	\$ 12	\$ 10
AID FROM OTHER GOVERNMENTAL AGENCIES	1,500	-	(1,500)
OTHER REVENUES	-	1	1
TOTAL REVENUES	<u>1,502</u>	<u>13</u>	<u>(1,489)</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	585	(126)	711
DEBT SERVICE:			
PRINCIPAL	4,500	-	4,500
INTEREST AND FISCAL CHARGES	85	78	7
CAPITAL OUTLAY	<u>4,020</u>	<u>717</u>	<u>3,303</u>
TOTAL EXPENDITURES	<u>9,190</u>	<u>669</u>	<u>8,521</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(7,688)</u>	<u>(656)</u>	<u>7,032</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(100)	(100)	-
TRANSFERS IN	<u>3,512</u>	<u>2,942</u>	<u>(570)</u>
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>3,412</u>	<u>2,842</u>	<u>(570)</u>
NET CHANGE IN FUND BALANCES	(4,276)	2,186	6,462
FUND BALANCES, BEGINNING	<u>426</u>	<u>426</u>	<u>-</u>
FUND BALANCES (DEFICIT), ENDING	<u>\$ (3,850)</u>	<u>\$ 2,612</u>	<u>\$ 6,462</u>

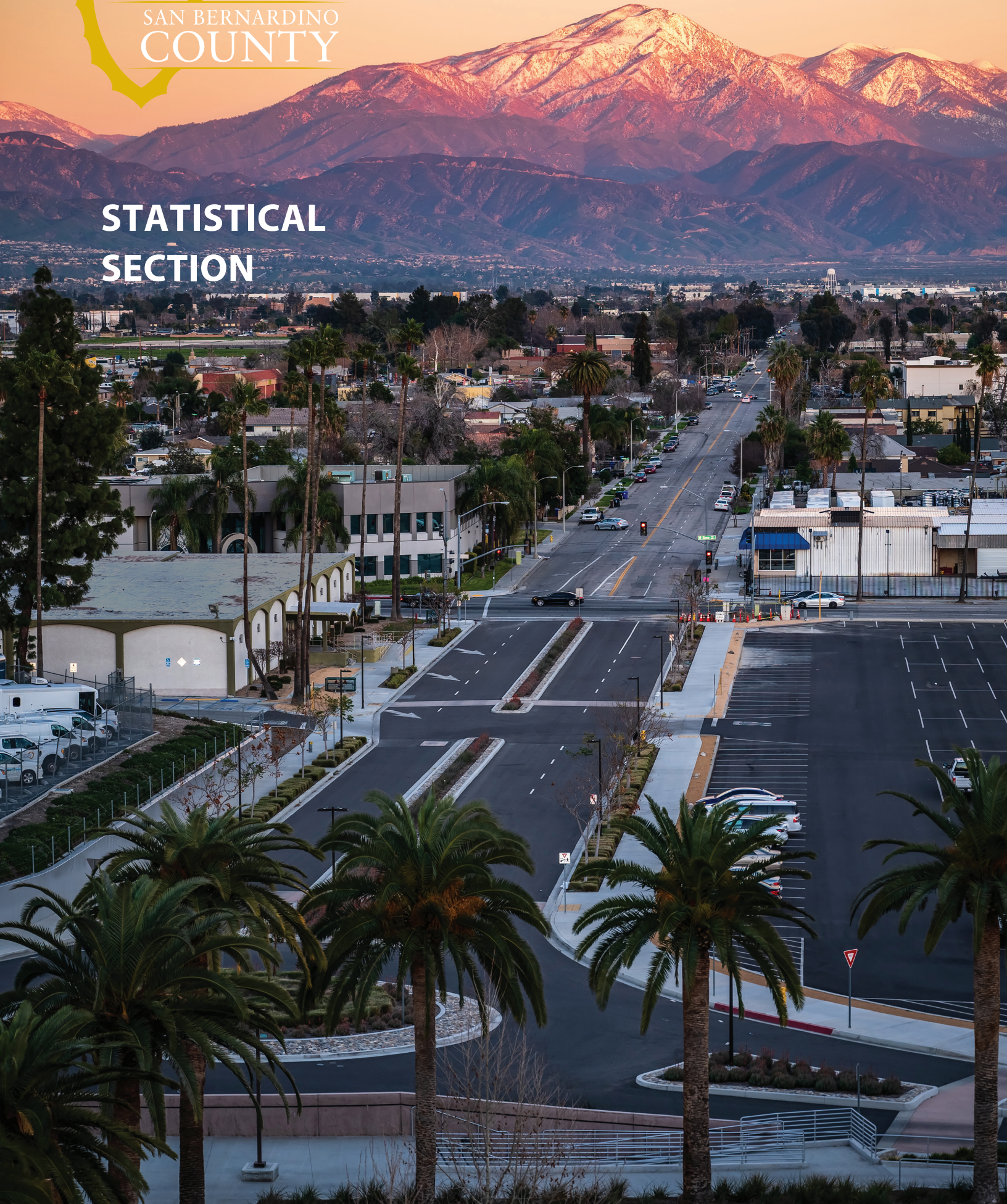
**SAN BERNARDINO COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL ON BUDGETARY BASIS (CONTINUED)
CERTAIN CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2023 (IN THOUSANDS)**

	<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	\$ 11	\$ 51	\$ 40
AID FROM OTHER GOVERNMENTAL AGENCIES	-	15	15
TOTAL REVENUES	<u>11</u>	<u>66</u>	<u>55</u>
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT	286	126	160
CAPITAL OUTLAY	19,629	1,920	17,709
TOTAL EXPENDITURES	<u>19,915</u>	<u>2,046</u>	<u>17,869</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(19,904)</u>	<u>(1,980)</u>	<u>17,924</u>
OTHER FINANCING SOURCES (USES):			
TRANSFERS OUT	(145)	-	145
TRANSFERS IN	15,014	565	(14,449)
LONG-TERM DEBT ISSUED	2,982	-	(2,982)
TOTAL OTHER FINANCING SOURCES AND (USES)	<u>17,851</u>	<u>565</u>	<u>(17,286)</u>
NET CHANGE IN FUND BALANCES	(2,053)	(1,415)	638
FUND BALANCES, BEGINNING	<u>3,984</u>	<u>3,984</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 1,931</u>	<u>\$ 2,569</u>	<u>\$ 638</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 annual comprehensive 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 annual comprehensive financial reports for the relevant year.



SAN BERNARDINO COUNTY
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (IN THOUSANDS)
(accrual basis of accounting)

	2013-14	2014-15	2015-16	2016-17	2017-18 as restated	2018-19	2019-20	2020-21	2021-22	2022-23
GOVERNMENTAL ACTIVITIES										
NET INVESTMENT IN CAPITAL ASSETS	\$ 1,749,238	\$ 1,809,961	\$ 1,843,897	\$ 1,919,224	\$ 1,969,174	\$ 2,050,846	\$ 2,113,071	\$ 2,126,175	\$ 2,130,271	\$ 2,164,774
RESTRICTED	776,259	947,882	942,150	1,046,820	1,153,493	1,322,967	1,426,618	1,632,684	1,884,804	2,311,578
UNRESTRICTED	519,085	(1,508,357)	(1,147,159)	(1,004,921)	(887,566)	(715,197)	(547,234)	(274,133)	406,992	678,271
SUBTOTAL GOVERNMENTAL ACTIVITIES NET POSITION	3,044,582	1,249,486	1,638,888	1,961,123	2,235,101	2,658,616	2,992,455	3,484,726	4,422,067	5,154,623
BUSINESS-TYPE ACTIVITIES										
NET INVESTMENT IN CAPITAL ASSETS	110,155	180,714	202,941	205,158	209,059	255,966	335,006	290,782	323,482	359,217
RESTRICTED	62,286	73,040	74,990	80,983	72,006	70,922	31,218	8,898	-	13,567
UNRESTRICTED	51,458	(12,512)	39,906	124,939	173,311	239,605	249,819	228,448	287,518	305,210
SUBTOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	223,899	241,242	317,837	411,080	454,376	566,493	616,043	528,128	611,000	677,994
PRIMARY GOVERNMENT										
NET INVESTMENT IN CAPITAL ASSETS	1,859,393	1,990,675	2,046,838	2,124,382	2,178,233	2,306,812	2,448,077	2,416,957	2,453,753	2,523,991
RESTRICTED	838,545	1,020,922	1,017,140	1,127,803	1,225,499	1,393,889	1,457,836	1,641,582	1,884,804	2,325,145
UNRESTRICTED	570,543	(1,520,869)	(1,107,253)	(879,982)	(714,255)	(475,592)	(297,415)	(45,685)	694,510	983,481
TOTAL PRIMARY GOVERNMENT NET POSITION	\$ 3,268,481	\$ 1,490,728	\$ 1,956,725	\$ 2,372,203	\$ 2,689,477	\$ 3,225,109	\$ 3,608,498	\$ 4,012,854	\$ 5,033,067	\$ 5,832,617

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.

SAN BERNARDINO COUNTY
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (IN THOUSANDS)
(accrual basis of accounting)

	2013-14	2014-15	2015-16	2016-17	2017-18 as restated	2018-19	2019-20	2020-21	2021-22	2022-23
Expenses										
<u>Governmental Activities:</u>										
General Government	\$ 178,980	\$ 162,261	\$ 158,981	\$ 169,368	\$ 176,594	\$ 193,206	\$ 297,199	\$ 301,548	\$ 224,605	268,068
Public Protection	1,007,434	979,458	1,054,075	1,164,533	1,225,387	1,301,638	1,399,634	1,619,673	1,405,622	1,629,396
Public Ways and Facilities	91,744	71,614	81,902	86,017	87,993	89,908	107,443	106,332	101,367	141,481
Health and Sanitation	331,551	325,261	338,910	390,442	433,482	491,059	531,405	659,624	605,285	622,695
Public Assistance	1,046,447	1,008,353	1,079,575	1,138,660	1,196,683	1,232,193	1,368,711	1,438,825	1,329,724	1,553,529
Education	20,923	16,718	19,424	20,010	21,182	22,375	23,170	23,400	30,064	25,565
Recreation and Cultural Services	25,290	24,103	24,505	24,984	24,563	26,583	27,889	34,142	29,762	34,250
Interest on Long Term Debt	50,189	45,233	42,744	39,447	30,563	28,131	20,021	11,834	7,586	7,785
Total Governmental Activities	<u>2,752,558</u>	<u>2,633,001</u>	<u>2,800,116</u>	<u>3,033,461</u>	<u>3,196,447</u>	<u>3,385,093</u>	<u>3,775,472</u>	<u>4,195,378</u>	<u>3,734,015</u>	<u>4,282,769</u>
<u>Business-type Activities:</u>										
Medical Center	513,609	488,239	507,668	535,515	542,185	572,061	622,695	695,142	723,651	799,661
Waste Systems	61,883	76,160	60,717	62,075	92,211	82,267	72,411	109,358	102,307	100,378
Housing Authority (2)	-	104,759	105,876	114,722	130,533	129,967	141,340	-	-	-
Water, Sewer, and Sanitation (1)	15,204	18,154	20,804	16,745	16,454	19,263	16,322	14,714	18,075	21,688
Paramedic and Emergency (1)	-	-	-	-	-	-	-	-	-	-
Others (1)	69	131	67	47	24	69	102	63	183	96
Total Business-type Activities	<u>590,765</u>	<u>687,443</u>	<u>695,132</u>	<u>729,104</u>	<u>781,407</u>	<u>803,627</u>	<u>852,870</u>	<u>819,277</u>	<u>844,216</u>	<u>921,823</u>
Total Primary Government Expenses	<u>\$3,343,323</u>	<u>\$3,320,444</u>	<u>\$3,495,248</u>	<u>\$3,762,565</u>	<u>\$3,977,854</u>	<u>\$4,188,720</u>	<u>\$ 4,628,342</u>	<u>\$5,014,655</u>	<u>\$ 4,578,231</u>	<u>\$ 5,204,592</u>
Program Revenues										
<u>Governmental Activities:</u>										
Charges for Services:										
General Government	\$ 143,368	\$ 138,561	\$ 150,204	\$ 155,023	\$ 167,377	\$ 167,121	\$ 171,032	\$ 175,884	\$ 151,227	\$ 186,889
Public Protection	235,102	246,438	251,153	278,441	304,073	299,488	323,211	347,206	374,154	362,350
Public Ways and Facilities	12,856	9,258	9,047	6,209	8,433	8,308	9,303	8,394	10,035	8,325
Health and Sanitation	23,261	23,999	22,304	23,516	24,201	24,101	34,999	33,532	34,010	41,316
Public Assistance	2,833	3,441	3,034	2,891	3,778	3,315	3,574	3,355	3,186	3,030
Education	1,046	1,053	1,011	1,114	1,312	1,328	1,042	284	507	796
Recreation and Cultural Services	8,632	8,715	8,773	8,805	9,100	9,494	7,454	8,980	11,023	10,521
Operating Grants/Contributions:										
General Government	20,832	42,644	7,822	10,117	31,099	40,837	81,325	109,154	84,364	74,008
Public Protection	240,781	227,133	279,206	267,910	271,012	304,698	334,240	606,516	374,601	421,585
Public Ways and Facilities	75,682	62,369	46,838	42,414	50,998	85,258	87,642	84,015	90,534	100,921
Health and Sanitation	372,615	383,128	376,831	442,958	405,087	493,278	471,039	629,536	663,031	630,547
Public Assistance	1,026,267	997,915	1,080,108	1,102,910	1,115,919	1,199,953	1,271,794	1,354,678	1,453,713	1,515,709
Education	249	247	254	234	269	332	644	1,247	223	508
Recreation and Cultural Services	430	481	686	415	2,110	2,517	2,483	688	1,652	5,917
Capital Grants/Contributions:										
General Government	-	23,766	182	996	20	-	201	-	-	1
Public Protection	-	-	2	-	-	167	-	60	-	150
Public Ways and Facilities	25,971	1,237	250	7,051	3,725	95	3,895	1,884	705	4,958
Health and Sanitation	-	-	-	-	-	-	-	-	-	-
Recreation and Cultural Services	-	-	50	-	-	-	268	-	865	386
Subtotal Governmental Activities	<u>2,189,925</u>	<u>2,170,385</u>	<u>2,237,755</u>	<u>2,351,004</u>	<u>2,398,513</u>	<u>2,640,290</u>	<u>2,804,146</u>	<u>3,365,413</u>	<u>3,253,830</u>	<u>3,367,917</u>
<u>Business-type Activities:</u>										
Charges for Services:										
Medical Center	398,628	431,606	448,135	473,065	342,236	376,232	353,683	376,434	456,817	508,833
Waste System	59,784	76,303	76,869	77,671	83,612	87,274	92,408	93,534	95,149	101,016
Housing Authority (2)	-	18,396	16,300	17,354	20,553	22,813	24,794	-	-	-
Water, Sewer, and Sanitation	14,696	14,222	13,459	12,778	14,163	14,073	14,331	14,702	17,034	14,641
Others (1)	95	89	74	84	69	61	175	1	93	110
Operating Grants & Contributions:										
Medical Center	46,070	120,742	95,250	105,475	221,142	218,366	276,129	311,056	346,938	309,479
Waste System	2,661	79	79	78	77	77	90	155	75	353
Housing Authority (2)	-	87,965	91,044	96,883	109,603	115,878	106,066	-	-	-
Water, Sewer, and Sanitation (1)	101	584	72	34	167	3,759	2,085	344	636	895
Others (3)	-	-	-	-	-	-	2	-	-	1
Capital Grants & Contributions:										
Medical Center	21,247	16,501	18,855	18,826	24,637	21,351	20,654	16,926	12,643	19,156
Housing Authority (2)	-	541	161	462	102	1,723	-	-	-	-
Water, Sewer, and Sanitation (1)	-	60	170	28	-	-	-	17	-	-
Subtotal Business-type Activities	<u>543,282</u>	<u>767,088</u>	<u>760,468</u>	<u>802,738</u>	<u>816,361</u>	<u>861,607</u>	<u>890,417</u>	<u>813,169</u>	<u>929,385</u>	<u>954,484</u>
Total Primary Government Program Revenues	<u>\$2,733,207</u>	<u>\$2,937,473</u>	<u>\$2,998,223</u>	<u>\$3,153,742</u>	<u>\$3,214,874</u>	<u>\$3,501,897</u>	<u>\$ 3,694,563</u>	<u>\$4,178,582</u>	<u>\$ 4,183,215</u>	<u>\$ 4,322,401</u>
Net (Expense) / Revenue										
Governmental Activities	\$ (562,633)	\$ (462,616)	\$ (562,361)	\$ (682,457)	\$ (797,934)	\$ (744,803)	\$ (971,326)	\$ (829,965)	\$ (480,185)	\$ (914,852)
Business-type Activities	(47,483)	79,645	65,336	73,634	34,954	57,980	37,547	(6,108)	85,169	32,661
Total Primary Government Net Expenses	<u>\$ (610,116)</u>	<u>\$ (382,971)</u>	<u>\$ (497,025)</u>	<u>\$ (608,823)</u>	<u>\$ (762,980)</u>	<u>\$ (686,823)</u>	<u>\$ (933,779)</u>	<u>\$ (836,073)</u>	<u>\$ (395,016)</u>	<u>\$ (882,191)</u>

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 through June 30, 2020. HACSB is no longer a blended component unit effective July 1, 2020.
- (3) Starting in fiscal year 2019-20 business activities had Other reported for Operating Grants and Contributions.

SAN BERNARDINO COUNTY
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS (IN THOUSANDS)
(accrual basis of accounting)

	2013-14	2014-15	2015-16	2016-17	2017-18 as restated	2018-19	2019-20	2020-21	2021-22	2022-23
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes, Levied for General Purposes	\$ 553,303	\$ 573,482	\$ 617,923	\$ 664,059	\$ 704,316	\$ 785,169	\$ 836,582	\$ 921,872	\$ 981,516	\$ 1,072,879
Public Safety Tax	156,352	160,337	164,993	174,648	188,194	197,665	195,009	221,401	277,989	289,757
Sales Taxes	29,103	28,437	43,595	28,019	29,886	-	-	-	-	-
Other Taxes	16,099	18,767	20,743	20,125	25,257	27,465	28,221	39,830	54,183	48,829
American Rescue Plan Act	-	-	-	-	-	-	-	-	-	79,644
Unrestricted Revenues from Use of Money and Property	43,603	44,616	42,739	48,663	36,935	88,199	92,872	34,433	(15,813)	91,414
Miscellaneous	74,416	74,480	69,822	70,077	78,121	82,549	73,902	72,518	55,585	65,327
Gains on Sale of Capital Assets	5,565	3,335	11,676	3,781	4,750	4,073	72,043	3,006	3,517	3,041
Extraordinary Item - RDA Dissolution	10,415	-	-	-	-	-	-	-	-	-
Transfers	(37,294)	(12,428)	(19,728)	(4,680)	4,453	(16,802)	6,536	4,395	2,810	(3,483)
Subtotal Governmental Activities	851,562	891,026	951,763	1,004,692	1,071,912	1,168,318	1,305,165	1,297,455	1,417,526	1,647,408
Business-type Activities:										
Property Taxes, Levied for General Purposes	2,786	2,850	2,981	3,105	3,198	3,424	4,397	4,630	4,760	5,052
Unrestricted Revenues from Use of Money and Property	2,210	2,569	3,155	1,263	2,835	11,336	11,402	61	(5,961)	6,571
Miscellaneous	53,070	13,361	4,536	10,132	6,561	18,076	2,685	852	1,579	19,227
Gains on Sale of Capital Assets	50	774	671	329	201	4,499	55	-	135	-
Extraordinary Item - RDA Dissolution	-	-	-	-	-	-	-	-	-	-
Transfers	37,294	12,428	19,628	4,780	(4,453)	16,802	(6,536)	(4,395)	(2,810)	3,483
Subtotal Business-type Activities	95,410	31,982	30,971	19,609	8,342	54,137	12,003	1,148	(2,297)	34,333
Total Primary Government	\$ 946,972	\$ 923,008	\$ 982,734	\$ 1,024,301	\$ 1,080,254	\$ 1,222,455	\$ 1,317,168	\$ 1,298,603	\$ 1,415,229	\$ 1,681,741
Changes in Net Position										
Governmental Activities	\$ 288,929	\$ 428,410	\$ 389,402	\$ 322,235	\$ 273,978	\$ 423,515	\$ 333,839	\$ 467,490	\$ 937,341	\$ 732,556
Business-type Activities	47,927	111,627	96,307	93,243	43,296	112,117	49,550	(4,960)	82,872	66,994
Total Primary Government	\$ 336,856	\$ 540,037	\$ 485,709	\$ 415,478	\$ 317,274	\$ 535,632	\$ 383,389	\$ 462,530	\$ 1,020,213	\$ 799,550

SAN BERNARDINO COUNTY
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (IN THOUSANDS)
(modified accrual basis accounting)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
General Fund										
Nonspendable	\$ 64,204	\$ 55,918	\$ 49,048	\$ 43,943	\$ 44,349	\$ 36,506	\$ 40,183	\$ 41,514	\$ 40,481	\$ 35,735
Restricted	309,067	352,444	397,574	435,337	436,740	457,807	469,130	526,242	655,403	818,429
Committed	175,620	187,123	306,216	295,051	283,268	224,504	258,226	261,476	234,883	359,439
Assigned	28,680	11,809	8,862	4,391	4,086	3,466	2,644	4,130	17,639	11,427
Unassigned	239,221	322,130	294,958	271,914	333,915	477,914	445,760	811,697	910,893	1,020,297
Subtotal General Fund	816,792	929,424	1,056,658	1,050,636	1,102,358	1,200,197	1,215,943	1,645,059	1,859,299	2,245,327
Capital Improvement Fund										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	6,774	29,875	35,760	42,891	101,627	86,459	93,962	115,734	52,484	86,337
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	132,193	82,415	99,575	198,281	212,320	258,818	394,979	383,122	579,356	637,590
Subtotal Capital Improvement Fund	138,967	112,290	135,335	241,172	313,947	345,277	488,941	498,856	631,840	723,927
All Other Governmental Funds										
Nonspendable	2,938	1,958	1,902	2,122	3,450	7,763	8,695	32,950	24,608	13,836
Restricted	513,859	629,918	649,637	704,127	738,023	826,518	891,052	1,014,683	1,193,358	1,287,698
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	52,623	48,255	43,386	46,658	66,072	73,046	74,395	97,268	106,905	118,018
Unassigned (deficit)	-	-	-	-	-	-	(2,696)	(5,877)	(32)	-
Subtotal All Other Governmental Funds	569,420	680,131	694,925	752,907	807,545	907,327	971,446	1,139,024	1,324,839	1,419,552
Total Governmental Fund Balances	\$ 1,525,179	\$ 1,721,845	\$ 1,886,918	\$ 2,044,715	\$ 2,223,850	\$ 2,452,801	\$ 2,676,330	\$ 3,282,939	\$ 3,815,978	\$ 4,388,806

SAN BERNARDINO COUNTY
 CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS (IN THOUSANDS)
 (modified accrual basis accounting)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Revenues (by Source)										
Taxes	\$ 749,232	\$ 788,712	\$ 849,399	\$ 891,168	\$ 952,455	\$ 1,042,036	\$ 1,099,185	\$ 1,224,317	\$ 1,363,354	\$ 1,468,663
Licenses, Permits, and Franchises	24,919	25,587	25,159	26,731	25,849	27,421	27,613	29,151	32,088	38,398
Fines, Forfeitures, and Penalties	14,865	15,704	11,996	14,326	11,785	12,683	10,787	9,249	12,175	11,233
Rev from Use of Money and Property	41,658	42,129	47,632	44,417	50,644	111,750	122,370	32,736	(28,998)	121,196
Aid from Other Governments	1,705,488	1,755,929	1,787,474	1,871,165	1,880,144	2,071,634	2,169,418	2,745,262	2,702,879	2,755,489
Charges for Current Services	382,716	388,092	403,193	434,218	477,874	468,459	510,203	538,952	535,443	549,532
Other Revenues	67,629	61,155	61,320	62,571	67,351	72,639	68,572	72,480	55,507	64,028
Total Revenues	2,986,507	3,077,308	3,186,173	3,344,596	3,466,102	3,806,622	4,008,148	4,652,147	4,672,448	5,008,539
Expenditures (by Function)										
General Government	160,755	145,589	149,160	151,379	161,434	178,915	275,911	274,900	231,114	258,716
Public Protection	957,832	990,078	1,052,371	1,121,754	1,166,446	1,256,078	1,310,238	1,464,388	1,445,106	1,580,182
Public Ways and Facilities	103,267	75,559	62,292	72,848	65,421	70,253	90,159	77,295	89,864	130,819
Health and Sanitation	331,830	343,769	352,781	392,447	428,487	493,272	519,330	622,104	634,278	615,990
Public Assistance	1,037,741	1,068,461	1,130,864	1,148,941	1,190,633	1,243,632	1,346,279	1,347,430	1,395,734	1,542,452
Education	17,295	16,967	18,240	19,388	20,248	21,567	21,792	20,242	22,470	24,116
Recreation and Cultural Services	20,466	20,753	19,720	20,475	20,273	22,010	22,293	22,891	23,096	27,846
Debt Service										
Principal	83,495	91,977	111,752	102,499	104,460	111,562	111,638	120,126	172,498	121,706
Interest	24,156	22,034	20,443	17,247	15,978	14,984	12,115	8,392	8,140	9,038
Bond Issuance Costs	-	-	187	-	-	-	-	-	-	-
Capital Outlay	94,354	132,041	120,909	140,905	124,914	154,843	159,189	121,506	139,956	229,078
Total Expenditures	2,831,191	2,907,228	3,038,719	3,187,883	3,298,294	3,567,116	3,868,944	4,079,274	4,162,256	4,539,943
Excess (Deficiency) of Revenues Over (Under) Expenditures	155,316	170,080	147,454	156,713	167,808	239,506	139,204	572,873	510,192	468,596
Other Financing Sources (Uses)										
Transfer to Other Funds	(263,941)	(249,063)	(302,893)	(395,117)	(352,170)	(332,559)	(397,527)	(273,136)	(457,781)	(446,299)
Transfer from Other Funds	227,341	238,802	301,385	391,807	358,747	316,888	405,889	279,085	462,781	443,618
Refunding Bonds Issued	-	-	27,870	-	-	-	-	-	-	-
Payment To Refunded Bond Escrow Agent	-	-	(27,870)	-	-	-	-	-	-	-
Lease Financing	-	-	-	-	-	1,043	-	-	14,330	80,023
Subscription Financing	-	-	-	-	-	-	-	-	-	23,228
Insurance Recoveries	-	14,000	3,916	-	-	-	-	-	-	-
Sale of Capital Assets	8,346	3,148	15,211	4,394	4,750	4,073	75,963	3,006	3,517	3,662
Total Other Financing Sources and (Uses)	(28,254)	6,887	17,619	1,084	11,327	(10,555)	84,325	8,955	22,847	104,232
Extraordinary Item	10,415	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ 137,477	\$ 176,967	\$ 165,073	\$ 157,797	\$ 179,135	\$ 228,951	\$ 223,529	\$ 581,828	\$ 533,039	\$ 572,828
Debt Service as a Percentage of Noncapital Expenditures:	3.99%	4.11%	4.53%	3.93%	3.80%	3.71%	3.34%	3.26%	4.50%	3.03%

**SAN BERNARDINO COUNTY
 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 TAXABLE ASSESSED VALUE	TOTAL TAX RATE
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%
2020-2021	229,418,815	12,487,688	8,407,987	(1,689,335)	248,625,155	1.00%
2021-2022	244,958,960	12,872,445	8,393,142	(1,669,822)	264,554,725	1.00%
2022-2023	267,090,723	13,744,787	9,680,402	(1,594,790)	288,921,122	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, San Bernardino County

SAN BERNARDINO COUNTY
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS - TAX RATE AREA 7000 (1)
(\$1 PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

FISCAL YEAR	SAN BERNARDINO COUNTY GENERAL	SCHOOLS	SAN BERNARDINO MUNICIPAL WATER	TOTAL
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
2020-21	1.0000	0.1685	0.1425	1.3110
2021-22	1.0000	0.1623	0.1300	1.2923
2022-23	1.0000	0.1328	0.1300	1.2628

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.

Source:

Auditor-Controller/Treasurer/Tax Collector, San Bernardino County.

SAN BERNARDINO COUNTY
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

TAXPAYERS	TYPE OF BUSINESS	FISCAL YEAR 2023		FISCAL YEAR 2014	
		TAXABLE ASSESSED VALUE	PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE
SOUTHERN CALIFORNIA EDISON COMPANY	UTILITY	\$ 6,187,562,318	2.14%	\$ 3,397,266,601	2.04%
PROLOGIS LP	LOGISTICS/REAL ESTATE	2,448,598,749	0.85%	756,686,731	0.45%
SOUTHERN CALIFORNIA GAS COMPANY	UTILITY	1,108,423,357	0.38%	323,254,520	0.19%
WATSON LAND COMPANY	REAL ESTATE	895,717,468	0.31%	268,662,357	0.16%
WAL-MART STORES INC	RETAIL	748,279,963	0.26%	382,112,170	0.23%
MAJESTIC REALTY CO	REAL ESTATE	688,663,871	0.24%	525,609,522	0.32%
REXFORD INDUSTRIAL REALTY L P	REAL ESTATE	679,825,572	0.24%		
HOMECOMING I AT TERRA VISTA LLC	REAL ESTATE	603,023,008	0.21%	108,074,232	0.06%
LIBERTY PROPERTY LIMITED PARTNERSHIP	REAL ESTATE	543,164,935	0.19%		
TEACHERS INSURANCE & ANNUITY ASSN	FINANCIAL SERVICES	532,039,160	0.18%	173,614,025	0.10%
TOTAL		<u>\$ 14,435,298,401</u>	<u>5.00%</u>	<u>\$ 5,935,280,158</u>	<u>3.56%</u>

Note:
 Net Assessed Secured amounts include Secured & Unitary less exemptions.

Source:
 Auditor-Controller/Treasurer/Tax Collector, San Bernardino County.

**SAN BERNARDINO COUNTY
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
2014	\$ 2,222,023	\$ 2,151,777	96.84%	\$ 63,180	\$ 2,214,957	99.68%
2015 (3)	2,337,923	2,277,885	97.43%	60,440	2,338,325	100.02%
2016 (3)	2,473,896	2,413,149	97.54%	63,660	2,476,809	100.12%
2017 (3)	2,598,465	2,555,888	98.36%	64,987	2,620,875	100.86%
2018 (3)	2,758,323	2,727,028	98.87%	75,579	2,802,607	101.61%
2019 (3)	2,974,194	2,916,381	98.06%	63,170	2,979,551	100.18%
2020 (3)	3,178,868	3,103,176	97.62%	75,951	3,179,127	100.01%
2021 (3)	3,350,751	3,302,450	98.56%	84,051	3,386,501	101.07%
2022 (3)	3,545,242	3,494,264	98.56%	91,227	3,585,491	101.14%
2023	3,825,669	3,751,230	98.05%		3,751,230	98.05%

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. The amount does not include any roll corrections.
- (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, San Bernardino County.

SAN BERNARDINO COUNTY
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (IN THOUSANDS, EXCEPT PER CAPITA)
JUNE 30, 2023

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			
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 (3)	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
2020-21	303,382	(33,627)	269,755	0.29%	0.11%	123.97
2021-22	176,999	(21,834)	155,165	0.27%	0.06%	70.92
2022-23	115,794	(17,855)	97,939	0.16%	0.03%	44.88

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) 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, San Bernardino County

SAN BERNARDINO COUNTY
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT (CONTINUED)
AS OF JUNE 30, 2023

<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>	<u>PERCENT APPLICABLE</u>	<u>DEBT 6/30/23</u>	
SAN BERNARDINO COUNTY GENERAL OBLIGATIONS	100.000 %	\$ 11,719,000	(2)
SAN BERNARDINO COUNTY PENSION OBLIGATIONS	100.000	62,960,000	
SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT GENERAL FUND OBLIGATIONS	100.000	41,065,000	
SAN BERNARDINO COUNTY LEASE LIABILITY	100.000	233,082,000	
SAN BERNARDINO COUNTY SUBSCRIPTION LIABILITY	100.000	23,013,000	
COMMUNITY COLLEGE DISTRICT CERTIFICATES OF PARTICIPATION	VARIOUS	29,187,921	
FONTANA UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	100.000	18,865,000	
HESPERIA UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	100.000	117,110,000	
SAN BERNARDINO CITY UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	100.000	76,370,000	
SNOWLINE JOINT UNIFIED SCHOOL DISTRICT GENERAL FUND OBLIGATIONS	98.404	58,451,976	
OTHER UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	VARIOUS	56,616,856	
VICTOR VALLEY UNION HIGH SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	100.000	17,600,000	
CUCAMONGA SCHOOL DISTRICT GENERAL FUND OBLIGATIONS	100.000	2,616,000	
ORO GRANDE SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	100.000	28,995,000	
OTHER ELEMENTARY SCHOOL DISTRICT GENERAL FUND OBLIGATIONS	100.000	9,045,000	
CITY OF COLTON GENERAL FUND OBLIGATIONS AND PENSION OBLIGATION BONDS	100.000	22,374,400	
CITY OF FONTANA GENERAL FUND OBLIGATIONS	100.000	51,255,000	
CITY OF HESPERIA GENERAL FUND OBLIGATIONS	100.000	30,230,000	
CITY OF MONTCLAIR GENERAL FUND OBLIGATIONS	100.000	82,120,000	
CITY OF ONTARIO GENERAL FUND OBLIGATIONS AND PENSION OBLIGATION BONDS	100.000	472,630,000	
CITY OF SAN BERNARDINO GENERAL FUND OBLIGATIONS AND PENSION OBLIGATION BONDS	100.000	19,785,000	
OTHER CITY GENERAL FUND AND PENSION OBLIGATION BONDS	100.000	71,630,654	
SAN BERNARDINO MOUNTAINS COMMUNITY HOSPITAL DISTRICT GENERAL FUND OBLIGATIONS	100.000	2,237,700	
BIG BEAR MUNICIPAL WATER DISTRICT GENERAL FUND OBLIGATIONS	100.000	2,355,000	
WEST VALLEY VECTOR CONTROL DISTRICT GENERAL FUND OBLIGATIONS	100.000	1,682,042	
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		\$ 1,542,996,549	
TOTAL DIRECT DEBT		\$ 371,839,000	
TOTAL OVERLAPPING DEBT (1)		\$ 6,300,930,696	
COMBINED DEBT		\$ 6,672,769,696	(3)

RATIOS TO 2022-23 ASSESSED VALUATION

TOTAL DIRECT DEBT (\$371,839,000)	0.13%
COMBINED TOTAL DEBT	2.31%

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

SAN BERNARDINO COUNTY
 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>
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%
2020-21	248,625,155	3,107,814	50	3,107,764	0.00%
2021-22	264,554,725	3,306,934	50	3,306,884	0.00%
2022-23	288,921,122	3,611,514	50	3,611,464	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, San Bernardino County

SAN BERNARDINO COUNTY
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (IN THOUSANDS, EXCEPT PER CAPITA)
JUNE 30, 2023

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	DIRECT FINANCE LEASE OBLIGATION (3)	LEASE LIABILITY	SUBSCRIPTION LIABILITY	OTHER LONG-TERM LIABILITIES	CERTIFICATES OF PARTICIPATION	GENERAL OBLIGATION BONDS	NOTES					DIRECT FINANCE LEASE OBLIGATION (3)	LEASE LIABILITY	SUBSCRIPTION LIABILITY
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
2020-21	-	79,374	223,958	542	224,316	-	-	242,444	50	1,171	1,926	14,447	-	788,228	0.32%	0.86%	362
2021-22	-	10,890	166,059	-	195,699	8,713	-	211,419	50	1,096	1,366	12,164	8,129	615,485	0.23%	1.07%	281
2022-23	-	10,405	105,339	-	233,082	23,013	-	179,280	50	1,019	671	9,917	8,189	570,965	0.20%	0.92%	262

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.
(3) Changed in FY 2021-22 from Capital Lease Obligations to Direct Finance Lease Obligations due to the implementation of GASB Statement No. 87.

Source:
Direct Finance Lease Obligations arises from lease agreements without a termination option which transfer ownership of the underlying asset to the lessee at the end of the contract.
Auditor-Controller/Treasurer/Tax Collector, San Bernardino County

**SAN BERNARDINO COUNTY
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS (IN THOUSANDS)
 JUNE 30, 2023**

GEOGRAPHICAL LOCATION: San Bernardino County 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: 1,160,561 (Not Rounded) as of June 30, 2023

<u>CALENDAR YEAR</u>	<u>(1), (5) POPULATION</u>	<u>PERSONAL INCOME</u>	<u>(2), (5) PER CAPITA PERSONAL INCOME</u>	<u>(3) SCHOOL ENROLLMENT</u>	<u>(4), (5) UNEMPLOYMENT RATE</u>
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	85,093,000	38.82	406	4.50%
2020	2,181	87,937,000	40.32	407	10.30%
2021	2,176	91,479,000	42.04	399	7.90%
2022	2,188	57,763,000	26.40	399	4.00%
2023	2,182	61,969,000	28.40	397	5.10%

ESTIMATED POPULATION OF SAN BERNARDINO COUNTY AS OF JANUARY 1, 2021 (whole numbers):

INCORPORATED CITIES

Adelanto	36,656	Montclair	37,494
Apple Valley	74,996	Needles	4,756
Barstow	24,918	Ontario	180,717
Big Bear Lake	4,914	Rancho Cucamonga	173,545
Chino	93,137	Redlands	71,972
Chino Hills	77,058	Rialto	102,985
Colton	53,154	San Bernardino	223,230
Fontana	213,851	Twentynine Palms	25,929
Grand Terrace	12,814	Upland	78,376
Hesperia	100,041	Victorville	137,193
Highland	55,984	Yucaipa	53,991
Loma Linda	25,228	Yucca Valley	21,635
		Total	1,884,574
		Unincorporated Areas:	297,482
		Total Population	<u>2,182,056</u>

Sources:

- (1) State of California Department of Finance
- (2) U.S. Census Bureau
- (3) San Bernardino County Superintendent of Schools
- (4) California Employment Development Department
- (5) San Bernardino County Adopted Budget

**SAN BERNARDINO COUNTY
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

2022-2023 (2)

2013-2014

Employer	2022-2023 (2)		2013-2014	
	Employees (1)	Rank	Employees (1)	Rank
San Bernardino County	10,000+	1	19,000	1
Loma Linda University Medical Center	5,000-9,999	2	18,221	2
Ontario International Airport	5,000-9,999	3	13,805	3
Amazon	1,000-4,999	4	13,805	4
Burlington Distribution Corp	1,000-4,999	5	12,486	5
California State University San Bernardino	1,000-4,999	6	8,600	6
Dignity Health Community Hospital of San Bernardino	1,000-4,999	7	8,574	7
Environmental Systems Research Institute	1,000-4,999	8	7,695	8
Fedex Ground	1,000-4,999	9	6,147	9
Inland Empire Health Plan	1,000-4,999	10	6,000	10
			114,333	
				12.03%

Employer	2022-2023 (2)		2013-2014	
	Percentage of Total Employment	Rank	Percentage of Total Employment	Rank
San Bernardino County	1.04%+	1	2.00%	1
Stater Bros. Market	0.52%-1.04%	2	1.92%	2
U.S. Army, Fort Irwin & National Training Center	0.52%-1.04%	3	1.45%	3
Loma Linda University	0.10% -0.52%	4	1.45%	4
U.S. Marine Corps Air Ground Combat Center	0.10% -0.52%	5	1.31%	5
United Parcel Service	0.10% -0.52%	6	0.91%	6
San Bernardino City Unified School District	0.10% -0.52%	7	0.90%	7
Ontario International Airport	0.10% -0.52%	8	0.81%	8
Loma Linda University Medical Center	0.10% -0.52%	9	0.65%	9
Kaiser Permanente (Fontana only)	0.10% -0.52%	10	0.63%	10
Total				

Notes:

- (1) Data represents estimated number of employees.
- (2) Due to the confidentiality of reporting number of employees, ranges have been provided.

Sources:
Economic Development Agency, San Bernardino County.

SAN BERNARDINO COUNTY
COUNTY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General	1,417	1,456	1,491	1,496	1,560	1,628	1,624	1,591	1,669	1,712
Public Protection	6,355	6,362	6,526	6,825	7,024	6,961	7,079	6,861	6,740	6,946
Public Ways & Facilities	412	411	407	418	365	354	370	364	337	360
Health and Sanitation	4,407	4,431	4,594	4,686	4,813	4,869	5,184	5,516	5,282	5,393
Public Assistance	5,051	5,132	5,249	5,190	4,946	5,098	5,036	4,993	4,810	4,900
Education	144	130	150	152	169	171	160	149	140	153
Recreation & Cultural	270	261	216	211	136	127	114	104	128	125
Total	18,056	18,183	18,633	18,978	19,013	19,208	19,567	19,578	19,106	19,591

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.

**SAN BERNARDINO COUNTY
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
General Government										
Legal documents recorded (W)	503,126	540,267	554,691	581,372	525,566	458,496	324,701	396,073	700,502	353,280
Percentage of payments processed within 10 days (P) (2)	73%	*	*	*	*	*	*	*	*	*
Public Protection										
Criminal felonies filed - District Attorney (W)	20,556	16,476	12,246	14,193	13,084	11,360	12,578	13,603	10,712	13,061
Criminal misdemeanors filed - District Attorney (W)	35,926	37,835	35,467	42,727	40,610	37,795	35,200	28,032	22,923	19,006
Average cases supervised - Probation (W)	27,722	25,574	25,295	24,149	22,995	22,179	21,126	20,074	18,730	18,359
Percentage of new adults cases assessed with a valid risk instrument - Probation (P)	95%	96%	99%	99%	99%	99%	99%	99%	100%	99%
Sheriff's calls for service (W)	1,066,770	1,103,136	1,117,717	1,109,862	1,132,708	1,089,603	1,089,718	1,060,351	1,035,538	*
Number of inmate-on-inmate assaults per 1,000 per month (P)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Percent of autopsies performed per reportable deaths - Coroner (P)	19%	17%	17%	21%	21%	22%	21%	20%	28%	30%
Fire Protection - Number of fire calls (W)	156,864	180,125	186,021	126,150	138,547	149,532	126,087	130,000	133,165	133,193
Public Ways & Facilities										
Solid Waste										
Total tonnage landfilled (W) (3)	1,257,365	1,655,332	1,689,413	1,758,574	1,768,447	1,870,778	1,951,720	1,861,864	1,979,915	2,111,525
Pounds of trash per cubic yard of capacity - High Volume Sites (P) (3)	1,348	1,522	1,328	1,390	1,342	1,398	1,400	1,190	1,162	1,361
Transportation										
Maintained road miles (W)	2,554	2,550	2,550	2,550	2,552	2,551	2,551	2,560	2,573	2,576
Average Pavement Condition Index (PCI) of county maintained roads (P) (1)	Good	Good	Good	Good	Good	Good	Good	Good	Good	Good
Health and Sanitation										
Direct billable hours: Clinic - Behavioral Health (W)	237,996	243,731	264,769	284,747	275,375	262,852	253,792	211,302	196,261	208,507
Patient visits - Public Health (W)	61,831	50,832	67,393	62,012	58,161	56,699	60,184	54,383	56,582	62,130
Arrowhead Regional Medical Center - Emergency room visits (W)	106,335	97,108	92,028	92,021	86,256	83,280	76,917	68,315	80,267	89,634
Public Assistance										
Annual paid cases - CalWORKS-All Other Families (W)	471,285	469,097	441,741	405,256	383,094	350,802	342,288	312,020	249,796	263,638
Percentage of successful placements of people in Work Participation Rate (P)	45%	60%	45%	53%	55%	41%	48%	42%	34%	25%
Annual paid cases - CalWORKS-2 Parent Families (W)	60,122	65,022	61,519	53,484	47,973	42,130	40,895	35,133	25,955	30,397
Average child support collections per month (W)	14,158,216	14,516,145	14,969,848	15,541,421	15,821,837	16,076,175	17,737,720	18,363,629	16,761,131	16,114,369
Percentage of current support collected - Child Support (W)	64%	65%	66%	64%	64%	64%	65%	66%	63%	62%
Education										
County Library										
Circulation (W)	3,026,943	3,825,935	4,490,819	5,389,994	5,567,102	6,024,761	4,718,617	3,046,901	3,435,119	4,512,254
Total patron visits (W)	3,375,816	3,366,474	3,008,349	2,850,066	2,890,624	2,547,954	1,730,210	619,402	145,771	1,476,017
Total feet of space available at branch libraries (P)	383,511	383,511	388,511	388,511	388,511	388,511	387,459	387,459	368,894	368,894
Recreation and Cultural Services										
County Museum										
Total paid attendance (W)	28,289	30,682	34,398	34,423	40,217	58,205	27,025	8,801	62,433	64,860
Collected lots, objects, and specimens (W)	2,409,050	2,410,000	2,410,200	2,410,046	2,409,813	1,784,599	1,783,899	1,783,899	1,783,899	1,783,899
Regional Parks										
Total attendance (W)	1,594,916	1,364,500	1,364,500	969,702	1,030,103	999,257	508,054	555,316	293,367	301,948
Number of miles of open and usable trails maintained by Regional Parks (P)	28	28	28	28	52	52	52	52	62	62

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.
 (3) In fiscal year 20-21, the total tonnage landfilled and pounds of trash provided by Solid Waste are estimates.

Key:
 (W) Work Indicator
 (P) Performance Measures
 (*) Information not available

Sources:
 San Bernardino County Budget
 San Bernardino County Departments
 Auditor/Controller/Treasurer/Tax Collector, San Bernardino County

**SAN BERNARDINO COUNTY
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
General Government										
Recorder's Data Processing Equipment	52	46	51	59	54	71	82	80	92	67
Public Protection										
Major Correction & Detention Facilities	7	7	8	8	8	8	8	8	8	4
Sheriff Stations	9	9	10	10	10	10	10	10	10	8
Sheriff Vehicles	1787	1747	1769	1743	1877	2020	1,902	1,839	2,031	2,126
Fire Department Equipment	503	558	598	566	554	657	759	806	750	805
Public Ways & Facilities										
Solid Waste Heavy Equipment	3	3	3	4	4	4	5	5	6	15
Transportation: Trucks, Trailers, and Other Vehicles	277	281	291	296	299	331	346	337	328	324
Airports	6	6	6	6	6	6	6	6	6	6
Bridges	318	318	318	318	318	318	318	318	318	253
Traffic Signal (1)	83	83	90	90	90	90	90	90	90	96
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	163	163	182	181	184	185	194	203	220	135
Medical Center: Number of Hospitals	1	1	1	1	1	1	1	1	1	1
Public Assistance										
Administrative & Office Equipment	657	668	678	642	651	606	617	567	591	435
Education										
Library Branches	32	32	32	32	32	32	32	32	32	32
Bookmobiles	0	0	0	0	0	1	1	1	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:

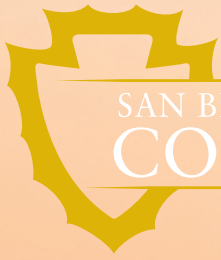
(1) In fiscal year 2013-14 the unit count for traffic signals was changed from 1 per controller to 1 per maintained intersection.

Source:

San Bernardino County Budget
San Bernardino County Departments
Auditor-Controller/Treasurer/Tax Collector, San Bernardino County



SAN BERNARDINO
COUNTY



SAN BERNARDINO
COUNTY



DAWN ROWE
CHAIR

Third District Supervisor

COL. PAUL COOK (RET.)
VICE CHAIR

First District Supervisor

JESSE ARMENDAREZ

Second District Supervisor

CURT HAGMAN

Fourth District Supervisor

JOE BACA, JR.

Fifth District Supervisor



BOARD OF SUPERVISORS

Ensen Mason CPA, CFA

AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR

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