SAN BERNARDINO COUNTY
DEPARTMENT OF PUBLIC WORKS - SPECIAL DISTRICTS
BLOOMINGTON PARK AND RECREATION DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2021

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BLOOMINGTON PARK AND RECREATION DISTRICT
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expect quality.

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Board of Supervisors
San Bernardino County
Department of Public Works-Special Districts
Bloomington Park and Recreation District

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the San Bernardino County-Department of Public Works-Special Districts Bloomington Park and Recreation District (District), a component unit of the San Bernardino County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, and the minimum audit requirements and reporting guidelines for California Special Districts required by the Office of the State Controller. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the San Bernardino County-Department of Public Works-Special Districts Bloomington Park and Recreation District as of June 30, 2021, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Prior-Year Comparative Information

We have previously audited the District's 2020 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund in our report dated December 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The financial statements include summarized prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United Stated of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2020, from which such summarized information was derived.

Required Supplementary Information

Management has omitted Management's Discussion and Analysis and the Schedules of Pension Plan Contribution and Proportionate Share of Net Pension Liability that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated November 24, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eadie and Payne LLP

November 24, 2021
Riverside, California

SAN BERNARDINO COUNTY
DEPARTMENT OF PUBLIC WORKS-SPECIAL DISTRICTS
BLOOMINGTON PARK AND RECREATION DISTRICT
Statement of Net Position
June 30, 2021

	2021 Governmental Activities	For Comparative Purposes Only 2020 Governmental Activities
Assets		
Cash and investments	$ 431,869	$ 911,528
Taxes receivable	5,729	11,737
Due from other governments	3,000,392	8,817
Capital assets, net of depreciation	3,871,015	4,233,266
Total assets	7,309,005	5,165,348
Deferred outflows of resources		
Pensions	78,877	60,557
Total deferred outflows of resources	78,877	60,557
Liabilities		
Current:		
Accounts payable	32,908	29,143
Salaries and benefits payable	3,758	4,103
Due to other governments	3,087,944	44,381
Long-term:		
Note payable	3,000,000	-
Compensated absences payable	1,972	2,320
Net pension liability	160,172	161,010
Total liabilities	6,286,754	240,957
Deferred inflows of resources		
Pensions	7,412	19,003
Total deferred inflows of resources	7,412	19,003
Net position		
Net investment in capital assets	3,871,015	4,233,266
Restricted for parks and recreation	-	732,679
Unrestricted	(2,777,299)	-
Total net position	$ 1,093,716	$ 4,965,945

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

SAN BERNARDINO COUNTY
DEPARTMENT OF PUBLIC WORKS-SPECIAL DISTRICTS
BLOOMINGTON PARK AND RECREATION DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

	2021 Governmental Activities	For Comparative Purposes Only 2020 Governmental Activities
Expenses		
Parks and recreation:		
Salaries and benefits	$ 132,104	$ 198,240
Services and supplies	3,350,398	285,677
Depreciation	362,618	365,089
Total program expenses	3,845,120	849,006
Program revenues		
Special assessment and other taxes	7,996	10,480
Net program revenue (expenses)	(3,837,124)	(838,526)
General revenues and transfers		
Property taxes	452,667	416,378
State assistance	3,332	3,324
Contributions	-	120
Investment earnings	1,252	28,193
Other revenue	182,644	45,675
Other services	-	18,150
Transfers out	(675,000)	-
Total general revenues	(35,105)	511,840
Change in net position	(3,872,229)	(326,686)
Net position at beginning of year	4,965,945	5,292,631
Net position at end of year	$ 1,093,716	$ 4,965,945

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

SAN BERNARDINO COUNTY
DEPARTMENT OF PUBLIC WORKS-SPECIAL DISTRICTS
BLOOMINGTON PARK AND RECREATION DISTRICT
Balance Sheet
Governmental Funds
June 30, 2021

	2021		
	Special Revenue Funds	Capital Projects Funds	
	General (2584)	Kessler Park Ball Field (3166)	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 408,444	$ 23,425	$ 431,869
Taxes receivable	5,729	-	5,729
Due from other governments	-	3,000,000	3,000,000
Total assets	$ 414,173	$ 3,023,425	$ 3,437,598
Liabilities			
Accounts payable	$ 32,908	$ -	$ 32,908
Salaries and benefits payable	3,758	-	3,758
Due to other governments	86,516	3,001,036	3,087,552
Total liabilities	123,182	3,001,036	3,124,218
Fund balances			
Restricted for:			
Parks and recreation	290,991	22,389	313,380
Total fund balance	290,991	22,389	313,380
Total liabilities and fund balance	$ 414,173	$ 3,023,425	$ 3,437,598

Reconciliation of balance sheet of governmental funds to statement of net position:

Total fund balance - governmental funds	$ 313,380
Amounts reported for *governmental activities* in the statement of net position are different because:	
Capital assets used in governemental activities are not financial resources and, therefore, are not reported in the funds.	3,871,015
Compensated absences payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(1,972)
Notes payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(3,000,000)
Deferred outflows of resources, deferred inflows of resources, and long-term liability related to the pension plan are not financial resources or due and payable in the current period and, therefore, are not reported in the governmental funds.	(88,707)
Net position of governmental activities	$ 1,093,716

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

SAN BERNARDINO COUNTY
DEPARTMENT OF PUBLIC WORKS-SPECIAL DISTRICTS
BLOOMINGTON PARK AND RECREATION DISTRICT
Balance Sheet (continued)
Governmental Funds
June 30, 2021

	For Comparative Purposes Only 2020		
	Special Revenue Funds	Captial Projects Funds	
	General (2584)	Kessler Park Ball Field (3166)	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 863,635	$ 47,893	$ 911,528
Taxes receivable	11,737	-	11,737
Due from other governments	8,817	-	8,817
Total assets	$ 884,189	$ 47,893	$ 932,082
Liabilities			
Accounts payable	$ 29,143	$ -	$ 29,143
Salaries and benefits payable	4,103	-	4,103
Due to other governments	44,381	-	44,381
Total liabilities	77,627	-	77,627
Fund balances			
Restricted for:			
Parks and recreation	806,562	47,893	854,455
Total fund balance	806,562	47,893	854,455
Total liabilities and fund balance	$ 884,189	$ 47,893	$ 932,082

Reconciliation of balance sheet of governmental funds to statement of net position:

Total fund balance - governmental funds	$ 854,455
Amounts reported for *governmental activities* in the statement of net position are different because:	
Capital assets used in governemental activities are not financial resources and, therefore, are not reported in the funds.	4,233,266
Compensated absences payable are not due and payable in the current period and, therefore, are not reported in the governmental funds. Compensated absences payable	(2,320)
Notes payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	-
Deferred outflows of resources, deferred inflows of resources, and long-term liability related to the pension plan are not financial resources or due and payable in the current period and, therefore, are not reported in the governmental funds.	(119,456)
Net position of governmental activities	$ 4,965,945

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

SAN BERNARDINO COUNTY
DEPARTMENT OF PUBLIC WORKS-SPECIAL DISTRICTS
BLOOMINGTON PARK AND RECREATION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	2021		
	Special Revenue Funds	Capital Projects Funds	
	General (2584)	Kessler Park Ball Field (3166)	Total Governmental Funds
Revenues			
Property taxes	$ 460,663	$ -	$ 460,663
Other taxes	3,332	-	3,332
Cash contribution	-	-	-
Investment earnings	1,383	(131)	1,252
Other revenue	182,644	-	182,644
Total revenues	648,022	(131)	647,891
Expenditures			
General government			
Salaries and benefits	158,746	4,454	163,200
Services and supplies	318,508	362	318,870
Capital outlay:			
Improvements on land	11,339	3,020,557	3,031,896
Total expenditures	488,593	3,025,373	3,513,966
Excess of revenues over (under) expenditures	159,429	(3,025,504)	(2,866,075)
Other financing sources (uses):			
Note payable proceeds	-	3,000,000	3,000,000
Transfers out	(675,000)	-	(675,000)
Total other financing sources and (uses)	(675,000)	3,000,000	2,325,000
Net change in fund balance	(515,571)	(25,504)	(541,075)
Fund balance - beginning	806,562	47,893	854,455
Fund balance - ending	$ 290,991	$ 22,389	$ 313,380

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

SAN BERNARDINO COUNTY
DEPARTMENT OF PUBLIC WORKS-SPECIAL DISTRICTS
BLOOMINGTON PARK AND RECREATION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds (continued)
For the Year Ended June 30, 2021

	For Comparative Purposes Only 2020		
	Special Revenue Funds	Capital Projects Funds	
	General (2584)	Kessler Park Ball Field (3166)	Total Governmental Funds
Revenues			
Property taxes	$ 426,858	$ -	$ 426,858
Other taxes	3,324	-	3,324
Cash contribution	120	-	120
Investment earnings	26,645	1,548	28,193
Other revenue	63,825	-	63,825
Total revenues	520,772	1,548	522,320
Expenditures			
General government			
Salaries and benefits	135,766	-	135,766
Services and supplies	268,548	-	268,548
Capital outlay:			
Improvements on land	17,129	-	17,129
Total expenditures	421,443	-	421,443
Excess of revenues over (under) expenditures	99,329	1,548	100,877
Other financing sources (uses):			
Note payable proceeds	-	-	-
Transfers out	-	-	-
Total other financing sources and (uses)	-	-	-
Net change in fund balance	99,329	1,548	100,877
Fund balance - beginning	707,233	46,345	753,578
Fund balance - ending	$ 806,562	$ 47,893	$ 854,455

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

SAN BERNARDINO COUNTY
DEPARTMENT OF PUBLIC WORKS-SPECIAL DISTRICTS
BLOOMINGTON PARK AND RECREATION DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

	2021	For Comparative Purposes Only 2020
Net change in fund balance - total governmental funds	$ (541,075)	$ 100,877
Amounts reported for *governmental activities* in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay (net disposals) that was capitalized less depreciation expense in the current year.	(362,251)	(365,089)
Compensated absences are not due and payable in the current year and, therefore, are not reported in the governmental funds.		
(Increase) Decrease in compensated absences payable	348	(1,009)
Note payable proceeds provide current financial resources to governmental funds and repayment of the principal of note payable consumes the current financial resources of governmental funds. However, neither transaction has any effect on changes in net position. This is the amount of the effect of these differences in the treatment of long-term	(3,000,000)	-
Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	30,749	(61,465)
Change in net position of governmental activities	$ (3,872,229)	$ (326,686)

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the San Bernardino County-Department of Public Works-Special Districts Bloomington Park and Recreation District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The Bloomington Park and Recreation District (the "District") was established by an act of the Board of Supervisors of the San Bernardino County (the County) on July 19, 1972. The District maintains a community park, an equestrian area, sports fields, and a community center.

The District is a component unit of the San Bernardino County and is governed by the actions of the County Board of Supervisors.

The accompanying financial statements reflect only the accounts of the Bloomington Park and Recreation District of the San Bernardino County and are not intended to present the financial position of the County taken as a whole.

Because the District meets the reporting entity criteria established by the Governmental Accounting Standards Board (GASB), the District's financial statements have also been included in the Annual Comprehensive Financial Report of the County as a "component unit" for the fiscal year ended June 30, 2021.

Government-wide and fund financial statements

The government-wide financial statements (e.g., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide and fund financial statements (continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Currently, the District does not have a proprietary or fiduciary fund types. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statements presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are 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 payment is due.

Property taxes are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County has established a materiality level for recording year-end accruals. For Special Districts with appropriations of less than $500,000, individual items of less than $1,000 are not accrued at year end. For Special Districts with appropriations over $500,000, individual items of less than $5,000 are not accrued at year end.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement focus, basis of accounting, and financial statements presentation (continued)

The government reports the following major governmental funds:

The *special revenue fund* labeled "General" is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital projects fund* labeled "Kessler Park Ball Field" accounts for improvements and maintenance of Kessler Park Ball Field.

Financial reporting is based upon all GASB pronouncements including the Codification of Accounting and Financial Reporting Guidelines. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contribution, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for us, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition.

Interfund receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (e.g., the current portion of interfund loans) or "advances to/from other funds" (e.g., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Currently, the District does not have any business-type activities.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Taxes and Receivables

Secured property taxes are levied in two equal installments, November 1 and February 1. They become delinquent with penalties on December 10 and April 10, respectively. The lien date is January 1 of each year. Unsecured property taxes are due on March 1 and become delinquent with penalties on August 31. All accounts receivable are shown net of an allowance for uncollectibles when applicable. No allowance for uncollectibles has been recorded as of June 30, 2021 based on management's expectation that all accounts receivable will be collected through the regular tax roll.

Inventories and prepaid items

Inventories, if any, are valued at cost using the fist-in/first-out method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 (for improvements to land and structures and equipment) and have an estimated useful life in excess of two years. Structures with an initial cost of $100,000 are considered capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvement are capitalized as projects are constructed. Donated capital assets are recorded at acquisition value at the date of donation in accordance with GASB No. 72. Property, plant and equipment of the government is depreciated using straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	40-60
Structure and improvements	5-40
Equipment and vehicles	4-15

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee compensated absences

Accumulated vacation, holiday benefits, sick pay and compensatory time are recorded as an expense and liability as the benefits are earned. Compensated absence liabilities are recorded as a current liability. The District is not obligated to pay for unused sick leave if an employee terminates or retires.

Compensated absences activity for the year ended June 30, 2021 was as follows:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year	LT Comp. Absences
Compensated Absences	$ 2,320	6,077	$ (6,425)	1,972	-	1,972

Fund equity

The District follows the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

- *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.

- *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.

- *Committed Fund Balance*: Amounts can only be used for a specific purpose pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Board of Supervisors). The formal action must occur prior to the end of the reporting period, however, the amount may be determined in the subsequent period. These are self-imposed limitations on available resources. These committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same level of action it employed to previously commit those amounts. These committed amounts would be approved and adopted by formal action of the Board.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund equity (continued)

- *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. Such projects would not normally be feasible for the department without reserving funding over a multiple year period.
- *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.

When both restricted and unrestricted resources are available for use when an expenditure is incurred, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed. It is the County's policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Deferred Outflows/ Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the Government-wide and Proprietary Fund Financial Statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

In the government-wide financial statements, net position are classified in the following categories: Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets. Restricted net position is restricted by external creditors, grantors, contributors, laws or regulations of other governments. Unrestricted net position is all net position that does not meet the definition of "net investments in capital assets" or "restricted net position."

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's plan and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by SBCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Stewardship, compliance and accountability

A. Budgetary information

In accordance with provisions of Section 29000-29143 of the Government code of the State of California, commonly known as the County Budget Act, the District prepares and adopts a budget on or before August 30 for each fiscal year.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Stewardship, compliance and accountability (continued)

Budgets are prepared on the modified accrual basis of accounting. The legal level of budgetary control is the object level and the sub-object level for capital assets within each fund.

Amendments or transfers of appropriations between funds or departments must be approved by the Board. Transfers at the sub-object level or cost center level may be done at the discretion of the Special District's Administration Department head. Any deficiency of budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning available fund balances as provided for in the County Budget Act.

B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the commitment will be re-appropriated and honored during the subsequent year.

Note 2: CASH AND INVESTMENTS

Cash and investments include balances of monies deposited with the County Treasurer which are pooled and invested for the purpose of increasing earnings through investment activities. Interest earned on pooled investments is deposited to the District's account based upon the District's average daily deposit balance during the allocation period. Cash and investments are shown at the fair value as of June 30, 2021. Changes in fair value that occur during a fiscal year are recognized as *investment earnings* reported for that fiscal year. *Investment earnings* reports interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments. The County's practice is to hold investments until maturity.

See the San Bernardino County's Annual Comprehensive Financial Report (ACFR) for details of their investment policy and disclosures related to investment credit risk, concentration of credit risk, interest rate risk and custodial credit risk, as required by GASB Statement No. 40, and fair value hierarchy disclosures required by GASB Statement No. 72. The San Bernardino County's ACFR may be obtained from their website https://www.sbcounty.gov/ATC/Services/Documents.

Note 3: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

Governmental activities:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 92,750	$ -	$ -	$ 92,750
Development in progress	23,815	9,343	(23,815)	9,343
Total capital assets, not being depreciated	116,565	9,343	(23,815)	102,093
Capital assets, being depreciated:				
Improvements to land	5,732,939	14,839	-	5,747,778
Structures and improvements	1,151,820	-	-	1,151,820
Vehicle	46,242	-	-	46,242
Equipment	7,100	-	-	7,100
Total capital assets, being depreciated	6,938,101	14,839	-	6,952,940
Less accumulated depreciation for:				
Improvements to land	(2,119,471)	(328,741)	-	(2,448,212)
Structures and improvements	(650,914)	(33,404)	-	(684,318)
Vehicle	(46,242)	-	-	(46,242)
Equipment	(4,773)	(473)	-	(5,246)
Total accumulated depreciation	(2,821,400)	(362,618)	-	(3,184,018)
Total capital assets, being depreciated, net	4,116,701	(347,779)	-	3,768,922
Total capital assets, net	$ 4,233,266	$ (338,436)	$ (23,815)	$ 3,871,015

Note 4: RETIREMENT PLAN

Plan Description. Employees of the District participate in the San Bernardino County's (County) cost-sharing multiple-employer defined benefit retirement plan (the Plan) administered by the San Bernardino County Employee's Retirement Association (SBCERA). The Plan is governed by the San Bernardino Board of Retirement (Board) under 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. SBCERA issues a stand-alone financial report, which may be obtained by contacting the Board of Retirement, 348 W. Hospitality Lane, 3rd Floor, San Bernardino, California 92415-0014.

Note 4: RETIREMENT PLAN (continued)

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, including the District's employees, are classified as General members. Generally, those who become members prior to January 1, 2013 are Tier 1 members. All other members are Tier 2. An employee who is appointed to a regular position, whose service is greater than fifty percent of the full standard of hours required are members of SBCERA, and are provided with pension benefits pursuant to Plan requirements.

The CERL and PEPRA establish benefit terms. Retirement benefits for the General Tier 1 and General Tier 2 Plans are calculated on the basis of age, average final compensation and service credit as follows:

	General – Tier 1	**General – Tier 2**
Final Average Compensation	Highest 12 months	Highest 36 consecutive months
Normal Retirement Age	Age 55	Age 55
Early Retirement: Years of service required and/or eligible for	Age 70 any years	Age 70 any years
	10 years age 50	5 years age 52
	30 years any age	N/A
Benefit percent per year of service for normal retirement age	2% per year of final average compensation for every year of service credit	At age 67, 2.5% 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
Final Average Compensation Limitation	Internal Revenue Code Section 401(a)(17)	Government Code Section 7522.10

Note 4: RETIREMENT PLAN (continued)

Contributions. Participating employers and active members, including the District and the District's employees, are required by statute to contribute a percentage of covered salary 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, 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 contribution rates for the fiscal year ended June 30, 2021 ranged between 9.50% and 15.77% for Tier 1 General members and was 9.09% for Tier 2 General members.

Employer contribution rates for fiscal year ended June 30, 2021 were 25.84% and 23.32% for Tier 1 and Tier 2, respectively.

Actuarial Assumptions and Discount Rates

See the San Bernardino County's Annual Comprehensive Financial Report (ACFR) for details of actuarial assumptions and discount rates for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of $160,172 which represents 1.55% of the San Bernardino County-Department of Public Works-Special Districts' proportionate share of the County's net pension liability. The District's proportion was allocated based on FY 2020 total salaries and benefits relative to the total salaries and benefits of the San Bernardino County-Department of Public Works-Special Districts as a whole.

The San Bernardino County-Department of Public Works-Special Districts' proportionate share of the County's net pension liability was based on its contributions to the pension plan relative to the County's contributions for FY 2020 as a whole. The County's net pension liability was allocated by SBCERA based on the actual employer contributions in each cost group.

Note 4: RETIREMENT PLAN (continued)

The Plan's net pension liability was measured as of June 30, 2020 based upon the results of an actuarial valuation as of the same date. Plan fiduciary net position and the total pension liability were valued as of the measurement dates.

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

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

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
$ 247,964	$ 160,172	$ 88,285

Pension benefit recognized amounted to $(30,749) for the year ended June 30, 2021.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources*	Deferred Inflows of Resources**
$ 78,877	$ 7,412

* Total deferred outflows includes change in assumptions, change in proportion and differences between share of contributions, and contributions after measurement date.

** Total deferred inflows includes differences in expected and actual expense, and net difference between projected and actual earnings on pension plan investments.

Note 4: RETIREMENT PLAN (continued)

Sensitivity of the Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate (continued)

The deferred outflows of resources related to pensions, resulting from the District's contributions to the plan subsequent to the measurement date of $20,496, will be recognized as a reduction of the net pension liability in the following year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ended June 30,		
2022	$	10,199
2023		14,324
2024		12,995
2025		11,170
2026		2,281
Total	$	50,969

Note 5: RISK MANAGEMENT

The County has self-insurance programs for public liability, property damage, unemployment insurance, employee dental insurance, hospital and medical malpractice liability, environmental liability, and workers' compensation claims. Public liability claims are self-insured for up to $3.0 million per occurrence. 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 DistrictC-EIA (California State Association of Counties – Excess Insurance Authority), as follows: Primary liability coverage $25 million excess of $3 million self-insured retention with QBE Insurance, Munich Reinsurance America, Inc., Markel Corp., Great American Ins., Brit Global Specialty USA, and Lloyd's of London ANNV syndicate. Excess liability coverage for $10 million, excess of $25 million with Brit Global Specialty USA and Great American Ins. Company. Allied World Assurance Co. (AWAC) provides excess liability coverage of $15 million, excess of $35 million. In addition, the actuary has recommended that the County maintains a $24 million reserve to cover SIR exposure for auto and general liability programs. No settlements related to these programs have exceeded insurance coverage in the last three years.

Note 5: RISK MANAGEMENT (Continued)

The Workers' Compensation program continued under DistrictC-EIA 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 Corporation. Property damage claims are insured on an occurrence basis over a $25 thousand deductible, and insured through DistrictC-EIA and reinsured with Lexington Insurance Co. and with several insurers/reinsurers like AWAC, Ironshore, Partner RE, and Lloyd's of London, among others.

The County supplements its self-insurance for medical malpractice claims with a $25 million policy ($35 million aggregate) with BETA Risk Management Authority, which provides annual coverage on a 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. The County has experienced only two significant environmental liability claims since it began self-insuring this exposure in 1983. Given that environmental liability is an extremely volatile coverage, which is characterized by low frequency and high severity, the County has taken a conservative stance, as recommended by the actuary, by setting aside a minimum of $10 million to cover future environmental liability claims.

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

The activities related to such programs are accounted for in the Risk Management Department's internal service funds ("Funds"), except for unemployment insurance, and employee dental insurance, which are accounted for in the General Fund. The liabilities recorded in these Funds are based on the results of actuarial studies and include amounts for allocated and unallocated loss adjustment expenses. The liabilities for these claims are reported using a discounted rate of 1.392% and an actuarially-determined 80% confidence level. It is the County's practice to obtain actuarial studies on an annual basis.

See the San Bernardino County's Annual Comprehensive Financial Report (ACFR) for details of their claims liability in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, at June 30, 2021.

Note 6: NOTE PAYABLE

Bloomington Recreation and Park District entered into a loan agreement with the County General Fund during the year ended June 30, 2021 for costs related to the Ayala Park Relocation Project. The note payable will be repaid by the District upon receipt of proceeds from the sale of the existing Ayala Park property at a future date, plus interest at the County Treasurer's Investment Pool rate. The outstanding amount at June 30, 2021 is $3,000,000.

Note 7: TRANSFERS

During the current year, balances of $675,000 were transferred from Bloomington Recreation and Park District to the County's Community Development and Housing Department as follows. The transferred amounts were for reimbursements for the Ayala Park Relocation Project.

	Transfers In	
Transfers Out	County's Community Development and Housing	Total
General (2584)	$ 675,000	$ 675,000
Total	$ 675,000	$ 675,000

Note 8: CONTINGENCIES

As of June 30, 2021, in the opinion of the District Administration, there are no outstanding matters, which would have a significant effect on the financial position of the District.

Note 9: RISKS AND UNCERTAINTIES

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions in the U.S., accelerating through the rest of 2020 an 2021, as federal, state, and local government react to the public health crisis, creating significant uncertainties in the U.S. economy. These uncertainties could negatively impact the District's operations and financial results.

Note 10: SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 24, 2021, which is the date the financial statements were available to be issued. No events occurred through this date requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION
SAN BERNARDINO COUNTY
DEPARTMENT OF PUBLIC WORKS-SPECIAL DISTRICTS
BLOOMINGTON PARK AND RECREATION DISTRICT
Budgetary Comparison Schedule - Special Revenue Funds (General)
For the Year Ended June 30, 2021

	Special Revenue Funds			
	General (2584)			
	Original Budget	Final Budget	Actual	Variances with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 395,500	$ 395,500	$ 460,663	$ 65,163
Other taxes	3,000	3,000	3,332	332
Investment earnings	15,500	15,500	1,383	(14,117)
Other revenue	3,500	443,500	182,644	(260,856)
Total revenues	417,500	857,500	648,022	(209,478)
Expenditures				
General government				
Salaries and benefits	186,418	168,549	158,746	9,803
Services and supplies	231,082	318,798	318,508	290
Capital outlay:				
Equipment	-	36,340	11,339	25,001
Total expenditures	417,500	523,687	488,593	35,094
Excess of revenues over (under) expenditures	-	333,813	159,429	(174,384)
Other Financing Sources (Uses)				
Transfers out	(33,000)	(1,053,153)	(675,000)	378,153
Total Other Financing Sources (Uses)	(33,000)	(1,053,153)	(675,000)	378,153
Net change in fund balance	$ (33,000)	$ (719,340)	(515,571)	$ 203,769
Fund balance - beginning			806,562	
Fund balance - ending			$ 290,991	